

University of Colorado

Financial and Compliance Report

For the Years Ended June 30, 2025 and 2024

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The Members of the Legislative Audit Committee
University of Colorado Board of Regents Audit Committee

We have completed the financial statement audit of University of Colorado as of and for the year ended June 30, 2025. Our audit was conducted in accordance with 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.

We were engaged to conduct our audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of state government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

Forvis Mazars, LLP

**Denver, Colorado
December 12, 2025**

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ABBREVIATIONS AND ACRONYMS

18 th Avenue	18 th Avenue, LLC
AAP	Automatic Adjustment Provision
ACFR	Annual Comprehensive Financial Report
AED	Amortization Equalization Disbursement
AFR	Annual Financial Report
AHEC	Auraria Higher Education Center
AI	Annual Increases
AIR	Annual Increase Reserve
Altitude West	Altitude West, LLC
AMP	Alternate Medicare Payment
ARPA-H	Advanced Research Projects Agency for Health
C.C.R.	Code of Colorado Regulations
CDPHE	Colorado Department of Public Health and Environment
CHAP	Chemistry and Applied Math Building
Children's Colorado	Children's Hospital Colorado
CIC	CUBEC Investments Corporation
CMS	Centers for Medicare and Medicaid Services
COF	College Opportunity Fund
CP	Commercial Paper
C.R.S.	Colorado Revised Statutes
CU Anschutz	University of Colorado Anschutz Medical Campus
CU Boulder	University of Colorado Boulder
CU Denver	University of Colorado Denver
CU Denver Anschutz	University of Colorado Denver Anschutz Medical Campus
CU Foundation	University of Colorado Foundation
CU Medicine	University of Colorado Medicine
CUAEHL	CU Anschutz Equity Holdings, LLC
CUBLEHL	CU Boulder License Equity Holdings, LLC
CUBEC	University of Colorado Boulder Enterprise Corporation
CVA	Campus Village Apartments
DOD	Department of Defense
DPCU	Discretely Presented Component Units
DPS	Division of Public Safety
ED	Department of Education
ERIP	Early Retirement Incentive Program
ERISA	Employee Retirement Income Security Act of 1974, as amended
FAMLI	Family and Medical Leave Insurance
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FNP	Fiduciary Net Position
Fund	CU Healthcare Innovation Fund, L.P.
Fund II	CU Healthcare Innovation Fund II, L.P.
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GME	Graduate Medical Education
HB	House Bill
HCPF	Colorado Department of Health Care Policy and Financing
HCTF	Health Care Trust Fund
HHS	Department of Health and Human Services
IRC	Internal Revenue Code
IRS	Internal Revenue Service
LASP	Laboratory for Atmospheric and Space Physics
MD&A	Management's Discussion and Analysis

ABBREVIATIONS AND ACRONYMS

MAPD	Medicare Advantage Prescription Drug
NACUBO	National Association of College and University Business Officers
NASA	National Aeronautics and Space Administration
NAV	Net Asset Value
NSF	National Science Foundation
OIT	Office of Information Technology
OPEB	Other Postemployment Benefits
ORP	Optional Retirement Plan
PDPA	Public Deposit Protection Act
PERA	Public Employees' Retirement Association of Colorado
Regents	Board of Regents
RIO	Research and Innovation Office
RSI	Required Supplementary Information
S&P	Standard and Poor's
SAED	Supplemental Amortization Equalization Disbursement
SB	Senate Bill
SBITA	Subscription-Based Information Technology Arrangements
SDTF	State Division Trust Fund
SEC	Securities and Exchange Commission
SEIR	Single Equivalent Interest Rate
SI Trust	University of Colorado Self-Insurance Trust
SOFR	Secured Overnight Financing Rate
SOM	School of Medicine
State	State of Colorado
Statement No. 68	Accounting & Financial Reporting for Pensions (as amended)
Statement No. 75	Accounting & Financial Reporting for Postemployment Benefits Other than Pensions
Statement No. 87	Leases
Statement No. 96	Subscription-Based Information Technology Arrangements
Statement No. 101	Compensated Absences
Statement No. 102	Certain Risk Disclosures
Statement No. 103	Financial Reporting Model Improvements
Statement No. 104	Disclosure of Certain Capital Assets
TABOR	Taxpayer's Bill of Rights
TOL	Total OPEB Liability
TPL	Total Pension Liability
Trust	University of Colorado Health and Welfare Trust
UCCS	University of Colorado Colorado Springs
UCHealth	University of Colorado Hospital
ULEHI	University License Equity Holding, Inc.
University	University of Colorado
US Bank	US Bank National Association
VEBA	Voluntary Employees' Beneficiary Association
VRIP	Voluntary Retirement Incentive Program

UNIVERSITY OF COLORADO
REPORT SUMMARY
Year Ended June 30, 2025

Purpose and Scope of Audit

Authority, Purpose and Scope

The Office of the State Auditor, State of Colorado, engaged Forvis Mazars, LLP (Forvis Mazars) to conduct a financial and compliance audit of the University of Colorado (the University) for the fiscal year ended June 30, 2025. Forvis Mazars performed the audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America. Forvis Mazars was not engaged to audit the University's aggregate discretely presented component units both of which were audited by other auditors. Forvis Mazars was also not engaged to audit the financial statements of the University of Colorado Medicine or the University License Equity Holding Inc., both of which are blended component units of the University, and audited by other auditors. Forvis Mazars was engaged directly by Altitude West, LLC to audit the financial statements of Altitude West, LLC, which is a blended component unit of the University. Forvis Mazars was also engaged directly by the University of Colorado Health and Welfare Trust (the Trust) to audit the financial statements of the Trust which is a fiduciary component unit of the University.

The purpose and scope of the audit were to:

- Express an opinion on the basic financial statements of the University as of and for the year ended June 30, 2025.
- Issue a report on the University's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters based on our audit of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2025.
- Evaluate compliance with laws, regulations, contracts, and grants governing the expenditure of federal and state funds.
- Evaluate progress in implementing audit recommendations, if any.

The University's Schedule of Expenditures of Federal Awards and applicable opinions thereon, issued by the Office of the State Auditor, are included in the Statewide Single Audit Report issued under separate cover.

Summary of Major Audit Comments

Audit Findings and Financial Statement Audit Report Section

There were no recommendations as a result of the prior year's audit.

There were no new recommendations as a result of the current year audit.

Audit Opinions and Reports

The independent auditor's reports included herein expressed an unmodified opinion on the University's financial statements as of and for the year ended June 30, 2025. Our report included a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, and the financial statements of the University of Colorado Medicine and the University License Equity Holding Inc., both of which are blended component units. Our report also included an emphasis of matter paragraph about the reporting entity.

UNIVERSITY OF COLORADO
REPORT SUMMARY
Year Ended June 30, 2025

We issued a report on the University's compliance and internal control over financial reporting based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*. 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 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.

No instances of noncompliance considered material to the financial statements were disclosed by the audit.

Significant Audit Adjustments

There were no proposed audit adjustments for the year ended June 30, 2025.

Auditor's Communication to Legislative Audit Committee

The auditor's communication to the Legislative Audit Committee describes the auditor's responsibility under auditing standards generally accepted in the United States of America and significant management judgments and estimates. This communication is located on page 125.

UNIVERSITY OF COLORADO
Description of the University of Colorado
Year Ended June 30, 2025

The University of Colorado (the University) was established on November 7, 1861 by an Act of the Territorial Government. Upon the admission of Colorado into the Union in 1876, the University was declared an institution of the State of Colorado (the State) and the Board of Regents was established under the State Constitution as its governing authority.

The University consists of the system office and the following three accredited campuses:

- University of Colorado Boulder
- University of Colorado Denver | Anschutz Medical Campus
- University of Colorado Colorado Springs

The three campuses comprise 26 schools and colleges, which offer 196 programs of study at the undergraduate level and 305 at the graduate level, offering 419 bachelor's and master's degrees, along with 117 doctorates.

The Board of Regents is charged constitutionally with the general supervision of the University and the exclusive control and direction of all funds of and appropriations to the University, unless otherwise provided by law. The Board of Regents consists of nine members serving staggered six-year terms, one elected from each of the State's seven congressional districts and two elected from the State at large.

The Board of Regents appoints the President of the University. The President is the chief executive officer of the University. The President is responsible for the administration of the University and for compliance of all University matters with applicable regent laws and policies and state and federal constitutions, laws, and regulations. The President is the chief academic officer of the University, responsible for providing academic leadership for the University in meeting the needs of the State, and shall maintain and advance the academic policies of the University. The President is also the chief spokesperson for the University and interpreter of University policy and represents and interprets the roles, goals, and needs of the University throughout the State and elsewhere, as appropriate. The Chancellors are the chief academic and administrative officers at the campus level, responsible to the President for the conduct of the affairs of their respective campuses in accordance with the policies of the Board of Regents.

Enrollment, faculty and staff information is presented below.

Full-time equivalent (FTE) student enrollment					
Fiscal years	Undergraduate		Graduate		Total
	Resident	Nonresident	Resident	Nonresident	
2024 – 2025	31,690	15,287	9,527	4,286	60,790
2023 – 2024	30,830	14,877	9,188	4,452	59,347
2022 – 2023	30,094	14,469	9,246	4,398	58,207

FTE Faculty and Staff			
Fiscal years	Instructional	Other Faculty	Total
	Faculty	and Staff *	
2024 – 2025	8,348	17,457	25,805
2023 – 2024	7,956	16,899	24,855
2022 – 2023	7,880	15,823	23,703

Source of Student FTE = published at <https://www.cu.edu/student-fte>

Source of Faculty & Staff = as reported to Integrated Postsecondary Education Data System

* Medical residents were included in FTE for Other Faculty and Staff

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Independent Auditor's Report

The Members of the Legislative Audit Committee
University of Colorado Board of Regents Audit Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary component unit of the University of Colorado (the University), a higher education institution 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 reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the fiduciary component unit of the University of Colorado, 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 Colorado Medicine (CU Medicine) or the University License Equity Holding Inc. (ULEHI), both blended component units of the University, which represent approximately 13 percent, 25 percent, and 30 percent of the assets, net position, and operating revenues, respectively, of the business-type activities of the University as of and for the year ended June 30, 2025. We did not audit the financial statements of CU Medicine, Altitude West, LLC, or ULEHI, all blended component units of the University, which represent approximately 13 percent, 26 percent, and 30 percent of the assets, net position, and operating revenues, respectively, of the business-type activities of the University for the year ended June 30, 2024. In addition, we did not audit the financial statements of the University of Colorado Foundation (CU Foundation) or the CU Boulder Enterprise Corporation (CUBEC), which represent 100 percent of the discretely presented component units of the University as of and for the years ended June 30, 2025 and 2024. 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 CU Medicine, ULEHI, the CU Foundation, and CUBEC, are based solely on the reports of the other auditors. The statements for Altitude West LLC were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts, is based solely on the reports of the other auditors for the year ended June 30, 2024.

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 audit. 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 CU Medicine and Altitude West, LLC, blended component units, the CU Foundation and CUBEC, discretely presented component units, and the University of Colorado Health and Welfare Trust, a fiduciary component unit, 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 of the State of Colorado, are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of the business-type activities, discretely presented component units, and fiduciary component unit of only the University. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2025 and 2024 and the changes in its financial position and where applicable its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information 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 GAAS, 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 financial report. The other information comprises the abbreviations, acronyms, and description of the University, 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 12, 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.

Forvis Mazars, LLP

Denver, Colorado
December 12, 2025

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UNIVERSITY OF COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025 and 2024 (unaudited)

Management is pleased to present this financial discussion and analysis of the University of Colorado (the University). It is intended to make the University's financial statements easier to understand and communicate our financial situation in an open, accountable, and transparent manner. It provides an analysis of the University's net position and results of operations for the years ended June 30, 2025 and 2024 (Fiscal Years 2025 and 2024, respectively), with comparative information for the year ended June 30, 2023 (Fiscal Year 2023). University management is responsible for the completeness and fairness of this discussion and analysis and the financial statements.

UNDERSTANDING THE FINANCIAL STATEMENTS

Statements of Net Position present 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). Their purpose is to present a financial snapshot of the University. They aid readers in determining the assets available to continue the University's operations; how much the University owes to employees, vendors, and lenders, and a picture of net position.

Statements of Revenues, Expenses, and Changes in Net Position present the total revenues and expenses of the University for operating, nonoperating, and other undertakings during the fiscal years ended June 30, 2025 and 2024. Their purpose is to assess the University's operating and nonoperating activities.

Statements of Cash Flows present cash receipts and payments of the University during the fiscal years ended June 30, 2025 and 2024. Their purpose is to present the sources of cash coming into the University, how that cash was expended, and the change in the cash balance during the year.

Notes to the Financial Statements present additional information to support the financial statements. Their purpose is to clarify and expand on the information in the financial statements.

Required Supplementary Information (RSI) presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes schedules of the University's proportionate share of the Colorado Public Employees' Retirement Association (PERA) pension liability and other postemployment benefits (OPEB) liability, contributions to the PERA pension and OPEB plans, the changes in the Alternate Medicare Payment (AMP) liability and the OPEB liability and related ratios, and the management's discussion and analysis (MD&A).

Nonfinancial indicators are also available to assess the overall state of the University. Examples of nonfinancial indicators include trend and quality of applicants, freshman class size, student retention, building condition, and campus safety. Information about nonfinancial indicators is not included in this analysis but may be obtained from the University's Budget and Finance Office (see www.cu.edu/budgetpolicy/accountability-data-center).

UNIVERSITY OF COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025 and 2024 (unaudited)

FINANCIAL HIGHLIGHTS

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

- University assets total \$10,166,104,000, deferred outflows of resources (reflecting losses on bond refundings, certain changes in the pension and OPEB payments, and other items) total \$605,275,000, liabilities total \$5,595,888,000, and deferred inflows of resources total \$394,775,000 (reflecting gains on bond refundings, pension and OPEB payments, leases, and other items) resulting in net position of \$4,780,716,000. Of this amount, \$2,301,074,000 is net investment in capital assets, \$49,526,000 is restricted for nonexpendable purposes, meaning only the earnings on the related investments may be used for purposes dictated by the resource provider, and \$686,203,000 is restricted for purposes for which the donor, grantor, or other external party intended. The remaining unrestricted balance is \$1,743,913,000.
- The decrease in the University's net pension liability of \$85,445,000 for Fiscal Year 2025 is a result of the changes in underlying actuarial assumptions made by PERA, along with the restoration of the direct distribution contributed by the State of Colorado which began in July 2018. The increase in the net OPEB liability of \$234,018,000 for Fiscal Year 2025 is primarily due to a change in the discount rate used to calculate the balance of the University's OPEB plan. See Notes 9 and 10 for more information.
- In total, operating revenues increased 6.5 percent in Fiscal Year 2025 while operating expenses increased 8.4 percent. For comparative purposes, operating revenues increased 8.7 percent in Fiscal Year 2024 while operating expenses increased 7.2 percent. The increase in operating expenses is commensurate with the increase in operating revenues for Fiscal Year 2025. See the Revenues section of the MD&A for more details.

STATEMENTS OF NET POSITION

Figure 1 illustrates the University's summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The mix of assets, liabilities, and net position has remained consistent with the exception of the PERA pension and OPEB liabilities and related deferred outflows and inflows of resources experiencing changes from year to year. The deferred outflows of resources of \$605,275,000 in Fiscal Year 2025, \$657,660,000 in Fiscal Year 2024, and \$583,952,000 in Fiscal Year 2023 primarily represent the deferred loss on bond refundings and items related to the pension and OPEB liabilities. The pension and OPEB liabilities and the related deferred balances fluctuated due to changes in funding from pension reform, actuarial assumptions, and experience. Analysis of the University's capital and right-to-use assets and related debt is included in the section Capital and Right-to-Use Asset and Debt Management, whereas this section provides analysis of the University's noncapital assets and other liabilities.

UNIVERSITY OF COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025 and 2024 (unaudited)

Figure 1. Summary of Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position
(in thousands)

	2025	2024	2023
Assets			
Current assets	\$ 4,586,428	4,493,541	3,954,262
Noncurrent, noncapital assets	1,502,126	1,312,472	1,162,202
Net capital assets	4,077,550	4,003,067	3,961,180
Total Assets	10,166,104	9,809,080	9,077,644
Deferred Outflows			
Loss on bond refundings	30,908	34,018	43,367
Other postemployment benefits related	471,355	477,736	339,153
Alternate Medicare payment related	15,843	20,581	26,021
PERA pension related	86,926	125,086	175,121
Other	243	239	290
Total Deferred Outflows	605,275	657,660	583,952
Total Assets and Deferred Outflows	10,771,379	10,466,740	9,661,596
Liabilities			
Current liabilities	868,176	1,022,096	750,297
Noncurrent liabilities	4,727,712	4,597,407	4,508,245
Total Liabilities	5,595,888	5,619,503	5,258,542
Deferred Inflows			
Lease related	64,491	66,408	67,402
Gain on bond refundings	16,056	17,980	-
Other postemployment benefits related	246,246	313,875	391,740
Alternate Medicare payment related	34,061	35,597	34,417
PERA pension related	31,914	31,135	16,272
Other	2,007	1,911	1,775
Total Deferred Inflows	394,775	466,906	511,606
Total Liabilities and Deferred Inflows	5,990,663	6,086,409	5,770,148
Net Position			
Net investment in capital assets	2,301,074	2,152,257	2,045,802
Restricted for nonexpendable purposes	49,526	49,212	49,198
Restricted for expendable purposes	686,203	651,885	665,015
Unrestricted	1,743,913	1,526,977	1,131,433
Total Net Position	4,780,716	4,380,331	3,891,448
Total Liabilities, Deferred Inflows and Net Position	\$ 10,771,379	10,466,740	9,661,596

ASSETS

From Fiscal Year 2024 to 2025 and from Fiscal Year 2023 to 2024, the increases in total assets were primarily due to increases in the investment balances.

The University's investments were \$4,767,429,000 and \$4,572,258,000 at June 30, 2025 and 2024, respectively, representing an increase of \$195,171,000 at June 30, 2025. The increase is primarily due to proceeds from the Series 2025A bond issuances in February 2025, in addition to overall market performance. The University's investments were \$4,054,903,000 at June 30, 2023, representing an increase of \$517,355,000 at June 30, 2024. The increase is primarily due to investments held in escrow from the Series 2023B1 and 2023B2 bond issuances, in addition to overall market performance.

UNIVERSITY OF COLORADO
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LIABILITIES

The University's non-debt-related liabilities were \$3,745,597,000, \$3,577,526,000, and \$3,311,690,000 at June 30, 2025, 2024, and 2023, respectively. These liabilities are comprised of amounts categorized in Figure 2.

Figure 2. Composition of Non-debt-related Liabilities (in thousands)

		2025	2024	2023
Accounts payable	\$	187,583	172,673	171,936
Accrued expenses		155,036	139,356	143,230
Compensated absences		408,379	391,152	359,572
FAMLI liability		6,125	10,729	5,773
Unearned revenue		223,197	244,838	225,379
Other postemployment benefits		1,704,764	1,470,746	1,144,336
Alternate Medicare payment		104,798	103,247	103,810
Net pension liability		874,524	959,969	1,083,200
Risk financing		30,246	32,828	30,175
Construction contract retainage		10,876	6,032	3,808
Funds held for others		20,368	21,131	19,614
Federal Perkins loan		4,790	6,293	8,130
Early retirement incentive program		3,735	10,392	5,789
Asset retirement obligation		1,414	1,391	1,381
Miscellaneous liabilities		9,762	6,749	5,557
Total Non-debt-related Liabilities	\$	3,745,597	3,577,526	3,311,690

The four largest categories of non-debt-related liabilities are OPEB liabilities, the net pension liability, compensated absences, and unearned revenue.

The University is required to account for and report on OPEB (Note 9). Such benefits include health insurance benefits for University retirees and their dependents. The University has chosen to fund this liability on a pay-as-you-go basis; therefore, there are no assets held in trust to pay future benefits which have been earned by employees. Statement No. 75, *Accounting & Financial Reporting for Postemployment Benefits Other than Pensions* (Statement No. 75), was effective for Fiscal Year 2018 and required the full recognition of the liability to employees for OPEB. In addition, University employees in PERA can elect to participate in the PERACare program for other postretirement benefits so the University is required to record its proportionate share of PERA's net OPEB liability. As noted in Figure 2, the liability required to be reported in the financial statements totaled \$1,704,764,000, \$1,470,746,000, and \$1,144,336,000 in Fiscal Year 2025, 2024, and 2023, respectively, which equates to \$1,691,274,000, \$1,449,820,000, and \$1,119,454,000, respectively, from the University's OPEB plan and \$13,490,000, \$20,926,000, and \$24,882,000, respectively, from PERA's OPEB plan. The increase in the University OPEB liability in Fiscal Years 2025 and 2024 is primarily due to an actuarial assumption change regarding the discount rate. Additionally, in Fiscal Year 2025, the trend rate schedule was updated to reflect anticipated future experience.

As discussed in Note 10, the University participates in the statewide PERA cost-sharing defined benefit pension plan. Statement No. 68 *Accounting and Financial Reporting for Pensions* (Statement No. 68) requires the University to record its "proportionate share" of PERA's net pension liability. The University has no legal requirement to pay this liability in the event of PERA's insolvency nor does it have the ability to determine the employer or employee annual contributions. The liability cannot be prepaid. From PERA's

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2024 Annual Comprehensive Financial Report (ACFR), PERA's net pension liability for the state division was \$9,509,399,000 and the University's Fiscal Year 2025 proportionate share of the liability based on calendar 2024 contributions was \$874,524,000. From PERA's 2023 ACFR, PERA's net pension liability for the state division was \$10,113,093,000 and the University's Fiscal Year 2024 proportionate share of the liability based on calendar 2023 contributions was \$959,969,000. While the change in the net pension liability impacted total liabilities, unrestricted net position, and pension expense, the associated cash flow out of the University remained fixed by the contribution levels set in State statute (see Figure 6). The majority of the \$85,445,000 decrease in Fiscal Year 2025 and the \$123,231,000 decrease in Fiscal Year 2024 can be attributed to changes in actuarial assumptions and ongoing adjustments from the enactment of pension reform and the direct distributions made by the State.

Compensated absences estimate the amount payable to employees in the future for their vested rights under the University's various leave programs. This estimate is based on personnel policies that define the amount of vacation and sick leave to which each employee may be entitled. Compensated absences typically increase year-over-year due to increases in headcount and salaries. Effective July 1, 2024, the University adopted the provisions of GASB Statement No. 101, *Compensated Absences* (Statement No. 101) which 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. Upon evaluation, the University's existing calculation met the requirements of Statement No. 101. The increase of \$17,227,000 in compensated absences is primarily due to the increase in pay rates and the increase in staff and faculty headcount, offset by a decrease due to no longer including salary-related payments for PERA's defined benefit pension plan. See Table 1.2 and Table 6.2 in the notes to the Annual Financial Report (AFR) for more information.

Unearned revenue represents amounts paid by students, auxiliary enterprise customers, grantors, and contractors for which the University has not met all of its requirements for revenue recognition. These amounts will be recognized as revenue in future periods after all conditions have been satisfied. The unearned revenue balance fluctuates from year to year depending on factors such as the timing of the first day of classes and the rate of spending on grants and contracts for which payment has been received in advance.

In Fiscal Year 2025, there was a \$32,000,000 decrease in unearned revenue related to the advance payment of expenses for sponsored projects offset by a \$4,900,000 increase in Athletics events at CU Boulder. In Fiscal Year 2024, there was a \$30,000,000 increase in unearned revenue related to the advance payment of expenses for sponsored projects offset by a \$13,000,000 decrease in Athletics events at CU Boulder, in addition to increases in deferred summer tuition. See Note 7 in the AFR for more information.

NET POSITION

The University's net position may have restrictions imposed by external parties, such as donors, or include items that, by their nature are invested in capital and right-to-use assets (property, plant, and equipment) and are therefore not available for expenditure or debt repayment. To help understand these restrictions, the University's net position is shown in four categories, as displayed in Figure 1.

A portion of net position is restricted for either expendable or nonexpendable purposes. This portion is then more specifically delineated by programmatic restrictions. The programmatic category of the restriction is shown on the statement of net position. The majority of the endowment assets benefiting the University are held by the University of Colorado Foundation (CU Foundation), which is a discretely presented component unit (Note 17 in the AFR) and not included in the above amounts. An expendable restriction allows the University to spend the full amount, but only for the purposes identified by the entity providing the money. Unrestricted net position, as defined by Generally Accepted Accounting Principles (GAAP), is available

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for spending for any lawful purpose under the full discretion of management. However, the University has placed internal limitations on future use by designating unrestricted net position for certain purposes in keeping with management's plans to manage resources (Note 12 in the AFR).

In Fiscal Years 2025 and 2024, total restricted for nonexpendable net position increased by \$314,000 and \$14,000, respectively, due to additions to existing permanent endowments.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Figure 3 illustrates the University's summary of revenues, expenses, and changes in net position. A key component of this summary is the differentiation of operating and nonoperating activities. Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the University. Nonoperating revenues/expenses include items determined not to fall in the operating category.

Figure 3. Summary of Revenues, Expenses, and Changes in Net Position *(in thousands)*

	2025	2024	2023
Operating revenues	\$ 5,806,600	5,449,857	5,012,277
Operating expenses	6,253,699	5,766,631	5,379,113
Operating Loss	(447,099)	(316,774)	(366,836)
Net nonoperating revenues (expenses)	802,813	743,532	605,927
Income (Loss) Before Other Revenues	355,714	426,758	239,091
Other revenues	44,671	62,125	31,262
Change in Net Position	400,385	488,883	270,353
Net Position, beginning of year	4,380,331	3,891,448	3,621,095
Net Position, End of Year	\$ 4,780,716	4,380,331	3,891,448

REVENUES

Figure 4 provides an illustration of operating and nonoperating revenues by major sources excluding capital-related revenues. These sources include both State-appropriated and non-appropriated funds (see Note 13 in the AFR for more information). Appropriated funds are those controlled by legislation through the general or special appropriation process and are designated for specific purposes. For the last three fiscal years, appropriated funds primarily included student tuition and fees, State of Colorado (State) stipends, fee-for-service contract revenues, and tobacco litigation settlement monies. Student tuition and fees are included only as an informational item in the State's budget as the revenue is not received from the State, but rather from outside entities. The College Opportunity Fund (COF) provides stipends to qualified undergraduate students; the receiving students then use the stipends to pay a portion of their tuition. In November 1992, Colorado voters passed Section 20, Article X of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to all the local governments and the State, including the University. In Fiscal Year 2005, the Colorado State Legislature determined in the Colorado Revised Statutes (C.R.S.) § 23-5-101.7 that an institution of higher education may be designated as an "enterprise" for the purposes of TABOR so long as the institution's governing board retains authority to issue revenue bonds on its behalf and the institution receives less than 10 percent of its total annual revenue in grants as defined by TABOR. Further, so long as it is so designated as an enterprise, the institution shall not be subject to any provisions of TABOR. In July 2005, the University's Board of Regents (the Regents) designated the University as a TABOR enterprise pursuant to the statute. During the Fiscal Years ended June 30, 2025, 2024, and 2023,

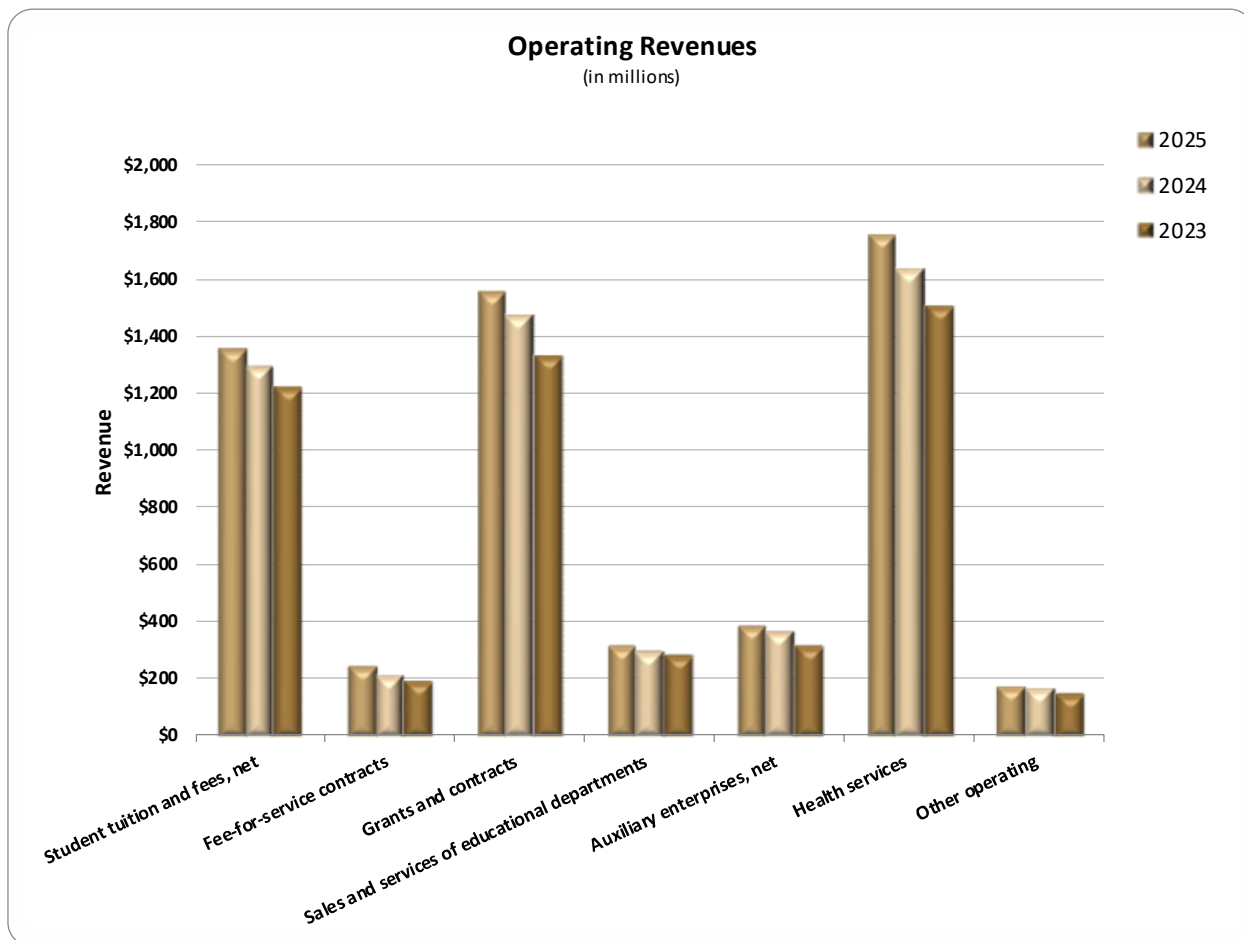
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the University believes it has met all requirements of TABOR enterprise status (Note 13 in the AFR). The amount of State grants received by the University was 0.83 percent, 1.17 percent, and 1.15 percent of total annual revenues during the Fiscal Years ended June 30, 2025, 2024, and 2023, respectively. The ability of the Regents to increase tuition rates is limited by the State, although the University's operations no longer impact the State's TABOR spending limits due to the University's enterprise status.

Figure 4. Operating and Nonoperating Revenues (Excluding Capital)

<i>(in thousands)</i>	2025	2024	2023
Operating Revenues			
Student tuition and fees, net	\$ 1,359,981	1,295,066	1,224,562
Fee-for-service contracts	250,443	212,975	193,930
Grants and contracts	1,552,983	1,469,490	1,334,081
Sales and services of educational departments	320,168	298,512	285,454
Auxiliary enterprises, net	388,384	371,328	317,627
Health services	1,756,564	1,632,326	1,504,889
Other operating	178,077	170,160	151,734
Total Operating Revenues	5,806,600	5,449,857	5,012,277
Nonoperating Revenues			
Federal Pell Grant	\$ 80,269	61,581	56,390
State appropriations	20,999	25,029	16,113
State support for PERA pension	6,911	1,541	19,751
COVID-19 Aid	-	-	5,601
Gifts	297,419	273,675	241,894
Investment income, net	422,213	404,215	288,579
Royalty income, net	7,976	24,049	20,003
Other nonoperating, net	13,731	8,306	10,201
Total Nonoperating Revenues	849,518	798,396	658,532
Total Noncapital Revenues	\$ 6,656,118	6,248,253	5,670,809

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The University experienced increases in all operating revenue sources in Fiscal Years 2025 and 2024. The increase in tuition and fee revenue for Fiscal Year 2025 reflects a combination of increases in enrollment and tuition rate increases. For Fiscal Year 2025, the approved increase in tuition rates was 2.8 percent at CU Boulder, 3.0 percent at UCCS, 2.9 percent at CU Denver, and 1.9 percent at CU Anschutz for resident undergraduate nursing. In accordance with the resident tuition guarantee at CU Boulder, each incoming freshman undergraduate resident student with in-state classification will have no increase in tuition for their next three years. The increase in tuition and fee revenue for Fiscal Year 2024 reflects a combination of increases in enrollment and tuition rate increases. For Fiscal Year 2024, the approved increase in tuition rates was 4.0 percent at CU Boulder, 5.0 percent at UCCS and CU Denver, and 4.0 percent at CU Anschutz for resident undergraduate nursing.

In Fiscal Years 2025, 2024, and 2023, the University applied \$101,808,000, \$98,481,000, and \$84,976,000, respectively, of COF stipends against student tuition bills (these amounts are included in tuition revenues), with a per credit hour stipend rate of \$116 in Fiscal Years 2025 and 2024 and \$104 in Fiscal Year 2023. Due to the appropriations in the State budget, fee-for-service revenue increased \$37,468,000 between Fiscal Years 2024 and 2025, and \$19,045,000 between Fiscal Years 2023 and 2024.

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Consistent with the University's goal to increase its focus and national role as a comprehensive research institution, one of the three largest sources of revenue for the University continues to be grants and contracts revenue, which includes funding from federal, state, and local governments, and private sources. Grants and contracts revenue from the federal government represents 75 percent, 76 percent, and 78 percent, of total grants and contract revenue for Fiscal Years 2025, 2024, and 2023, respectively. Each grant or contract is restricted in use to the purpose given and limited to the cost principles specified by each sponsor. The increase in federal grants and contracts revenue in Fiscal Year 2025 is due to increased funding from the National Aeronautics and Space Administration (NASA), National Science Foundation (NSF), Advanced Research Projects Agency for Health (ARPA-H), and from funding for projects sponsored by the Laboratory for Atmospheric and Space Physics (LASP) at CU Boulder; and an increase in research projects funded by the Department of Defense (DOD) and the Department of Health and Human Services (HHS) at CU Anschutz. The increase in federal grants and contracts revenue in Fiscal Year 2024 is due to increased funding from NASA and from HHS at CU Boulder, and an increase in research projects funded by HHS at CU Anschutz. In Fiscal Years 2025, 2024, and 2023, the University received \$327,417,000, \$308,379,000, and \$290,471,000, respectively, of such administrative and facility overhead cost reimbursements. The University pledges portions of this reimbursement revenue and other auxiliary revenues to satisfy its bond obligations, which are commonly referred to as pledged revenues, thus creating a reliance on continued federal research funding.

The increase in auxiliary enterprise revenues in Fiscal Year 2025 is mainly due to increases in Athletics, Housing and Dining, Conference Dining, and Family Housing Rent at CU Boulder and increases in parking operations and student insurance programs at CU Anschutz. The increase in auxiliary enterprise revenues in Fiscal Year 2024 is mainly due to increases in Athletics and concerts at CU Boulder, as well as increases at the CU Bookstore and Housing and Dining at CU Boulder.

The majority of health services revenue includes medical practice plan revenues earned through CU Medicine (Notes 1 and 15 in the AFR), which has experienced growth in operating revenue of 7.6 percent and 8.5 percent in Fiscal Years 2025 and 2024, respectively. In Fiscal Years 2025 and 2024 the increase was primarily due to growth in operations, which was driven by an increase in clinical volumes and contract income, primarily from CU Medicine's affiliate hospitals.

Gifts increased by \$23,744,000 in Fiscal Year 2025 and \$31,781,000 in Fiscal Year 2024. The increase in Fiscal Year 2025 was primarily due to the Anschutz Acceleration Initiative and Cardiology Image Program gifts as well as academic support gifts from University of Colorado Hospital (UCHealth) at CU Anschutz. The increase in Fiscal Year 2024 was primarily due to Gates Institute support gifts and academic support gifts from UCHealth and Children's Hospital Colorado (Children's Colorado) to CU Anschutz, and an increase in gift revenue for academic affairs at CU Boulder.

Investment income net of investment expense was an overall return of \$422,213,000, \$404,215,000, and \$288,579,000 in Fiscal Years 2025, 2024, and 2023, respectively. Investment income is subject to inherent variability due to the requirement to record the majority of investments at fair value. The University's unrealized gains on investments (the difference between the investment's fair value and cost basis) increased by \$162,966,000, \$182,836,000, and \$72,652,000 in Fiscal Years 2025, 2024, and 2023, respectively.

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In addition to operating and nonoperating revenues, the University had capital revenues in the amounts depicted in Figure 5.

Figure 5. Capital Revenues (in thousands)

		2025	2024	2023
Capital student fee, net	\$	8,609	8,133	7,443
Capital appropriations		19,864	41,022	10,956
Capital grants and gifts		15,884	12,956	12,254
Gain on disposal of capital assets		1,872	1,773	604
Total Capital Revenues	\$	46,229	63,884	31,257

The capital student fee is used to fund the Wellness Center at CU Denver, and to fund the Recreation and Wellness Center, the Family Development Center, and the University Center at UCCS.

The University received capital appropriations from the State of \$19,864,000 in Fiscal Year 2025, compared to \$41,022,000 in Fiscal Year 2024, and \$10,956,000 in Fiscal Year 2023. These monies are used for various controlled maintenance and other capital construction activity and fluctuate year to year based on the State budget. The decrease in Fiscal Year 2025 and the increase in Fiscal Year 2024 are primarily driven by the renovation of the Hellems Arts and Sciences building at CU Boulder, which was in its construction phase in Fiscal Year 2024 and was nearing completion in Fiscal Year 2025.

Capital grants and gifts increased \$2,928,000 from Fiscal Year 2024 to Fiscal Year 2025, primarily due to gifts for the Cybersecurity and Applied Science and Engineering buildings at UCCS and a capital gift-in-kind at the Spruce Gulch Wildlife Research Reserve at CU Boulder. Capital grants and gifts were consistent from Fiscal Year 2023 to Fiscal Year 2024.

EXPENSES

The programmatic uses of resources are displayed in Figure 7 and include PERA pension expense. Figure 6 demonstrates the impact of pension reform from Senate Bill (SB) 18-200 and other factors to the University's Fiscal Years 2025, 2024, and 2023 financial statements. Pension expense increased by \$21,592,000 in Fiscal Year 2025, decreased by \$45,717,000 in Fiscal Year 2024, and increased by \$133,331,000 in Fiscal Year 2023. These changes (and corresponding change in net pension liability) should be compared to the required cash contributions for each of the Fiscal Years 2025, 2024, and 2023 of \$81,148,000, \$76,751,000, and \$72,276,000, respectively, which are determined by statute.

Figure 6. PERA Pension Expense Compared to Required Contributions (in thousands)

		2025	2024	2023
Pension expense (per financial statements)	\$	41,552	19,960	65,677
Expense increase (decrease) from prior year		21,592	(45,717)	133,331
Statutorily required contributions		81,148	76,751	72,276

Total operating expenses increased 8.4 percent for the fiscal year ended June 30, 2025 and increased 7.2 percent for the fiscal year ended June 30, 2024.

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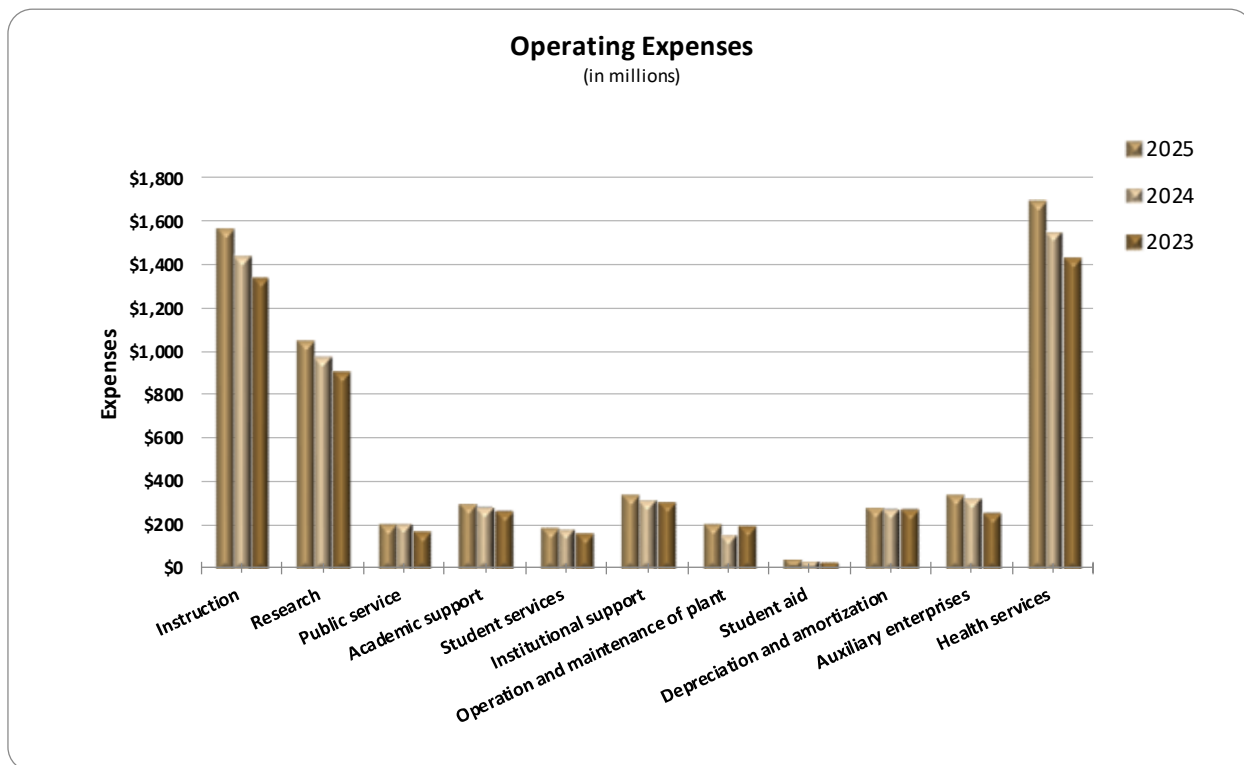
In Fiscal Year 2025, the increase in instruction expense is primarily due to salary increases at all campuses, including Voluntary Retirement Incentive Program (VRIP) payments at CU Boulder and CU Anschutz. Additionally, at CU Anschutz, there was increased spending due to growth in Graduate Medical Education (GME) and gifts from UCHHealth, Children's Colorado, and CU Medicine. The increase in research expense is consistent with the increase in grants and contracts revenue, in addition to an increase in LASP at CU Boulder; and an increase in research spending funded by the Gates Institute's support gifts at CU Anschutz. The increase in public service expense is driven by public service grants sponsored by the Avalon Action Alliance and the Colorado Department of Public Health and Environment (CDPHE) at CU Anschutz. The increase in academic support expense is due to an increase in salaries and wages in the Research and Innovation Office (RIO) and higher expenses in academic support units at CU Boulder. The increase in institutional support expense is due to increases at CU Boulder's Office of Information Technology (OIT) and Boulder Campus Developments, in addition to an increase in a campus marketing campaign at CU Anschutz. The increase in operation and maintenance of plant expense is mainly due to an increase at the Division of Public Safety (DPS) at CU Boulder. The increase in student aid expense is mainly due to Pell Grants at CU Denver, in addition to an increase in student enrollment in several academic units and athletic programs.

In Fiscal Year 2024, the increase in instruction expense is primarily due to salary increases at all campuses. Additionally, instruction expense increased at CU Anschutz due to increased spending of gifts from UCHHealth, Children's Colorado, and CU Medicine and Gates Institute support gifts at CU Anschutz. The increase in research expense is consistent with the increase in grants and contracts revenue, in addition to an increase in LASP at CU Boulder. The increase in public service expense is due to growth in the Gates Institute, Hemophilia Pharmacy operations, and the Human Leukocyte Antigen laboratory at CU Anschutz. The increase in academic support expense is due to an increase from Research and Institutes and academic support units at CU Boulder.

Figure 7. Expense Program Categories (in thousands)

		2025	2024	2023
Instruction	\$	1,566,672	1,437,419	1,339,864
Research		1,050,869	975,371	912,111
Public service		214,279	209,298	180,195
Academic support		304,446	287,308	268,545
Student services		190,533	180,892	169,558
Institutional support		348,950	317,651	309,348
Operation and maintenance of plant		212,448	163,220	198,241
Student aid		46,338	38,225	31,447
Total Education and General		3,934,535	3,609,384	3,409,309
Depreciation and amortization		282,460	279,239	275,307
Auxiliary enterprises		342,692	331,847	261,858
Health services		1,694,012	1,546,161	1,432,639
Total Operating Expenses	\$	6,253,699	5,766,631	5,379,113

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The amounts shown for student aid do not reflect the actual resources dedicated to student aid. The majority of the University's student aid resources are netted against tuition, fee, and auxiliary revenue as a scholarship allowance (Note 14 in the AFR). The University's scholarship allowance was \$335,572,000, \$296,724,000, and \$276,085,000 in Fiscal Years 2025, 2024, and 2023, respectively.

Auxiliary enterprises expense increased from Fiscal Year 2024 to Fiscal Year 2025 and from Fiscal Year 2023 to Fiscal Year 2024. In both years, the increase was primarily due to the operations of Athletics, Student Affairs, and Housing and Dining at CU Boulder and is consistent with the increase in Auxiliary revenues.

Health services expenses, which are primarily related to CU Medicine, increased from Fiscal Years 2024 to 2025 and from Fiscal Years 2023 to 2024. In both years, the increases were consistent with the associated increases in health services revenue discussed earlier in this section.

The University, like many public higher education entities, reports its operating expenses by functional classification on the Statements of Revenues, Expenses, and Changes in Net Position. As defined by the National Association of College and University Business Officers (NACUBO), a 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 by functional classification 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.

A different method of reporting operating expenses is by natural classification. Per NACUBO, a natural expense 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.

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Figure 8 below provides detail on the University's expenses by natural classification to provide users additional insight into how the University expends its resources. As is common in higher education, the largest portion of expenses relate to salaries and benefits. The information below also highlights the impact of PERA pension changes on total operating expenses.

Figure 8. Natural Classification of Operating Expenses (in thousands)

		2025	2024	2023
Salaries	\$	3,364,269	3,125,728	2,906,068
Benefits (non-pension)		1,171,847	1,052,118	946,444
Pension expense*		41,552	19,960	65,677
Depreciation/amortization		282,460	279,239	275,307
IT licenses/software/equipment		115,756	115,867	92,812
Plant operation/repairs		60,314	49,188	48,435
Scholarships/fellowships		92,856	87,547	74,931
Research		243,860	224,674	190,126
Supplies		699,426	659,655	580,636
Travel		61,218	60,132	52,893
Utilities		77,350	68,545	75,869
Other		42,791	23,978	69,915
Total Operating Expenses	\$	6,253,699	5,766,631	5,379,113

* does not include AMP

CAPITAL AND RIGHT-TO-USE ASSETS AND DEBT MANAGEMENT

The University had \$7,766,853,000, \$7,504,018,000, and \$7,236,864,000 of plant, property, and equipment at June 30, 2025, 2024, and 2023, respectively, offset by accumulated depreciation of \$3,796,198,000, \$3,609,441,000, and \$3,393,754,000, respectively. The University had right-to-use assets of \$210,417,000, \$191,072,000, and \$181,115,000, respectively, offset by accumulated amortization of \$103,522,000, \$82,582,000, and \$63,045,000, respectively. The major categories of capital and right-to-use assets at June 30, 2025, 2024, and 2023 are displayed in Figure 9. Related depreciation and amortization charges of \$282,460,000, \$279,239,000, and \$275,307,000 were recognized in the Fiscal Years 2025, 2024, and 2023, respectively. Detailed financial activity related to the changes in capital assets is presented in Note 5 in the AFR. Figure 10 details the University's current construction commitments.

Figure 9. Capital and Right-to-Use Asset Categories (before depreciation and amortization)

(in thousands)		2025	2024	2023
Land	\$	119,161	111,611	101,602
Construction in progress		504,708	394,793	244,539
Buildings and improvements		5,708,218	5,591,407	5,545,213
Equipment		792,865	771,857	734,901
Software and other intangibles		92,220	101,081	101,178
Library and other collections		549,681	533,269	509,431
Right-to-use buildings		121,926	113,676	113,813
Right-to-use equipment		6,795	6,586	6,377
Right-to-use software subscriptions		81,696	70,810	60,925
Total Capital and Right-to-Use Assets (Gross)	\$	7,977,270	7,695,090	7,417,979

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Figure 10. Current Construction Projects as of June 30, 2025 (in thousands)

Campus/Project Description	Financing Sources	Value*
CU Boulder:		
Hellems and Rippon renovation	Campus cash resources, federal, and state funding	\$ 105,157
Williams Village clean thermal energy transition	Campus cash resources	8,500
Residence One building	Campus cash resources and debt	124,400
West District energy plant emissions compliance	Campus cash resources	43,135
Old Main structural renovation	Campus cash resources	14,300
Folsom Field video board upgrade	Campus cash resources	16,330
Chemistry and Applied Math building	Campus cash resources and debt	175,430
Ekeley Sciences Building and teaching laboratories renovation	Campus cash resources and debt	33,500
18 Building Efficiency	Campus cash resources	5,800
Koelbel Building suites renovation	Campus cash resources	9,500
East Campus solar array	Campus cash resources	7,817
North Boulder Creek utility	Campus cash resources	15,000
University Memorial Center	Campus cash resources	8,398
CU Denver Anschutz:		
Research Complex 1 Bundled Energy	Campus cash resources and debt	5,494
North Classroom Renovation	Campus cash resources	6,906
UCCS:		
Engineering remodel	Campus cash resources and debt	47,035

* Value represents budgeted costs for project in thousands

During Fiscal Year 2025, the University issued Series 2024A Enterprise Refunding Revenue Bonds in the amount of \$223,215,000 to refund Series 2014B1, 2023B1, and 2023B2 bonds. Additionally, the University issued Series 2025A Enterprise Revenue Bonds in the amount of \$177,350,000 primarily for the Residence Hall 1 and Hellems projects at the CU Boulder. The University also issued Series 2025B Enterprise Refunding Revenue Bonds in the amount of \$116,005,000. Additionally, the University funded a defeasance escrow with Zions Bank as Escrow Agent to defease \$43,390,000 of the Series 2017A-2 bonds. The cost of the defeasance provided from University resources totaled \$40,926,000. This transaction was related to several projects at CU Boulder.

During Fiscal Year 2024, the University completed a tender process of \$134,800,000 and issued Series 2023A revenue bonds to fund the purchase of the qualified tenders. The University also issued \$214,535,000 face value bonds in Series 2023B1 and 2023B2 bonds through a private placement of debt with TD Bank with proceeds used to create an escrow account that was used to retire the 2019C put bonds in October 2024.

During Fiscal Year 2023, the University had no new bond issuances, but defeased \$50,995,000 of University System Enterprise Revenue Bonds from University resources. The bonds being defeased were for four capital construction projects at CU Boulder.

At June 30, 2025, 2024, and 2023, the University had debt (or similar long-term obligations) of \$1,850,291,000, \$2,041,977,000, and \$1,946,852,000, respectively, in the categories illustrated in Figure 11. More detailed information about the University's debt is included in Note 8 in the AFR.

UNIVERSITY OF COLORADO
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025 and 2024 (unaudited)

Figure 11. Debt Categories *(in thousands)*

		2025	2024	2023
Revenue bonds	\$	1,730,514	1,922,042	1,817,398
Lease liability		73,205	76,252	82,827
Subscription liability		34,397	30,278	32,634
Notes payable		12,175	13,405	13,993
Total Long-term Debt	\$	1,850,291	2,041,977	1,946,852

The Regents have adopted a debt management policy that includes limitations on the use of external debt. The University Treasurer will report to the Regents, prior to the issuance of new debt, the effect that the new debt will have on the University’s debt capacity ratio to ensure the seven percent debt ratio limit currently established by the Regents is not exceeded. The ratio is calculated as maximum annual debt service as a percentage of the University’s unrestricted current fund expenditures plus mandatory transfers. State statute sets the maximum for this ratio at 10 percent in C.R.S. § 23-20-129.5. A component of this policy is debt capacity, which is the calculated ratio of the University’s debt service requirement as compared to certain unrestricted revenues. The University maintained its debt capacity limits in all three fiscal years ended June 30, 2025, 2024, and 2023.

The University minimizes financing costs by monitoring current market conditions and by maintaining a bond rating of Aa1 and AA+ and commercial paper ratings of P-1 and F1+ (Moody’s and Fitch, respectively).

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Overall, total budgeted revenues for the University have increased for Fiscal Year 2026 compared to the prior year. The Fiscal Year 2026 budget approved by the State Legislature included a \$22,200,000 statewide increase for higher education operations, nearly a 1.8 percent increase, which includes nearly \$5,980,000 additional funding for the University through the higher education allocation model. Education and General Fund budgeted revenue increased \$46,500,000 or 2.2 percent, compared to Fiscal Year 2025, through a combination of both state funding increases and additional revenue from tuition rate increases combined with changes in student enrollment in Fiscal Year 2026. Budgeted revenues for auxiliary and self-funded activities combined with restricted activities increased \$27,100,000 or 3.8 percent compared to Fiscal Year 2025. The University’s overall revenue budget for Fiscal Year 2026 is projected to increase 2.0 percent over the prior year.

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF NET POSITION
June 30, 2025 and 2024 (in thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 494,827	433,087
Investments (Note 3)	3,382,297	3,380,391
Accounts, leases, and loans receivable, net (Note 4)	667,999	643,305
Inventories	24,165	20,347
Other assets	17,140	16,411
Total Current Assets	4,586,428	4,493,541
Noncurrent Assets		
Investments (Note 3)	1,385,132	1,191,867
Accounts, leases, and loans receivable, net (Note 4)	102,211	105,358
Other assets	14,783	15,247
Capital and right-to-use assets, net (Note 5)	4,077,550	4,003,067
Total Noncurrent Assets	5,579,676	5,315,539
Total Assets	\$ 10,166,104	9,809,080
Deferred Outflows of Resources		
Loss on bond refundings	\$ 30,908	34,018
Other postemployment benefits related (Note 9)	471,355	477,736
Alternate Medicare payment related (Note 10)	15,843	20,581
PERA pension related (Note 10)	86,926	125,086
Other	243	239
Total Deferred Outflows of Resources	605,275	657,660
Total Assets and Deferred Outflows of Resources	\$ 10,771,379	10,466,740
Liabilities		
Current Liabilities		
Accounts payable	\$ 187,583	172,673
Accrued expenses (Note 6)	155,036	139,356
Compensated absences (Note 6)	28,202	25,026
FAMLI liability (Note 6)	6,125	10,729
Unearned revenue (Note 7)	222,208	243,772
Current portion of long-term debt (Note 8)	192,448	354,743
Other postemployment benefits (Note 9)	21,290	20,135
Other liabilities (Note 11)	55,284	55,662
Total Current Liabilities	\$ 868,176	1,022,096
Noncurrent Liabilities		
Compensated absences (Note 6)	\$ 380,177	366,126
Unearned revenue (Note 7)	989	1,066
Long-term debt (Note 8)	1,657,843	1,687,234
Other postemployment benefits (Note 9)	1,683,474	1,450,611
Alternate Medicare payment (Note 10)	104,798	103,247
Net pension liability (Note 10)	874,524	959,969
Other liabilities (Note 11)	25,907	29,154
Total Noncurrent Liabilities	4,727,712	4,597,407
Total Liabilities	\$ 5,595,888	5,619,503

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF NET POSITION
June 30, 2025 and 2024 *(in thousands)*

	2025	2024
Deferred Inflows of Resources		
Lease related (Note 4)	\$ 64,491	66,408
Gain on bond refundings	16,056	17,980
Other postemployment benefits related (Note 9)	246,246	313,875
Alternate Medicare payment related (Note 10)	34,061	35,597
PERA pension related (Note 10)	31,914	31,135
Other	2,007	1,911
Total Deferred Inflows of Resources	394,775	466,906
Total Liabilities and Deferred Inflows of Resources	\$ 5,990,663	6,086,409
Net Position		
Net investment in capital assets	\$ 2,301,074	2,152,257
Restricted for nonexpendable purposes (endowments)		
Research	21,708	21,708
Academic support	15,226	15,011
Scholarships and fellowships	11,200	11,136
Capital and other	1,392	1,357
Total restricted for nonexpendable purposes (Note 12)	49,526	49,212
Restricted for expendable purposes		
Instruction	241,006	223,526
Research	67,649	58,822
Academic support	67,942	75,419
Student loans and services	72,121	77,934
Scholarships and fellowships	61,141	58,249
Public service	33,553	30,239
Auxiliary enterprises	12,292	3,853
Capital	21,025	21,938
Other	109,474	101,905
Total restricted for expendable purposes	686,203	651,885
Unrestricted (Note 12)	1,743,913	1,526,977
Total Net Position	\$ 4,780,716	4,380,331

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENTS OF NET POSITION
June 30, 2025 and 2024 (in thousands)

	2025			2024		
	CU Foundation	CUBEC	Total	CU Foundation	CUBEC	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 159,102	39,597	198,699	84,072	69,601	153,673
Receivable from the University	-	367	367	-	40	40
Contributions receivable, net	59,498	52	59,550	28,040	144	28,184
Other current assets	440	92	532	1,162	20	1,182
Total current assets	219,040	40,108	259,148	113,274	69,805	183,079
Noncurrent assets						
Investments (Note 3)	3,202,903	15,146	3,218,049	2,961,992	9,349	2,971,341
Contributions receivable, net	82,868	-	82,868	114,334	-	114,334
Capital assets, net	4,662	28,954	33,616	1,063	5,544	6,607
Assets held under split-interest agreements (Note 3)	26,757	-	26,757	30,525	-	30,525
Beneficial interest in charitable trusts held by others	13,470	-	13,470	12,369	-	12,369
Total noncurrent assets	3,330,660	44,100	3,374,760	3,120,283	14,893	3,135,176
Total Assets	\$ 3,549,700	84,208	3,633,908	3,233,557	84,698	3,318,255
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	\$ 472	2,603	3,075	133	4,821	4,954
Payable to the University (Note 4)	7,962	-	7,962	13,373	-	13,373
Liabilities under split-interest agreements	2,227	-	2,227	1,911	-	1,911
Custodial funds	18,175	-	18,175	18,022	-	18,022
Total current liabilities	28,836	2,603	31,439	33,439	4,821	38,260
Noncurrent liabilities						
Payable to the University (Notes 4, 17)	-	10,000	10,000	-	10,000	10,000
Funds held in trust for others	2,276	-	2,276	2,713	-	2,713
Liabilities under split-interest agreements	14,941	-	14,941	15,278	-	15,278
Custodial funds	634,742	-	634,742	590,889	-	590,889
Related-party deferred lease revenue	-	3,500	3,500	-	3,500	3,500
Long-term debt	-	53,422	53,422	-	53,314	53,314
Total noncurrent liabilities	651,959	66,922	718,881	608,880	66,814	675,694
Total Liabilities	\$ 680,795	69,525	750,320	642,319	71,635	713,954
Net Position						
Net investment in capital assets	\$ 4,662	28,954	33,616	1,063	5,544	6,607
Restricted for nonexpendable purposes	1,593,492	-	1,593,492	1,448,517	-	1,448,517
Restricted for expendable purposes	1,192,965	5,450	1,198,415	1,084,668	8,512	1,093,180
Unrestricted	77,786	(19,721)	58,065	56,990	(993)	55,997
Total Net Position	\$ 2,868,905	14,683	2,883,588	2,591,238	13,063	2,604,301

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2025 and 2024 (in thousands)

	2025	2024
Operating Revenues		
Student tuition (net of scholarship allowances of \$294,390 in 2025 and \$259,789 in 2024; net of bad debt of \$3,593 in 2025 and \$2,731 in 2024; pledged revenues of \$1,267,286 in 2025 and \$1,203,627 in 2024) (Notes 8, 13 and 14)	\$ 1,267,286	1,203,627
Student fees (net of scholarship allowances of \$25,316 in 2025 and \$22,918 in 2024; net of bad debt of \$113 in 2025 and \$110 in 2024; pledged revenues of \$18,539 in 2025 and \$18,288 in 2024) (Note 8, 13 and 14)	92,695	91,439
Fee-for-service contracts (Note 13)	250,443	212,975
Federal grants and contracts (pledged revenues of \$300,102 in 2025 and \$284,472 in 2024) (Note 8)	1,158,696	1,123,063
State and local grants and contracts (pledged revenues of \$27,363 in 2025 and \$23,887 in 2024) (Note 8)	117,875	113,558
Nongovernmental grants and contracts	276,412	232,869
Sales and services of educational departments (net of bad debt of \$424 in 2025 and \$152 in 2024)	320,168	298,512
Auxiliary enterprises (net of scholarship allowances of \$12,505 in 2025 and \$11,070 in 2024; net of bad debt of \$1,221 in 2025 and \$940 in 2024; pledged revenues of \$19,419 in 2025 and \$14,853 in 2024) (Notes 8 and 14)	388,384	371,328
Health services (net of contractual adjustments of \$2,249,733 in 2025 and \$2,125,817 in 2024; net of bad debt of \$39,447 in 2025 and \$25,094 in 2024; pledged revenues of \$57,969 in 2025 and \$53,865 in 2024) (Notes 8 and 15)	1,756,564	1,632,326
Other operating revenues (net of bad debt of \$1,689 in 2025 and \$1,633 in 2024; pledged revenues of \$6,668 in 2025 and \$6,296 in 2024) (Note 8)	178,077	170,160
Total Operating Revenues	\$ 5,806,600	5,449,857
Operating Expenses		
Education and general		
Instruction	\$ 1,566,672	1,437,419
Research	1,050,869	975,371
Public service	214,279	209,298
Academic support	304,446	287,308
Student services	190,533	180,892
Institutional support	348,950	317,651
Operation and maintenance of plant	212,448	163,220
Student aid	46,338	38,225
Total education and general expenses	3,934,535	3,609,384
Depreciation and amortization (Note 5)	282,460	279,239
Auxiliary enterprises	342,692	331,847
Health services	1,694,012	1,546,161
Total Operating Expenses	6,253,699	5,766,631
Operating Loss	\$ (447,099)	(316,774)

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2025 and 2024 (in thousands)

	2025	2024
Nonoperating Revenues (Expenses)		
Federal Pell Grant	\$ 80,269	61,581
State appropriations (Note 13)	20,999	25,029
State support for PERA pension (Note 10 and 13)	6,911	1,541
Gifts	297,419	273,675
Investment income (net of investment expenses of \$12,244 in 2025 and \$12,338 in 2024)	422,213	404,215
Royalty income (net of royalty expense of \$5,866 in 2025 and \$9,441 in 2024; pledged revenues of \$477 in 2025 and \$339 in 2024)	7,976	24,049
Gain on disposal of capital assets	1,872	1,773
Interest expense on capital asset-related debt (including amortization of deferred loss of \$9,264 in 2025 and \$7,244 in 2024)	(45,603)	(55,189)
Bond issuance costs	(2,974)	(1,448)
Other nonoperating revenues, net of expenses (pledged revenues of \$1,098 in 2025 and \$117 in 2024) (Note 8)	13,731	8,306
Net Nonoperating Revenues (Expenses)	802,813	743,532
Income Before Other Revenues	\$ 355,714	426,758
Other Revenues		
Capital student fee (net of scholarship allowance of \$3,361 in 2025 and \$2,947 in 2024; pledged revenues of \$8,610 in 2025 and \$8,133 in 2024) (Notes 8 and 14)	\$ 8,609	8,133
Capital appropriations (Note 13)	19,864	41,022
Capital grants and gifts	15,884	12,956
Additions to permanent endowments, net of transfers	314	14
Total Other Revenues	44,671	62,125
Change in net position	400,385	488,883
Net Position, beginning of year	4,380,331	3,891,448
Net Position, End of Year	\$ 4,780,716	4,380,331

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2025 and 2024 (in thousands)

	2025			2024		
	CU			CU		
	Foundation	CUBEC	Total	Foundation	CUBEC	Total
Operating revenues						
Contributions	\$ 301,814	3	301,817	224,143	3	224,146
Other revenue	8,735	-	8,735	7,552	-	7,552
Total operating revenues	310,549	3	310,552	231,695	3	231,698
Operating expenses						
Gifts and income distributed to						
University (Note 17)	230,728	-	230,728	219,414	-	219,414
Advancement support to the University	38,399	-	38,399	36,921	-	36,921
Administrative	5,978	614	6,592	5,920	432	6,352
Depreciation and amortization	117	-	117	73	-	73
Total operating expenses	275,222	614	275,836	262,328	432	262,760
Operating Income (Loss)	35,327	(611)	34,716	(30,633)	(429)	(31,062)
Nonoperating revenues (expenses)						
Investment income	250,125	2,231	252,356	195,559	705	196,264
Write-off of uncollectible contributions receivable	(7,785)	-	(7,785)	(3,478)	-	(3,478)
Total nonoperating revenues (expenses)	242,340	2,231	244,571	192,081	705	192,786
Change in Net Position	277,667	1,620	279,287	161,448	276	161,724
Net Position, beginning of year	2,591,238	13,063	2,604,301	2,429,790	12,787	2,442,577
Net Position, End of Year	\$ 2,868,905	14,683	2,883,588	2,591,238	13,063	2,604,301

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF CASH FLOW
Years Ended June 30, 2025 and 2024 (in thousands)

	2025	2024
Cash Flows from Operating Activities		
Cash received:		
Tuition and fees	\$ 1,607,263	1,510,249
Grants and contracts	1,509,237	1,444,867
Sales and services of educational departments	320,168	298,513
Auxiliary enterprise charges	391,508	359,371
Health services	1,750,428	1,617,355
Other receipts	208,591	149,317
Cash payments:		
Payments to employees and benefits	(4,902,995)	(4,567,160)
Payments to suppliers	(862,218)	(796,891)
Payments for scholarships and fellowships	(46,338)	(38,225)
Total Cash Flows Used for Operating Activities	(24,356)	(22,604)
Cash Flows from Noncapital Financing Activities		
Federal Pell Grant	80,269	61,581
State appropriations	20,999	25,029
Gifts and grants for other than capital purposes	297,419	273,675
Endowment additions (transfers)	314	14
Direct lending receipts	337,340	340,334
Direct lending disbursements	(349,510)	(341,341)
Other student loan receipts	3,959	3,991
Other student loan disbursements	(4,522)	(3,349)
Other agency transactions	9,267	2,524
Total Cash Flows Provided by Noncapital Financing Activities	395,535	362,458
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	19,864	41,022
Capital student fees	8,609	8,133
Proceeds from capital debt	194,812	306
Bond issuance costs paid	(2,974)	(1,448)
Principal paid on capital debt, leases, subscriptions and notes	(403,642)	(111,481)
Interest paid on capital debt, leases, subscriptions and notes	(62,415)	(60,865)
Proceeds from sale of capital assets	23,768	24,082
Purchases and construction of capital and right-to-use assets	(309,894)	(290,764)
Total Cash Flows Used for Capital and Related Financing Activities	(531,872)	(391,015)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	14,276,299	14,143,135
Purchase of investments	(14,317,810)	(14,229,139)
Investment earnings	255,968	217,838
Royalty income	13,842	33,490
Royalty fees paid	(5,866)	(9,441)
Total Cash Flows Provided by Investing Activities	222,433	155,883
Net Increase in Cash and Cash Equivalents	61,740	104,722
Cash and cash equivalents, beginning of year	433,087	328,365
Cash and Cash Equivalents, End of Year	\$ 494,827	433,087

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
BUSINESS-TYPE ACTIVITIES
STATEMENTS OF CASH FLOW
Years Ended June 30, 2025 and 2024 (in thousands)

	2025	2024
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (447,099)	(316,774)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization expense	282,460	279,239
Items classified as nonoperating revenues	13,731	8,306
State support for PERA pension	6,911	1,541
Changes in assets and deferred outflows of resources:		
Receivables	(9,580)	(96,956)
Inventories	(3,817)	(1,192)
Other assets	(266)	(663)
PERA pension related deferred outflows	38,160	50,035
AMP related deferred outflows	4,739	5,440
OPEB related deferred outflows	6,381	(138,583)
Other deferred outflows	(4)	51
Changes in liabilities and deferred inflows of resources:		
Accounts payable	3,846	(11,515)
Accrued expenses	14,945	(3,950)
Compensated absences	17,228	31,580
FAMLI liability	(4,604)	4,955
Unearned revenue	(21,641)	19,459
Other postemployment benefits	234,017	326,410
Alternate Medicare payment	1,551	(563)
Net pension liability	(85,445)	(123,231)
Other liabilities	(5,567)	6,622
Lease related deferred inflows	(1,917)	(994)
PERA pension related deferred inflows	779	14,864
AMP related deferred inflows	(1,535)	1,180
OPEB related deferred inflows	(67,629)	(77,865)
Net Cash Used for Operating Activities	\$ (24,356)	(22,604)
Noncash Investing, Capital, and Financing Transactions		
Donations of noncash items	\$ 19,126	22,668
Lease-financed asset acquisitions	37,758	25,085
Purchases of capital assets in accounts payable	46,537	35,474
Change in unrealized gains on investments	162,966	182,836
Amortization of premiums and discounts	18,765	15,707
Amortization of deferred loss	(9,264)	(7,244)
Deferred loss incurred by escrow agent	-	20,085
Proceeds from refunding bonds deposited with paying agent	374,666	331,960
Purchase of investment by escrow agent	-	(214,535)

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
FIDUCIARY ACTIVITIES
STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2025 and 2024 (in thousands)

	Other Employee Benefit Trust Fund	
	2025	2024
Assets		
Current Assets		
Cash, noninterest bearing (Note 2)	\$ 2	1
Restricted cash - Flexible spending accounts (Note 2)	1,200	900
Cash equivalents (Note 3)	35,626	48,191
Total cash and cash equivalents	36,828	49,092
Receivables:		
Premiums, net	37,634	35,525
Pharmacy rebates	11,143	18,310
Premium assessment due from member	2,593	-
Interest receivable	179	272
Total receivables	51,549	54,107
Prepaid expenses	117	158
Total current assets	88,494	103,357
Noncurrent Assets		
Investments (Note 3)	36,761	34,226
IT subscription, net	971	63
Total Assets	\$ 126,226	137,646
Liabilities		
Current Liabilities		
Incurred claims (Note 6)	\$ 43,013	41,960
Accrued liabilities	1,210	1,808
Accounts payable	4,918	2,451
Current subscription liability	318	56
Flexible spending accounts payable	351	596
Total current liabilities	49,810	46,871
Noncurrent Liabilities		
Subscription liability, noncurrent	598	-
Total Liabilities	50,408	46,871
Net Position		
Restricted for healthcare payments	\$ 75,818	90,775
Total Net Position	\$ 75,818	90,775

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
FIDUCIARY ACTIVITIES
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Years Ended June 30, 2025 and 2024 *(in thousands)*

	Other Employee Benefit Trust Fund	
	2025	2024
Additions		
Premiums	\$ 460,809	430,477
Miscellaneous	633	-
Investment income	5,678	5,387
Total additions	467,120	435,864
Deductions		
Incurred claims (Note 6)	453,550	386,950
Claims processing	23,297	21,908
Administrative	3,452	3,074
Wellness initiatives	1,778	1,750
Total deductions	482,077	413,682
Change in fiduciary net position	(14,957)	22,182
Net Position		
Net Position, beginning of year	90,775	68,593
Net Position, End of Year	\$ 75,818	90,775

See accompanying notes to basic financial statements

UNIVERSITY OF COLORADO
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNANCE

The University of Colorado (the University) is a comprehensive degree-granting research university in the State of Colorado (the State). It is governed by a nine-member Board of Regents (the Regents) elected by popular vote in the State's general elections. Serving staggered six-year terms, one member is elected from each of the State's seven congressional districts with two Regents elected from the State at large. The University comprises the system office and the following three accredited campuses, each with its unique mission as detailed below:

- **University of Colorado Boulder (CU Boulder)**

Established in 1861, CU Boulder is a comprehensive graduate research university (with selective admission standards) offering a comprehensive array of undergraduate, master's, and doctoral degree programs.

- **University of Colorado Denver | Anschutz Medical Campus (CU Denver | Anschutz)**

Originally operated as two separate campuses, the Health Sciences Center and the Denver campus were established in 1883 and 1974, respectively. In 2004, the two campuses were institutionally merged into the University of Colorado Denver. The consolidated institution is an urban comprehensive research university offering a full range of undergraduate, graduate, and professional degree programs in life sciences, professional programs, and liberal arts. The campuses are currently referred to collectively as CU Denver | Anschutz and separately as the University of Colorado Denver (CU Denver) and the University of Colorado Anschutz Medical Campus (CU Anschutz).

- **University of Colorado Colorado Springs (UCCS)**

Established as a separate campus in 1965, UCCS is a comprehensive graduate research university (with selective admission standards) offering a comprehensive array of undergraduate, master's, and doctoral degree programs.

To accomplish its mission, the University has over 9,700 instructional faculty serving over 67,000 students through 536 degree programs in 26 schools and colleges.

BASIS OF PRESENTATION AND FINANCIAL REPORTING ENTITY

Blended Component Units

The University's financial reporting entity includes the operations of the University and all related entities for which the University is financially accountable. Financial accountability may stem from the University's ability to appoint a majority of the governing board of the related organization, its ability to impose its will on the related organization, its ability to access assets, or its responsibility for debts of the related organization. Blended component units generally include those entities (1) that provide services entirely to the University, (2) in which there is a financial benefit or burden relationship, or (3) in which management of the University has operational responsibility. The University has the following blended component units:

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- **University of Colorado Medicine (CU Medicine)**

University Physicians, Inc. d/b/a CU Medicine, is a Colorado non-profit corporation under Section 501(c)(3) of the Internal Revenue Code (IRC), organized to perform the billing, collection, and disbursement functions for professional services rendered for CU Anschutz as authorized in the Colorado Revised Statutes (C.R.S.) § 23-20-114. CU Medicine is the School of Medicine's (SOM) faculty practice plan with approximately 5,000 member providers. CU Medicine does not employ physicians or practice medicine directly; it provides the business and administrative support for the clinical faculty employed by the SOM. The members' primary sites of practice are the University of Colorado Hospital Authority (UCHealth) and Children's Hospital Colorado (Children's Colorado), but members also provide limited clinical services at multiple hospital and clinic sites throughout the region, including other UCHealth locations, the National Jewish Medical and Research Center, the Veterans Administration Medical Center, and Denver Health and Hospital Authority. The majority of patients cared for reside within the Denver metropolitan area.

The University appoints a majority of CU Medicine's governing body and is able to impose its will. Additionally, CU Medicine exclusively benefits the University by providing the services described above.

CU Medicine began participating in a federally funded program available to physicians employed by state-owned medical schools in Fiscal Year 2018. In July 2017, the Centers for Medicare and Medicaid Services (CMS) approved a proposed state Medicaid plan amendment filed by the Colorado Department of Health Care Policy & Financing (HCPF) on behalf of CU Medicine and the SOM. Under the terms of the approved program, CU Medicine received \$108,969,000 and \$99,700,000 in supplemental payments during Fiscal Years 2025 and 2024, respectively. The supplemental funding is used to maintain and increase patient access to CU Medicine's services and for other programs defined in collaboration with HCPF and is included in health services revenue in the University's financial statements.

Detailed financial information may be obtained directly from CU Medicine Attn: Vice President and Chief Financial Officer, at P.O. Box 110247, Aurora, Colorado 80042-0247.

- **18th Avenue, LLC (18th Avenue)**

18th Avenue, LLC (18th Avenue), a Colorado limited liability company, was formed under State laws on April 26, 2006. The University is the sole member. 18th Avenue is organized, operated, and dedicated exclusively to promote the general welfare, development, growth, and well-being of the University, and specifically for the primary purpose of acquiring, owning, operating, and maintaining real property consisting of an office building in Denver, Colorado.

18th Avenue provides services exclusively to the University, owns real property, including the office building and related improvements, located at 1800 Grant Street (which houses the CU System offices), along with the existing loan encumbering the property. 18th Avenue does not issue standalone financial statements.

- **University License Equity Holding, Inc. (ULEHI)**

Originally established in 1992, with a significant reorganization in 2001, ULEHI assists faculty entrepreneurs at the University in building successful companies from research discoveries made at the University. ULEHI holds and manages various interests in entrepreneurial ventures relating to

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intellectual properties transferred to it by the University pursuant to a Transfer Agreement dated April 30, 2002.

The prior agreement was amended and restated in its entirety dated November 1, 2024 in order to reflect the existing collaborative relationship between ULEHI, the University, CU Boulder License Equity Holdings, LLC (CUBLEHL), and CU Anschutz Equity Holdings, LLC (CUAEHL).

ULEHI is a non-profit entity under IRC Section 501(c)(3). The University appoints a voting majority of ULEHI's governing body, is able to impose its will on the organization, and the organization provides services entirely to the University.

Detailed financial information may be obtained directly from ULEHI at 1890 North Revere Court, Suite 6202, Campus Box F411, Aurora, Colorado 80045.

- **Altitude West, LLC (Altitude West)**

Altitude West was formed November 9, 2018, by the Regents with the authorization of the Division of Insurance of the Department of Regulatory Agencies of the State. It was formed to operate as a captive insurance company for the benefit of the University. Altitude West provides workers' compensation insurance for the University's self-insured retention layer of \$2,000,000 per claim. As of October 1, 2022, Altitude West also provides general liability insurance for the University's self-insured retention layer. The limit was \$1,250,000 per claim until October 1, 2024, when it increased to \$1,500,000 per claim. The University is the sole member of Altitude West and appoints its board members. The University is financially accountable for Altitude West. Additionally, Altitude West provides benefits solely to the University.

Detailed financial information may be obtained directly from Altitude West at 1800 Grant Street, Suite 700, Denver, Colorado 80203.

Fiduciary Component Unit

- **University of Colorado Health and Welfare Trust (the Trust)**

The University of Colorado Health and Welfare Trust (the Trust) was established June 28, 2010 to administer and manage certain health and welfare benefits for participating employees and retirees. The University and CU Medicine were the Members of the Trust at June 30, 2025 and 2024. It is intended that the Trust shall qualify as a "voluntary employees' beneficiary association" (VEBA) under IRC Section 501(c)(9), as amended. The Trust is self-insured and is financed through premiums collected from the employer members and their participants. Participant eligibility is determined pursuant to the terms of each Component Plan. The Trust's Board is controlled by the University, the University is able to impose its will on the organization, and the organization provides services entirely to the University and to CU Medicine.

Detailed financial information may be obtained directly from the Trust at 1800 Grant Street, Suite 620, Denver, Colorado 80203.

Discretely Presented Component Units

The University's financial statements include two supporting organizations as discretely presented component units (DPCU) of the University. The majority of the resources, or income thereon that the supporting organization holds and invests, are restricted to the activities of the University by the donors.

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Because these restricted resources held by the supporting organization can only be used by, or for the benefit of, the University, the following supporting organizations are considered DPCU of the University (see Note 17 for additional information):

- **University of Colorado Foundation (CU Foundation)**

Established in 1967, the CU Foundation solicits, receives, holds, invests, and transfers funds for the benefit of the University. The CU Foundation, a nonprofit entity under IRC Section 501(c)(3), has a 15-member board of directors, of which a member of the Regents, the president of the University, and another University designee serve as ex-officio non-voting members. The board of directors elects its own members, other than those serving as ex-officio non-voting members. The CU Foundation, as a not-for-profit entity, follows Financial Accounting Standards Board (FASB) guidance in the preparation of its financial statements, which are then modified to match the University's financial reporting format.

Under an agreement between the CU Foundation and the University, the CU Foundation provides certain development and investment services to the University in exchange for a fee.

Detailed financial information may be obtained directly from the CU Foundation at 1800 Grant Street, Suite 725, Denver, Colorado 80203.

- **University of Colorado Boulder Enterprise Corporation (CUBEC)**

CUBEC was formed in 2019 as a Colorado non-profit corporation. CUBEC's purpose is to support and strengthen the instructional, research and service programs for CU Boulder. CU Boulder and CUBEC entered into a joint operating agreement setting the terms upon which CUBEC operates as a supporting organization of CU Boulder under IRC Section 509(a)(3). CUBEC Investments Corporation (CIC) was formed in 2021 as a Colorado for-profit corporation. CIC's purpose is to make investments consistent with CUBEC's purposes, and is included in CUBEC's financial reporting.

CUBEC follows FASB guidance in the preparation of its financial statements, which are then modified to match the University's financial reporting format, and has a fiscal year ending December 31.

Detailed financial information may be obtained directly from CUBEC at 2480 Kittredge Loop Drive #963, Boulder, Colorado 80310-1014.

Joint Ventures and Related Organizations

The University has associations with the following organizations for which it is not financially accountable nor has primary access to the resources. Accordingly, these organizations have not been included in the University's financial statements. Information regarding the nature of the relationships is included in Note 18.

- University of Colorado Hospital (UCHealth)
- Auraria Higher Education Center (AHEC)

Relationship to State of Colorado

Article VIII, Section 5 of the Colorado Constitution declares the University to be a State institution. The Regents of the University are elected by popular vote of the citizens of the State. Therefore, the Board of

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the University is entirely different from the governing board of the State. The Regents are charged constitutionally with the general supervision of the University and the exclusive control and direction of all funds of and appropriations to the University unless otherwise provided by law. Management of the University is completely separate and distinct from management of the State. The services provided by the University benefit the citizens of the State, rather than serving the State government. The services include provisions of undergraduate and graduate education to the citizens of the State, and conducting extensive amounts of federally and other funded research. Additionally, the University offers more than 200 public outreach programs serving Coloradans and their communities. All outstanding debt of the University is expected to be repaid entirely with resources generated by the University. No State funds are used to repay any debt issued by the University. The State's Annual Comprehensive Financial Report (ACFR) can be obtained from the Department of Personnel and Administration, Denver, Colorado.

TAX-EXEMPT STATUS

The income generated by the University, as an instrumentality of the State, is generally excluded from federal income taxes under IRC Section 115(1). The University also has a determination letter from the Internal Revenue Service (IRS) stating it is exempt under Section 501(a) of the IRC as an organization described in Section 501(c)(3). Income generated from activities unrelated to the University's exempt purpose is subject to tax under IRC Section 511(a)(2)(B). There was no tax liability related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2025 and 2024.

Altitude West provides an essential governmental function to its member as described in Section 115 of the IRC, and accordingly, management believes its revenue is exempt from federal and state income taxes.

The Trust is operating under the provisions of the *Employee Retirement Income Security Act of 1974, as amended* (ERISA). The VEBA Trust was established pursuant to Section 501(c)(9) of the IRC of 1986, as amended, and accordingly, the VEBA Trust's net investment income is exempt from income taxes. The Trust obtained an exemption letter from the IRS on August 29, 2011, in which the IRS stated that the VEBA Trust was in compliance with applicable requirements of the IRC and Trust management believes that the VEBA Trust continues to qualify and to operate in accordance with applicable provisions of the IRC.

BASIS OF ACCOUNTING

For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities. Additionally, the Trust is reported as a fiduciary component unit. Accordingly, the University's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

The University applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

ACCOUNTING POLICIES

Cash and Cash Equivalents are defined for the purposes of reporting cash flows as cash on hand and deposit accounts. Investments in mutual funds and money market funds and securities are presented as investments. CU Medicine, the Trust, and the CU Foundation consider money market funds and securities with a maturity, when acquired, of three months or less to be cash equivalents.

Investments are reported in the financial statements at fair value, which is determined primarily based on quoted market prices or net asset value as of June 30, 2025 and 2024. Contract value is used for the

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guaranteed investment agreement and amortized costs (which approximate fair value) are used for money market investments. These money market accounts are held with Securities and Exchange Commission (SEC) registered investment companies under Rule 2a7 of the Investment Company Act of 1940.

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 investments with a maturity in excess of one year, restricted investments (which includes unspent bond proceeds), and those investments designated to be used for long-term obligations.

The University's investment policies permit investments in fixed income, equity securities, and alternative strategies. These policies are implemented using individual securities, mutual funds, commingled funds, and alternative investments for the endowments. All of the University's alternative investments are held at the CU Foundation and follow its valuation methods.

Investments of the CU Foundation include those held as agency funds for the University. The CU Foundation records investment purchases and contributions at the fair values of the investment received at the date of contribution. Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at their fair values. The fair values of alternative investments not publicly traded on national security exchanges represent the CU Foundation's pro-rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers, subject to review, evaluation, and adjustment by the management of the CU Foundation. Because of inherent uncertainties in the valuation of alternative investments, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed. Included in the investments portfolio are real estate and note receivable assets. These assets are stated at cost and present value, respectively.

Endowments and similar gift instruments owned by the University and the CU Foundation are primarily recorded as investments in the accompanying financial statements. Endowment funds are subject to the restrictions of donor gift instruments requiring the principal to be invested in perpetuity. Life income funds are used to account for cash or other property contributed to the University subject to the requirement that the University or CU Foundation periodically pay the income earned on such assets to a designated beneficiary. The assets of life income funds become the property of the University or the CU Foundation upon the death of the designated beneficiary. Annuity funds are used to account for property contributed to the University or the CU Foundation in exchange for a promise to pay a fixed amount to the donor for a specified period of time. Gifts-in-kind are recorded at the fair market value as of the date of donation.

Accounts, Contributions, and Loans Receivable are recorded net of estimated uncollectible amounts, approximating anticipated losses.

Contributions receivable for the CU Foundation are unconditional promises to give that are recorded at their estimated net realizable value, discounted using risk-free interest rates effective at the date of the promise to give, if expected to be collected within one year and at the present value of their expected future cash flows if expected to be collected in more than one year. Subsequent to the initial recording of the contribution receivable, the CU Foundation uses the allowance method to record amounts estimated to be uncollectible. The allowance is based on the historical collectability of contributions promised to the CU Foundation and on management's analysis of specific promises outstanding.

For all other receivables, individual accounts are written off against the allowance when collection of the account appears doubtful. Bad debts substantially consist of write-offs for uncollectible balances on self-pay patients and contributions receivable.

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Lease Receivables result when the University leases certain assets, primarily buildings, to various third parties. Lease receivables are recognized at the commencement of the lease term, along with a deferred inflow of resources, with certain exceptions for short-term leases and leases that transfer ownership of the underlying asset, and is measured at the present value of lease payments expected to be received during the lease term. See Note 4 for more information.

Pharmacy Rebates are received by the Trust from its prescription drug programs. Pharmacy rebates are recognized in the period corresponding to the period that the participant fills the prescription. Rebates are recorded as a reduction of incurred claims in the statement of changes in fiduciary net position (FNP). In Fiscal Years 2025 and 2024, there were rebates received from two programs and totaled \$43,059,000 and \$36,967,000, respectively.

Inventories are primarily accounted for using the consumption method and are stated at the lower of cost or market. Cost is determined using either first-in, first-out, average cost, or retail method.

Other Assets consists of prepaid expenses, and travel advances.

Capital and Right-to-Use Assets are stated at cost at the date of acquisition or at acquisition value at the date of donation. For equipment, the capitalization policy includes all items with a value of \$5,000 or more, and an estimated useful life of greater than one year.

Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. For renovations and improvements, the capitalization policy includes items with a value of \$75,000 or more. Routine repairs and maintenance are charged to operating expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project. Software, both externally purchased and internally developed, with a value of \$5,000 or more is capitalized. Other intangibles with a value of \$75,000 or more are capitalized.

All collections, such as works of art and historical artifacts, have been capitalized at cost at the date of acquisition or acquisition value at the date of donation. The nature of certain collections is such that the value and usefulness of the collections does not decrease over time. These collections have not been depreciated in the accompanying financial statements.

Right-to-use assets under lease arrangements are measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The University only capitalizes leases with (a) initial total annual fixed lease payments of \$20,000 or more, or (b) total recurring future minimum lease payments of \$100,000 or more. The University also obtains the right to use vendors' information technology software, and recognized assets that have a contractual term greater than one year. The University only capitalizes a right-to-use subscription asset and a corresponding subscription liability when the initial year's total annual subscription payments are \$10,000 or more. The related amortization is included with depreciation expense in the accompanying financial statements.

Depreciation and amortization is computed using the straight-line method and monthly convention over the estimated useful lives of the assets, or the shorter of the lease term or life of the underlying right-to-use asset, as displayed in Table 1.1.

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Table 1.1. Asset Useful Lives

Asset Class	Years
Buildings	12 – 50 *
Improvements and infrastructure	10 – 40
Equipment	2 – 20
Software	3 – 10
Library and other collections	6 – 15
Intangibles	Varies
Infrastructure	10 – 40
Right-to-use and subscription assets	Varies**

* Certain buildings are componentized and the components may have useful lives similar to improvements or equipment.

**The shorter of the lease term or useful life of the underlying asset or subscription in the case of information technology arrangements

Compensated Absences and related personnel expenses are vacation and sick leave benefits that most employees accumulate that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if leave is more likely than not to be used for time off or settled in cash. The limitations on such payments are defined by the rules associated with the personnel systems at the University.

Employees accrue and vest in vacation and sick leave earnings based on their hire date and length of service. Professional exempt and 12-month faculty employees accrue sick leave with pay at the rate of 10 hours per month with a maximum accrual of 960 hours while classified employees earn 6.67 hours per month with a maximum accrual of 360 hours for employees hired after June 30, 1988. Employees hired before June 30, 1988, can accrue up to 360 hours in excess of amount of sick leave earned as of June 30, 1988. Employees earn and accrue vacation leave per the rates in Table 1.2. 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.

Table 1.2. Compensated Absence Accrual Rates for Vacation

Type of Employee	Days Earned Per Month*	Maximum Accrual
Classified employees hired on or after January 1, 1968	1-2 days	24 – 48 days
Professional exempt and 12-month faculty employees	1.83 days	44 days**

* Rates are for full-time employees; part-time employees earn at pro-rata based on percentage of appointment.

** Vacation accrual in excess of 44 days is deducted to meet the 44 day limit.

The liability for compensated absences is expected to be funded by various sources of revenue that are available in future years when the liability is paid.

Unearned Revenue consists of amounts received for the provision of education, research, auxiliary goods and services, and royalties that have not yet been earned.

Long-term Debt includes debt incurred usually for the acquisition of buildings, equipment, or capital construction and are addressed in Note 8. The University leases certain assets, primarily buildings and equipment, from third parties and such contracts provide that any commitments beyond the current year are contingent upon funds being appropriated for such purposes by the Regents. It is reasonably assured that such leases will be renewed in the normal course of business and, therefore, are treated as non-cancelable for financial reporting purposes. The assets leased include property, medical and other equipment. Payments are generally fixed monthly with certain variable payments not included in the measurement of

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the lease liability. Variable payments generally related to the University's share of operating costs. The lease liability is measured at the present value of fixed payments expected to be made during the lease term (less any lease incentives) and is reduced as payments are made and recognized an expense for interest on the liability. The University obtains the right to use vendors' information technology software, and the related subscription liability is measured at the present value of fixed payments expected to be made during the agreement term.

Split-interest Agreements are beneficial interests in various agreements which include gift annuities, charitable remainder annuity trusts and unitrusts, and a pooled income fund. The CU Foundation typically serves as trustee, although certain trusts are administered by outside trustees.

For trusts administered by the CU Foundation, specified earnings are typically paid to a named beneficiary. After termination of the trusts, the assets revert to the CU Foundation to create an endowment to support University activities or to be temporarily restricted for other purposes at the University. Assets received under such agreements are typically marketable equity and fixed-income securities, are recorded at their fair value, and are included in investments in the accompanying financial statements. The estimated net present value of the obligation to named beneficiaries is recorded as a liability under split-interest agreements. A risk-free rate, using U.S. Treasury bonds at the date of the gift, is used in conjunction with actuarially determined life expectancies to calculate present values. The fair value of assets received in excess of the obligation is recognized as contribution revenue at the date of the gift. Changes in the value of the investments are combined with the changes in the estimated liability and are recorded in the accompanying financial statements.

In cases where a split-interest agreement is administered by an outside trustee, the CU Foundation records the estimated fair value of future cash flows from the trust as a contribution receivable from charitable remainder trusts at the point at which the CU Foundation becomes aware of its interest in the trust. Under certain circumstances, the CU Foundation accepts and manages trust funds for which the University or the CU Foundation has beneficial interest but is not the sole beneficiary of the trust. Funds received for which the University or the CU Foundation is not the ultimate beneficiary are included as other liabilities in the accompanying financial statements and are not included in contributions revenue.

Custodial Funds consist of funds held by the CU Foundation for endowments legally owned by other entities, including the University.

Other Postemployment Benefits (OPEB) consist of post-retirement healthcare and life insurance benefits for retired employees. Substantially all University employees may become eligible for those benefits if they reach normal retirement age while working for the University. The University participates in both a single-employer plan as well as a cost-sharing plan. The University's contributions to the single-employer plan are made on a pay-as-you-go basis and are set by statute for the cost-sharing plan. The University's liability is measured as the portion of the present value of projected benefit payments to be provided to active and inactive employees that is attributable to those employees' past period of service, less the amount of the plan's FNP, if any, based on actuarial valuations. The University uses historical annual payments for OPEB to estimate the current portion of the balance. See Note 9 for more information on both plans.

Alternate Medicare Payment (AMP) is a single-employer, defined benefit, pension plan established by the University who also administers and has the authority to amend benefits. See Note 10 for more information.

Other Liabilities consist of risk financing, construction contract retainage, funds held for others, the Federal share of Perkins Loans, the asset retirement obligation, the early retirement incentive plan, and miscellaneous. See Note 11 for more information.

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Certain loans to students are administered by the University with funding primarily supported by the federal government. The University's statement of net position includes both the loans receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

Deferred Outflows of Resources and Deferred Inflows of Resources. Deferred outflows of resources represent consumption of net position that is applicable to a future period. Deferred inflows of resources represent acquisition of net position that is applicable to a future period.

For the University, losses related to debt defeasance are included in deferred outflows of resources. The deferred amount will be amortized over the shorter of the remaining life of the debt refunded or the refunding debt. Changes in net pension liability not included in pension expense, and changes in OPEB liability not included in OPEB expense, are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date are reported as deferred outflows of resources. Asset retirement obligations and split-interest agreements are recorded as other deferred outflows of resources.

The deferred inflow of resources related to leases is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. Interest revenue on the lease receivable and revenue from the deferred inflows of resources is recognized in a systematic and rational manner over the term of the lease.

Net Pension Liability is the liability of the University, the employer, to employees for the Colorado Public Employees' Retirement Association (PERA) defined-benefit pension plan, which is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's FNP. See Note 10 for more information.

Net Position is classified in the accompanying financial statements as follows:

Net investment in capital assets represents the total investment in capital and right-to-use assets, net of outstanding debt or lease or subscription-based information technology arrangements (SBITA) obligations related to those assets. To the extent debt has been incurred but not yet expended for capital and right-to-use assets, such amounts are not included as a component of net investment in capital assets.

Restricted for nonexpendable purposes consists of endowments and similar instruments in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted for expendable purposes represents net resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position represents net resources derived from student tuition and fees, fee-for-service contracts, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the Regents to meet current expenses for any purpose. These resources also include those from auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

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Fiduciary net position represents the Trust's net position, which is classified as restricted and is expendable in accordance with the requirements stated in the Trust Agreement.

Internal Transactions occur between University operating units, including its formal self-funded internal service units and blended component units. Examples of self-funded operating units are telecommunications, cogeneration, and storerooms. Transactions include the recognition of revenues, expenses, receivables, and payables in the appropriate accounts of the operating units. To accommodate external financial reporting, the internal revenues and receivables are netted against expenses and payables, respectively, and are eliminated at year-end.

Classification of Revenues and Expenses in the accompanying financial statements has been made according to the following criteria:

Operating revenues are derived from activities associated with providing goods and services for instruction, research, public service, health services, or related support to entities separate from the University and that are exchange transactions. Examples include student tuition and fees, fee-for-service contracts, sales and services of auxiliary enterprises, healthcare and patient services, grants, and contracts. Tuition and fee revenue for sessions that are conducted over two fiscal years are allocated on a pro-rata basis. Operating revenues of the CU Foundation also include contributions, which are derived from their fundraising mission.

Other operating revenues include rental income, charges for services, transcript and diploma fees, other miscellaneous fees, and miscellaneous revenues from CU Medicine.

Operating expenses are paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the University.

Nonoperating revenues and expenses include all revenues and related expenses that do not meet the definition of operating revenues, capital revenues, or endowment additions. They are primarily derived from activities that are non-exchange transactions (e.g., gifts, including those from the CU Foundation), from activities defined as such by the GASB cash flow standards (e.g., investment income), and also the Federal Pell Grant, royalty income, and insurance recoveries.

Scholarship Allowances are the difference between the stated charge for the goods and services provided by the University and the amount that is paid by the students or by other third parties making payments on the students' behalf. Tuition and fee revenue and certain other auxiliary enterprise revenues are reported net of scholarship allowance in the accompanying financial statements. Certain grants from external governmental and private programs are recorded as either operating or nonoperating revenues in the accompanying financial statements. To the extent that such grant revenues are used to satisfy tuition and fees and other student charges, the University records scholarship allowances. The student aid line under operating expenses represents the amount of financial aid disbursed to students net of the aid applied to the student's account to pay for tuition and fees. See Note 14 for more information.

Health Services Revenue is recognized by CU Medicine as a result of providing care to patients covered under various third parties such as Medicare and Medicaid, private insurance companies, and managed care programs, primarily from fixed-rate agreements. The federal and state governments annually update fixed-rate agreements for Medicare and Medicaid, respectively. In addition to the standard Medicaid program, CU Medicine provides substantial care to Medicaid patients under the Colorado Access program. Contractual arrangements with insurance companies and managed care plans are negotiated periodically for future years.

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Health services revenue is reported at the estimated net realizable amounts due from third-party payers and others for services rendered. Net patient services revenue includes care provided to patients who meet certain criteria under CU Medicine's medically indigent care policy as reimbursed with funds provided by the State processed by UHealth, and co-payments made by care recipients. In accordance with CU Medicine's mission and philosophy, CU Medicine members annually provide substantial levels of charity care to patients who meet certain defined criteria. Charity care relates to services rendered for which no payment is expected. See Note 15 for more information.

Donor Restricted Endowment disbursements of the net appreciation (realized and unrealized) of investments of endowment gifts are permitted by State law, except where a donor has specified otherwise. The amount of earnings and net appreciation available for spending by the University and the CU Foundation is based on a spending rate set by the CU Foundation board on an annual basis. For the years ended June 30, 2025 and 2024, the authorized spending rate was equal to 4 percent of the endowment's trailing 36-month average fair market value as of December 31 for the year preceding the distribution.

Earnings in excess of the amount authorized for spending are available in future years and are included in the value of the related investment. Earnings authorized to be spent are recognized in the University's financial statements as investment or gift revenue for University or CU Foundation-owned endowments, respectively. As of June 30, 2025 and 2024, there was \$17,804,000 and \$17,407,000, respectively, in net appreciation of investments available for authorization for expenditure as reported in restricted expendable net position.

Application of Restricted and Unrestricted Resources is made on a case-by-case basis by management depending on overall program resources.

Use of Estimates is made in order to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. Management is required 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 revenue and expense during the reporting period. Actual results could differ significantly from those estimates.

Reclassification of certain prior year balances have been made to conform to the current year's financial statement presentation. The reclassifications had no effect on the changes in financial position.

ADOPTION OF NEW AND UPCOMING ACCOUNTING STANDARDS

Effective July 1, 2024, the University adopted the provisions of Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, this statement clarifies that a liability for compensated absences should be recorded for leave that is more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. The University did not restate the prior year financial statements as the impact of the implementation was immaterial. See Note 6 for further information on the compensated absence liability.

Effective July 1, 2024, the University adopted the provisions of Statement No. 102, *Certain Risk Disclosures*, which establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. There was no impact to the financial statements from the adoption of this statement.

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In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which improves key components of the financial reporting model. The provisions of this statement are effective for the University's financial statements for the fiscal year ending June 30, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The provisions of this statement are effective for the University's financial statements for the fiscal year ending June 30, 2026.

NOTE 2 – CASH AND CASH EQUIVALENTS

The University's cash and cash equivalents as of June 30, 2025 and 2024 are detailed in Table 2, Cash and Cash Equivalents.

Table 2. Cash and Cash Equivalents (in thousands)

		2025	2024
Cash on hand (petty cash and change funds)	\$	286	300
Deposits with U.S. financial institutions		494,541	432,787
Total Cash and Cash Equivalents – University	\$	494,827	433,087

Custodial credit risk for deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. To manage custodial credit risk, deposits with U.S. and foreign financial institutions are made in accordance with University and State policy, including the Public Deposit Protection Act (PDPA). PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having market value equal to at least 102 percent 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.

At June 30, 2025 and 2024, the Trust's cash equivalents consist of shares of a 2a-7-money market fund held in the Allspring Government Money Market Fund, formerly Wells Fargo Government Money Market Fund (ticker symbol GVIXX), which has a Standard and Poor's (S&P) credit rating of Aaam and a weighted average maturity of approximately 43 days. The Allspring Government Money Market Fund is reported at fair value and as an open-ended mutual fund, is not exposed to custodial credit risk.

The Trust's cash and restricted cash consist of amounts held in two noninterest bearing demand deposit accounts at Wells Fargo Bank, N.A. The Federal Deposit Insurance Corporation's (FDIC) limit of \$250,000 applies to the Trust's balances held at this bank. The Trust does not have a formal policy for custodial credit risk.

NOTE 3 – INVESTMENTS

The University's investments generally include direct obligations of the U.S. government and its agencies, money market funds, municipal and corporate bonds, asset-backed securities, mutual funds, collective investment trust funds, repurchase agreements, corporate equities and alternative non-equity securities. CU Foundation investments are similar to the University's but also include alternative non-equity securities in hedge funds and commodities. Endowments are pooled to the extent possible under gift agreements. The CU Foundation manages a portion of these endowments for the University in accordance with its investment policy.

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To the extent permitted, and excluding the University's blended entities, the University pools cash balances for investment purposes. An investment policy statement approved by the Regents directs the Treasurer of the University to meet the following investment objectives:

- liquidity for daily operations,
- protection of the nominal value of assets, and
- generation of distributable earnings at a level commensurate with the time horizon of the investments.

For financial statement purposes, investment income (loss) is reported on a total return basis and is allocated among operational units based on average daily balances, using amortized costs. Average daily balances, based on amortized costs, approximated \$3,396,875,000 and \$3,183,261,000 for the years ended June 30, 2025 and 2024, respectively. The total return on this pool (excluding blended component units) was 9.07 percent and 9.50 percent for the years ended June 30, 2025 and 2024, respectively.

The Trust's financial assets are authorized for investment primarily in cash equivalents and fixed-income securities using internal resources as well as external managers and commingled and mutual funds, where appropriate, in accordance with the Trust Investment Policy as adopted by the Trust Committee.

FAIR VALUE MEASUREMENTS

The University categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In determining this amount, three valuation techniques are available:

- **Market approach** – This technique uses prices generated for identical or similar assets. The most common example is an investment in public security traded in an active exchange such as the New York Stock Exchange.
- **Cost approach** – The cost approach determines the amount required to replace the current asset and may be ideal for valuing donations of capital assets or historical treasures.
- **Income approach** – This technique converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs should be maximized in fair value measures, and unobservable inputs should be minimized.

GAAP establishes a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- **Level 1** – Quoted prices in active markets for identical assets or liabilities. Example: ownership in shares of a mutual fund company that is publicly traded.
- **Level 2** – Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other-than-quoted prices that are not observable. Example: ownership of a corporate bond that trades on an exchange that is not active.
- **Level 3** – Unobservable inputs. Example: ownership in a private hedge fund that does not trade on a public exchange.

UNIVERSITY OF COLORADO
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The fair value measurements as of June 30, 2025 and 2024 for the University are included in Table 3.1.

Table 3.1. Investments - University and Trust (in thousands)

Investment Type	Level 1	Level 2	Level 3	2025 Total
U.S. government securities	\$ 549,630	213,280	-	762,910
Commercial paper	-	7,081	-	7,081
Corporate bonds	-	661,521	176	661,697
Corporate equities	2,330	-	-	2,330
International equities	1,571	-	-	1,571
Collateralized mortgage obligations	10,162	224,954	-	235,116
Municipal bonds	-	19,557	-	19,557
Mutual funds	1,525,956	-	-	1,525,956
Certificates of deposit	-	2,600	-	2,600
Held at CU Foundation	-	-	652,917	652,917
Asset-backed securities	-	423,614	-	423,614
Alternative non-equity securities:				
Real estate	114	863	-	977
	<u>2,089,763</u>	<u>1,553,470</u>	<u>653,093</u>	<u>4,296,326</u>
Measured at amortized cost:				
Money market funds				327,814
Measured at contract value:				
Guaranteed investment agreement				116,743
Measured at cost:				
Private equity securities				26,546
Total Investments – University				\$ 4,767,429
Mutual fund	\$ 36,761	-	-	36,761
Money market funds				35,626
Total Investments – Trust	\$ 36,761	-	-	72,387

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Table 3.1. (continued) Investments - University and Trust (*in thousands*)

Investment Type	Level 1	Level 2	Level 3	2024 Total
U.S. government securities	\$ 366,742	480,422	-	847,164
Commercial paper	-	79,571	-	79,571
Corporate bonds	274	517,233	176	517,683
International equities	2,224	-	-	2,224
Corporate equities	1,810	-	-	1,810
Collateralized mortgage obligations	388	250,205	-	250,593
Municipal bonds	-	22,606	-	22,606
Mutual funds	1,433,077	-	-	1,433,077
Certificates of deposit	501	-	-	501
Held at CU Foundation	-	-	608,911	608,911
Asset-backed securities	-	304,286	-	304,286
Alternative non-equity securities:				
Real estate	145	932	-	1,077
	<u>1,805,161</u>	<u>1,655,255</u>	<u>609,087</u>	<u>4,069,503</u>
Measured at amortized cost:				
Money market funds				484,773
Measured at cost:				
Private equity securities				17,982
Total Investments – University				\$ 4,572,258
Mutual fund	\$ 34,226	-	-	34,226
Money market funds				48,191
Total Investments – Trust	\$ 34,226	-	-	82,417

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Details of investments by type for the CU Foundation as of June 30, 2025 and 2024 are included in Table 3.2.

Table 3.2. Investments - CU Foundation (*in thousands*)

Investment Type	2025	2024
Cash and cash equivalents	\$ 47,156	71,785
Mutual funds:		
Domestic equities	140,371	102,594
International equities	226,932	193,920
Fixed income	3,587	2,166
Equity securities:		
Domestic equities	288,444	275,295
International equities	89,956	100,124
Exchange-traded fund	8,541	29,321
Fixed-income securities	286,300	265,319
Alternative non-equity securities:		
Real estate	139,427	120,303
Private equity	635,912	588,271
Commingled equity funds	596,428	579,012
Absolute return funds	321,795	286,655
Venture capital	371,791	305,679
Commodities	44,727	40,111
Other	1,536	1,437
Total Investments – CU Foundation \$	3,202,903	2,961,992

CUSTODIAL CREDIT RISK

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, 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.

Open-ended mutual funds and certain other investments are not subject to custodial risk because ownership of the investment is not evidenced by a security. At June 30, 2025 and 2024, the \$10,521,000 and \$8,704,000, respectively, of private equity securities held by ULEHI are exposed to custodial credit risk. None of the University's other investments are subject to custodial risk.

At June 30, 2025 and 2024, the Trust's noncurrent investments consist of the Vanguard Admiral Fund (ticker symbol VFSUX) which invests in short term bonds and is an unrated mutual fund with an average duration of 2.7 years for the underlying investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trust has no formal policy for custodial credit risk. At June 30, 2025 and 2024, the Trust did not identify any investments subject to custodial credit risk.

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NOTES TO FINANCIAL STATEMENTS
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CREDIT QUALITY RISK

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality risk only applies to debt investments. This risk is assessed by national rating agencies, which assign a credit quality rating for many investments. The University's investment policies for the Treasury pool do not permit investments in debt securities that are below investment grade at the time the security is purchased. University policy allows no more than 20 percent of investments to be rated below Baa (Moody's) or BBB (S&P and Fitch) at the time of purchase. There are several other investment policies tailored to non-pooled investments. Those policies do not restrict investments to a particular credit quality standard. Credit quality ratings are not required for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. Government. The CU Foundation does not have a policy concerning credit quality risk. A summary of the University's debt investments and credit quality risk as of June 30, 2025 and 2024 is shown in Table 3.3. Table 3.3 is a subset of Table 3.1 and reflects the Moody's ratings unless S&P is lower. It does not include \$2,109,346,000 of non-debt securities and \$801,576,000 of debt investments that are backed by the full faith and credit of the U.S. government as of June 30, 2025, and does not include \$1,962,520,000 of non-debt securities and \$970,634,000 of debt investments that are backed by the full faith and credit of the U.S. government as of June 30, 2024.

The Trust has no formal policy for credit risk. At June 30, 2025 and 2024 the Trust believes the credit risk is minimal.

Table 3.3. Debt Investments and Credit Quality Risk - University and Trust (*in thousands*)

Investment Type	2025			2024		
	Unrated	Rated	% of Rated	Unrated	Rated	% of Rated
	Fair Value/ Cost	Fair Value/ Cost		Fair Value/ Cost	Fair Value/ Cost	
U.S. government securities	\$ 7,438	189,012	100% Aaa/Aa/A	\$ 102,148	24,937	99% Aaa/Aa/A
					38	1% Baa/Ba/B
Commercial paper	7,081	-	-	64,055	15,516	100% Aaa/Aa/A
Bond mutual funds	64,190	-	-	68,337	-	-
Certificates of deposit	2,600	-	-	501	-	-
Corporate bonds	3,799	305,258	46% Aaa/Aa/A	2,691	239,767	47% Aaa/Aa/A
	-	352,640	54% Baa/Ba/B	-	275,225	53% Baa/Ba/B
Money market mutual funds	10,698	317,116	100% Aaa	1,787	482,986	100% Aaa
Municipal bonds	-	19,557	100% Aaa	-	22,606	100% Aaa
Guaranteed investment agreement	116,743	-	-	-	-	-
Asset-backed securities	125,409	278,970	93% Aaa	99,026	191,658	93% Aaa
	-	19,176	6% Baa/Ba/B	-	12,483	6% Baa/Ba/B
	-	58	1% Caa/Ca/D	-	1,119	1% Caa/Ca/D
Total Debt Investments - University	\$ 337,958	1,481,787		\$ 338,545	1,266,335	
Bond mutual funds	\$ 36,761	-	-	\$ 34,226	-	-
Money market mutual funds	35,626	-	-	48,191	-	-
Total Debt Investments - Trust	\$ 72,387	-		\$ 82,417	-	

INTEREST RATE RISK

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. Interest rate risk only applies to debt investments. The University manages interest rate risk using weighted average maturity. Weighted average maturity is a measure of the time to maturity in years that has been weighted to reflect the dollar size of the individual investment within an investment type. The University's investment policy mitigates interest rate risk through the use of maturity limits for each of the investment segment pools.

UNIVERSITY OF COLORADO
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A summary of the fair value of the University's debt investments and interest rate risk as of June 30, 2025 and 2024 is shown in Table 3.4. Table 3.4 is a subset of Table 3.1 and does not include \$2,472,944,000 and \$2,480,440,000 of non-debt securities as of June 30, 2025 and 2024, respectively. The main difference in the amount of non-debt securities excluded in Table 3.3 and Table 3.4 is that money market mutual funds are included in Table 3.3 as they have credit risk, but they are excluded from Table 3.4 as they do not have interest rate risk. Also, U.S. government securities are not subject to credit risks but are subject to interest rate risks and are included here but not in the credit quality risk section.

The Trust has no formal policy for interest rate risk. At June 30, 2025 and 2024, the Trust believes the interest rate risk is minimal.

Table 3.4. Debt Investments and Interest Rate Risk (*in thousands and years*)

Investment Type	2025		2024	
		Weighted Average Maturity		Weighted Average Maturity
University	Amount		Amount	
U.S. government securities	\$ 762,910	9.75	\$ 847,164	7.83
Bond mutual funds	64,190	7.08	68,337	6.87
Certificates of deposit	2,600	0.52	501	0.39
Commercial paper	7,081	0.03	79,571	0.20
Corporate bonds	661,697	5.90	517,683	7.45
Municipal bonds	19,557	9.76	22,606	9.64
Guaranteed investment agreement	116,743	1.50	-	-
Fixed rate asset-backed securities	303,200	11.12	237,047	12.80
Variable rate asset-backed securities	120,413	13.58	67,239	14.30
Collateralized mortgage obligations	236,093	18.20	251,670	18.36
Total Debt Investments – University	\$ 2,294,484		\$ 2,091,818	
Bond mutual funds	\$ 36,761	2.90	34,226	2.50
Total Debt Investments - Trust	\$ 36,761		\$ 34,226	

The University has investments in asset-backed securities, which consist mainly of mortgages, home equity loans, student loans, automobile loans, equipment trusts, and credit card receivables. These securities are based on cash flows from principal and interest payments on the underlying securities. An asset-backed security has repayments that are expected to significantly vary with interest rate changes. The variance may present itself in terms of variable repayment amounts and uncertain early or extended repayments.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to magnitude of an entity's investment in a single issuer other than the federal government. The University's policy is that exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, or government-sponsored corporations, shall not exceed 10 percent of the market value of the fixed income portfolio. The University had no investments exceeding 5 percent in any one issuer and is therefore not subject to concentration of credit risk. At June 30, 2025 and 2024, the Trust's investments consist of a single short-term duration bond fund.

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NOTES TO FINANCIAL STATEMENTS
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SPLIT-INTEREST AGREEMENTS

Assets held by the CU Foundation under split-interest agreements are included in investments and consisted of the following as of June 30, 2025 and 2024, as shown in Table 3.5.

Table 3.5. CU Foundation Investments Held under Split-interest Agreements (*in thousands*)

Type	2025	2024
Assets held in charitable remainder trusts	\$ 26,419	28,879
Assets held in life interest in real estate	255	1,565
Assets held in pooled income funds	83	81
Total Investments Held under Split-interest Agreements	\$ 26,757	30,525

NOTE 4 – ACCOUNTS, LEASES, AND LOANS RECEIVABLE

Table 4.1 segregates receivables as of June 30, 2025 and 2024, by type.

Table 4.1. Accounts, Leases, and Loans Receivable (*in thousands*)

Type of Receivable	2025			
	Gross Receivables	Allowance	Net Receivables	Net Current Portion
<i>University</i>				
Student accounts	\$ 93,242	31,707	61,535	61,535
Federal government	161,674	-	161,674	161,065
Other governments	71,050	-	71,050	71,050
Private sponsors	44,133	-	44,133	44,133
Patient accounts	277,666	36,394	241,272	241,272
DPCU	7,962	-	7,962	7,962
Interest	15,760	-	15,760	15,760
City of Champions tax revenue	7,947	-	7,947	1,445
Athletics	4,230	-	4,230	4,230
Treasury investment pool	12,217	-	12,217	12,217
Other	39,190	503	38,687	38,688
Total accounts receivable	735,071	68,604	666,467	659,357
Leases	66,552	-	66,552	6,448
Total leases receivable	66,552	-	66,552	6,448
Loans to students	12,828	1,066	11,762	2,194
Loan to DPCU	10,000	-	10,000	-
Loans to others	15,429	-	15,429	-
Total loans receivable	38,257	1,066	37,191	2,194
Total Receivable – University	\$ 839,880	69,670	770,210	667,999

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Table 4.1. (continued) Accounts, Leases, and Loans Receivable (*in thousands*)

Type of Receivable	2024			
	Gross Receivables	Allowance	Net Receivables	Net Current Portion
University				
Student accounts	\$ 86,664	28,313	58,351	58,351
Federal government	120,635	-	120,635	119,103
Other governments	98,195	-	98,195	98,195
Private sponsors	41,102	-	41,102	41,102
Patient accounts	264,719	29,584	235,135	235,135
DPCU	13,373	-	13,373	13,373
Interest	12,385	-	12,385	12,385
City of Champions tax revenue	9,423	-	9,423	1,385
Athletics	5,494	-	5,494	5,494
Treasury investment pool	2,909	-	2,909	2,909
Other	50,271	3,067	47,204	47,204
Total accounts receivable	705,170	60,964	644,206	634,636
Leases	67,830	-	67,830	6,293
Total leases receivable	67,830	-	67,830	6,293
Loans to students	14,192	1,284	12,908	2,376
Loan to DPCU	10,000	-	10,000	-
Loans to others	13,719	-	13,719	-
Total loans receivable	37,911	1,284	36,627	2,376
Total Receivable – University	\$ 810,911	62,248	748,663	643,305

LEASES RECEIVABLE

The University leases certain assets, primarily buildings, to various third parties expiring September 2025-February 2120. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable. The University recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the University measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The lease receivable is \$66,552,000 and \$67,830,000 as of June 30, 2025 and 2024, respectively, recorded in current and noncurrent Accounts, Leases, and Loans Receivable on the statement of net position. The University recorded deferred inflows of resources for lease revenue related to leasing arrangements that occurred during the year. As of June 30, 2025 and 2024, the University recorded deferred inflows of resources of \$64,491,000 and \$66,408,000, respectively.

UNIVERSITY OF COLORADO
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June 30, 2025 and 2024

During the years ended June 30, 2025 and 2024, the University recognized lease revenue related to its administrative office space lease agreements of \$7,632,000 and \$8,046,000, respectively, and interest income related to its leases of \$1,556,000 and \$1,325,000, respectively, primarily recorded as other operating revenue at CU Boulder and as other nonoperating revenue at UCCS and CU Denver|Anschutz.

CONCENTRATION OF CREDIT RISK – PATIENT ACCOUNTS

CU Medicine grants credit without collateral to its patients. Table 4.2 details the mix of gross receivables from patients and third-party payers as of June 30, 2025 and 2024.

Table 4.2. CU Medicine Concentration of Credit Risk

Category	2025	2024
Managed care	51.2 %	50.0 %
Medicaid	11.2 %	10.8 %
Medicare	10.4 %	9.7 %
Other third-party payers	7.6 %	8.0 %
Self-pay	19.6 %	21.5 %
Total	100.0 %	100.0 %

UNIVERSITY OF COLORADO
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NOTE 5 – CAPITAL AND RIGHT-TO-USE ASSETS

Table 5 presents changes in capital and right-to-use assets and accumulated depreciation/amortization by major asset category for the years ended June 30, 2025 and 2024.

The University had insurance recoveries of \$11,258,000 and \$3,984,000 for the years ended June 30, 2025 and 2024, respectively, which are included in other nonoperating revenues.

Table 5. Capital and Right-to-Use Assets (in thousands)

Category	2024	Additions	Retirements/ Adjustments	Transfers	2025
Nondepreciable capital assets					
Land	\$ 111,611	7,550	-	-	119,161
Construction in progress	394,793	246,781	(16,359)	(120,507)	504,708
Collections	21,708	57	-	-	21,765
Total nondepreciable capital assets	528,112	254,388	(16,359)	(120,507)	645,634
Depreciable capital assets					
Buildings	5,244,558	821		91,207	5,336,586
Improvements other than buildings	346,849	11		24,772	371,632
Equipment	771,857	66,463	(49,983)	4,528	792,865
Software	99,171	1,131	(9,992)	-	90,310
Other intangibles	1,910	-	-	-	1,910
Library and other collections	511,561	18,270	(1,915)	-	527,916
Total depreciable capital assets	6,975,906	86,696	(61,890)	120,507	7,121,219
Less accumulated depreciation					
Buildings	2,316,486	158,719	-	-	2,475,205
Improvements other than buildings	203,675	13,758	-	-	217,433
Equipment	582,070	52,939	(46,231)	-	588,778
Software	98,100	824	(9,978)	-	88,946
Other intangibles	936	77	-	-	1,013
Library and other collections	408,174	18,564	(1,915)	-	424,823
Total accumulated depreciation	3,609,441	244,881	(58,124)	-	3,796,198
Net depreciable capital assets	3,366,465	(158,185)	(3,766)	120,507	3,325,021
Right-to-use assets					
Leased buildings	113,676	10,123	(1,873)	-	121,926
Leased equipment	6,586	372	(163)	-	6,795
Software subscriptions	70,810	27,263	(16,377)	-	81,696
Total right-to-use assets	191,072	37,758	(18,413)	-	210,417
Less accumulated amortization					
Leased buildings	42,568	14,203	(1,913)	-	54,858
Leased equipment	4,303	1,776	(263)	-	5,816
Software subscriptions	35,711	21,600	(14,463)	-	42,848
Total accumulated amortization	82,582	37,579	(16,639)	-	103,522
Net right-to-use assets	108,490	179	(1,774)	-	106,895
Total Net Capital and Right-to-Use Assets	\$ 4,003,067	96,382	(21,899)	-	4,077,550

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Table 5. (continued) Capital and Right-to-Use Assets (*in thousands*)

Category	2023	Additions	Retirements/ Adjustments	Transfers	2024
Nondepreciable capital assets					
Land	\$ 101,602	10,009	-	-	111,611
Construction in progress	244,539	208,666	(10,404)	(48,008)	394,793
Collections	21,571	137	-	-	21,708
Total nondepreciable capital assets	367,712	218,812	(10,404)	(48,008)	528,112
Depreciable capital assets					
Buildings	5,201,750	62	-	42,746	5,244,558
Improvements other than buildings	343,463	58	-	3,328	346,849
Equipment	734,901	74,553	(39,311)	1,714	771,857
Software	99,269	100	(198)	-	99,171
Other intangibles	1,909	1	-	-	1,910
Library and other collections	487,860	24,764	(1,283)	220	511,561
Total depreciable capital assets	6,869,152	99,538	(40,792)	48,008	6,975,906
Less accumulated depreciation					
Buildings	2,155,392	161,094	-	-	2,316,486
Improvements other than buildings	191,191	12,484	-	-	203,675
Equipment	558,647	50,796	(27,373)	-	582,070
Software	97,522	780	(202)	-	98,100
Other intangibles	859	77	-	-	936
Library and other collections	390,143	19,314	(1,283)	-	408,174
Total accumulated depreciation	3,393,754	244,545	(28,858)	-	3,609,441
Net depreciable capital assets	3,475,398	(145,007)	(11,934)	48,008	3,366,465
Right-to-use assets					
Leased buildings	113,813	6,635	(6,772)	-	113,676
Leased equipment	6,377	602	(393)	-	6,586
Software subscriptions	60,925	17,848	(7,963)	-	70,810
Total right-to-use assets	181,115	25,085	(15,128)	-	191,072
Less accumulated amortization					
Leased buildings	35,172	13,584	(6,188)	-	42,568
Leased equipment	3,139	1,458	(294)	-	4,303
Software subscriptions	24,734	19,652	(8,675)	-	35,711
Total accumulated amortization	63,045	34,694	(15,157)	-	82,582
Net right-to-use assets	118,070	(9,609)	29	-	108,490
Total Net Capital and Right-to-Use Assets	\$ 3,961,180	64,196	(22,309)	-	4,003,067

NOTE 6 – ACCRUED LIABILITIES

Table 6.1 details the accrued expenses by type as of June 30, 2025 and 2024.

Table 6.1 Accrued Expenses (*in thousands*)

Type	2025	2024
Accrued salaries and benefits	\$ 147,946	134,695
Accrued interest payable	4,091	3,358
Other accrued expenses	2,999	1,303
Total Accrued Expenses	\$ 155,036	139,356

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Table 6.2 presents changes in compensated absences for the years ended June 30, 2025 and 2024.

Table 6.2 Compensated Absences (*in thousands*)

		2025	2024
Beginning of year	\$	391,152	359,572
Net change		17,227	31,580
End of year	\$	408,379	391,152
Current compensated absences		28,202	25,026

FAMLI LIABILITY

State law allows employers to offer a self-funded paid family leave program with benefits that meet or exceed the State's Family and Medical Leave Insurance (FAMLI) program, instead of participating in the state insurance program. In Fiscal Year 2023, the University submitted a private plan proposal, which was reviewed and approved by the State of Colorado. Like the state program, the University's FAMLI plan is funded with premiums split equally between the University and its employees. Premiums are set to 0.9 percent of the employee's wage, with 0.45 percent of the premium paid by the employer and 0.45 percent of the premium paid by the employee. The University's liability totaled \$6,125,000 and \$10,729,000 as of June 30, 2025 and 2024, respectively, and reflects the withholdings from employees less payments made for benefits.

Table 6.3 presents changes in the FAMLI liability for the years ended June 30, 2025 and 2024.

Table 6.3 FAMLI Liability (*in thousands*)

		2025	2024
Beginning of year	\$	10,729	5,773
Additions		18,754	11,420
Reductions		(23,358)	(6,464)
End of year	\$	6,125	10,729
Current FAMLI liability		6,125	10,729

UNPAID CLAIMS LIABILITY

The Trust establishes a liability based on the ultimate estimated cost of settling claims that have been reported but not settled, and of claims that have been incurred but not yet paid. This liability is based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors and is reviewed by the Trust's independent consulting actuary. This includes a liability for claim processing costs associated with paying claims, which have been incurred, but not yet paid.

Unpaid claims are not discounted. Payments of claims under the Trust are made according to a schedule of benefits, upon submission of a proof of claim by an independent claims processor.

The Trust is fully self-insured and is subject to increased claims costs due to higher than anticipated utilization or a higher than anticipated number of catastrophic claims. Amounts receivable from claims runout were \$0 at June 30, 2025 and 2024, respectively. Table 6.4 represents changes in the unpaid claims liability during the years ended June 30, 2025, 2024, and 2023.

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Table 6.4 Unpaid Claims Liability (*in thousands*)

		2025	2024	2023
Claims payable, beginning of year	\$	41,960	37,589	38,227
Provision for claims costs				
Provision for covered events of the current year		452,769	385,827	357,819
Change in provisions for covered events of prior years		781	1,123	1,241
Total provision for claims costs		453,550	386,950	359,060
Payments				
Claims costs attributable to covered events of the current year		410,654	344,363	320,556
Claims costs attributable to covered events of prior years		41,843	38,216	39,142
Total payments		452,497	382,579	359,698
Claims payable, end of year	\$	43,013	41,960	37,589

NOTE 7 – UNEARNED REVENUE

As of June 30, 2025 and 2024, the types and amounts of unearned revenue are shown in Table 7.

Table 7. Unearned Revenue (*in thousands*)

Type		2025		2024	
		Total	Current	Total	Current
Tuition and fees	\$	46,291	46,291	46,268	46,268
Auxiliary enterprises		43,792	43,792	40,669	40,669
Grants and contracts		121,203	121,203	148,025	148,025
Miscellaneous		11,911	10,922	9,876	8,810
Total Unearned Revenue	\$	223,197	222,208	244,838	243,772

NOTE 8 – LONG-TERM DEBT

As of June 30, 2025 and 2024, the categories of long-term obligations are summarized in Table 8.1.

Table 8.1. Long-Term Debt (*in thousands*)

Type	Interest Rates	Final Maturity		2025	2024
Enterprise system revenue bonds (including premium of \$97,049 in 2025 and \$62,557 in 2024)	0.86 - 5.00%	06/01/55	\$	1,519,174	1,492,807
University revenue bonds - private placement	1.59 - 2.14%	06/01/36		211,340	428,750
CU Medicine fixed-rate bonds - private placement	2.30%	11/01/24		-	485
Total revenue bonds				1,730,514	1,922,042
Lease liability	0 - 5.77%	04/30/37		73,205	76,252
Subscription liability	0.2 - 6.4%	07/20/30		34,397	30,278
Notes payable	0 - 10.70%	06/01/33		12,175	13,405
Total Long-Term Debt			\$	1,850,291	2,041,977

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Table 8.2 presents changes in long-term debt for the years ended June 30, 2025 and 2024.

Table 8.2. Changes in Long-Term Debt (in thousands)

Type	Balance 2024	Additions	Retirements	Balance 2025	Current Portion
University					
Revenue bonds	\$ 1,430,250	516,570	(524,695)	1,422,125	141,865
Plus unamortized premiums	62,557	53,257	(18,765)	97,049	14,421
Revenue bonds from private placement - CU Medicine	485	-	(485)	-	-
Revenue bonds from private placement - University	428,750	-	(217,410)	211,340	3,115
Net revenue bonds	1,922,042	569,827	(761,355)	1,730,514	159,401
Lease liability	76,252	9,024	(12,071)	73,205	12,784
Subscription liability	30,278	26,852	(22,733)	34,397	18,337
Notes payable	13,405	1,173	(2,403)	12,175	1,926
Total Long-Term Debt	\$ 2,041,977	606,876	(798,562)	1,850,291	192,448
Type	Balance 2023	Additions	Retirements	Balance 2024	Current Portion
University					
Revenue bonds	\$ 1,520,500	117,425	(207,675)	1,430,250	289,470
Plus unamortized premiums	78,264	-	(15,707)	62,557	8,988
Revenue bonds from private placement - CU Medicine	1,649	-	(1,164)	485	485
Revenue bonds from private placement - University	216,985	214,535	(2,770)	428,750	27,725
Net revenue bonds	1,817,398	331,960	(227,316)	1,922,042	326,668
Lease liability	82,827	7,162	(13,737)	76,252	11,960
Subscription liability	32,634	17,685	(20,041)	30,278	14,243
Notes payable	13,993	306	(894)	13,405	1,872
Total Long-Term Debt	\$ 1,946,852	357,113	(261,988)	2,041,977	354,743

REVENUE BONDS

Table 8.3 details a general description of each revenue bond issue, original issuance amount, and the amount outstanding as of June 30, 2025 and 2024.

Table 8.3. Revenue Bonds Detail (in thousands)

Issuance Description	Original Issuance Amount	Outstanding Balance 2025	Outstanding Balance 2024
Enterprise system revenue bonds:			
Refunding Series 2007A			
Used to refund all of the revenue bond Refunding Series 1999A and Certificates of Participation Series 2003A and 2003B and a portion of revenue bond Refunding Series 1995A, Refunding and Improvement Series 2001B, Series 2002A, and 2002B	\$ 184,180	14,205	27,725
Series 2014B-1			
Used to partially refund Enterprise System Revenue Bonds Series 2005B, 2006B, 2007A and 2009	100,440	-	22,230
Series 2015A			
Used to partially refund Enterprise System Revenue Bonds Series 2006A, 2007B, and 2009	102,450	7,915	8,250
Series 2015B			
Used to partially refund Enterprise System Revenue Bonds Series 2005A	3,925	755	840

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Table 8.3. (continued) Revenue Bonds Detail (*in thousands*)

Issuance Description	Original Issuance Amount	Outstanding Balance 2025	Outstanding Balance 2024
Series 2015C Used to partially refund Enterprise System Revenue Bonds Series 2007A	\$ 71,325	5,720	6,220
Series 2016A Used to fund capital improvements at CU Denver and UCCS	31,430	3,180	3,955
Series 2016B-1 Used to partially refund Enterprise System Revenue Bonds Series 2011A	156,810	74,710	82,695
Series 2017A-1 Used to partially refund Enterprise System Revenue Bonds Series 2007A and 2012B	66,930	22,360	27,430
Series 2017A-2 Used to partially refund Enterprise System Revenue Bonds Series 2012B, 2013A and 2014A and to establish escrow accounts for the cross-over refunding of Series 2009B, 2010A and 2010C	471,390	239,045	300,515
Series 2018B Used to fund capital improvements for four UCCS projects including the Hybl Sports Medicine Facility	64,360	15,650	24,030
Series 2019A Used to partially refund Enterprise System Revenue Bonds Series 2010B, Series 2011A, Series 2012 A-1, A-2, A-3, and Series 2013B on a taxable basis	147,980	20,545	107,935
Series 2019A2 Used to partially refund Enterprise System Revenue Bonds Series 2009C, Series 2010B, Series 2011A, Series 2012 A-1, A-3, Series 2014B-1, Series 2015A, Series 2015B, and Series 2016A on a taxable basis	101,885	24,080	47,210
Series 2019B Used to fund capital improvement projects at CU Denver (Campus Village Apartments (CVA) improvements) and CU Anschutz (Campus Utility Project). Additionally used to refund the 2018A bank direct purchase variable rate note for CVA at CU Denver and to refund Commercial Paper for CU Boulder (Fleming renovations)	79,795	39,935	49,580
Series 2019C Used to fund the Lynx Crossing housing project at CU Denver as well as refunding outstanding Commercial Paper for two CU Boulder projects: Williams Village East and Aerospace	214,625	-	214,625
Series 2020B2 Used to partially refund Enterprise System Revenue Bonds Series 2007A, 2011A, 2011B, 2012A-1, 2012A-3, 2012B, 2013A, 2014A, 2014B1, 2015A, 2015B, 2015C, 2016A, 2016B1, 2017A1, 2017A2, 2019A, 2019A2, 2019B, and 2019C on a taxable basis	140,885	72,045	92,780
Series 2021A Used to fund capital improvements for one CU Boulder project in the North Wing of Engineering Facility	26,595	25,105	25,620
Series 2021B Used to partially refund Enterprise System Revenue Bonds Series 2011B, 2012A1, 2012A2, 2012A3, 2013B, and 2014A1 on a taxable basis	44,520	6,500	11,255

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Table 8.3. (continued) Revenue Bonds Detail (in thousands)

Issuance Description	Original Issuance Amount	Outstanding Balance 2025	Outstanding Balance 2024
Series 2021C-1			
Used for financing the Series 2021C Refunding Project on a taxable basis	\$ 69,575	60,330	64,420
Series 2021C-2A Private Placement			
Used to partially refund Enterprise System Revenue Bonds Series 2015A, 2016B-1, and Series 2017A-2	41,660	33,600	34,165
Series 2021C-2B Private Placement			
Used to partially refund Enterprise System Revenue Bonds Series 2015A, 2016B-1, and Series 2017A-2	62,100	59,570	60,280
Series 2021C-2C Private Placement			
Used to partially refund Enterprise System Revenue Bonds Series 2015A, 2016B-1, and Series 2017A-2	123,845	118,170	119,770
Series 2021C-3A			
Green bonds used to refund VRDBs 2020A-1, 2020A-2, and 2020B-1	65,000	65,000	65,000
Series 2021C-3B			
Green bonds used to refund VRDBs 2020A-1, 2020A-2, and 2020B-1	60,000	60,000	60,000
Series 2021C-4			
Used for financing the Series 2021C-4 Refunding Project	77,460	73,345	74,770
Series 2023A			
Used to partially refund tendered Enterprise System Revenue Bonds Series 2015C, 2016A, 2017A1, 2017A2, 2018B, 2019B, 2019A2, 2019B, 2020B2, 2021B and 2021C1 on a tax-exempt basis	117,425	111,960	113,165
Series 2023B1			
Used to establish escrow accounts for the cross-over refunding of Series 2019C	96,035	-	96,035
Series 2023B2			
Used to establish escrow accounts for the cross-over refunding of Series 2019C	118,500	-	118,500
Series 2024A			
Used to refund Series 2023B1, 2023B2 and 2014B1	223,215	186,385	-
Series 2025A			
Used to fund capital improvements for CU Boulder projects such as Residence Hall 1 and Hellems Projects	177,350	177,350	-
Series 2025B			
Used to partially refund tendered Enterprise System Revenue Bonds Series 2015C, 2017A1, 2018B, 2019A, 2019A2, 2019B, 2020B2, 2021B and 2021C1 on a tax-exempt basis	116,005	116,005	-
Total enterprise system revenue bonds - outstanding principal	3,357,695	1,633,465	1,859,000
Series 2014 - CU Medicine Private Placement Fixed Rate Bonds			
Used to fund capital improvements	11,695	-	485
Total Other Long Term Obligations	11,695	-	485
Total Outstanding Revenue Bond Principal		1,633,465	1,859,485
Plus premium		97,049	62,557
Total Revenue Bonds		\$ 1,730,514	1,922,042

The University's revenue bonds are payable semiannually, have serial and term maturities, and contain optional redemption provisions. The optional redemption provisions allow the University to redeem, at various dates, portions of the outstanding revenue bonds at prices varying from 100 percent to 101 percent of the principal amount of the revenue bonds redeemed.

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The Enterprise System Revenue Bonds are secured by a pledge of all net revenues of auxiliary services, student fees, other self-funded services, research services, and certain other operating and nonoperating revenues, 100 percent of the University's tuition, 100 percent of the University's capital student fees, and 100 percent of the University's indirect cost recoveries. All University revenue bonds are special limited obligations of the Regents and are payable solely from the pledged revenues or the net income of the facilities as defined in the bond resolution. The revenue bonds are not secured by any encumbrance, mortgage, or other pledge of property, except pledged revenues, and do not constitute general obligations of the Regents.

The University's bonds are payable through June 1, 2055. During the years ended June 30, 2025 and 2024, the total principal and interest paid on the University's bonds, excluding refundings, was \$160,932,000 and \$130,075,000 respectively, which is 9.4 percent and 8.0 percent of the total net pledged revenues of \$1,707,529,000 and \$1,613,877,000, respectively. Net pledged revenues are 34 percent of the total specific revenue streams in both Fiscal Years 2025 and 2024.

On October 15, 2024, proceeds in the escrow account created from the issuance of the 2023B-1 and 2023B-2 Taxable Convertible to Tax-exempt Refunding Revenue (cross-over) Put Bonds were converted by the trustee to retire the Series 2019C Put Bonds.

On October 23, 2024, the University issued Series 2024A Enterprise Refunding Revenue Bonds in the amount of \$223,215,000 to refund Series 2014B-1, 2023B-1, and 2023B-2. The refunding transaction provided cash flow savings of \$6,800,000 and net present value savings of \$5,500,000. The savings will reduce debt service payments related to several projects on all four campuses. The yields range from 2.79 percent to 3.45 percent and the interest rate is 5.00 percent. The first interest payment date was June 1, 2025. The final maturity of the 2024A bonds is October 1, 2030.

On January 7, 2025, the University placed cash and other monetary assets of \$40,926,000 acquired with only the University's existing resources with Zions Bank (as Escrow Agent) in a trust to legally defease a portion of its 2017A-2 Series bonds having an outstanding principal amount at the date of defeasance of \$43,390,000. As a result, a portion of the 2017A-2 Series bonds are considered to be legally defeased, and the liability for those bonds has been removed from the University's statements of net position. This transaction was related to several projects at CU Boulder. The defeased debt resulted in a difference between the reacquisition price and the net carrying amount of the debt of \$2,464,000, which has been recognized in the accompanying statements of revenues, expenses, and changes in net position as interest expense on capital asset-related debt.

On February 5, 2025, the University issued Series 2025A Enterprise Revenue Bonds in the amount of \$177,350,000 primarily for the Residence Hall 1 and Hellems projects at CU Boulder. The first interest payment date was June 1, 2025. Additionally, on February 5, 2025, the University issued Series 2025B Enterprise Refunding Revenue Bonds in the amount of \$116,005,000 to partially refund tendered Enterprise System Revenue Bonds Series 2015C, 2017A-1, 2018B, 2019A, 2019A-2, 2019B, 2020B-2, 2021B, and 2021C-1 on a tax-exempt basis. The refunding transaction yielded cash flow savings of \$17,100,000 and present value savings of \$5,000,000. Savings from these transactions will lower debt service payments for all campuses. The first interest payment date was June 1, 2025. The final maturity of the 2025A bonds is June 1, 2055 and June 1, 2047 for the 2025B bonds.

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The University's revenue bonds contain provisions to establish and maintain reasonable fees, rates, and other charges to ensure gross revenues are sufficient for debt service coverage. The University is also required to comply with various other covenants while the bonds are outstanding. These covenants, among other things, restrict the disposition of certain assets, require the Regents to maintain adequate insurance, and require the Regents to continue to operate the underlying programs. Management believes the University has met all debt service coverage ratios and has complied with all bond covenants.

In December 2002, CU Medicine entered into a loan agreement with the Fitzsimons Redevelopment Authority to issue variable-rate bonds, Series 2002, in the amount of \$20,500,000. Proceeds from the sale of these bonds were used to fund the development, construction, and equipping of CU Medicine's administrative office building. In October 2014, CU Medicine refinanced its variable-rate debt with a fixed-rate bank direct purchase obligation. As of June 30, 2025, the fixed rate bonds have been fully paid off.

Future minimum payments for revenue bonds are detailed in Table 8.4.

Table 8.4. Revenue Bonds Future Minimum Payments (*in thousands*)

Year Ended June 30	Non-Direct Borrowings			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 141,865	57,013	198,878	3,115	4,269	7,384
2027	140,995	52,168	193,163	3,385	3,999	7,384
2028	78,555	48,417	126,972	3,585	3,800	7,385
2029	136,110	42,516	178,626	9,920	3,324	13,244
2030	70,130	38,554	108,684	3,925	3,164	7,089
2031 – 2035	291,650	136,058	427,708	150,335	11,412	161,747
2036 – 2040	259,240	87,108	346,348	37,075	617	37,692
2041 – 2045	190,195	41,960	232,155	-	-	-
2046 – 2050	86,825	14,040	100,865	-	-	-
2051 – 2055	26,560	2,923	29,483	-	-	-
Total	\$ 1,422,125	520,757	1,942,882	211,340	30,585	241,925

EXTINGUISHMENT OF DEBT

Previous revenue bond issues considered to be extinguished through legal defeasance under GAAP are not included in the accompanying financial statements. The amount of debt in this category, covered by assets placed in trust to be used solely for future payments, amounted to \$361,515,000 and \$336,760,000 as of June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, escrow agent payments were \$88,170,000, and debt defeased was \$112,925,000. During the year ended June 30, 2024, no debt was defeased and escrow agent payments were \$207,020,000.

LEASE LIABILITY

The University leases certain assets from various third parties. Under Statement No. 87, *Leases*, the University recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. At the commencement of a lease, the University initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

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The assets leased include property, medical equipment, and other equipment. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease liability. Variable payments generally relate to the University's share of estimated operating costs occurring subsequent to the lease commencement date. Lease assets are reported with other capital assets on the statement of net position. Lease asset activity of the University is included in Note 5.

The University monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The University has a security deposit of \$6,000 that is collateral pledged as a security for a property lease.

During the years ended June 30, 2025 and 2024, CU Medicine recognized \$2,788,000 and \$181,000, respectively, of outflows as a result of variable payments that were properly excluded from the initial measurement of the lease liability. Variable payments generally relate to indirect costs with leasehold improvements occurring subsequent to the lease commencement date.

As of June 30, 2025, CU Medicine has no commitments related to executed leases for which the lease term has not commenced. As of June 30, 2024, the CU Medicine has \$1,750,000 in commitments related to leases for which the lease term has not commenced, which subsequently commenced during the year ended June 30, 2025.

As of June 30, 2025 and 2024, the University had an outstanding liability for all its leases of \$73,205,000 and \$76,252,000, respectively.

Future minimum payments for the University's lease liability as of June 30, 2025 are detailed in Table 8.5.

Table 8.5. Lease Liability Future Minimum Payments (*in thousands*)

Year Ended June 30		Principal	Interest	Total
2026	\$	12,784	1,912	14,696
2027		12,158	1,583	13,741
2028		11,359	1,318	12,677
2029		10,215	1,052	11,267
2030		5,512	839	6,351
2031 – 2035		18,905	2,004	20,909
2036 – 2040		2,272	90	2,362
Total	\$	73,205	8,798	82,003

SUBSCRIPTION LIABILITY

The University obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed; however, payments that are determined based on the number of transactions incurred during future periods of the contract are variable payments and are properly excluded from the measurement of the subscription liability. Under Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* (Statement No. 96), the University is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Subscription assets are reported with other capital assets on the statement of net position, and the activity of these assets is included in Note 5.

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During the years ended June 30, 2025 and 2024, CU Medicine recognized approximately \$271,000 and \$354,000, respectively, of outflows related to variable payments that were properly excluded from the initial measurement of the subscription liability.

Future minimum payments related to the University's subscription liabilities as of June 30, 2025 are detailed in Table 8.6.

Table 8.6. Subscription Liability Future Minimum Payments (*in thousands*)

Year Ended June 30		Principal	Interest	Total
2026	\$	18,337	679	19,016
2027		9,194	323	9,517
2028		3,721	136	3,857
2029		2,728	46	2,774
2030		417	8	425
Total	\$	34,397	1,192	35,589

NOTES PAYABLE

Notes payable at CU Medicine includes various financed-purchases for medical and other equipment, which are collateralized by the medical equipment financed. Under Statement No. 87, the University accounts for a contract that transfers ownership of the underlying asset to the lessee as a financed purchase.

The University has a lease with a related party, which is recorded as a note payable. As this is an intra-entity lease with a State agency it was not within the scope of Statement No. 87. During Fiscal Year 2009, CU Denver entered into a \$10,272,000 site lease agreement with AHEC associated with the build-out of educational space for CU Denver. As of June 30, 2025 and 2024, the University paid base annual rent to AHEC of \$835,000 and \$836,000, respectively.

18th Avenue has a 20-year mortgage on the property at 1800 Grant Street. The original amount borrowed was \$12,450,000 at an interest rate of 4.15 percent with monthly principal and interest payments of \$67,000. There is a balloon payment of \$3,678,000 due on June 1, 2033. In December 2021, notice was given to a lender as beneficiary of a deed of trust to a property owned by a University affiliate that the University, as tenant under a lease of that property, had not exercised its option to extend the lease. This ended the lease as of September 2022 and triggered the affiliate's option to prepay the loan secured by the deed of trust between June 1, 2023, and May 31, 2024, with no prepayment/reinvestment charges upon repayment of the loan in full. The affiliate determined not to prepay the loan, and the University intends to continue occupying the property on a month-to-month tenancy as permitted under the current lease.

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Future minimum payments for the University's notes payable are detailed in Table 8.7.

Table 8.7. Notes Payable Future Minimum Payments (*in thousands*)

Year Ended June 30		Principal	Interest	Total
2026	\$	1,926	602	2,528
2027		1,921	499	2,420
2028		1,654	390	2,044
2029		668	316	984
2030		562	239	801
2031 – 2035		5,444	569	6,013
Total	\$	12,175	2,615	14,790

COMMERCIAL PAPER

Pursuant to the Thirtieth Supplemental Bond Resolution adopted by the Regents on April 27, 2023, the University increased the maximum amount on the commercial paper (CP) program from \$200,000,000 to \$250,000,000. The program consists of tax-exempt notes (Series A-1), taxable notes (Series A-2) and Extendible Notes (Series B). CP can be used for approved capital construction projects. Each CP note has a fixed maturity date of between 1 and 270 days from issuance and can either be taken out at maturity by another CP issuance or retired by permanent financing authorized by the Regents. As of June 30, 2025 and 2024, there have been no tranches of CP issued and there are no current plans to do so.

LINE OF CREDIT

On September 16, 2024, the University entered into a \$50,000,000 committed, plus \$50,000,000 uncommitted accordion, operating line of credit with US Bank National Association (US Bank), pursuant to the Thirty-Third Supplemental Bond Resolution adopted by the Regents on September 12, 2024. Under the Credit Agreement with US Bank, the University may borrow for any lawful purpose of the University including operating expenses and costs of capital projects. The primary purpose of entering into this agreement is to provide an additional source of liquidity to the University and to allow it to more efficiently invest monies in the pooled funds of the University. As of the date the financial statements were issued, there have been no draws under the Credit Agreement and there are no current plans to do so. If monies are borrowed under the agreement, the University shall bear interest at the Term Secured Overnight Financing Rate (SOFR) in effect on the date of such borrowing. The agreement is a three-year agreement that will expire on September 16, 2027, and any amounts drawn under the agreement must be repaid within the three-year term. The University also makes quarterly payments to US Bank for any unused portion of the agreement. In Fiscal Year 2025, the amount paid in unused fees was \$40,000.

CU Medicine holds a revolving line of credit agreement with US Bank for liquidity management purposes. In June 2025, CU Medicine increased this line of credit to \$50,000,000 and extended the maturity date to June 1, 2028. Any funds drawn under the line of credit accrue interest at an annual rate of 0.70 percent plus the rate of 0 percent and the one-month SOFR (4.32 percent and 5.34 percent as of June 30, 2025 and 2024, respectively). No amounts were outstanding on the line of credit as of June 30, 2025 or 2024. The US Bank credit agreement is subject to financial covenants, the most significant of which are the maintenance of 60 days minimum cash coverage (defined as unrestricted cash plus readily marketable securities) and a debt service coverage ratio of 1.25 percent. CU Medicine is in compliance with its debt service requirements and financial covenants.

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STATE OF COLORADO 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. Campuses 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 December 14, 2005, the State, acting by and through the Regents, issued Certificates of Participation (COP), Series 2005B, with a par value of \$192,625,000 and a premium of \$7,568,000. The certificates had interest rates ranging from 3.75 to 5.25 percent and matured in November 2030. The proceeds were used to construct seven academic buildings on the CU Anschutz Medical Campus. In 2009, 2012, and 2013, the State issued additional COP to advance refund \$18,525,000, \$57,595,000, and \$71,275,000, respectively, of the principal of the 2005B Certificates of Participation. As of June 30, 2025, CU Anschutz had underlying gross capitalized assets costing \$188,801,000, with accumulated amortization of \$84,031,000 resulting in an underlying net capitalized asset of \$104,770,000.

On October 23, 2008, the State issued State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation, Series 2008, with a par value of \$230,845,000, at a net premium of \$181,000. The certificates have interest rates ranging from 3.0 to 5.5 percent and mature in November 2027. The proceeds were used to fund various capital projects for the benefit of certain State-supported institutions of higher education in Colorado, including UCCS and CU Boulder. As of June 30, 2025, UCCS had underlying gross capitalized assets costing \$17,735,000 with accumulated amortization of \$13,228,000 resulting in an underlying net capitalized asset of \$4,507,000. As of June 30, 2025, CU Boulder had underlying gross capitalized assets costing \$796,000, with accumulated amortization of \$527,000 resulting in an underlying net capitalized asset of \$269,000.

On September 26, 2018, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2018A, with a par value of \$500,000,000 and a premium of \$47,369,000 and a discount of \$526,000. The certificates have interest rates ranging from 1.84 percent to 5.00 percent and mature in December 2037. Of the proceeds, \$120,000,000 was designated for controlled maintenance projects, \$19,976,000 of which are at the University. There are projects at all the campuses and include upgrading HVAC, fire sprinklers, electrical services, roof replacement, and elevator repairs. As of June 30, 2025, CU Anschutz had underlying gross capitalized assets costing \$6,362,000, with accumulated amortization of \$1,323,000 resulting in an underlying net capitalized asset of \$5,040,000. As of June 30, 2025, CU Boulder had underlying gross capitalized assets costing \$10,180,000, with accumulated amortization of \$1,123,000 resulting in an underlying net capitalized asset of \$9,057,000. As of June 30, 2025, UCCS had underlying gross capitalized assets costing \$172,000, with accumulated amortization of \$98,000 resulting in an underlying net capitalized asset of \$74,000.

On June 2, 2020, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2020A, with a par value of \$500,000,000 and a premium of \$111,009,000. The certificates have interest rates ranging from 3.00 percent to 5.00 percent and mature in June 2040. The proceeds were used to fund various controlled maintenance projects for the benefit of certain State-supported institutions of higher education in Colorado, of which \$6,614,000 are at the University. As of June 30, 2025, UCCS had underlying gross capitalized assets costing \$1,645,000, with accumulated amortization of \$231,000

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resulting in an underlying net capitalized asset of \$1,414,000. The two projects at CU Boulder are still under construction.

On February 17, 2021, the State issued State of Colorado Higher Education Lease Purchase Financing Program Certificates of Participation, Series 2020, with a par value of \$64,250,000 and a premium of \$16,800,000. The certificates have interest rates ranging from 4.00 percent to 5.00 percent and mature in September 2041. The proceeds were used to fund various capital projects for the benefit of certain State-supported institutions of higher education in Colorado, including CU Anschutz. Of the proceeds, \$21,859,000 was designated for the Anschutz Health Sciences Building to cover a portion of the \$242,000,000 construction budget, which was completed in January 2022. As of June 30, 2025, CU Anschutz had underlying gross capitalized assets costing \$21,859,000, with accumulated amortization of \$1,913,000 resulting in an underlying net capitalized asset of \$19,946,000.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The University participates in two types of OPEB plans – a single-employer plan administered by the University – the University OPEB Plan (University OPEB) and a cost-sharing plan administered by the Public Employees’ Retirement Association of Colorado (PERA) – the Health Care Trust Fund (HCTF). Table 9.1 provides a summary of the OPEB balances related to each plan for the fiscal years ended June 30, 2025 and 2024.

Table 9.1. Summary of OPEB Balances (*in thousands*)

	2025			2024		
	CU Plan	PERA Plan	Total	CU Plan	PERA Plan	Total
OPEB liability - current	\$ 21,290	-	21,290	20,135	-	20,135
OPEB liability - noncurrent	1,669,984	13,490	1,683,474	1,429,685	20,926	1,450,611
Total OPEB liability	\$ 1,691,274	13,490	1,704,764	1,449,820	20,926	1,470,746
DO differences between expected and actual experience	97,115	-	97,115	123,371	-	123,371
DO changes of assumptions and other inputs	351,597	154	351,751	332,191	246	332,437
DO difference between projected and actual earnings on OPEB plan investments	-	46	46	-	647	647
DO benefit payments subsequent to measurement date	20,643	1,800	22,443	19,552	1,729	21,281
Total deferred outflows - OPEB related	\$ 469,355	2,000	471,355	475,114	2,622	477,736
DI differences between expected and actual experience	54,246	2,976	57,222	84,007	4,290	88,297
DI changes of assumptions and other inputs	181,647	4,312	185,959	219,772	2,219	221,991
DI difference between projected and actual earnings on OPEB plan investments	-	-	-	-	-	-
DI changes in proportionate share	-	3,027	3,027	-	3,543	3,543
DI difference between contributions recognized and proportionate share of	-	38	38	-	44	44
Total deferred inflows - OPEB related	\$ 235,893	10,353	246,246	303,779	10,096	313,875
OPEB expense (credit)	199,968	(3,006)	196,962	135,167	(2,250)	132,917
Total OPEB expense (credit)	\$ 199,968	(3,006)	196,962	135,167	(2,250)	132,917

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UNIVERSITY OPEB

The University OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and additions to/deductions from the OPEB liability have been determined using the economic resources measurement focus and the accrual basis of accounting.

Plan Description. The University OPEB plan provides OPEB for University employees who participate in either the University of Colorado Optional Retirement Plan (ORP) or the University of Colorado PERA Retirement Plans. University OPEB is a single-employer, defined benefit, OPEB plan administered by the University, and established by the Regents (Regent Policy 11.F Benefits) who have the authority to amend plan provisions. No assets are accumulated in a trust that meets the criteria established in GAAP, as the University funds University OPEB on a pay-as-you-go basis. No stand-alone financial report is issued, and University OPEB is not included in the report of a public employee retirement system.

Benefits. The University subsidizes a portion of healthcare and life insurance premiums for retirees on a pay-as-you-go basis. All employees in a benefit-eligible position at 50 percent or greater appointment immediately preceding retirement are eligible to participate based on age and years of service. Spouses/partners, surviving spouses/partners, and dependents are eligible for benefits. The University specifies the maximum amount that it will contribute towards retiree healthcare benefits at the beginning of each coverage period. The retiree is required to make up the difference between the total cost and the amount contributed by the University. Benefits are not dependent on salary. For non-Medicare retirees, the subsidy for medical plans ranges from \$723 per month to \$2,150 per month depending on the number of individuals covered. For Medicare retirees, the subsidy ranges from \$410 per month to \$1,034 per month depending on the number of individuals covered. For dental plans, the subsidy ranges from \$30 per month to \$44 per month. The Basic Life Insurance benefit is \$3,000 for all retirees (if they were enrolled as an employee in Basic Life Insurance). For those who are eligible for regular retirement and the 100 percent university contribution towards benefits premiums, the policy is free. Early retirees pay a prorated premium for the Basic Life Insurance based on the percentage that is calculated for their years of service and what is required for a regular retirement based on their age. The Optional Life Insurance is available for those who were enrolled in Optional Life Insurance as an employee at retirement, and that amount is limited to 25 percent of the value of their Optional Life Insurance policy not to exceed \$9,500.

For ORP retirees, normal retirement benefits are available at age 55 with 20 years of service. Early retirement benefits begin at age 55 with 15 years of service. For PERA retirees, normal retirement benefits begin at 20 years of service and the individual must meet requirements as defined by PERA. The individual must retire with PERA concurrent with or prior to retirement from the University. Early retirement is available with fewer than 20 years of service. Healthcare benefits for PERA retirees cease at age 65. Following the death of an active employee, the surviving spouse receives 100 percent of the University contribution for a period of two years. After two years, the surviving spouse receives the portion of the University contribution that the employee earned immediately prior to death.

The percentage of the University contribution the retiree receives is based on the retiree's years of service at retirement divided by the required number of years of service. Enrollment in University OPEB is voluntary. University and participant payments for healthcare benefits are paid to the Trust (see Note 16) which is responsible for administration of healthcare benefits. The University contributed \$20,643,000 and \$19,552,000 for the fiscal years ended June 30, 2025 and 2024, respectively.

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Employees Covered by Benefit Terms. The actuarial valuations for Fiscal Years 2025 and 2024 were both based on census data as of March 1, 2023. Table 9.2 presents a summary of the employees covered by the benefit terms used in the valuations.

Table 9.2. Employees Covered by University OPEB's Benefit Terms

	Census Date March 1, 2023			
	Healthcare		Life Insurance	
	ORP	PERA	ORP	PERA
Active employees	17,056	4,670	18,764	4,503
Retirees and beneficiaries	1,774	457	2,586	3,423
Total	18,830	5,127	21,350	7,926

Total OPEB Liability. The University's total OPEB liability at June 30, 2025 of \$1,691,274,000 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date. The University's total OPEB liability at June 30, 2024 of \$1,449,820,000 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The University's total OPEB liability in the actuarial valuation measured at June 30, 2024 and 2023 was determined using the actuarial assumptions and other inputs in Table 9.3.

Table 9.3. University OPEB's Actuarial Assumptions and Other Inputs

Actuarial cost method	Entry age	
Discount rate	3.93% at 06/30/2024 measurement date	
	3.65% at 06/30/2023 measurement date	
	3.54% at 06/30/2022 measurement date	
Inflation	2.50% at 06/30/2024 measurement date	
	3.54% at 06/30/2023 measurement date	
Dental trend rate	4.50% in all years	
Administrative expenses trend rate	3.00% in all years	
Healthcare cost trend rates (medical, Rx, contributions)	13.00% in 2023, gradually decreasing to 4.50% in 2035	
Retirees' Share of Benefit Related Costs:		
	Retiree+Spouse/	
Plan	Retiree Only	Partner
Kaiser Medical	\$ 151.00	382.50
Exclusive Medical	80.50	234.50
High Deductible Medical	-	27.00
Medicare Primary Medical	41.31	207.30
Essential Dental	-	17.00
Choice Dental	17.00	51.50
Premier Dental	46.50	82.50

The discount rate was based upon the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

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Mortality rates for pre-retirement were based upon the PUB-2010 Amounts-Weighted Teachers Classification Table for Employees with generational projection using Scale MP-2021 and for post-retirement were based upon PUB-2010 Amounts-Weighted Teachers Classification Table for Health Annuitants with generational projection using Scale MP-20201.

With the exception of the mortality assumption, the demographic assumptions (retirement rates, termination rates, and salary scale) are based upon the December 31, 2019 Colorado PERA assumption study.

Changes in the Total OPEB Liability. Table 9.4 details the changes in the University's total OPEB plan liability during Fiscal Years 2025 and 2024.

Table 9.4. Reconciliation of University's Total OPEB Liability (*in thousands*)

		Year Ended June 30	
		2025	2024
University's total OPEB liability, beginning of year	\$	1,449,820	1,119,454
Changes recognized for the fiscal year:			
Service cost		107,937	81,919
Interest on total OPEB liability		56,505	42,191
Differences between expected and actual experience		(5,114)	(7,920)
Changes of assumptions		101,678	233,419
Benefit payments *		(19,552)	(19,243)
Net changes		241,454	330,366
University's total OPEB liability, end of year	\$	1,691,274	1,449,820
Current portion University's total OPEB liability	\$	21,290	20,135

* *actuary uses prior year contributions in current year valuation*

Changes of assumptions and other inputs reflect:

- Discount rate changed from 3.65 percent to 3.93 percent.
- Trend rate schedule was updated to reflect anticipated future experience.

Sensitivity of the total OPEB liability to changes in the discount rate. Table 9.5 presents the total OPEB liability of University OPEB, as well as what University's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate for the fiscal years ended June 30, 2025 and 2024.

Table 9.5. Sensitivity of University's Total OPEB Liability to Changes in the Discount Rate (*in thousands*)

Year Ended June 30		1% Decrease	Discount Rate	1% Increase
		2.93%	3.93%	4.93%
2025	\$	2,007,737	1,691,274	1,441,490
		1% Decrease	Discount Rate	1% Increase
		2.65%	3.65%	4.65%
2024	\$	1,721,127	1,449,820	1,235,582

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. Table 9.6 presents the total OPEB liability of University OPEB, as well as what University's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates for the fiscal years ended June 30, 2025 and 2024.

Table 9.6. Sensitivity of University's Total OPEB Liability to Changes in the Trend Rate (*in thousands*)

Year Ended June 30	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
2025	\$ 1,396,788	1,691,274	2,079,199
2024	1,205,548	1,449,820	1,770,628

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The University recognized \$199,968,000 and \$135,167,000 in OPEB expense for the University OPEB plan in Fiscal Years 2025 and 2024. There are no assets accumulating in trust for the University OPEB plan. Table 9.7 illustrates the deferred outflows and inflows of resources from various sources as of June 30, 2025 and 2024.

Table 9.7. University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

		2025		2024	
		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	97,115	54,246	123,371	84,007
Changes in assumptions		351,597	181,647	332,191	219,772
Benefit payments subsequent to the measurement date		20,643	-	19,552	-
Total	\$	469,355	235,893	475,114	303,779

The \$20,643,000 reported as deferred outflows of resources as of June 30, 2025, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction to the University's OPEB liability in the year ended June 30, 2026.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown in Table 9.8.

Table 9.8. Future Amortization of University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

Year Ended June 30:	
2026	\$ 40,493
2027	51,771
2028	58,728
2029	32,847
2030	8,365
2031 – 2032	20,615
Total	\$ 212,819

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Table 9.9 lists the amortization bases included in the University's OPEB deferred outflows and inflows of resources as of June 30, 2025 and 2024.

Table 9.9. Amortization of University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
June 30, 2017	Differences between expected and actual experience	7.4	0.0	\$ (87,654)	-	(4,739)
June 30, 2018	Differences between expected and actual experience	7.5	0.5	(1,728)	(118)	(230)
June 30, 2019	Differences between expected and actual experience	7.5	1.5	(206,938)	(41,386)	(27,592)
June 30, 2020	Differences between expected and actual experience	7.7	2.7	287	102	37
June 30, 2021	Differences between expected and actual experience	7.7	3.7	201,889	97,013	26,219
June 30, 2022	Differences between expected and actual experience	8.1	5.1	(4,126)	(2,597)	(509)
June 30, 2023	Differences between expected and actual experience	7.3	5.3	(7,920)	(5,750)	(1,085)
June 30, 2024	Differences between expected and actual experience	7.1	6.1	(5,115)	(4,394)	(720)
June 30, 2017	Changes in assumptions	7.4	0.0	(46,406)	-	(2,509)
June 30, 2018	Changes in assumptions	7.5	0.5	35,919	2,396	4,789
June 30, 2019	Changes in assumptions	7.5	1.5	3,678	738	490
June 30, 2020	Changes in assumptions	7.7	2.7	168,948	59,243	21,941
June 30, 2021	Changes in assumptions	7.7	3.7	67,418	32,394	8,756
June 30, 2022	Changes in assumptions	8.1	5.1	(288,497)	(181,647)	(35,617)
June 30, 2023	Changes in assumptions	7.3	5.3	233,419	169,468	31,975
June 30, 2024	Changes in assumptions	7.1	6.1	101,678	87,357	14,321
				Total	\$ 212,819	35,527

PERA HEALTH CARE TRUST FUND

As noted earlier, the University participates in the HCTF, a cost-sharing multiple-employer defined benefit OPEB fund administered by 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. The HCTF is established under C.R.S. § 24-51-12, 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 ACFR that can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

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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. 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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 percent reduction in the subsidy for each year of service 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 on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to C.R.S. § 24-51-208(1)(f), 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 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the University were \$3,550,000 and \$3,402,000 for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the University recorded an accounts payable to PERA of \$11,000 and \$7,000, respectively, which was paid during the subsequent month.

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OPEB Liability. At June 30, 2025 and 2024, the University reported a liability of \$13,490,000 and \$20,926,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF for Fiscal Year 2025 was measured as of December 31, 2024, and the total OPEB liability (TOL) 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 TOL to December 31, 2024. The net OPEB liability for the HCTF for Fiscal Year 2024 was measured as of December 31, 2023, and the TOL used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The University's proportion of the net OPEB liability was based on the University's contributions to the HCTF for the calendar years 2024 and 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the University's proportion was 2.82 percent, which decreased from 2.93 percent as of December 31, 2023. For the years ended June 30, 2025 and 2024, the University recognized OPEB expense (credit) of \$(3,006,000) and \$(2,250,000), respectively. Table 9.10 details the sources of the University's deferred outflows of resources and deferred inflows of resources related to PERA's OPEB plan.

Table 9.10. PERA's OPEB Deferred Outflows of Resources and Deferred Inflows of Resources
(in thousands)

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	2,976	-	4,290
Changes of assumptions or other inputs	154	4,312	246	2,219
Net difference between projected and actual earnings on OPEB plan investments	46	-	647	-
Changes in proportionate share	-	3,027	-	3,543
Difference between contributions recognized and proportionate share of contributions	-	38	-	44
Contributions subsequent to the measurement date	1,800	-	1,729	-
Total	\$ 2,000	10,353	2,622	10,096

The \$1,800,000 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 ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERA's OPEB that will be recognized in OPEB expense are summarized in Table 9.11.

Table 9.11. Future Amortization of PERA's OPEB Deferred Outflows of Resources and Deferred Inflows of Resources
(in thousands)

Year Ended June 30:		
2026	\$	(3,231)
2027		(1,904)
2028		(2,201)
2029		(1,392)
2030		(949)
2031		(476)
Total	\$	(10,153)

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Actuarial assumptions. The December 31, 2023 and 2022 actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs detailed in Table 9.12.

Table 9.12. PERA OPEB Actuarial

Assumptions	December 31, 2023	December 31, 2022
Actuarial cost method	Entry age	Entry age
Price inflation	2.30%	2.30%
Real wage growth	0.70%	0.70%
Wage inflation	3.00%	3.00%
Salary increases, including wage inflation	3.30-10.90%	3.30-10.90%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%	7.25%
Discount rate	7.25%	7.25%
Health care cost trend rates:		
Service-based premium subsidy	0.00%	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034	7.00% in 2023, gradually decreasing to 4.50% in 2033
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually increasing to 4.50% in 2034	0% in 2023
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033	3.50% in 2023, gradually increasing to 4.50% in 2035

As of the December 31, 2024 measurement date, the FNP and related disclosure component for the 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 \$20,000 and \$486,000, 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.

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The age-related morbidity assumptions are detailed in Table 9.13.

Table 9.13. 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%

The per capita health care costs beginning January 1, 2024 are detailed in Table 9.14.

Table 9.14. Per Capital Health Care Costs Beginning January 1, 2024

Sample Age		MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
		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	
		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 and 2023 Medicare Part A premium is \$505 and \$506 per month, respectively.

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

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

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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 that were used to measure the TOL are summarized in Table 9.15.

Table 9.15. PERA's OPEB Health Care Cost Trend Rates

Year	PERACare Medicare Plans*	MAPD PPO #21	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%

** 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 below reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. In all categories below, 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 assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table.

Post-retirement non-disabled retiree mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Healthy 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.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older.

Post-retirement non-disabled beneficiary mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages.
- **Females:** 105 percent of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages.

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.

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- 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 valuation were based on the results of 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 roll forward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024 includes an actuarial assumption of salary increases, including wage inflation, of 2.70-13.30 percent for the State Division.

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 as summarized in Table 9.16.

Table 9.16. PERA's OPEB MAPD Premium Costs

Plan	With		Without	
		Medicare Part A		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. In all categories below, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table.

Post-retirement non-disabled retiree mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 90 percent of the rates for all ages.
- **Females:** 85 percent of the rates prior to age 85 and 105 percent of the rates for ages 85 and older.

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Post-retirement non-disabled beneficiary mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 92 percent of the rates for all ages.
- **Females:** 100 percent of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95 percent of the rates for all ages.

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 percent 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 Table 9.17.

Table 9.17. Target Allocation and Expected Rate of Return

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 for Fiscal Years 2025 and 2024.

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Table 9.18 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.

Table 9.18. Sensitivity of the University's Proportionate Share of PERA's Net OPEB Liability to Changes in the Health Care Cost Trend Rates (*in thousands*)

Year Ended June 30, 2025	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 at June 30, 2025	\$ 13,127	13,490	13,902

* For the January 1, 2025 plan year

Year Ended June 30, 2024	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 Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability at June 30, 2024	\$ 20,326	20,926	21,580

** For the January 1, 2024 plan year

Discount rate. The discount rate used to measure the TOL was 7.25 percent. The basis for the projection of liabilities and the FNP 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 percent.
- 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 used by the plan 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.

Based on the above assumptions and methods, the projection test indicates the FNP for the HCTF was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond

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index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Table 9.19 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 one-percentage-point lower (6.25 percent) or one-percentage-point higher (8.25 percent) than the current rate.

Table 9.19. Sensitivity of the University's Proportionate Share of PERA's Net OPEB Liability to Changes in the Discount Rate (*in thousands*)

		1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net OPEB Liability at June 30, 2025	\$	16,533	13,490	10,868
Net OPEB Liability at June 30, 2024		24,717	20,926	18,380

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

NOTE 10 – RETIREMENT PLANS AND INSURANCE PROGRAMS

Employees of the University eligible for retirement benefits participate in one of four retirement plans. Eligible student employees participate in a student retirement plan that is funded solely by contributions from the student employees. The University and PERA also offer other voluntary retirement plans. The University offers the Alternate Medicare Payment whose benefits are not restricted to healthcare expenses. The student retirement plan is a defined contribution plan administered by a consortium of higher educational institutions in the State. All other eligible employees of the University participate in one of the three additional plans, PERA plan, the University's ORP, and CU Medicine's retirement plan.

PERA DEFINED BENEFIT PENSION PLAN

Significant Accounting Policies. The University participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the 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.

Plan description. Eligible employees of the University are provided with pensions through the SDTF. Plan benefits are specified in C.R.S. § 24-51, administrative rules set forth in the Code of Colorado Regulations at 8 C.C.R. 1502-1, and applicable provisions of the federal IRC. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

The University of Colorado has both classified and non-classified employees. All classified employees participate in PERA. Prior to legislation passed during the 2006 session, higher education employees had the option to participate in social security, PERA's defined benefit plan, or the institution's ORP. Currently, the University's employees, except classified employees, are required to participate in their institution's

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optional plan, if available, and social security unless they are active or inactive members of PERA with at least one year of service credit. In that case, they may elect either PERA or their institution's optional plan.

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 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent 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 percent of highest average salary and also cannot exceed the maximum benefit allowed by the federal IRC.

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 percent or 100 percent 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 requirements, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases (AI) in the C.R.S. Subject to the automatic adjustment provision (AAP) pursuant 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 AI or AI cap of 1.00 percent 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 AI of the 1.00 percent AI cap or the average 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 percent 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 percent 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. 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 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. From July 1, 2024 through June 30, 2025, eligible employees were required to contribute 11.00 percent of their PERA-includable salary. Table 10.1 summarizes the employer contribution requirements.

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Table 10.1. Employer Contribution Requirements

	7-1-24 to 12-31-24	1-1-25 to 06-30-25
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 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 is statutorily committed to pay the contributions to the SDTF. Total contributions recognized by SDTF for the University were \$88,059,000 and \$78,292,000, for the years ended June 30, 2025 and 2024, respectively, which includes \$6,911,000 and \$1,541,000 support from the State's direct distribution for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the University recorded an accounts payable to PERA of \$1,071,000 and \$660,000, respectively, which was paid during the subsequent month.

For the purposes of Statement No. 68 paragraph, 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225,000,000 direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

Pension Liability. The net pension liability for the SDTF for Fiscal Year 2025 was measured as of December 31, 2024, and the total pension liability (TPL) 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 TPL to December 31, 2024. The University's proportion of the net pension liability was based on the University's 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 to participating employers of the SDTF that are outside of the State's financial reporting entity.

The net pension liability for the SDTF for Fiscal Year 2024 was measured as of December 31, 2023, and the TPL used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The University's proportion of the net pension liability was based on the University's contributions to the SDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity to participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2025 and 2024, the University reported a liability of \$874,524,000 and \$959,969,000, respectively, for its proportionate share of the net pension liability. At December 31, 2024, the University's proportion was 9.20 percent, which decreased from 9.49 percent at December 31, 2023.

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For the years ended June 30, 2025 and 2024, the University recognized pension expense of \$41,552,000 and \$19,960,000, respectively, and revenue of \$6,911,000 and \$1,541,000, respectively, for support from the State as an employer contribution. Table 10.2 details the sources of the University's deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025 and 2024.

Table 10.2. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pension
(in thousands)

		2025		2024	
		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$	25,667	-	15,692	5,097
Changes of assumptions or other inputs		-	6,781	-	-
Net difference between projected and actual earnings on pension plan investments		19,263	-	69,722	-
Changes in proportionate share		-	24,561	-	25,535
Differences between contributions recognized and proportionate share of contributions		-	572	-	503
Contributions subsequent to the measurement date		41,996	-	39,672	-
Total	\$	86,926	31,914	125,086	31,135

The \$41,996,000 reported as a deferred outflow of resources related to pensions as of June 30, 2025, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in Fiscal Year 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as detailed in Table 10.3.

**Table 10.3. Future Amortization of Deferred
Outflows of Resources and Deferred Inflows of
Resources** *(in thousands)*

Year Ended June 30:			
	2026	\$	12,325
	2027		46,814
	2028		(33,637)
	2029		(12,486)
Total		\$	13,016

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Actuarial assumptions. The December 31, 2023 actuarial valuation used the actuarial cost method and key actuarial assumptions and other inputs as detailed in Table 10.4.

Table 10.4. Actuarial Assumptions	December 31, 2023	December 31, 2022
Actuarial cost method	Entry age	Entry age
Price inflation	2.30 percent	2.30 percent
Real wage growth	0.70 percent	0.70 percent
Wage inflation	3.00 percent	3.00 percent
Salary increases, including wage inflation	3.30 - 10.90 percent	3.30 - 10.90 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent	7.25 percent
Discount rate	7.25 percent	7.25 percent
Post-retirement benefit increases:		
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00 percent	1.00 percent
PERA benefit structure hired after 12/31/06*	Financed by the AIR	Financed by the AIR

** 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.*

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. In all categories, the mortality tables are generationally projected using scale MP-2019.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table.

Post-retirement non-disabled retiree mortality assumptions were based upon the PubG-2010 Healthy 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.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the PubG-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages.
- **Females:** 105 percent of the rates of all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of 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.

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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, of 2.70-13.30 percent for the State Division.
- 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 percent.

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. In all categories below, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table.

Post-retirement non-disabled retiree mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 90 percent of the rates for all ages.
- **Females:** 85 percent of the rates prior to age 85 and 105 percent of the rates for ages 85 and older.

Post-retirement non-disabled beneficiary mortality assumptions for the State and Local Government Divisions were based on the PubG-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 92 percent of the rates for all ages.
- **Females:** 100 percent of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95 percent of the rates for all ages.

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.

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The PERA Board first adopted the 7.25 percent 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 meeting on November 15, 2019 and again at the Board's meeting on September 20, 2024. 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 Table 10.5.

Table 10.5. Target Allocation and Expected Rate of Return

Asset Class	30 Year Expected	
	Target Allocation	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 longer 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.

Discount rate. The discount rate used to measure the TPL at December 31, 2024 and 2023 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (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 percent, at which point, the AED and SAED will each drop 0.50 percent 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 \$225,000,000, 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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- 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Table 10.6 presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent for Fiscal Years 2025 and 2024, 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 or one-percentage-point higher than those rates.

Table 10.6. Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (*in thousands*)

Proportionate share of the net pension liability	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
2025	\$ 1,165,241	874,524	629,636
2024	1,254,679	959,969	712,159

Detailed information about the SDTF's FNP is available in PERA's ACFR which can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

ALTERNATE MEDICARE PAYMENT

Plan description. The University offers an Alternate Medicare Payment (AMP) to retirees of the ORP participating in Medicare as an alternative to healthcare coverage provided under the University OPEB Plan (University OPEB). The AMP is a single-employer, defined benefit, pension plan established by the University who also administers and has the authority to amend benefits (e.g., ad hoc postemployment benefit changes). No assets are accumulated in a trust as the University funds the AMP on a pay-as-you-go basis. No stand-alone financial report is issued, and the AMP is not included in the report of a public employee retirement system.

Benefits. A participant must be in a benefits-eligible position at 50 percent or greater appointment immediately preceding retirement and have met the required number of service years. Only ORP retirees participating in Medicare are eligible to receive AMP benefits. The AMP is available to the employee and eligible spouse/same gender domestic partner. AMP benefits are not provided for dependent children. The AMP is non-contributory for the retiree and provides a monthly, non-salary dependent, cash payment to offset healthcare-related costs. As the monthly cash payments are not restricted as to use, they are considered a pension benefit rather than OPEB. Since the AMP's inception, monthly cash payments have been \$154 for a retiree, \$262 for a retiree plus spouse/same gender domestic partner, and \$108 for a surviving spouse.

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Employees Covered by Benefit Terms. The actuarial valuations for Fiscal Years 2025 and 2024 were both based on census data as of March 1, 2023. Table 10.7 is a summary of the employees covered by the benefit terms used in the valuations.

Table 10.7. Employees Covered by AMP's Benefit Terms

	Census Date
	March 1, 2023
Active employees	17,056
Retirees and beneficiaries currently receiving benefit payments	985
Retirees and beneficiaries entitled to but not yet receiving benefit payments	120
Total	18,161

Total Pension Liability. The AMP's TPL at June 30, 2025 of \$104,798,000 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date. The AMP's TPL at June 30, 2024 of \$103,247,000 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date. The University contributed \$2,661,000 and \$2,501,000 for the years ended June 30, 2025 and 2024, respectively.

Actuarial Assumptions and Other inputs. The AMP's TPL in the actuarial valuation measured at June 30, 2024 and 2023 was determined using the actuarial assumptions and other inputs in Table 10.8.

Table 10.8. AMP's Actuarial Assumptions and Other Inputs

	Measurement Date of June 30	
	2024	2023
Actuarial cost method	Entry age	Entry age
Inflation rate	2.50%	2.50%
Discount rate	3.93%	3.65%
Benefit cost trend rate	2.50%	2.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates for pre-retirement were based upon the PUB-2010 Amounts-Weighted Teachers Classification Table for Employees with generational projection using Scale MP-2021 and for post-retirement were based upon PUB-2010 Amounts-Weighted Teachers Classification Table for Health Annuitants with generational projection using Scale MP-2021.

With the exception of the mortality assumption, the demographic assumptions (retirement rates, termination rates, and salary scale) are based upon the December 31, 2019 Colorado PERA assumption study.

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Changes in the Total Pension Liability. Table 10.9 details the changes in the AMP's TPL during Fiscal Years 2025 and 2024.

Table 10.9. Reconciliation of AMP's Total Pension Liability (*in thousands*)

	Year Ended June 30	
	2025	2024
Total pension liability, beginning of year	\$ 103,247	103,810
Changes recognized for the fiscal year:		
Service cost	5,304	5,302
Interest on total AMP liability	3,917	3,820
Differences between expected and actual experience	(199)	(44)
Changes of assumption	(4,970)	(7,245)
Estimated benefit payments*	(2,501)	(2,396)
Net changes	1,551	(563)
Total pension liability, end of year	\$ 104,798	103,247

* *actuary uses prior year contributions in current year valuation*

Changes of assumptions and other inputs reflect:

- Discount rate changed from 3.65 percent to 3.93 percent.

Sensitivity of the TPL to changes in the discount rate. Table 10.10 presents the TPL of the AMP, as well as what the AMP's TPL would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate.

Table 10.10. Sensitivity of AMP's Total Pension Liability to Changes in the Discount Rate (*in thousands*)

		1% Decrease	Current Rate	1% Increase
Year Ended June 30		2.93%	3.93%	4.93%
2025	\$	124,171	104,798	89,454
		1% Decrease	Current Rate	1% Increase
		2.65%	3.65%	4.65%
2024	\$	122,713	103,247	87,862

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. The University recognized \$7,415,000 and \$8,557,000 of pension expense for the AMP in Fiscal Years 2025 and 2024, respectively. Table 10.11 presents the AMP's deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of June 30, 2025 and 2024.

Table 10.11. AMP Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 13,182	29,144	18,080	29,219
Differences between expected and actual experience	-	4,917	-	6,378
Benefit payments subsequent to the measurement date	2,661	-	2,501	-
Total	\$ 15,843	34,061	20,581	35,597

The \$2,661,000 reported as deferred outflows of resources as of June 30, 2025, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction to the AMP's TPL in the year ended June 30, 2026.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as summarized in Table 10.12.

Table 10.12. Future Amortization of AMP's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

Year Ended June 30:		
2026	\$	(2,066)
2027		(2,084)
2028		(2,341)
2029		(3,744)
2030		(4,937)
2031 – 2032		(5,707)
Total	\$	(20,879)

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Table 10.13 lists the amortization bases included in the AMP's deferred outflows and inflows of resources as of June 30, 2025 and 2024.

Table 10.13. Amortization of AMP Deferred Outflows of Resources and Deferred Inflows of Resources (in thousands)

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
June 30, 2016	Differences between expected and actual experience	8.5	0.0	\$ (101)	-	(5)
June 30, 2017	Differences between expected and actual experience	8.5	0.5	(3,377)	(201)	(397)
June 30, 2018	Differences between expected and actual experience	8.3	1.3	(109)	(18)	(13)
June 30, 2019	Differences between expected and actual experience	8.3	2.3	(3,865)	(1,069)	(466)
June 30, 2020	Differences between expected and actual experience	8.5	3.5	(124)	(49)	(15)
June 30, 2021	Differences between expected and actual experience	8.5	4.5	(5,842)	(3,094)	(687)
June 30, 2022	Differences between expected and actual experience	8.8	5.8	(420)	(277)	(48)
June 30, 2023	Differences between expected and actual experience	8.8	6.8	(44)	(34)	(5)
June 30, 2024	Differences between expected and actual experience	8.6	7.6	(199)	(175)	(23)
June 30, 2016	Changes in assumptions	8.5	0.0	10,999	-	647
June 30, 2017	Changes in assumptions	8.5	0.5	(3,180)	(188)	(374)
June 30, 2018	Changes in assumptions	8.3	1.3	4,940	775	595
June 30, 2019	Changes in assumptions	8.3	2.3	4,845	1,341	584
June 30, 2020	Changes in assumptions	8.5	3.5	23,408	9,638	2,754
June 30, 2021	Changes in assumptions	8.5	4.5	2,700	1,428	318
June 30, 2022	Changes in assumptions	8.8	5.8	(28,775)	(18,965)	(3,270)
June 30, 2023	Changes in assumptions	8.8	6.8	(7,245)	(5,599)	(823)
June 30, 2024	Changes in assumptions	8.6	7.6	(4,970)	(4,392)	(578)
Total changes				\$	(20,879)	(1,806)

PERA DEFINED CONTRIBUTION PLANS

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan description. Employees of the University that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an IRC Section 401(k) defined contribution plan administered by PERA. C.R.S. § 24-51-14, as amended, assigns the authority to establish the plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

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 C.R.S. § 24-51-1402, as amended. Employees are immediately vested in their own contributions, and investment earnings. The employees' contributions to this 401(k) plan approximated \$5,790,000 and \$5,319,000 for the years ended June 30, 2025 and 2024, respectively.

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Defined Contribution Retirement Plan (PERA DC Plan)

Plan description. Employees of the State that were hired on or after January 1, 2006, employees of certain community colleges that were 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 IRC Section 401(a) governmental profit-sharing defined contribution plan. C.R.S. § 24-51- 15, as amended, assigns the authority to establish plan provisions to the PERA Board of Trustees. PERA issues a publicly-available ACFR which includes additional information on the PERA DC Plan. That report can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

Funding Policy. All participating employees in the PERA DC Plan and the University 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 11.00 percent and 10.15 percent, respectively.

Additionally, the employers are required to contribute AED and SAED to the SDTF as shown in Table 10.14.

Table 10.14. PERA DC Plan AED and SAED Contribution Rates

	7-1-24 to 12-31-24	1-1-25 to 06-30-25
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%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413*	1.00%	1.00%
Additional statutory contribution as specified in C.R.S. § 24-51-401 and § 24-51-1505*	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	11.46%	11.48%

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

Contribution requirements are established under C.R.S. § 24-51-1505, 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 C.R.S. § 24-51- 204. As a result, forfeitures do not reduce pension expense.

The University's participating employees' contributions to this DC plan approximated \$111,000 and \$93,000 for the years ended June 30, 2025 and 2024, respectively, and employer contributions were \$102,000 and \$85,000, respectively. Less than 20 employees of the University opted to participate in this plan during the years ended June 30, 2025 and 2024.

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PERA DEFERRED COMPENSATION PLAN

Plan description. Employees of the University may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an IRC Section 457 deferred compensation plan administered by PERA. C.R.S. § 24-51-16, as amended, assigns the authority to establish the plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

Funding policy. The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under C.R.S. § 24-51-1603, as amended. Members are immediately vested in their own contributions and investment earnings. The University employees' contributions to the PERAPlus 457 Plan approximated \$24,232,000 and \$23,263,000 for the years ended June 30, 2025 and 2024, respectively.

UNIVERSITY OPTIONAL RETIREMENT PLAN

Under the University's optional retirement plan (ORP), a 401(a) plan, certain members of the University are required to participate in a defined contribution retirement plan administered by the University for the benefit of full-time faculty and exempt staff members. The State constitution assigns the authority to establish and amend plan provisions to the Regents. The contribution requirements of plan members and the University are established and may be amended by the Regents. Generally, employees are eligible for participation in the ORP upon hire and are vested immediately upon participation.

For the years ended June 30, 2025 and 2024, the University's contribution to the defined contribution retirement plan was equal to 10 percent of covered payroll, and the employee contribution was equal to 5 percent of covered payroll. The University's contribution under the ORP approximated \$239,322,000 and \$223,528,000 during the years ended June 30, 2025 and 2024, respectively. The employees' contribution under the ORP approximated \$119,390,000 and \$111,470,000 during the years ended June 30, 2025 and 2024, respectively.

Participants in the University's ORP choose to invest all contributions with one or more of three designated vendors. In addition, participants in the University's ORP are covered under federal Social Security. Federal Social Security regulations require both the employer and employee to contribute a percentage of covered payroll to Social Security.

UNIVERSITY VOLUNTARY RETIREMENT SAVINGS PLAN

The University provides a voluntary retirement savings plan to most employees referred to as a 403(b) plan. Employee salary deferrals into the 403(b) plan are made before income tax is paid and allowed to grow tax-deferred until the money is taxed as income when withdrawn from the plan. The plan is administered by the University. For calendar year 2025, the plan had a contribution limit of \$23,500 and allowed a catch-up contribution of \$7,500 for those age 50 and older, a Section 109 catch-up contribution of \$11,250 for those age 60-63, and a catch-up contribution of \$7,500 for those age 64 and older. For calendar year 2024, the plan had a contribution limit of \$23,000 and allowed catch-up contributions of \$7,500. As of January 1, 2020 contributions could be made on a before-tax or after-tax basis. The employees' contributions to this 403(b) plan approximated \$85,630,000 and \$78,560,000 for the years ended 2025 and 2024, respectively. Of the total contributed for the years ended June 30, 2025 and 2024, respectively, \$65,963,000 and \$61,348,000 was before-tax and \$19,667,000 and \$17,212,000 was after-tax. The University does not contribute to this plan.

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CU MEDICINE RETIREMENT PLAN

CU Medicine sponsors a defined contribution retirement plan for its permanent employees that is administered by the TIAA College Retirement Equities Fund. The board of directors for CU Medicine has the authority to amend plan provisions. Employees are eligible for participation in the plan after completing one year of service. CU Medicine makes contributions equal to 7 percent of eligible employees' salaries for the years ended June 30, 2025 and 2024. Contributions to the plan totaled \$2,879,000 and \$2,767,000, for the years ended June 30, 2025 and 2024, respectively.

HEALTH INSURANCE PROGRAMS

The University's contributions to its various health insurance programs approximated \$394,402,000 and \$371,114,000 during the years ended June 30, 2025 and 2024, respectively. See Note 1 and 16 for discussion of the Trust.

NOTE 11 – OTHER LIABILITIES

Table 11.1 details other liabilities as of June 30, 2025 and 2024.

Table 11.1. Other Liabilities (in thousands)

Type	2025		2024	
	Total	Current Portion	Total	Current Portion
Risk financing	\$ 30,246	13,991	32,828	13,535
Construction contract retainage	10,876	10,876	6,032	6,032
Deposits	20,368	20,368	21,131	21,131
Federal Perkins loan	4,790	1,070	6,293	1,862
Early retirement incentive program	3,735	1,134	10,392	7,163
Asset retirement obligation	1,414	-	1,391	-
Miscellaneous	9,762	7,845	6,749	5,939
Total Other Liabilities	\$ 81,191	55,284	84,816	55,662

RISK FINANCING-RELATED LIABILITIES

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; medical malpractice; employee occupational injuries; graduate medical students' health; and natural disasters. The University finances these risks through various self-insurance programs, including through Altitude West for workers' compensation and general liability. The University finances the cost and risks associated with employee health benefit programs through the Trust. Under the terms of the Trust, the University is self-insured for medical claims.

The University utilizes a protected self-insurance program for its property, liability, and workers' compensation risks. The University has established a separate self-insurance program for the purpose of providing professional liability coverage for CU Denver | Anschutz and UCHealth.

All self-insurance programs assume losses up to certain limits and purchase a defined amount of excess insurance for losses over those limits. These limits are \$500,000 per property claim, \$2,000,000 per worker's compensation claim, \$1,500,000 per general liability claim (\$1,250,000 prior to October 1, 2024), and \$5,000,000 per professional liability claim. Tort claims are subject to the governmental immunity act, and damages are capped for specified areas at \$424,000 per person and \$1,195,000 per occurrence.

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The University of Colorado Anschutz Medical Campus and its faculty and staff are self-insured for medical malpractice liability under the terms of the Colorado Governmental Immunity Act. The University of Colorado Self-Insurance Trust (SI Trust) was authorized and established by the Regents under the limits of governmental immunity. For claims outside of governmental immunity, the SI Trust has purchased a stop-loss policy to cover claims greater than \$500,000 per claimant and \$1,500,000 per occurrence. The policy provides \$10,000,000 coverage in aggregate annually.

Reserves for unpaid claims under these programs are actuarially reviewed and evaluated for adequacy each year. The Property reserve of \$7,875,000, and the General Liability and Workers' Compensation reserve of \$12,973,000 are reported on an undiscounted basis, and the Professional Liability reserve of \$9,398,000 is reported at a discount basis using 4.00 percent. Over the past three years, University Risk Management has received \$16,512,000 from its excess carriers for three property claims (\$8,499,000) and two general liability claims (\$8,013,000) that exceeded coverage. Over the past three years, the Professional Liability reserve has collected \$12,000 from the stop-loss insurance carrier for settlements in excess of the individual stop-loss coverage. There were no significant reductions or changes in insurance coverage from the prior year.

The amount recorded as risk financing-related liabilities represents reserves based upon the annual actuarial valuation and includes reserves for incurred but not reported claims. Such liabilities depend on many factors, including claims history, inflation, damage awards, investment return, and changes in legal doctrine. Accordingly, computation of the claims liabilities requires an annual estimation process. Claims liabilities are reevaluated on a periodic basis and take into consideration recently settled claims, frequency of claims, and other relevant factors.

Changes in the balances of risk financing-related liabilities for the years ended June 30, 2025, 2024, and 2023 are presented in Table 11.2.

Table 11.2. Risk Financing-related Liabilities (*in thousands*)

		General Liability, and Workers' Compensation	Professional Liability	Total
	Property			
Balance as of June 30, 2022	\$ 10,222	8,390	12,620	31,232
Fiscal Year 2023:				
Claims and changes in estimates	4,101	4,019	(915)	7,205
Claim payments	(4,617)	(1,926)	(1,719)	(8,262)
Balance as of June 30, 2023	\$ 9,706	10,483	9,986	30,175
Fiscal Year 2024:				
Claims and changes in estimates	6,257	4,882	1,779	12,918
Claim payments	(6,383)	(2,976)	(906)	(10,265)
Balance as of June 30, 2024	\$ 9,580	12,389	10,859	32,828
Fiscal Year 2025:				
Claims and changes in estimates	9,602	4,437	1,706	15,745
Claim payments	(11,307)	(3,853)	(3,167)	(18,327)
Balance as of June 30, 2025	\$ 7,875	12,973	9,398	30,246

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DIRECT LENDING

The University participates in two student lending programs operated by the federal government, Direct Student Loan and the State School as Lender. These programs enable eligible students or parents to obtain a loan to pay for the student's cost of attendance directly through the University rather than through a private lender. The University is responsible for handling the complete loan process, including funds management as well as promissory note functions.

For the Direct Lending program, the University is not responsible for collection of these loans or for defaults by borrowers; therefore, these loans are not recognized as receivables in the accompanying financial statements. Direct lending activity during the years ended June 30, 2025 and 2024 was \$349,510,000 and \$341,341,000, respectively.

FEDERAL PERKINS LOANS

The Federal Perkins Loan program, which provided low-interest loans to college students with exceptional financial need, expired on September 30, 2017. Beginning with the 2019-2020 Award Year and for all subsequent award years, the United States Department of Education (ED) requires a capital distribution from the University's Perkins Fund on an annual basis for institutions that continue participating in the Perkins Loan Program. Institutions, such as the University, must return to ED the federal share of the institution's Perkins Fund. In Fiscal Years 2025 and 2024, the University returned \$1,489,000 and \$1,795,000, respectively, to ED.

EARLY RETIREMENT INCENTIVE PROGRAMS

The University provides an early retirement incentive program (ERIP) to tenured professors who are at least 55 years of age and whose age and years of service total at least 70. These professors must also be participants in the University's ORP. The ERIP provides eligible participants with an incentive equal to twice the professor's base salary and supplemental pay. In return, the participants will retire and relinquish tenure immediately. Benefits under the ERIP are payable over a five-year period. Participation in this program does not impact the ORP or OPEB.

The University also provides a campuswide voluntary retirement incentive program (VRIP) open to all faculty and staff meeting the eligibility criteria. University staff, classified staff, and instructional, research, and clinical faculty are eligible to receive retirement benefits when the sum of their age and years of service at the University is greater than 70 (minimum age is 55, minimum service is five years, as measured at the time of retirement). They will receive six months of paid severance (base salary only) in one lump sum at the time of their retirement. Tenured/tenure-track faculty are eligible to receive retirement benefits when the sum of their age and years of service at the University is greater than 70 (minimum age is 55, minimum service is 15 years to qualify). Eligible faculty members will receive up to two years of salary up to the IRS authorized tax deferred amount of \$330,000, paid out immediately upon resignation (taxed as supplemental income at the supplemental income rate) or over five years directly into a 403(b) account.

There were 28 and 62 participants in the ERIP and 224 and 91 participants in the VRIP as of June 30, 2025 and 2024, respectively. The total liability as of June 30, 2025 and 2024 was \$3,735,000 and \$10,392,000, respectively, measured at a discounted present value using a rate of 5 percent.

UNIVERSITY OF COLORADO
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Table 11.3 presents changes in the total ERIP liability (which includes the VRIP) for the years ended June 30, 2025 and 2024.

Table 11.3. Early Retirement Incentive Programs
(in thousands)

		2025	2024
Beginning of year	\$	10,392	5,789
Additions		15,068	13,291
Reductions		(21,725)	(8,688)
End of year	\$	3,735	10,392
Current ERIP		1,134	7,163

NOTE 12 - NET POSITION

Unrestricted net position is one component of the University's financial statements, which represents the net position held by the collective units of the University as of June 30. Balances fluctuate throughout the year and are reported as of a point-in-time. The University designates unrestricted net position by their intended purpose. Unobligated funds are generally available for campus use or support of schools, colleges, departments, or units. These funds are generated by nonrecurring revenue surpluses, such as departmental share unspent indirect cost recoveries, or year-end balances resulting from lower than expected spending levels, such as vacancy savings from an unfilled position. Campus leadership holds these funds in general categories based on internal policy or intended use. Their designation may change in accordance with directives from leadership, including Regent directives. Obligated Funds are unrestricted net position that are obligated to specific projects or are held for contractual payments, such as faculty start-up.

University policy requires each campus provide the Regents prior to December 31 a detailed report on designated net position. This report enhances clarity and frequency of internal communications and provides context for Regent decisions on key budget items. These reports are available on the Regents' website.

Table 12 presents changes in the University's nonexpendable net position for the years ended June 30, 2025 and 2024. In Fiscal Year 2025 and 2024, the University received \$314,000 and \$14,000, respectively, in additional endowments that increased restricted for nonexpendable net position. There were no transfers of endowments to the Foundation during either year.

Table 12. Restricted Nonexpendable Net Position
(in thousands)

		2025	2024
Beginning of year	\$	49,212	49,198
Additions to endowments		314	14
End of year	\$	49,526	49,212

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NOTE 13 – SPENDING LIMITATIONS

In November 1992, the Colorado voters passed Section 20, Article X of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to all local governments and the State, including the University. During the year ended June 30, 2005, the Colorado State Legislature determined in C.R.S. § 23-5-101.7 that an institution of higher education may be designated as an enterprise for the purposes of TABOR so long as the institution’s governing board retains authority to issue revenue bonds on its behalf and the institution receives less than 10 percent of its total annual revenues in grants as defined by TABOR. Further, so long as it is so designated as an enterprise, the institution shall not be subject to any of the provisions of TABOR.

In July 2005, the Regents designated the University as a TABOR enterprise pursuant to the statute. During the years ended June 30, 2025 and 2024, the University believes it has met all requirements of TABOR enterprise status. Specifically, the Regents retain the authority to issue revenue bonds and the amount of State support received by the University was 0.83 percent and 1.17 percent during the years ended June 30, 2025 and 2024, respectively, as shown in Table 13.

Table 13. TABOR Enterprise State Support Calculation *(in thousands)*

	2025	2024
Local government grants	\$ 1,633	952
Tobacco litigation settlement and Marijuana appropriations	20,999	25,029
Capital appropriations	19,864	41,022
State COP annual debt service payments for CU Boulder	1,096	1,097
State COP annual debt service payments for UCCS	1,731	1,744
State COP annual debt service payments for CU Anschutz	6,185	6,177
State support for PERA pension	6,911	1,541
Total State Support	\$ 58,419	77,562
Total TABOR enterprise revenues	\$ 7,066,790	6,638,820
Ratio of State support to total revenues	0.83%	1.17%

A portion of the University is subject to revenue and expense limitations imposed by the Colorado State Legislature through the annual appropriation process. For the years ended June 30, 2025 and 2024, the University’s appropriated funds included \$101,808,000 and \$98,481,000, respectively, received for students that qualified for stipends from the College Opportunity Fund (COF) and \$250,443,000 and \$212,975,000, respectively, as fee-for-service contract revenue, as well as certain cash funds as specified in the State’s annual appropriations bill.

Appropriated cash funds include the student-paid portion of tuition, mandatory student fees, and certain other revenue sources, which are recognized in various revenue lines, as appropriate, in the accompanying financial statements. For the years ended June 30, 2025 and 2024, expenses were within the appropriated spending authority.

Non-appropriated funds include certain grants and contracts, gifts, indirect cost recoveries, certain auxiliary revenues, in addition to certain other revenue sources. All other revenues and expenses reported by the University represent non-appropriated funds and are excluded from the annual appropriations bill.

NOTE 14 – SCHOLARSHIP ALLOWANCES

During the years ended June 30, 2025 and 2024, scholarship allowances were provided by the following funding sources in amounts detailed in Table 14.

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Table 14. Scholarship Allowances (in thousands)

Funding Source Description	2025			2024		
	Tuition and Fees	Auxiliary Enterprise Revenues	Total	Tuition and Fees	Auxiliary Enterprise Revenues	Total
University general resources	\$ 135,713	6,029	141,742	119,463	5,501	124,964
University auxiliary resources	15,493	681	16,174	11,425	484	11,909
Colorado Commission on Higher Education financial aid program	51,998	1,375	53,373	48,565	1,321	49,886
Federal programs, including						
Federal Pell grants	75,085	2,394	77,479	63,458	1,977	65,435
Other State of Colorado programs	5,076	250	5,326	6,377	305	6,682
Private programs	731	351	1,082	810	24	834
Gift fund	38,971	1,425	40,396	35,556	1,458	37,014
Total Scholarship Allowances	\$ 323,067	12,505	335,572	285,654	11,070	296,724

NOTE 15 – HEALTH SERVICES REVENUE AND EXPENSE

Health services revenue of \$1,756,564,000 and \$1,632,326,000 is comprised of \$1,725,956,000 and \$1,605,600,000 at CU Medicine, \$27,614,000 and \$24,534,000 at CU Anschutz, and \$2,994,000 and \$2,192,000 at UCCS for the years ended June 30, 2025 and 2024, respectively. Health services revenue is recorded net of contractual adjustments of \$2,249,733,000 and \$2,125,817,000 and net of bad debt expense on uncollectible patient account receivables of \$39,447,000 and \$25,094,000 for the years ended June 30, 2025 and 2024, respectively. Charity care provided by CU Medicine during the years ended June 30, 2025 and 2024, based on estimated service costs of providing charity care, totaled \$32,033,000 and \$24,640,000, respectively.

NOTE 16 – BLENDED AND FIDUCIARY COMPONENT UNIT INFORMATION

The University has four blended component units: CU Medicine, 18th Avenue, ULEHI, Altitude West, and one fiduciary component unit: the Trust. Table 16 presents summary financial information for the University's business-type blended component units as of and for the years ended June 30, 2025 and 2024.

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Table 16. Summary Financial Information for Blended Component Units (*in thousands*)

As of and for the year ended June 30, 2025	CU Medicine	18th Avenue	ULEHI	Altitude West	Total
Assets					
Current assets	\$ 727,547	2,802	318	38,122	768,789
Capital assets, net	60,409	8,607	-	-	69,016
Other noncurrent assets	511,104	-	26,717	293	538,114
Total Assets	\$ 1,299,060	11,409	27,035	38,415	1,375,919
Liabilities					
Current liabilities	\$ 95,129	1,018	-	13,430	109,577
Noncurrent liabilities	35,737	7,561	-	-	43,298
Total Liabilities	\$ 130,866	8,579	-	13,430	152,875
Deferred Inflows of Resources					
Lease revenue	\$ 4,743	-	-	-	4,743
Total Deferred Inflows of Resources	\$ 4,743	-	-	-	4,743
Net Position					
Net investment in capital assets	\$ 18,524	1,046	-	-	19,570
Restricted for expendable purposes	-	-	-	293	293
Unrestricted	1,144,927	1,784	27,035	24,692	1,198,438
Total Net Position	\$ 1,163,451	2,830	27,035	24,985	1,218,301
Operating Revenues and Expenses					
Patient service revenues	\$ 1,169,940	-	-	-	1,169,940
Contract income	556,016	-	-	-	556,016
Grants and management fee from the University	-	-	15,897	-	15,897
Other operating revenues	2,128	2,582	-	7,241	11,951
Distribution to the University	-	-	(2,082)	-	(2,082)
Operating expenses	(1,649,344)	(1,163)	(6,910)	(4,531)	(1,661,948)
Depreciation and amortization	(10,718)	(470)	-	-	(11,188)
Operating income	68,022	949	6,905	2,710	78,586
Nonoperating revenues (expenses)					
Investment income	55,632	9	-	2,750	58,391
Other nonoperating revenues	216	-	171	-	387
Contributions to affiliated organizations	(45,003)	-	-	-	(45,003)
Other nonoperating expenses	(1,215)	(344)	-	-	(1,559)
Total net nonoperating revenues (expenses)	9,630	(335)	171	2,750	12,216
Change in Net Position	77,652	614	7,076	5,460	90,802
Net Position, beginning of year	1,085,799	2,216	19,959	19,525	1,127,499
Net Position, end of year	\$ 1,163,451	2,830	27,035	24,985	1,218,301
Condensed Statements of Cash Flows					
Net cash flows provided by (used for)					
Operating activities	\$ 75,606	1,387	13,635	5,223	95,851
Non-capital financing activities	(45,003)	-	-	-	(45,003)
Capital and related financing activities	(11,531)	(801)	-	-	(12,332)
Investing activities	37,777	9	(15,337)	(737)	21,712
Net Change in Cash and Cash Equivalents	56,849	595	(1,702)	4,486	60,228
Cash and cash equivalents, beginning of year	404,132	2,127	2,020	6,773	415,052
Cash and Cash Equivalents, End of Year	\$ 460,981	2,722	318	11,259	475,280

UNIVERSITY OF COLORADO
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Table 16. Summary Financial Information for Blended Component Units (*in thousands*)

As of and for the year ended June 30, 2024	CU Medicine	18th Avenue	ULEHI	Altitude West	Total
Assets					
Current assets	\$ 690,644	2,203	2,020	31,266	726,133
Capital assets, net	62,374	9,077	-	-	71,451
Other noncurrent assets	460,726	-	17,982	297	479,005
Total Assets	\$ 1,213,744	11,280	20,002	31,563	1,276,589
Liabilities					
Current liabilities	\$ 86,428	1,027	43	12,038	99,536
Noncurrent liabilities	36,986	8,037	-	-	45,023
Total Liabilities	\$ 123,414	9,064	43	12,038	144,559
Deferred Inflows of Resources					
Lease revenue	\$ 4,531	-	-	-	4,531
Total Deferred Inflows of Resources	\$ 4,531	-	-	-	4,531
Net Position					
Net investment in capital assets	\$ 19,403	1,040	-	-	20,443
Restricted for expendable purposes	-	-	-	297	297
Unrestricted	1,066,396	1,176	19,959	19,228	1,106,759
Total Net Position	\$ 1,085,799	2,216	19,959	19,525	1,127,499
Condensed Statements of Revenues, Expenses, and Changes in Net Position					
Operating revenues (expenses)					
Patient service revenues	\$ 1,095,342	-	-	-	1,095,342
Contract income	510,258	-	-	-	510,258
Grants and management fee from the University	-	-	6,773	-	6,773
Other operating revenues	1,927	2,524	-	7,373	11,824
Distribution to the University	-	-	(1,906)	-	(1,906)
Operating expenses	(1,511,102)	(1,470)	(7,395)	(5,009)	(1,524,976)
Depreciation and amortization	(11,740)	(470)	-	-	(12,210)
Operating income (loss)	84,685	584	(2,528)	2,364	85,105
Nonoperating revenues (expenses)					
Investment income	48,554	9	-	2,090	50,653
Other nonoperating revenues	(3,194)	-	-	-	(3,194)
Contributions to affiliated organizations	(33,400)	-	-	-	(33,400)
Other nonoperating expenses	(1,047)	(362)	-	-	(1,409)
Total net nonoperating revenues (expenses)	10,913	(353)	-	2,090	12,650
Change in Net Position	95,598	231	(2,528)	4,454	97,755
Net Position, beginning of year	990,201	1,985	22,487	15,071	1,029,744
Net Position, end of year	\$ 1,085,799	2,216	19,959	19,525	1,127,499
Condensed Statements of Cash Flows					
Net cash flows provided by (used for)					
Operating activities	\$ 71,767	1,097	4,822	3,838	81,524
Non-capital financing activities	(33,400)	-	-	-	(33,400)
Capital and related financing activities	(9,933)	(801)	-	-	(10,734)
Investing activities	49,608	9	(2,989)	(2,976)	43,652
Net Change in Cash and Cash Equivalents	78,042	305	1,833	862	81,042
Cash and cash equivalents, beginning of year	326,090	1,822	187	5,911	334,010
Cash and Cash Equivalents, End of Year	\$ 404,132	2,127	2,020	6,773	415,052

CU Medicine is a blended component unit of the University. CU Medicine paid SOM \$3,042,000 and \$3,176,000 (including trust premium expenses and risk management administration expenses of \$1,811,000 and \$1,991,000) for the years ended June 30, 2025 and 2024, respectively. The University paid CU Medicine rental amounts of \$2,093,000 and \$1,877,000 during the years ended June 30, 2025 and 2024, respectively. As CU Medicine is a blended component unit, all these amounts are eliminated.

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In February 2020, CU Medicine committed to invest \$1,000,000 as a limited partner in the CU Healthcare Innovation Fund, L.P. (the Fund). The partnership is a strategic health care fund affiliated with CU Anschutz. Other limited partners include UCHHealth and Children's Colorado. The Fund invests in ventures across the health care spectrum and its close affiliation with the campus provides access to unique opportunities. As of June 30, 2025 and 2024, CU Medicine had invested \$873,000 and \$813,000, respectively. CU Medicine received no dividends and \$20,000 in dividends during the years ended June 30, 2025 and 2024, respectively. CU Medicine accounts for its participation on the cost basis.

In April 2019, ULEHI entered into a limited partnership agreement with the Fund, whereby ULEHI initially committed to provide up to \$10,000,000 to the Fund as a limited partner and non-managing member of the General Partner. On May 20, 2024, CU Anschutz Equity Holdings, LLC (CUAEHL) and CU Boulder License Equity Holdings, LLC (CUBLEHL) were established and are included as blended component units of ULEHI. In November 2024, ULEHI transferred all ownership interests in the Fund to CUAEHL. In September 2022, ULEHI entered into a limited partnership agreement with the CU Healthcare Innovation Fund II, L.P. (Fund II), whereby ULEHI has initially committed to provide up to \$5,000,000 to Fund II as a limited partner and nonmanaging member of the General Partner. In November 2024, ULEHI transferred all ownership interests in Fund II to CUAEHL. As of June 30, 2025 and 2024, CUAEHL's total investment was valued at \$10,521,000 and \$8,704,000, respectively, based upon the Net Asset Value (NAV) of its ownership interest in partners' capital of the Fund.

During the year ended June 30, 2025, total distributions by ULEHI, including blended component units, to the University related to investments by ULEHI were \$2,082,000. Distributions by ULEHI were \$1,872,000 and distributions by CUBLEHL were \$210,000. During the year ended June 30, 2024, total distributions by ULEHI to the University related to investments by ULEHI were \$1,906,000.

The University provides certain accounting administrative services to the Trust for which fees are charged at cost, \$2,340,000 and \$2,217,000 for the years ended June 30, 2025 and 2024, respectively. The Trust paid medical claims on behalf of the University of \$444,839,000 and \$385,166,000 during the years ended June 30, 2025 and 2024, respectively. The University's payments to the Trust were \$394,402,000 and \$371,114,000 for the years ended June 30, 2025 and 2024, respectively, and the employees' payments were \$50,055,000 and \$43,500,000, respectively. As of June 30, 2025 and 2024, the University had no accounts receivable owed from the Trust and had accounts payable due to the Trust of \$37,545,000 and \$35,793,000, respectively.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNITS

The University has two discretely presented component units: CU Foundation and CUBEC.

UNIVERSITY OF COLORADO FOUNDATION

Distributions made by the CU Foundation to the University were \$230,728,000 and \$219,414,000 during the years ended June 30, 2025 and 2024, respectively. This amount has been recorded as University grant or gift revenue and the CU Foundation operating expense in the accompanying financial statements and does not include undistributed income on University endowments.

Since July 1, 2007, the University has contracted with the CU Foundation to manage a portion of its investments. As of June 30, 2025 and 2024, respectively, \$382,165,000 and \$350,609,000 of non-endowed investments, less \$218,000 and \$463,000, respectively, of University accrued expenses, are being managed by the CU Foundation.

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The University is the ultimate beneficiary of substantially all restricted and trust funds held by the CU Foundation and is income beneficiary of a significant portion of endowment funds held by the CU Foundation. In addition, the University contracts with the CU Foundation to manage its endowments. The University has endowments and other assets held by the CU Foundation approximating \$270,752,000 and \$258,303,000 as of June 30, 2025 and 2024, respectively.

The CU Foundation collected an annual advancement support fee of 1.5 percent on the University's custodial endowments and 1.0 percent on the University's treasury funds, which was \$6,900,000 and \$6,700,000 for the years ended June 30, 2025 and 2024, respectively. The CU Foundation paid the University \$38,399,000 and \$36,921,000 and to help cover development costs for the years ended June 30, 2025 and 2024, respectively, which is reported as other operating revenue.

As of June 30, 2025 and 2024, the University recorded an accounts receivable from the CU Foundation of \$7,962,000 and \$13,373,000, respectively.

UNIVERSITY OF COLORADO BOULDER ENTERPRISE CORPORATION

CUBEC entered into a parking development agreement with Limelight for the development of a parking garage. The construction costs are being financed by the issuance of the 2023A and 2023B lease revenue bonds. These bonds are secured by a 30-year sublease agreement with CU Boulder. In 2023, CU Boulder made a \$3,500,000 prepayment toward the lease. The lease will commence upon completion of the parking garage, which is expected in Fiscal Year 2026.

Related party transactions include an agreement between CUBEC and CU Boulder for the provision of various services. These services encompass business opportunity support, financial support, external legal counsel, asset management, printing and letterhead services, information technology, and use of campus facilities, and parking. The total of services provided by CU Boulder was \$15,000 and \$12,000 for the years ended December 31, 2024 and 2023, respectively. Amounts due from CU Boulder for miscellaneous payments to be reimbursed totaled \$368,000 and \$41,000 as of December 31, 2024, and 2023, respectively, and are recorded within related party receivables on the consolidated statement of financial positions for CUBEC.

In June 2020, CU Boulder loaned CUBEC \$10,000,000 for an equity investment to construct and operate a conference center and hotel. The agreement states no interest will accrue nor repayment is due on the note payable until the earlier of January 1, 2028, or the first distribution is received under the Limelight agreement after completion of the hotel and conference center. At that time, interest will accrue at the 10-year Treasury rate plus 25 basis points, not to exceed 3 percent. A repayment schedule will be established once repayment commences.

CUBEC had no other significant activity for the years ended June 30, 2025 and 2024.

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NOTE 18 – RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

UNIVERSITY OF COLORADO HOSPITAL (UCHealth)

In accordance with 1991 State legislation, UCHealth was established as a separate and distinct entity. Requests for additional information should be addressed to UCHealth, Chief Financial Officer, Mail Stop F-417, P.O. Box 6510, Aurora, Colorado 80045.

CU Denver | Anschutz and CU Medicine have several types of financial transactions with UCHealth. On an annual basis, CU Denver | Anschutz or CU Medicine and UCHealth enter into agreements specifying the fees to be charged for services and the allocation of expenses between the two organizations. In certain circumstances, CU Denver | Anschutz may bear the entire cost of certain services in exchange for educational or other services provided by UCHealth. In some instances, the fee charged by CU Denver | Anschutz, CU Medicine, or UCHealth is a set amount for specific services to be provided. In other circumstances, the fee charged is based upon the amount or type of services requested by either CU Denver | Anschutz or UCHealth.

Examples of services provided by CU Denver | Anschutz to UCHealth include telecommunications services, rental of office space, and resident doctors. Examples of services provided by UCHealth to CU Denver | Anschutz are patient services for sponsored research projects. In general, amounts receivable from, or payable to, UCHealth are settled within the following calendar quarter.

Total payments issued by UCHealth to CU Denver | Anschutz approximated \$93,154,000 and \$90,567,000 for years ended June 30, 2025 and 2024, respectively. Total payments issued by CU Denver | Anschutz to UCHealth for the years ended June 30, 2025 and 2024 approximated \$18,083,000 and \$12,590,000, respectively.

For the years ended June 30, 2025 and 2024, UCHealth distributed \$38,011,000 and \$19,395,000, respectively, reported as gift revenue by the University.

During the years ended June 30, 2025 and 2024, CU Medicine recognized \$298,982,000 and \$279,040,000, respectively, in contract income from the UCHealth system for SOM services, including faculty, department, programmatic support, medical direction, on-call coverage, clinical lab and other related facility functions, and clinical services. CU Medicine had a receivable for net payments due from the UCHealth system of \$17,413,000 and \$13,718,000 at June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the University recorded an accounts receivable from UCHealth of \$3,199,000 and \$4,685,000, respectively, for various services provided. As of June 30, 2025 and 2024, the University had \$118,000 and \$48,000 accounts payable owed to UCHealth, respectively. Generally, amounts due are paid during the current or subsequent month.

AURARIA HIGHER EDUCATION CENTER

AHEC, established by legislation in 1974, is jointly governed and utilized by CU Denver, the Community College of Denver, and Metropolitan State University of Denver. The institutions share the costs of operating common educational, library, and other auxiliary facilities. Costs of the common facilities are shared in accordance with an operating agreement between AHEC and the respective institutions. During the years ended June 30, 2025 and 2024, the University incurred expenses related to the common facilities approximating \$14,783,000 and \$14,176,000, respectively, for payments to AHEC. CU Denver also

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collected AHEC mandatory student fees of \$2,167,000 and \$2,196,000 from CU Denver students during the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the University recorded an accounts payable to AHEC of \$2,047,000 and \$947,000, respectively, for services rendered but not yet paid, and for fees collected for the spring end of term but not yet paid. As of June 30, 2025 and 2024, the University had accounts receivable due from AHEC of \$80,000 and \$48,000, respectively.

In addition, the University leases space from AHEC. As of June 30, 2025 and 2024, the University has future payment obligations for the AHEC Science Building of \$2,262,000 and \$2,956,000, respectively, which is recorded as a note payable (see Note 8 for more information). Other leased space at AHEC is expensed annually. As of June 30, 2025 and 2024, the University has future payment obligations for other AHEC space of \$665,000 and \$819,000, respectively.

Detailed financial information may be obtained directly from AHEC at 1201 5th Street Suite 370, Denver, Colorado 80217.

NOTE 19 – COMMITMENTS AND CONTINGENCIES

Contracts have been entered into for the purpose of planning, acquiring, constructing, and equipping certain building additions and other projects with outstanding amounts totaling \$127,612,000 and \$210,452,000 as of June 30, 2025 and 2024, respectively. These additions will be funded or financed by donor contributions, appropriations from the State, issuance of revenue bonds, and other financings. As of June 30, 2025 and 2024, the amount of capital construction appropriations authorized from the State for these projects approximated \$21,213,000 and \$28,552,000, respectively.

Substantial amounts are received and expended by the University under federal and state grants and contracts and are subject to audit by cognizant governmental agencies. This funding relates to research, student aid, and other programs. University management believes that any liabilities arising from such audits will not have a material effect on the University's financial position or operations.

CU Medicine, as a member of the healthcare industry, is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has continued to increase with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. CU Medicine management believes that CU Medicine is in substantial compliance with fraud and abuse statutes as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

In December 2023, a former employee filed a lawsuit claiming that the University improperly withheld and destroyed research material following termination of her employment. A bench trial was held in April 2025. In June 2025, the Court entered judgment in favor of the Plaintiff, awarding \$4,063,000 in breach of contract damages. In August 2025, the University appealed and the court stayed execution of the judgment pending appeal. As of June 30, 2025, the University accrued the full amount in the other current liabilities line on the statement of net position.

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The University is also a defendant in, and threatened with, a number of other legal actions. While the final outcome of many of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability not covered by insurance, if any, for these legal actions will not have a material effect on the University's financial position or operations.

Recent changes in federal funding priorities and policies, as well as continued inflation, are expected to impact the economy and federally funded programs for universities. Management and staff are monitoring and responding to these conditions, but the full effect on the University's financial position cannot be reasonably determined at this time.

NOTE 20 – SUBSEQUENT EVENT

BOND ISSUANCE

On October 14, 2025, the University issued Series 2025C1 Enterprise Revenue Bonds in the amount of \$76,540,000 to fund a portion of the Chemistry and Applied Math Building (CHAP) building and Ekeley remodel project at CU Boulder. Additionally, the University issued the Series 2025C2 Enterprise Refunding Revenue Bonds in the amount of \$63,930,000 to refund Series 2021C3A and selected maturities of the 2015A, 2015B, and 2015C series. The refunding transaction yielded cash flow savings of \$15,130,000 and present value savings of \$3,860,000. Savings from these transactions will lower debt service payments for all campuses. Interest rates range from 5.00 percent to 5.25 percent and the first interest payment date is December 1, 2025. The final maturity of the 2025C1 bonds is June 1, 2055 and June 1, 2051 for the 2025C2 bonds.

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SCHEDULE OF CHANGES IN UNIVERSITY OPEB'S TOTAL OPEB LIABILITY AND RELATED RATIOS

University OPEB Plan	Year Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 107,937	81,919	111,208	68,640	49,138	53,400	49,754	53,099
Interest cost	56,505	42,191	29,892	22,068	26,392	34,254	28,404	24,648
Differences between expected and actual experience	(5,114)	(7,920)	(4,126)	201,889	287	(206,938)	(1,728)	(87,654)
Changes of assumptions	101,678	233,419	(288,497)	67,418	168,948	3,678	35,919	(46,406)
Benefit payments	(19,552)	(19,243)	(16,226)	(14,407)	(16,062)	(15,461)	(15,163)	(17,211)
Net change in Total OPEB liability	241,454	330,366	(167,749)	345,608	228,703	(131,067)	97,186	(73,524)
Total OPEB liability (beginning)	1,449,820	1,119,454	1,287,203	941,595	712,892	843,959	746,773	820,297
Total OPEB liability (ending)	\$ 1,691,274	1,449,820	1,119,454	1,287,203	941,595	712,892	843,959	746,773
Covered payroll	\$ 2,687,160	2,476,686	2,100,077	1,896,938	2,053,724	1,719,840	1,663,010	1,475,177
Total OPEB liability as a percentage of payroll	62.94%	58.54%	53.31%	67.86%	45.85%	41.45%	50.75%	50.62%

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 COLLECTIVE NET OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL (B/C)	PLAN'S FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL OPEB LIABILITY
DECEMBER 31, 2024	2.8212715407%	\$ 13,490	\$ 341,080	3.96%	59.83%
DECEMBER 31, 2023	2.9319992786%	\$ 20,926	\$ 324,616	6.45%	46.16%
DECEMBER 31, 2022	3.0474862361%	\$ 24,882	\$ 309,169	8.05%	38.57%
DECEMBER 31, 2021	3.1031779347%	\$ 26,759	\$ 296,840	9.01%	39.40%
DECEMBER 31, 2020	3.2452312656%	\$ 30,837	\$ 300,190	10.27%	32.78%
DECEMBER 31, 2019	3.4351836004%	\$ 38,611	\$ 308,898	12.50%	24.49%
DECEMBER 31, 2018	3.6189452649%	\$ 49,237	\$ 305,926	16.09%	17.03%
DECEMBER 31, 2017	3.7222136080%	\$ 48,374	\$ 302,484	15.99%	17.53%
DECEMBER 31, 2016	3.8085462272%	\$ 49,379	\$ 300,390	16.44%	16.72%

SCHEDULE OF UNIVERSITY'S CONTRIBUTIONS TO PERA OPEB PLAN

FISCAL YEAR-END	STATUTORILY REQUIRED CONTRIBUTION (A)	CONTRIBUTIONS IN RELATION TO STATUTORILY REQUIRED CONTRIBUTION (B)	CONTRIBUTION DEFICIENCY (EXCESS) (A-B)	COVERED PAYROLL (C)	CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL (B/C)
JUNE 30, 2025	\$ 3,550	\$ 3,550	\$ -	\$ 348,034	1.02%
JUNE 30, 2024	\$ 3,402	\$ 3,402	\$ -	\$ 333,533	1.02%
JUNE 30, 2023	\$ 3,227	\$ 3,227	\$ -	\$ 316,412	1.02%
JUNE 30, 2022	\$ 3,106	\$ 3,106	\$ -	\$ 304,475	1.02%
JUNE 30, 2021	\$ 2,972	\$ 2,972	\$ -	\$ 291,406	1.02%
JUNE 30, 2020	\$ 3,164	\$ 3,164	\$ -	\$ 310,204	1.02%
JUNE 30, 2019	\$ 3,136	\$ 3,136	\$ -	\$ 307,467	1.02%
JUNE 30, 2018	\$ 3,345	\$ 3,345	\$ -	\$ 327,981	1.02%
JUNE 30, 2017	\$ 3,067	\$ 3,067	\$ -	\$ 300,673	1.02%

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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 COLLECTIVE NPL AS A PERCENTAGE OF COVERED PAYROLL (B/C)	PLAN'S FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY
DECEMBER 31, 2024	9.1964183078%	\$ 874,524	\$ 341,080	256.40%	67.44%
DECEMBER 31, 2023	9.4923408571%	\$ 959,969	\$ 324,616	295.72%	64.37%
DECEMBER 31, 2022	9.9626806357%	\$ 1,083,200	\$ 309,169	350.36%	60.63%
DECEMBER 31, 2021	9.9120846797%	\$ 731,020	\$ 296,840	246.27%	73.05%
DECEMBER 31, 2020	10.0696852041%	\$ 955,089	\$ 300,190	318.16%	65.34%
DECEMBER 31, 2019	10.7126353636%	\$ 1,039,533	\$ 308,898	336.53%	62.24%
DECEMBER 31, 2018	10.9376365281%	\$ 1,244,558	\$ 305,926	406.82%	55.11%
DECEMBER 31, 2017	11.0227933269%	\$ 2,206,541	\$ 302,484	729.47%	43.20%
DECEMBER 31, 2016	11.1571798445%	\$ 2,049,366	\$ 300,390	682.24%	42.59%
DECEMBER 31, 2015	11.1631105031%	\$ 1,175,591	\$ 296,983	395.84%	56.11%

SCHEDULE OF UNIVERSITY'S CONTRIBUTIONS TO PERA PENSION PLAN

FISCAL YEAR-END	STATUTORILY REQUIRED CONTRIBUTION (A)	CONTRIBUTIONS IN RELATION TO STATUTORILY REQUIRED CONTRIBUTION (B)	CONTRIBUTION DEFICIENCY (EXCESS) (A-B)	COVERED PAYROLL (C)	CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL (B/C)
JUNE 30, 2025	\$ 81,148	\$ 88,059	\$ (6,911)	\$ 348,034	25.30%
JUNE 30, 2024	\$ 76,751	\$ 78,292	\$ (1,541)	\$ 333,533	23.47%
JUNE 30, 2023	\$ 72,276	\$ 92,027	\$ (19,751)	\$ 316,412	29.08%
JUNE 30, 2022	\$ 67,191	\$ 74,794	\$ (7,603)	\$ 304,475	24.56%
JUNE 30, 2021	\$ 63,808	\$ 63,808	\$ -	\$ 291,406	21.90%
JUNE 30, 2020	\$ 65,557	\$ 73,815	\$ (8,258)	\$ 310,204	23.80%
JUNE 30, 2019	\$ 63,850	\$ 72,435	\$ (8,585)	\$ 307,467	23.56%
JUNE 30, 2018	\$ 61,138	\$ 61,138	\$ -	\$ 327,981	18.64%
JUNE 30, 2017	\$ 58,698	\$ 58,698	\$ -	\$ 300,673	19.52%
JUNE 30, 2016	\$ 54,561	\$ 54,561	\$ -	\$ 299,112	18.24%

SCHEDULE OF CHANGES IN ALTERNATE MEDICARE PAYMENT'S TOTAL PENSION LIABILITY AND RELATED RATIOS

	Year Ended June 30									
AMP		2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$	5,304	5,302	7,551	7,048	4,854	4,360	3,985	4,262	3,194
Interest on total AMP pension liability		3,917	3,820	2,821	2,771	3,295	3,339	2,751	2,231	2,391
Differences between expected and actual experience		(199)	(44)	(420)	(5,842)	(124)	(3,865)	(109)	(3,377)	(101)
Changes of assumptions		(4,970)	(7,245)	(28,775)	2,700	23,408	4,845	4,940	(3,180)	10,999
Benefit payments		(2,501)	(2,396)	(2,029)	(1,819)	(1,828)	(1,692)	(1,566)	(1,448)	(1,349)
Net change in total pension liability		1,551	(563)	(20,852)	4,858	29,605	6,987	10,001	(1,512)	15,134
Total pension liability (beginning)		103,247	103,810	124,662	119,804	90,199	83,212	73,211	74,723	59,589
Total pension liability (ending)	\$	104,798	103,247	103,810	124,662	119,804	90,199	83,212	73,211	74,723
Covered payroll	\$	2,267,687	2,074,563	1,744,237	1,583,766	1,692,641	1,436,909	1,369,276	1,187,065	943,644
Total pension liability as a percentage of payroll		4.62%	4.98%	5.95%	7.87%	7.08%	6.28%	6.08%	6.17%	7.92%

UNIVERSITY OF COLORADO
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NOTE 1 – UNIVERSITY OPEB’S TOTAL OPEB LIABILITY

FUNDED STATUS

No assets are held in trust to pay for plan benefits.

CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS TO UNIVERSITY OPEB

Changes of assumptions or other inputs effective for the June 30, 2024 measurement date are as follows:

- Discount rate changed from 3.65 percent to 3.93 percent.

Changes of assumptions or other inputs effective for the June 30, 2023 measurement date are as follows:

- Discount rate changed from 3.54 percent to 3.66 percent.

Changes of assumptions or other inputs effective for the June 30, 2022 measurement date are as follows:

- Discount rate changed from 2.15 percent to 3.54 percent.

Changes of assumptions or other inputs effective for the June 30, 2021 measurement date are as follows:

- Discount rate changed from 2.20 percent to 2.15 percent.
- Mortality table was updated from PUB-2010 “Teachers” table with generational projection using Scale PM-2020 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2021.
- Retirement rates for PERA employees, termination rates, and salary scale were updated from the December 31, 2015 Colorado PERA assumption study to the December 31, 2019 Colorado PERA assumption study.
- Claims and trend rates were updated to better reflect expected future plan experience.

Changes in assumptions or other inputs effective for the June 30, 2020 measurement date are as follows:

- Discount rate changed from 3.50 percent to 2.20 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2019 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2020.

Changes in assumptions or other inputs effective for the June 30, 2019 measurement date are as follows:

- Discount rate changed from 3.85 percent to 3.50 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2018 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2019.
- Health care trend rates were updated.
- Health care claim costs and retiree contributions were updated based upon recent experiences.

Changes in assumptions or other inputs effective for the June 30, 2018 measurement date are as follows:

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- Discount rate changed from 3.60 percent to 3.85 percent.
- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB-2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in Total OPEB Liability of about 8 percent.

Changes in assumptions or other inputs effective for the June 30, 2017 measurement date are as follows:

- Discount rate changed from 2.85 percent to 3.60 percent.
- Health care trend rates were updated.
- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.
- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females for PERA participants.
- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:
 - Mortality rates
 - Withdrawal rates
 - Retirement rates (apply to PERA participants only)

NOTE 2 – PERA’S NET OPEB LIABILITY

CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in plan provisions, assumptions or other inputs 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 \$20,000 and \$486,000, respectively.
- 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.

Changes in plan provisions, assumptions or other inputs effective for the December 31, 2023 measurement period are as follows:

- As of the December 31, 2023 measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERAaffiliated employer, effective December 31, 2022. As of the December 31, 2023 year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations

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to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

- There were no changes made to the actuarial methods or assumptions.

Changes in plan provisions, 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 plan provisions, assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB compared to the prior year.

Changes in plan provisions, 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.
- 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.
- 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 State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (members other than State Troopers) 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 disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-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 plan provisions, assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB compared to the prior year.

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

There were no changes in plan provisions, assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB compared to the prior year.

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NOTE 3 – PERA’S NET PENSION LIABILITY

CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes in plan provisions, 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 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 percent.

Changes in plan provisions, assumptions or other inputs effective for the December 31, 2023 measurement period are as follows:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023 measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.
- There were no changes made to the actuarial methods or assumptions.

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

- House Bill 22-1029, effective upon enactment, required the State Treasurer to issue, in addition to the regularly scheduled \$225,000,000 direct distribution, a warrant to PERA in the amount of \$380,000,000 with reductions to future direct distributions. The July 1, 2023 direct distribution will be reduced by \$190,000,000 to \$35,000,000. The July 1, 2024 direct distribution will not be reduced from \$225,000,000 due to a negative investment return in 2022.

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

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision assessment, statutorily recognized July, 2021, and effective July 1, 2022:
 - Member contribution rates increase by 0.50 percent.
 - Employer contribution rates increase by 0.50 percent.
 - Annual increase cap is lowered from 1.25 percent per year to 1.00 percent per year.

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

- House Bill 20-1379 enacted on June 29, 2020, suspended the \$225,000 direct distribution payable on July 1, 2020 for the State's Fiscal Year 2021.
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- 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 State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (members other than State Troopers) 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 disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-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 plan provisions, assumptions or other inputs effective for the December 31, 2019 measurement period are as follows:

- Senate Bill 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision. The following changes reflect the anticipated adjustments resulting from the 2018 automatic adjustment provision, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increased by 0.50 percent.
 - Employer contribution rates increased by 0.50 percent.
 - Annual increase cap is lowered from 1.50 percent per year to 1.25 percent per year.

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

- The following changes were made to the plan provision as part of Senate Bill 18-20:
 - Member contribution rates increased by 0.75 percent effective July 1, 2020, and an additional 0.50 percent effective July 1, 2021.
 - An annual direct distribution of \$225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions.
 - Annual increase cap is lowered from 2.00 percent per year to 1.50 percent per year.

UNIVERSITY OF COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025 and 2024 (unaudited)

- Initial annual increase waiting period is extended from one year after retirement to three years after retirement.
- Annual increase payments are suspended for 2018 and 2019.
- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020 increases from three to five years for the State, School, and DPS Divisions and increases from one to three years for the Judicial Division.
- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

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

- The SEIR for the State Division was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR for the State and Judicial Divisions changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

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

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.

UNIVERSITY OF COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025 and 2024 (unaudited)

Changes in plan provisions, assumptions or other inputs effective for the December 31, 2015 measurement period are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18-month AI timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year

NOTE 4 – UNIVERSITY’S ALTERNATE MEDICARE PAYMENT TOTAL PENSION LIABILITY

FUNDED STATUS

No assets are held in trust to pay for plan benefits.

CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Changes of assumptions or other inputs effective for the June 30, 2024 measurement date are as follows:

- Discount rate changed from 3.65 percent to 3.93 percent.

Changes of assumptions or other inputs effective for the June 30, 2023 measurement date are as follows:

- Discount rate changed from 3.54 percent to 3.65 percent.

Changes of assumptions or other inputs effective for the June 30, 2022 measurement date are as follows:

- Discount rate changed from 2.15 percent to 3.54 percent.

Changes of assumptions and other inputs effective for the June 30, 2021 measurement date are as follows:

- Discount rate changed from 2.20 percent to 2.15 percent.
- Mortality table was updated from PUB-2010 “Teachers” table with generational projection using Scale PM-2020 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2021.
- Termination rates and salary scale were updated from the December 31, 2015 Colorado PERA assumption study to the December 31, 2019 Colorado PERA assumption study.

UNIVERSITY OF COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025 and 2024 (unaudited)

Changes in assumptions or other inputs effective for the June 30, 2020 measurement date are as follows:

- Discount rate changed from 3.50 percent to 2.20 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2019 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2020.

Changes in assumptions or other inputs effective for the June 30, 2019 measurement date are as follows:

- Discount rate changed from 3.85 percent to 3.50 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2018 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2019.

Changes in assumptions or other inputs effective for the June 30, 2018 measurement date are as follows:

- Discount rate changed from 3.60 percent to 3.85 percent.
- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB-2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in TPL of about 10 percent.

Changes in assumptions or other inputs effective for the June 30, 2017 measurement date are as follows:

- Discount rate changed from 2.85 percent to 3.60 percent.
- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.
- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females.
- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:
 - Mortality rates
 - Withdrawal rates

Changes in assumptions or other inputs effective for the June 30, 2016 measurement date are as follows:

- A decrease in the discount rate from 3.85 percent to 2.85 percent.

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**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***

Independent Auditor's Report

The Members of the Legislative Audit Committee
University of Colorado Board of Regents Audit Committee

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 (*Government Auditing Standards*), the financial statements of business-type activities, the aggregate discretely presented component units, and the fiduciary component unit of the University of Colorado (the 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 12, 2025, which contains an emphasis of matter paragraph regarding the reporting entity. Our report also includes a reference to other auditors who audited the financial statements of the University of Colorado Medicine (CU Medicine), and the University License Equity Holding Inc., both blended component units, and the University of Colorado Foundation (CU Foundation) and CU Boulder Enterprise Corporation (CUBEC), both discretely presented component units, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of CU Medicine and Altitude West, LLC, blended component units, the CU Foundation and CUBEC, discretely presented component units, and the University of Colorado Health and Welfare Trust, a fiduciary component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with CU Medicine, Altitude West, LLC, CU Foundation, CUBEC and University of Colorado Health and Welfare Trust or that are reported on separately by those auditors who audited the financial statements of CU Medicine, Altitude West, LLC, CU Foundation, CUBEC and University of Colorado Health and Welfare Trust.

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 were not identified.

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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Denver, Colorado
December 12, 2025

Forvis Mazars Report to the Legislative Audit Committee

University of Colorado Board of Regents Audit Committee
Members of the Legislative Audit Committee
June 30, 2025

Results of the 2025 Financial Statement Audit, Including Required Communications

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Scope of Our Audit

This report covers audit results related to your financial statements and supplementary information:

- As of and for the year ended June 30, 2025
- Conducted in accordance with our contract with the Office of the State Auditor dated May 9, 2025, and contract amendment dated June 12, 2025

Our Responsibilities

Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Audit Scope & Inherent Limitations to Reasonable Assurance

An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.

Extent of Our Communication

In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Your Responsibilities

Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Distribution Restriction

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

- Members of the Legislative Audit Committee
- University of Colorado Board of Regents Audit Committee
- The State of Colorado Office of the State Auditor
- Others within the University

Government Auditing Standards

Additional GAGAS Reporting

We also provided reports as of June 30, 2025, on the following as required by GAGAS:

- Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS

Reporting Limitations

Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Group Audits

Component Auditors

Our audit strategy included the use of the work of other auditors relating to certain components of the University, for which we are taking responsibility. In addition to obtaining an understanding of the component auditor's compliance with ethical requirements and independence to the University, we were involved in determining the nature, timing, and extent of testing performed by the component auditors. We also evaluated the work of the component auditors and have aggregated any findings from the component auditors with our own findings in this report.

Referred-To Component Unit Auditors & Funds Audited by Other Auditors

Our audit strategy included the use of the work of referred-to auditors, resulting in a division of responsibility over the group financial statements and our report thereon.

We did not audit the financial statements of the University of Colorado Medicine (CU Medicine) or the University License Equity Holding Inc. (ULEHI), both blended component units of the University, which represent approximately 13 percent, 25 percent and 30 percent of the assets, net position, and operating revenues, respectively, of the business-type activities of the University as of and for the year ended June 30, 2025. We did not audit the financial statements of CU Medicine, Altitude West, LLC, or ULEHI, all blended component units of the University, which represent approximately 13 percent, 26 percent and 30 percent of the assets, net position, and operating revenues, respectively, of the business-type activities of the University as of and for the year ended June 30, 2024. In addition, we did not audit the financial statements of the University of Colorado Foundation (CU Foundation) or the CU Boulder Enterprise Corporation (CUBEC), which represent 100 percent of the discretely presented component units of the University as of and for the years ended June 30, 2025 and 2024.

Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities noted above, is based solely on the report of the other auditors. We have had communications with the other auditors during planning and throughout the audit regarding their qualifications to perform the audit, including independence, and consideration of materiality as a basis for referring to their audit report. Professional standards require that we provide you with information about our responsibilities in accordance with GAAS, as well as certain information related to the planned scope and timing of our audit.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's annual financial report. Management, or those charged with governance, is responsible for preparing the annual report.

We were not engaged to audit the information contained in the annual financial report, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained:
 - No matters are reportable

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics:

- Governmental Accounting Standards Board Statement No. 101, *Compensated Absences* (GASB 101)

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Valuation of student receivable, tuition discounts and scholarships
- Valuation of capital assets
- Pension liabilities and related disclosures
- OPEB liabilities and related disclosures
- Investment valuations
- Incremental borrowing rates for leases and subscriptions

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Determination of investment fair values
- Pension and OPEB plans
- Related-organization transactions

Our Judgment About the Quality of the University's Accounting Principles

During the course of the audit, we made the following observations regarding the University's application of accounting principles:

- Application of new accounting pronouncements (GASB 101)

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are listed below.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- No matters are reportable

Prior-Period Uncorrected Misstatements

- Client proposed entry related to implementation of GASB 101
- Client proposed entry related to a reclass between debt premium and deferred gain on bonds

Other Required Communications

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Individuals Outside of the Engagement Team

During our audit, we encountered the following matters, for which we consulted the views of individuals outside of the engagement team:

- No matters are reportable

Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Implementation of GASB 101

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter
- Management letter dated December 12, 2025, communicating other deficiencies in internal control that are not considered material weaknesses or significant deficiencies

Forvis Mazars, LLP

**Denver, Colorado
December 12, 2025**