FINANCIAL STATEMENTS

REGIS UNIVERSITY

FOR THE YEAR ENDED APRIL 30, 2024

Contents

REGIS UNIVERSITY

July 26, 2024

In fiscal year 2024, Regis University made significant strides in cultivating a culture of strategic planning across our institution. Our Institutional Strategic Plan, complemented by Strategic Unit Plans and the newly established Operating Plan, emphasizes actionable goals with clear metrics to measure progress towards achieving our strategic objectives.

We've solidified our governance structure with the formation of four key groups: the Student Journey Group, Employer of Choice Committee, Community Engagement Group, and Operational Excellence Group. These groups play pivotal roles in shaping policies and decisions that impact the student experience and guide our university community.

Under the stewardship of our senior leadership team and with strong support from the Board of Trustees, we implemented our operating improvement plan built around our efforts to stabilize enrollment. This initiative led to a $5.5 million increase in gross tuition and fee revenue, coupled with a marginal decline of less than 0.5% in credit hours. Notably, an increase in our traditional student population and corresponding financial aid, as well as investments in first-year PELL-eligible students, resulted in a $1.5 million decrease in net student tuition and fee revenue, funded by a one-time distribution of $1.7 million from quasi-endowment earnings.

In other areas of the Statement of Financial Position, the endowment grew by $1.7 million, or 1.83%, over fiscal year 2023. Regis University continues to prioritize new technology upgrades through strategic financing leases. This allows us to avoid accumulating obsolete assets by matching the technology's lifecycle with the financing terms.

Successful partnerships contributed to a $1.2 million increase in contract revenue when compared to the previous fiscal year, while operating expenses remained stable with an increase of less than 1%. This was the result of a 5% reduction in operating budget expenses with an increase in one-time designated fund spending to support initiatives in academic and student affairs, athletics, and information technology systems. Non-operating activities included additional endowment gifts, favorable market returns, and proceeds from the sale of investment property.

Looking ahead, Regis has implemented a budget reset in fiscal year 2025, reaffirming our commitment to achieving and maintaining financial stability while advancing our strategic goals and our mission.

Stephanie Morris
Vice President and Chief Financial Officer

Management's Responsibility for Financial Statements

Management of the Regis University (the University) is responsible for the integrity and reliability of the consolidated financial statements. Management represents that, with respect to the University's financial information, the consolidated financial statements in this annual report have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying consolidated financial statements have been audited by the University's independent auditors, RubinBrown LLP. Their audit opinion, on the following page, expresses an informed judgment as to whether the consolidated financial statements, considered in their entirety, present fairly, in conformity with U.S. GAAP, the consolidated financial position and changes in net assets and cash flows.

The University maintains a system of internal controls over financial reporting, which is designed to provide a reasonable assurance to the University's management regarding the preparation of reliable published financial statements. Such controls are maintained by the establishment and communication of accounting and financial policies and procedures, by the selection and training of qualified personnel, and by an internal review designed to identify internal control weaknesses in order to permit management to take appropriate corrective action on a timely basis. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of the internal control system can change with circumstances.

The University, through its Audit and Risk Management Committee comprised of members employed and not employed by the University, are responsible for engaging the independent auditors and meeting with management and the independent auditors to independently assess whether each is carrying out its responsibilities. Both financial staff and the independent auditors have full and free access to the Audit and Risk Management Committee.

Stephanie Morris

Stephanie Morris
Vice President and
Chief Financial Officer

Brook Thompson

Brook Thompson
Associate Vice President
Financial Affairs

Laura Rogers

Laura Rogers
Controller

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Independent Auditors' Report

Board of Trustees
Regis University
Denver, Colorado

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Regis University (the University), which comprise the consolidated statement of financial position as of April 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University as of April 30, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility For The Consolidated Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditors' 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 July 26, 2024 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 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 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.

RubinBrown LLP

July 26, 2024

REGIS UNIVERSITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	April 30, 2024	April 30, 2023
Cash and cash equivalents	$ **6,043,504**	$ 14,724,275
Student accounts receivable, net	**1,902,322**	1,408,342
Other receivables	**6,240,252**	5,178,051
Prepaid expenses and other assets	**4,827,280**	3,592,416
Contributions receivable, net	**1,552,801**	1,392,279
Real estate held for investment	**6,745,841**	7,110,629
Student loans receivable	**1,869,052**	2,238,522
Property, plant and equipment, net	**87,428,051**	91,595,045
Right-of-use assets - operating leases, net	**7,125,297**	6,815,175
Right-of-use assets - financing leases, net	**5,684,465**	6,021,229
Investments	**92,113,827**	90,459,636
Other assets	**1,330,054**	1,330,054
Permanently-restricted contributions receivable, net	**3,003,727**	3,541,102
Total Assets	$ **225,866,473**	$ 235,406,755

Liabilities and Net Assets

	April 30, 2024	April 30, 2023
Liabilities		
Accounts payable	$ **2,918,929**	$ 3,015,377
Current maturities on long-term debt	**758,249**	1,017,420
Current portion of operating lease liabilities	**1,818,703**	1,652,023
Current portion of financing lease liabilities	**1,435,860**	1,307,747
Accrued payroll and other expenses	**10,182,679**	9,630,108
Contract liabilities	**1,780,699**	3,498,040
Interest payable	**55,273**	57,000
Asset retirement obligation	**1,063,451**	1,063,451
Long-term debt	**56,925,724**	56,690,195
Long-term portion of operating lease liabilities	**5,801,996**	5,337,685
Long-term portion of financing lease liabilities	**3,572,381**	4,102,477
Government refundable advances	**1,635,203**	2,000,208
Annuities and trust payable	**658,489**	642,653
Total Liabilities	**88,607,636**	90,014,384
Net Assets		
Without donor restriction	**49,914,574**	65,171,093
With donor restriction	**87,344,263**	80,221,278
Total Net Assets	**137,258,837**	145,392,371
Total Liabilities and Net Assets	$ **225,866,473**	$ 235,406,755

REGIS UNIVERSITY

CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended April 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues, Gains and Other Support			
Gross student tuition and fees	$ 131,121,177	$ —	$ 131,121,177
Less student financial aid and tuition discounts	(50,347,935)	—	(50,347,935)
Net tuition and fees	80,773,242	—	80,773,242
Contributions of cash and other financial assets	1,459,539	4,036,034	5,495,573
Contributions of nonfinancial assets	96,135	—	96,135
Endowment income used in operations	3,574,345	2,787,789	6,362,134
Other investment income and gains	85,206	—	85,206
Contracts and other exchange transactions	3,686,643	693,320	4,379,963
Federal, state and private grants and contracts	3,952	7,824,885	7,828,837
Sales and service revenue on auxiliary enterprises	12,742,964	—	12,742,964
Other income	230,646	8,189	238,835
Total Operating Revenues, Gains and Other Support	102,652,672	15,350,217	118,002,889
Net assets released from restrictions	13,016,992	(13,016,992)	—
Total Operating Revenues	115,669,664	2,333,225	118,002,889
Operating Expenses			
Instruction	47,344,937	—	47,344,937
Academic support	14,699,864	—	14,699,864
Student services	25,838,816	—	25,838,816
Institutional support	29,910,526	—	29,910,526
Auxiliary enterprises	13,410,198	—	13,410,198
Total Operating Expenses	131,204,341	—	131,204,341
Change in Net Assets from Operations	(15,534,677)	2,333,225	(13,201,452)
Nonoperating Activities			
Private gifts and pledges for nonoperating purposes	—	2,435,628	2,435,628
Endowment income (loss) - net of amounts used in operations	(613,857)	2,166,893	1,553,036
Other investment income and gains	6,803	216,430	223,233
Change in value of split-interest trust agreement	—	(29,191)	(29,191)
Insurance proceeds	—	—	—
Gain on sale of real estate held for investment	885,212	—	885,212
Change in Net Assets from Nonoperating Activities	278,158	4,789,760	5,067,918
Change in Net Assets	(15,256,519)	7,122,985	(8,133,534)
Net Assets - Beginning of Year	65,171,093	80,221,278	145,392,371
Net Assets - End of Year	$ 49,914,574	$ 87,344,263	$ 137,258,837

REGIS UNIVERSITY

CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended April 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues, Gains and Other Support			
Gross student tuition and fees	$ 125,624,005	$ —	$ 125,624,005
Less student financial aid and tuition discounts	(43,322,382)	—	(43,322,382)
Net tuition and fees	82,301,623	—	82,301,623
Contributions of cash and other financial assets	1,306,431	3,942,528	5,248,959
Contributions of nonfinancial assets	4,171,591	—	4,171,591
Endowment income used in operations	1,231,702	2,524,389	3,756,091
Other investment income and gains	180,156	160	180,316
Contracts and other exchange transactions	3,120,592	94,866	3,215,458
Federal, state and private grants and contracts	4,384	7,334,712	7,339,096
Sales and service revenue on auxiliary enterprises	12,263,198	—	12,263,198
Other income	180,846	—	180,846
Total Operating Revenues, Gains and Other Support	104,760,523	13,896,655	118,657,178
Net assets released from restrictions	14,991,795	(14,991,795)	—
Total Operating Revenues	119,752,318	(1,095,140)	118,657,178
Operating Expenses			
Instruction	47,525,403	—	47,525,403
Academic support	14,698,528	—	14,698,528
Student services	25,414,387	—	25,414,387
Institutional support	27,077,040	—	27,077,040
Auxiliary enterprises	15,472,758	—	15,472,758
Total Operating Expenses	130,188,116	—	130,188,116
Change in Net Assets from Operations	(10,435,798)	(1,095,140)	(11,530,938)
Nonoperating Activities			
Private gifts and pledges for nonoperating purposes	—	1,512,891	1,512,891
Endowment income (loss) - net of amounts used in operations	(1,042,429)	(2,143,687)	(3,186,116)
Other investment income and gains (losses)	—	477,541	477,541
Change in value of split-interest trust agreement	20,275	1,637,497	1,657,772
Insurance proceeds	1,326,644	—	1,326,644
Gain on sale of real estate held for investment	—	—	—
Change in Net Assets from Nonoperating Activities	304,490	1,484,242	1,788,732
Change in Net Assets	(10,131,308)	389,102	(9,742,206)
Net Assets - Beginning of Year	75,302,401	79,832,176	155,134,577
Net Assets - End of Year	$ 65,171,093	$ 80,221,278	$ 145,392,371

REGIS UNIVERSITY

CONSOLIDATED STATEMENT OF CASH FLOWS
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	For the Years Ended April 30, 2024	2023
Cash Flows from Operating Activities		
Change in net assets	**$ (8,133,534)**	$ (9,742,206)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**9,252,929**	8,898,005
Adjustment of right-of-use assets	**2,137,878**	2,351,763
(Gain)/loss on disposal of property, plant and equipment	**—**	9,066
Bad debt expense	**362,647**	221,803
Restricted contributions	**(2,436,878)**	(1,512,891)
Contributions of nonfinancial assets and forgiveness of debt	**—**	(3,010,000)
Realized loss on investments	**833,432**	677,019
Unrealized (gain)/loss on investments	**(6,602,966)**	278,052
Change in actuarial value of annuity obligations	**24,026**	(63,831)
Release of annuity obligations	**—**	(2,281,372)
Realized (gain)/loss on real estate held for investment	**(785,681)**	—
Changes in:		
Receivables	**(1,723,996)**	(2,516,403)
Prepaid expenses and other assets	**(1,234,864)**	907,868
Accounts payable, accrued expenses and other liabilities	**289,321**	(3,211,253)
Contract liabilities	**(1,717,341)**	(1,334,656)
Government refundable advances	**(365,005)**	(423,184)
Net Cash Provided by (Used in) Operating Activities	**(10,100,032)**	(10,752,220)
Cash Flows from Investing Activities		
Proceeds from sale of investments	**47,622,257**	48,622,700
Purchase of investments	**(43,506,914)**	(46,614,908)
Proceeds from sale of real estate held for investment	**1,150,469**	—
Proceeds from sale of property, plant and equipment	**40,672**	9,000
Purchase of land, buildings, and equipment	**(3,236,111)**	(2,467,153)
Net Cash Provided by (Used in) Investing Activities	**2,070,373**	(450,361)

	For the Years Ended April 30, 2024	2023
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt	**$ —**	$ 2,900,209
Payment of debt issuance costs	**—**	(226,648)
Principal payments on long-term debt	**(425,996)**	(764,361)
Payments on financing leases	**(3,205,295)**	(3,667,155)
Payment on annuities and trusts payable	**(8,190)**	(208,851)
Contributions restricted for investment in endowment	**2,988,369**	4,783,517
Net Cash Provided by (Used in) Financing Activities	**(651,112)**	2,816,711
Net Increase (Decrease) in Cash and Cash Equivalents	**(8,680,771)**	(8,385,870)
Cash and Cash Equivalents - Beginning of Year	**14,724,275**	23,110,145
Cash and Cash Equivalents - End of Year	**$ 6,043,504**	$ 14,724,275
Supplemental Cash Flow Information		
Interest paid, net of capitalized interest	**$ 747,417**	$ 614,285
Supplemental Schedule of Noncash Activities		
Construction of property included in accounts payable	**$ 165,075**	**$ —**
Artwork acquired through non-cash contributions	**—**	19,000
PP&E acquired through issuance of long-term debt	**123,262**	260,469
ROU financing leases obtained in exchange for advanced debt	**260,469**	775,086
ROU operating assets obtained in exchange for operating lease liabilities	**2,267,374**	—
ROU financing assets obtained in exchange for financing lease liabilities	**725,834**	1,278,711

1. Nature of Operations and Summary of Significant Accounting Policies

Regis University (the University or Regis) was founded in 1877 and is principally located in Denver, Colorado. The University is a not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code. The University offers a wide range of undergraduate and graduate degrees and serves approximately 6,000 students. The University's main source of revenue is student tuition and fees.

Operating and Nonoperating Activities

Operating activities include the general activities of the University, including the delivery of education programs and the requisite support functions, including investment income without donor restrictions. Nonoperating activities include contributions not used in operations, realized and unrealized gain/loss on endowments, and assets with donor restriction and other supplemental activities.

Consolidated Entities

The accompanying consolidated financial statements include the accounts of the University and its wholly-owned subsidiaries, which include Regis Jesuit Holding, Inc. (RJHI), and RJHI's wholly-owned subsidiary Lowell Real Estate, LLC. Significant inter-company transactions and accounts have been eliminated.

Use of Estimates

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

Basis of Presentation

The University presents financial statements under Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

The ASU requires: (a) the presentation of only two classes of net assets entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) the presentation of underwater endowment funds and related disclosures, (c) the use of the placed-in-service approach to recognize the expiration of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) all not-for-profits present an analysis of expenses by function and nature in either the consolidated statement of activities, a separate statement, or in the notes and disclose a summary of the methods used to allocate costs, (e) the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses.

Brief definitions of the two net asset classes are presented below:

Net Assets Without Donor Restrictions – Net assets derived from tuition and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board designated funds within the endowment.

Net Assets With Donor Restrictions – Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets, net assets from endowments not yet appropriated for spending by Regis, and student loan funds. In addition, net assets with donor restrictions include restricted contributions from donors classified as funds within the endowment. The University records, as net assets with donor restrictions, the original amount of gifts which donors have given to be maintained in perpetuity. Restrictions include support of specific colleges or departments of the University, for faculty support, program support, scholarships, library, building construction, and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are released to net assets without donor restrictions.

Measure of Operations – The University's measure of operations as presented in the consolidated statement of activities includes revenue from tuition (net of certain scholarships and discounts) and fees, grants and contracts, contributions for operating programs, the allocation of endowment spending for operations, and other revenues. Operating expenses are reported on the consolidated statement of activities by functional classification.

The University's nonoperating activity within the consolidated statement of activities includes contributions to the University's donor restricted endowment and for building construction and renovation, investment returns, and other activities related to endowment and annuities.

Liquidity – The University's financial assets available within one year of the balance sheet date for general expenditure as of April 30 are as follows:

	2024	2023
Total assets, at year end	**$ 225,866,473**	$ 235,406,755
Less Nonfinancial Assets		
Real estate held for investment	**6,745,841**	7,110,629
Property, plant and equipment	**87,428,051**	91,595,045
Right-of-use assets	**12,809,762**	12,836,404
Other assets and prepaid expenses	**6,157,334**	4,922,470
Special reserve funds held in escrow	**6,449,311**	—
Financial Assets, at Year End	**106,276,174**	118,942,207
Less Those Unavailable for General Expenditure Within One Year		
Student loans receivable	**1,869,052**	2,238,522
Contractual or Donor-imposed Restrictions		
Restricted by donor with time or purpose restrictions	**1,552,801**	1,391,296
Split-interest agreements	**2,845,141**	2,669,075
Subject to appropriation and satisfaction of donor restrictions including board designated endowments	**38,042,708**	36,611,631
Permanently-restricted contributions receivable	**3,003,727**	3,541,102
Permanently-restricted investments long-term	**49,975,200**	47,000,947
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	**$ 8,987,545**	$ 25,489,634

The University has $8,987,545 of financial assets that are available within one year of the balance sheet date to meet cash needs for general expenditure. In addition to these available financial assets, a significant portion of the University's annual expenditures will be funded by current year operating revenues including tuition, grant, and contract income. The University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the University invests cash in excess of daily requirements in various short-term investments.

The University has board-designated endowment funds of $24,384,626. Although the University does not intend to spend from this endowment other than the amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment funds could be made available if necessary. However, both the board-designated funds and donor-restricted endowments contain investments with provisions that would reduce the total investments that could be made available (refer to note 5 for disclosures about investments).

Cash and Cash Equivalents

The University considers all liquid investments outside of endowment and annuity investments, with original maturities of three months or less, to be cash equivalents. At April 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts.

The Federal Deposit Insurance Corporation's insurance limit is currently $250,000 for interest-bearing accounts. At April 30, 2024, the University's cash accounts exceeded federally insured limits by $5,003,171.

Revenue Recognition, Student Accounts Receivable, and Contract Liabilities

The University recognizes revenue under ASU 2014-09: *Revenue from Contracts with Customers*, which requires revenue to be recognized in a manner to depict the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. The University's spring semester coincides with its fiscal year end of April 30, and as such, this standard does not result in any changes to how or when the University recognizes revenue.

Each distinctive period of instruction over each term in its published academic calendars are considered a portfolio of contracts with customers. The University has determined that revenue should be recognized ratably over the period of instruction for each term, as its performance obligations relate to providing academic instruction pursuant to the published academic calendar for each term. The University does not have any significant periods of instruction that have a term that overlaps the fiscal year end.

The University invoices students approximately one month in advance of the beginning of the applicable academic period of instruction. There are no variable components of the contracts with students once the invoice has been finalized and all relevant financial aid has been awarded and accepted. There is a published time period during the period of instruction to which a student may receive a full or partial refund during each academic term. A significant portion of tuition, fee, and auxiliary revenues are funded on behalf of the enrolled students by the U.S. Department of Education. Funding from the U.S. Department of Education is generally drawn down and applied to student accounts within 10 days of the beginning of the fall, spring and summer semesters. As such, the University has not identified any significant economic factors that impact the nature, amount, timing, and uncertainty related to revenue recognition and related cash flows. Payments received by the University in advance of the period of instruction are presented as contract liabilities on the consolidated statement of financial position.

Other receivables consist primarily of grants receivable from federal and state granting agencies, corporate partnership receivables, and other miscellaneous receivables. Management believes these amounts are fully collectible; therefore, no reserve has been recorded for those receivables.

Student loans receivable is amounts loaned to students under the Federal Perkins Loan and Nursing Student Loan programs and are stated at their outstanding principal amount. Principal and interest payments on loans generally do not commence until after the borrower drops below half-time enrollment, graduates or otherwise ceases enrollment. The University records an allowance for doubtful student loans receivable, based on historical collection information and existing economic conditions. Interest is recorded when received and is not materially different from the amount that would have been recognized on the accrual basis. Loans that are past due for at least one payment are considered delinquent and continue to accrue interest. Delinquent loans are written off or assigned to the Department of Education based on evaluation of the students' credit and specific circumstances.

Allowance for Credit Losses

In June 2016, the FASB issued "*Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments*". Under this guidance, the University is required to utilize an "expected credit loss model" on certain financial instruments, including receivables, and requires entities to record an estimate of expected losses on financial assets for the remaining estimated life of the asset. This estimate must include consideration of historical experience, current conditions and forecasts of events and circumstances in future periods that may yield a loss. The adoption of this standard did not have a material impact on these financial statements.

Student accounts receivable, student loans receivable, and promises to give are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. The allowance for expected credit loss on student accounts receivable amounted to $226,497 and $91,905 on April 30, 2024 and 2023, respectively.

Investments and Investment Income

Investments are stated at fair value and include equity and fixed-income securities, alternative investments, and real estate. Investment income, gains, and losses are classified in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The University invests in several investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such a change could materially affect the amounts reported in the accompanying consolidated statement of financial position.

Split-Interest Agreements

The University's split-interest agreements with donors consist primarily of charitable gift annuities and irrevocable charitable remainder trusts for which the University serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

Contribution revenues for charitable gift annuities and charitable remainder trusts are recognized at the date the agreements are established. In addition, the fair value of the estimated future payments to be made to the beneficiaries under these agreements is recorded as a liability.

Property, Plant and Equipment

Property, plant and equipment purchased by the University are stated at cost. Property, plant and equipment donated to the University are stated at estimated market value on the date of the donation.

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets, as follows:

Equipment	3 - 15 years
Land and building improvements	10 - 20 years
Buildings	30 years
Leasehold improvements	Lesser of lease term or useful life

Other Assets

Other assets consist of $1,330,054 of contributed collections. Contributed collection items are recorded at appraised value at the date of contribution. These items are held for public exhibition, education, or in the furtherance of public service. These collections of art, historical treasures, and similar assets are insured, preserved, and cared for continuously. Proceeds from the disposal of and insurance recoveries related to collection items are used to acquire other items for collections. Depreciation is not recognized on the collections as the economic benefit of the artwork is indeterminable.

Government Refundable Advances

Funds provided by the U.S. government under the Federal Perkins Loan and Nursing Student Loan programs are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the government and are, therefore, recorded as a liability in the accompanying consolidated financial statements.

Statements of Activities

Revenues are classified by the source from which the revenue is generated. Expenses are classified into functional classifications as follows:

- Instruction, which includes the direct costs of the colleges, schools, departments, and other instructional divisions of the University
- Academic support, which includes libraries, media service, academic computing, and academic administration
- Student services, which includes financial aid administration, student records, admissions, athletics, and health services
- Institutional support, which includes general administration, off-site campus administration, legal and fiscal operations, administrative computing, telecommunications, and administration of education through multiple media, human resources, public relations and advancement
- Auxiliary enterprises, which includes expenses for the operations of the University's residence halls, bookstore, conference services, and food service

Operation and maintenance of plant facilities' expenses not directly attributable to one of the above functional classifications are allocated to the functional classification based upon the proportion of square footage occupied by each functional department to total campus square footage.

Contributions of Cash and Other Financial Assets

Gifts of cash and other assets, including unconditional promises to give, are recognized as revenue in the period received. Contributions other than cash are recorded at estimated fair value at the date of the gift when they are unconditionally promised to the University. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with any donor-imposed restrictions. Based upon management's judgment and analysis of each donor's ability to pay, past collection experience and other relevant factors, an allowance has been made for uncollectible contributions of $55,062 and $55,525 at April 30, 2024 and 2023, respectively.

Conditional gifts depend on the occurrence of a specified future or uncertain event or substantive barrier and are only recognized as revenue when the conditions are met or the substantive barrier is satisfied. The University has intentions to give from donors of approximately $33,000,000 and $29,000,000 as of April 30, 2024 and 2023, respectively, that have not been recorded in the general ledger under GAAP as there are conditions imposed by donors that have yet to be met.

The University reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

Contributions of Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which was first effective and adopted by the University on May 1, 2022. Unrestricted revenue from nonfinancial assets is recognized when the University has sufficient discretion over the use and disposition of the items to recognize a contribution. Accordingly, the recognition of gifts-in-kind revenue is limited to circumstances in which the University takes constructive possession of the gifts-in-kind and is the recipient of the gift, rather than an agent or intermediary (as defined by accounting standards). Gifts-in-kind received through donations are valued and recorded as revenue at their fair value at the time the contribution is received. Contributions of nonfinancial assets included in the statements of activities are comprised of the following:

	2024	2023
Artwork	**$ 700**	$ 19,000
Auction item	**56,483**	80,528
Building	**-**	3,300,000
Equipment	**-**	229,930
Forgiven debt	**-**	463,550
Vehicle	**-**	50,593
Other	**38,952**	27,990
	$ 96,135	$ 4,171,591

The items above are valued using estimated retail prices of identical or similar products if purchased in the region. The forgiven debt was valued at the book value of the remaining principal and interest of the loan at the time the agreement was signed.

Income Taxes

The University and RJHI are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. As a limited liability company, Lowell Real Estate, LLC is a disregarded entity for income tax purposes. However, the University and RJHI are subject to federal income tax on any unrelated business taxable income.

Management has determined that there was no significant unrelated business income during the years ended April 30, 2024 or 2023.

The University files tax returns in the U.S. federal jurisdiction.

Leases

The University records leases in accordance with ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cashflows arising from leases.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 financial statement presentation. These reclassifications had no effect on net assets or the change in net assets.

2. Real Estate Held for Investment

The University holds real estate that it classifies as an investment. This investment property is partially controlled by the University's wholly-owned subsidiary, Regis Jesuit Holdings. The majority of the property is located near the main campus of the University.

Real estate held for investment is reported on the consolidated statement of financial position at cost. The University evaluates real estate held for investment on an annual basis for impairment. No impairment issues with these properties were noted as of April 30, 2024 or 2023.

3. Loans Receivable

The University makes uncollateralized loans to students through its participation in the Federal Perkins Loan and the Nursing Student Loan programs. The availability of funds under these programs is dependent on reimbursement to the loan fund from repayments on outstanding loans. Funds advanced by and payable to the federal government totaled $1,635,203 and $2,000,208 as of April 30, 2024 and 2023, respectively. These advances are ultimately refundable to the federal government and are classified as liabilities in the consolidated statement of financial position. Outstanding loans canceled under the program result in a reduction of funds available for future loans and a decrease in the University's liability to the federal government. These loan amounts represent approximately 0.7% and 0.8% of total assets as of April 30, 2024 and 2023.

Allowances for doubtful accounts are established based on current economic factors and specific circumstances of the borrower which, in management's judgment, could influence the ability of the borrower to repay the amounts per the loan terms. For the Federal Perkins Loan and Nursing Student Loan programs, the federal government bears the risk of loss of uncollectible loans provided the University performs required collection due diligence procedures. The University does not stop the accrual of interest until a loan is written off; therefore, the University has no loans on nonaccrual status.

Categories of loans at April 30 include:

	2024				
	30 - 120 Days Past Due	**Greater Than Than 120 Days Past Due**	**Total Past Due**	**Current**	**Total Loans Receivable**
Federal Government					
Student loans receivables	$ 107,704	$ 287,086	$ 394,790	$ 1,474,262	$ 1,869,052

	2023				
	30 - 120 Days Past Due	**Greater Than Than 120 Days Past Due**	**Total Past Due**	**Current**	**Total Loans Receivable**
Federal Government					
Student loans receivables	$ 78,695	$ 168,499	$ 247,194	$ 1,991,328	$ 2,238,522

4. Property, Plant and Equipment

Property, plant and equipment are comprised of the following at April 30:

	2024	2023
Land and improvements	**$ 16,292,265**	$ 16,199,729
Buildings and improvements	**189,449,669**	187,594,222
Leasehold improvements	**1,491,245**	1,491,245
Construction in progress	**1,009,795**	1,586,106
Equipment	**38,545,481**	36,778,958
Right-of-use assets - financing leases	**8,487,716**	8,244,222
	255,276,171	251,894,482
Accumulated depreciation and amortization	**(162,163,655)**	(154,278,208)
	$ 93,112,516	$ 97,616,274

Depreciation and amortization expense amounted to $8,713,368 and $8,898,005 for the years ended April 30, 2024 and 2023, respectively.

For the purposes of the Department of Education Composite Score, $43,401,120 and $44,026,931 have been determined to be pre-implementation and post-implementation net property, plant and equipment, respectively at April 30, 2024. Net right-of-use assets amounted to $12,809,762 at April 30, 2024 and are considered post-implementation assets.

5. Investments and Investment Returns

Investments at April 30 consist of the following:

	2024		2023	
	Cost	**Market Value**	Cost	Market Value
Cash	**$ 1,160,171**	**$ 1,160,171**	$ 718,644	$ 718,644
Money market funds	**7,744,958**	**7,744,958**	7,762,659	7,762,659
Promissory note	**731,018**	**731,018**	732,149	732,149
Governmental securities	**75,646**	**61,524**	71,330	60,254
Fixed income funds	**18,552,074**	**16,847,429**	20,360,654	19,158,895
Income and dividend funds	**396,152**	**382,295**	380,192	345,810
Large cap domestic equity	**24,948,012**	**30,303,946**	27,485,423	28,301,779
Mid cap equity	**1,994,949**	**2,178,348**	2,758,239	2,613,944
Small/mid cap equity	**320,109**	**349,610**	288,013	298,447
International equity	**14,675,911**	**14,805,241**	14,964,966	13,735,461
Global equity	**739,093**	**756,093**	1,332,911	1,254,112
Emerging market equity	**5,285,802**	**4,066,289**	6,619,464	4,649,847
Marketable alternative funds	**3,882,676**	**3,278,915**	4,197,515	3,733,241
Cash surrender value of life insurance	**115,820**	**115,820**	98,601	98,601
Alternative investments	**9,124,984**	**9,332,170**	6,922,544	6,995,793
	$ 89,747,375	**$ 92,113,827**	$ 94,693,304	$ 90,459,636

The University has included a promissory note receivable from a 3rd party (the Note) in investments on the financial statements. The Note was issued on June 15, 2018 and bears interest at 5.75%. The Note requires monthly payments of interest only, with all unpaid interest and principal due upon maturity on June 1, 2028. At April 30, 2024, management has estimated that the full balance of the Note will be collected in full upon maturity.

Eliminated in the consolidated financial statements is the University's endowed asset of $4,240,000 and its related promissory note. This is part of the Promissory Note Series 2018 issued for renovations and the new addition to DeSmet Hall Dormitory, which is located on the University's main campus.

Funds in cash and money market accounts are temporarily held for a minimal period of time until being reinvested in long-term investments. Therefore, cash and money market accounts held with investment brokers are classified as investments, despite being highly liquid. Total investment return is reflected in the consolidated statements of activities as follows:

	2024	2023
Endowment income used in operations	**$ 6,362,134**	$ 3,756,091
Other investment income and gains (losses) - nonoperating and operating	**308,439**	657,857
Endowment income - net of amounts used in operations	**1,553,036**	(3,186,116)
	$ 8,223,609	$ 1,227,832

6. Fair Value Measurements

The University is subject to accounting principles which define fair value, establish a framework for measuring fair value, and expand disclosures about fair value instruments. The accounting principles also establish a hierarchal disclosure framework which prioritizes and ranks the level of market place observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories. The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond with the University's perceived risk of that investment.

Level 1 Quoted prices are available in active markets for identical investments as of the reporting date. This category includes exchange traded money market funds, a variety of mutual funds, and equity securities.

Level 2 Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Level 2 values have been determined by management utilizing observable data that is readily available, regularly updated, reliable and verifiable, not proprietary, and provided by sources that are actively involved in the relevant market. This category includes certificates of deposit, fixed-income securities, and certain alternative investments. Fair values for these investments are estimated by the University using valuation methodologies that consider a range of factors, including, but not limited to, trading values on public exchanges for comparable securities, interest rates, and net asset value per share.

Level 3 Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Level 3 values have been estimated by management in the absence of readily ascertainable market values. Fair values for these investments are estimated by the University using valuation methodologies that consider a range of factors, including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, independent appraisals, trading values on public exchanges for comparable securities, current and projected operating performance, financial condition, and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant judgment by the University. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

The University has adopted ASC 820-10-15-4, *Fair Value Measurements of Investments in Certain Entities That Calculate Net Asset Value per Share* (or its equivalent). Under this guidance, a reporting entity is permitted, as a practical expedient, to estimate the fair value of certain portfolio investments on the basis of the NAV per share. In the normal course of business, the University holds certain investments that would qualify for the usage of this practical expedient.

The fair value of alternative investments has been estimated using the net asset value per share of the investments. Alternative investments held and certain assets classified as real estate investments at April 30 consist of the following:

	2024			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity long/short hedge funds (A)	$ 876,264	$ —	Monthly - Quarterly	10 - 90 Days
Limited partnerships (B)	8,455,906	12,187,298	Quarterly	35 - 70 Days

	2023			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity long/short hedge funds (A)	$ 811,116	$ —	Monthly - Quarterly	10 - 90 Days
Limited partnerships (B)	6,184,677	10,210,412	Quarterly	35 - 70 Days

(A) This category includes investments in hedge funds that take both long and short positions in domestic and foreign common stocks, debt securities, arbitrage investments, and private equity funds. Investments of $78,052 and of $103,945 did not allow voluntary periodic redemptions as of April 30, 2024 and 2023, respectively.

(B) This category includes investments in corporate real estate, including investment in UBS (US) Trumbull Property Fund, LP with a fair value of approximately $1,833,372 that the University is currently in the queue for redeeming. This fund provides for voluntary redemptions upon 60 days' notice, however has limitations based on available cash flow that allow the fund to limit or delay redemption. At January 1, 2024, outstanding redemption requests amounted to $6.5B, which is approximated one-half of the total contributed capital in the fund as of this date. Investments of $4,843,064 and $2,281,115 did not allow voluntary periodic redemptions as of April 30, 2024 and 2023, respectively. The category also includes unfunded commitments related to AP XI, ASF IX, ASF VIII, HPS SIP V, ASP, TPG GP, and Sixth Street Lending Partners Funds.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30:

	2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash	$ 1,160,171	$ 1,160,171	$ —	$ —
Money market funds	7,744,958	7,744,958	—	—
Governmental securities	61,524	61,524	—	—
Fixed income funds	16,847,429	16,847,429	—	—
Income and dividend funds	382,295	382,295	—	—
Large cap domestic equity	30,303,946	30,303,946	—	—
Mid cap equity	2,178,348	2,178,348	—	—
Small/mid cap equity	349,610	349,610	—	—
International equity	14,805,241	14,805,241	—	—
Global equity	756,093	756,093	—	—
Emerging market equity	4,066,289	4,066,289	—	—
Marketable alternative funds	3,278,915	3,278,915	—	—
Investments measured at net asset value:				
Alternative investments	9,332,170	—	—	—
Total Assets	$ 91,266,989	$ 81,934,819	$ —	$ —

	2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash	$ 718,644	$ 718,644	$ —	$ —
Money market funds	7,762,659	7,762,659	—	—
Governmental securities	60,254	60,254	—	—
Fixed income funds	19,158,895	19,158,895	—	—
Income and dividend funds	345,810	345,810	—	—
Large cap domestic equity	28,301,779	28,301,779	—	—
Mid cap equity	2,613,944	2,613,944	—	—
Small/mid cap equity	298,447	298,447	—	—
International equity	13,735,461	13,735,461	—	—
Global equity	1,254,112	1,254,112	—	—
Emerging market equity	4,649,847	4,649,847	—	—
Marketable alternative funds	3,733,241	3,733,241	—	—
Investments measured at net asset value:				
Alternative investments	6,995,793	—	—	—
Total Assets	$ 89,628,886	$ 82,633,093	$ —	$ —

The following table reconciles the assets shown in this note valued at fair value and the assets shown previously in Note 5, valued at fair value and under other methods at April 30:

	2024	2023
Financial instruments at fair value	$ 91,266,989	$ 89,628,886
Promissory note receivable	731,018	732,149
Cash value of life insurance	115,820	98,601
	$ 92,113,827	$ 90,459,636

7. Contributions Receivable

Contributions receivable at April 30 consist of the following unconditional promises to give:

	2024	2023
Due in less than one year	$ 1,538,641	$ 1,327,311
Due in one to five years	3,492,350	4,259,275
	5,030,991	5,586,586
Allowance for uncollectible pledges	(55,062)	(55,525)
Unamortized discount	(419,401)	(597,680)
	$ 4,556,528	$ 4,933,381

8. Asset Retirement Obligation

ASC Topic 410 requires that an asset retirement obligation associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable even when the timing and/or method of settlement may be unknown.

The University's asset retirement obligation relates to asbestos contained in University-owned buildings. Although the University believes the asbestos is not harmful in its current condition, environmental regulations require the University to dispose of the asbestos if a building undergoes a major renovation or is demolished. The present value of this liability is $1,063,451 at April 30, 2024 and 2023. In 2022, the University adopted a policy whereby it re-evaluates the liability on an annual basis.

9. Long-term Debt

The following is a summary of long-term debt at April 30:

	2024	2023
Refunding Revenue Bonds Series 2016	**$ 31,645,000**	$ 31,645,000
Unamortized Refunding Revenue Bonds Series 2016 premium	**2,861,158**	2,861,158
Unamortized Refunding Revenue Bonds Series 2016 acquisition costs	**(389,143)**	(389,143)
Promissory Notes Series 2018A	**10,995,000**	10,995,000
Unamortized Promissory Notes Series 2018A acquisition costs	**(74,615)**	(74,615)
Refunding Revenue Bonds Series 2022	**14,905,000**	14,905,000
Unamortized Refunding Revenue Bonds Series 2022 issuance costs	**(4,541,322)**	(5,080,883)
Regis Square Associates Mortgage	**—**	262,078
Harvest Table Note	**2,159,633**	2,323,551
First American Advances 09A, 09B & 11A	**—**	260,469
First American Advances 12A, 12B, 12C	**123,262**	—
Operating Lease Obligations	**7,620,699**	6,989,708
Financing Lease Obligations	**5,008,241**	5,410,224
Total Long-term Debt	**70,312,913**	70,107,547
Less current maturities	**4,012,812**	3,977,190
	$ 66,300,101	$ 66,130,357

The University includes all debt in expendable net assets for the Department of Education Composite Score Calculation included in the supplemental schedules, to the extent that the proceeds from such debt have been utilized for capital additions. The Department of Education requires that the University break out the tranches of debt in periods prior to the implementation (pre) of the regulations that govern the composite score calculation and subsequent (post) to the implementation.

The schedule below details the University's computation:

		2024
Pre-implementation Debt		
2016 Bonds, net at 4/30/19	$	**46,931,659**
Capital lease obligations at 4/30/19		**236,598**
Regis Square Associates Mortgage at 4/30/19		**3,134,242**
Harvest Table Note (1)		**2,159,633**
Cumulative payments and amortization since 4/30/19		**(16,185,484)**
Total Pre-implementation Debt		**36,276,648**
Post-implementation Debt		
Promissory Notes Series 2018, net		**10,920,385**
Refunding Revenue Bonds Series 2022, net (2)		**10,363,678**
First American Advances 09A, 09B & 11A		—
First American Advances 12A, 12B, 12C		**123,262**
Operating and Financing Lease Obligations		**12,628,940**
Total Post-implementation Debt		**34,036,265**
Total Debt Included in Expendable Net Assets	**$**	**70,312,913**

(1) 100% of proceeds from this note were utilized to refund an existing obligation with the food service provider of which 100% of the original obligation proceeds were spent on property and equipment

(2) 100% of proceeds from issuance of new debt was utilized to refund prior debt of which 100% of the proceeds were utilized for property and equipment

The University manages debt strategically to advance the mission, and none of the debt is permanently restricted. Being a private institution, the University can include all long-term debt in the expendable net assets category including debt used for property, plant and equipment (as long as it does not exceed the total net property, plant and equipment).

The maturities of bonds and financing lease obligations excluding amortization of the premium and costs of issuance for each of the five years subsequent to April 30, 2024, and the aggregate amount thereafter are shown below:

Fiscal Year Ended April 30,	Bonds and Notes Payable	Operating Lease Obligations	Financing Lease Obligations
2025	$ 194,706	$ 1,818,703	$ 1,435,860
2026	3,096,070	1,868,571	1,486,277
2027	4,147,673	1,908,852	1,407,326
2028	4,814,523	1,951,065	479,855
2029	5,704,575	577,572	196,660
Thereafter	41,870,348	—	—
	$ 59,827,895	8,124,763	5,005,978
Less amount representing interest		—	358,768
Less amount representing accretion		504,064	—
Present value of future lease payments		7,620,699	4,647,210
Less current maturities		1,818,703	1,435,860
Noncurrent portion		$ 5,801,996	$ 3,211,350

Property, plant and equipment at April 30, 2024 and 2023, includes equipment under financing lease obligations of $8,487,716 and $8,244,222 respectively. Accumulated depreciation related to financing lease obligations at April 30, 2024 and 2023, is $2,803,251 and $2,222,993, respectively.

For the years April 30, 2024 and 2023, interest incurred on long-term debt was $747,417 and $614,285, respectively.

Refunding Revenue Bonds Series 2016

On May 11, 2016, the Colorado Educational and Cultural Facilities Authority (the Authority) issued $48,025,000 of Regis University Refunding Revenue Bonds, Series 2016 (the 2016 Bonds). The proceeds from the sale of the 2016 bonds were used to (1) refund all of the Authority's outstanding Regis University Series 2011 and 2011B bonds, (2) pay the cost of terminating all of the interest rate exchange agreements related to the Series 2011 and 2011B bonds and (3) pay certain costs associated with issuance of the 2016 bonds. A loss of $481,850 was recorded with the termination of the Series 2011 and

2011B bonds. The refunding transaction generated approximately $6,800,000 of savings to the University over the life of the bonds.

The bond agreement provides for annual principal payments on October 1 of every year, beginning October 1, 2016, extending through and including October 1, 2035. Interest is payable semi-annually at a net interest rate of 3.41%. Fixed payments are paid semi-annually every October 1 and April 1 beginning on October 1, 2016. As a result of the Refunding Revenue Bonds Series 2022, all payments of principal and interest beginning October 1, 2022 and extending through October 1, 2025 have been legally defeased, and will be paid from an escrow account held by a third-party trustee. See additional details regarding the 2022 Bonds under the *Refunding Revenue Bonds Series 2022* section. The Series 2016 bonds are payable and secured from the gross revenues of the University and a Deed of Trust relating to the mortgaged property. The mortgaged property consists of, generally, 54.5 acres of land and buildings comprising the majority of the main campus. The Bonds contain financial covenants, for which the University obtained an Omnibus Amendment to Indentures and Loan Agreement which waives the financial covenant for fiscal years 2023 and 2024.

Promissory Note Series 2018

Between December 2018 and December 2019, the University issued $18,000,000 of Regis University Promissory Notes (collectively, the Promissory Notes). The Promissory Notes include a loan of $4,920,000 from the University's endowment. The loan balance of $4,240,000 has been eliminated in the consolidated financial statements at April 30, 2024. The proceeds from the Promissory Notes received from third parties were used on renovations and the new addition to DeSmet Hall Dormitory, which is located on the University's main campus.

The Promissory Notes require for annual principal payments on October 1 of every year, beginning October 1, 2021 extending through and including October 1, 2038. Fixed interest payments are paid quarterly on the 1st of July, October, January, and April. As a result of the Refunding Revenue Bonds Series 2022, all payments of principal and interest beginning October 1, 2022 and extending through October 1, 2025 have been legally defeased, and will be paid from an escrow account held by a third-party trustee.

See additional details regarding the 2022 Bonds under the *Refunding Revenue Bonds Series 2022* section.

Refunding Revenue Bonds Series 2022

On September 29, 2022, the Authority issued $14,905,000 of Regis University Refunding Revenue Bonds, Series 2022 (the 2022 Bonds). The proceeds from the sale of the 2022 Bonds were used to (1) refund three years of the Authority's outstanding Regis University Series 2016 bonds, and (2) refund three years of the outstanding Regis University Promissory Notes.

The bond agreement provides for annual principal payments on October 1 of every year, beginning October 1, 2025, extending through and including October 1, 2032. Interest is payable semi-annually at an interest rate of 4.45%. The Bonds contain financial covenants, for which the University obtained an Omnibus Amendment to Indentures and Loan Agreement which waives the financial covenant for fiscal years 2023 and 2024.

Harvest Table Note

On September 30, 2022, the University entered into a food services agreement with Harvest Table who provided an interest-free loan to Regis University in the original amount of $2,960,000. The original proceeds of this debt were used towards renovations of the Regis University Student Center. The note is payable monthly over a 12 year term, ending in fiscal year 2036.

10. Line of Credit

The University has a line of credit with Citywide Banks for $7,500,000 maturing on October 15, 2024. Payments must be made monthly on accrued interest, which is calculated at a rate of 8%. The interest rate is floating based on the Wall Street Journal Prime, with a floor rate of 8%. The University has a second line of credit with JPMorgan for $5,000,000. Payments must be made monthly on accrued interest, which is calculated at Base Rate + 1.75%. The Base Rate is Variable SOFR determined each day by the NYFRB. No funds were drawn on the lines of credit at April 30, 2024 and 2023.

11. Annuities and Trust Payable

The University has been the recipient of several gift annuities that require future payments to donors or their named beneficiaries. The assets received from the donor are recorded at fair value. At April 30, 2024 and 2023, the University has recorded a liability of $59,996 and $61,364, respectively, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 6% as of April 30, 2024 and 2023.

The University administers a remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the University's use. The portion of the trust attributable to the future interest of the University is recorded in the consolidated statement of activities as contributions with donor restrictions in the period the trust is established. Assets held in the charitable remainder trust are recorded at fair value in the University's statements of financial position. On an annual basis, the University revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using discount rates of 5.2% and 5.0% as of April 30, 2024 and 2023, respectively, and applicable mortality tables. At April 30, 2024 and 2023, the University has recorded a liability of $598,493 and $581,289, respectively, for the charitable remainder trust.

12. Net Assets

The Board of Trustees of Regis University has several standing board policies that affect the presentation of board designations on net assets. Bequests without donor restrictions are retained in the annuity investment pool. The quasi-endowment fund balance totaled $24,384,626 and $25,132,786 at April 30, 2024 and 2023, respectively.

	2024	2023
With Donor Restrictions		
Donor-restricted endowments, perpetual in nature	**$ 49,975,200**	$ 47,000,947
Pledges outstanding, perpetual in nature	**3,003,727**	3,541,102
Student loans, perpetual in nature	**1,332,290**	1,230,882
Donor-restricted endowments and cumulative net investment income, subject to spending policy and appropriation	**17,898,082**	15,718,845
Time restricted under split-interest agreement	**2,188,803**	2,028,573
Unexpended gift balances to support scholarships, projects, and programs	**12,946,161**	10,700,929
Total Net Assets With Donor Restrictions	**87,344,263**	80,221,278
Without Donor Restrictions		
Board-designated endowment, subject to spending policy and appropriation	**24,384,626**	25,132,786
Undesignated	**25,529,948**	40,038,307
Total Net Assets Without Donor Restrictions	**49,914,574**	65,171,093
Total Net Assets	**$ 137,258,837**	$ 145,392,371

Net assets are released from restriction upon meeting the donor requirements in order to spend the funds. Of the total assets released from restriction on the consolidated statement of activities of $13,016,992 and $14,991,795, approximately 66% or $8,649,835 and 51% or $7,646,177, was released for financial aid and discounts in 2024 and 2023, respectively. An additional $1,264,239 and $1,315,954 was released for workstudy expenditures in 2024 and 2023, respectively. The remainder went to department operations per the donor requirements.

13. Endowment

The University's endowment consists of approximately 250 individual funds established primarily to provide scholarships to students of various academic pursuits. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University's governing body has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act), as passed in Colorado, as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the University and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the University
7. Investment policies of the University

The composition of net assets by type of endowment fund at April 30, 2024 and 2023, were:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 67,873,282	$ 67,873,282
Board-designated endowment funds	24,384,626	—	24,384,626
	$ 24,384,626	$ 67,873,282	$ 92,257,908

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ —	$ 62,719,792	$ 62,719,792
Board-designated endowment funds	25,132,786	—	25,132,786
	$ 25,132,786	$ 62,719,792	$ 87,852,578

Changes in endowment net assets for the years ended April 30, 2024 and 2023, were:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment assets, beginning of year	$ 25,132,786	$ 62,719,792	$ 87,852,578
Investment Return			
Interest and dividends	614,774	1,581,038	2,195,812
Net appreciation	1,552,419	4,030,864	5,583,283
Total Investment Return	2,167,193	5,611,902	7,779,095
Contributions	—	2,988,369	2,988,369
Appropriation of endowment assets for expenditure	(2,915,353)	(3,446,781)	(6,362,134)
Endowment Assets, End of Year	$ 24,384,626	$ 67,873,282	$ 92,257,908

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment assets, beginning of year	$ 26,248,043	$ 60,081,198	$ 86,329,241
Investment Return			
Interest and dividends	538,961	1,297,507	1,836,468
Net appreciation	(456,530)	(884,027)	(1,340,557)
Total Investment Return	82,431	413,480	495,911
Contributions	—	4,783,517	4,783,517
Appropriation of endowment assets for expenditure	(1,197,688)	(2,558,403)	(3,756,091)
Endowment Assets, End of Year	$ 25,132,786	$ 62,719,792	$ 87,852,578

The University accounts for the endowments in aggregate so that the aggregate fair value of the endowment investments in excess of the original corpus of the endowments is accounted for as net assets with donor restrictions. Should the aggregate fair value of investments be less than the original corpus, a reduction of net assets without donor restrictions would be recorded.

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment, while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the University must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the University's policies, endowment assets are invested in a manner that is intended to produce results that achieve an annual total rate of return of 5% plus the consumer price index over a market cycle. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The University targets a diversified asset allocation that includes both interim and long-term targets, as well as minimum and maximum percentages of allocation across all asset classes. The University's investment policy allows for a wide range of assets, including equities, fixed-income investments, and alternative investments in order to achieve its long-term return objectives within prudent risk constraints.

The University has a policy (the spending policy) of appropriating for expenditure each year up to 5.5% of its endowment average total market value during the 12 quarters ending with the last quarter of the previous fiscal year. The University spent 5.5% in fiscal year 2024 and 4.5% in fiscal year 2023. The University's governing body may, in response to changing economic circumstances, raise or lower the percentage to be distributed in any given year. The investment policy prohibits spending on donor-restricted funds that would cause the investment to have a fair value less than the original corpus (underwater).

14. Functional and Natural Classification of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the University are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on two main methods. Salaries have been allocated based on time studies. Employee benefits and payroll taxes have been allocated based on the salary percentages, by function. All other expenses include direct costs and an allocation of plant based on an allocation of square footage usage across the campus.

See summary below for specific allocation methods used for various expenses:

Natural Category	Method
Salaries and wages	Time entry
Employee benefits and payroll taxes	Salaries ratio
Depreciation, amortization, and interest	Direct cost and ratio of plant allocation
Operation and maintenance of plant	Ratio of square footage allocation
Other operating expenses	Direct costs

Operating and nonoperating expenses by natural and functional classification for the year ended April 30, 2024 and 2023, were as follows:

	2024					
	Instruction	Academic Support	Student Services	Auxiliary Enterprises	Institutional Support	Total
Salaries and wages	$ 33,497,725	$ 7,927,439	$ 11,802,107	$ 1,379,832	$ 10,663,064	$ 65,270,167
Employee benefits	7,369,461	1,990,994	2,865,686	353,120	2,432,260	15,011,521
Depreciation, amortization, and interest	2,353,905	775,318	1,124,970	2,981,686	2,764,467	10,000,346
Operation and maintenance of plant	1,731,771	566,941	771,066	2,149,240	1,365,663	6,584,681
Other operating expenditures	2,392,075	3,439,172	9,274,987	6,546,320	12,685,072	34,337,626
Total Operating Expenses	$ 47,344,937	$ 14,699,864	$ 25,838,816	$ 13,410,198	$ 29,910,526	$ 131,204,341

	2023					
	Instruction	Academic	Student	Auxiliary	Institutional	Total
Salaries and wages	$ 33,110,945	$ 7,634,478	$ 10,248,504	$ 1,313,924	$ 9,462,190	61,770,041
Employee benefits	7,450,630	1,944,807	2,545,971	338,948	2,104,269	14,384,625
Depreciation, amortization, and interest	2,034,889	774,105	1,123,202	2,983,375	2,596,719	9,512,290
Operation and maintenance of plant	1,990,239	709,905	1,028,944	2,868,015	1,754,717	8,351,820
Other operating expenditures	2,938,700	3,635,233	10,467,766	7,968,496	11,159,145	36,169,340
Total Operating Expenses	$ 47,525,403	$ 14,698,528	$ 25,414,387	$ 15,472,758	$ 27,077,040	$ 130,188,116

15. Retirement Plan

Defined Contribution Plan

This plan is a defined contribution plan (the Plan) sponsored by the University for the benefit of substantially all of its employees who are age 18 or older and who are anticipated to be at least 0.5 full-time employees or greater. The Plan operates under Section 403(b) of the Internal Revenue Code (IRC). The Plan provides employees with the opportunity to defer up to 100% of eligible compensation. Elective deferrals can be made upon employment on a before-tax basis, and after-tax basis via Roth contributions, or any proportion of before-tax and after-tax deferrals the employee chooses. The total amount of contributions made on an employee's behalf for any year may not exceed the limits imposed by Sections 402(g), 415, and 403(b) of the IRC. Empower Retirement Services serve as the Plan record keepers. As a condition of employment, participation in this plan is mandatory for eligible employees on the first month after the completion of one year of service at the University at a rate of 4% of eligible compensation. Years of service with any regionally accredited institution of higher education may be counted for purposes of calculating the participant's eligibility. The University may make discretionary employer contributions to the Plan on behalf of each employee who makes a mandatory contribution. Discretionary University contributions of $3,758,699 and $3,469,043 were contributed to the Plan in 2024 and 2023, respectively.

Tax Deferred Annuity Plan

The tax deferred annuity plan (the TDA Plan) is a defined contribution plan sponsored by the University for the benefit of substantially all of its employees. The TDA Plan is available immediately upon hire. The TDA Plan is not subject to the provisions of the Employee Retirement Income Security Act (ERISA). Empower Retirement serves as the TDA Plan record keeper. The TDA Plan permits certain eligible employees through a salary deferral election to have the University make annual contributions of up to 100% of eligible compensation. The University has no liabilities or accountabilities to the TDA Plan.

16. Self-Funded Health and Dental Plan

The University maintains a self-funded health and dental insurance plan for its employees. Under ERISA, all contributions to the plan must be held as plan assets for the payment of benefits under the plan. An estimated liability for medical claims incurred-but-not-reported of $484,343 and $498,360 at April 30, 2024, and 2023, respectively, has been recorded in accrued payroll and other expenses on the statements of financial position. Compared to the Aggregate Maximum Claim liability, the Plan's medical claim cost ran 70% and 85% of the maximum for the periods ending April 30, 2024 and 2023, respectively, with $5,531,824 and $4,568,319 paid claims at April 30, 2024 and 2023, respectively. The University's stop-loss on the plan is $175,000 per claimant with a maximum exposure of approximately $7,900,000. The Plan's dental paid claims were $457,728 and $428,495 for the periods ending April 30, 2024, and 2023, respectively.

17. Related Party Transactions

The University legal team conducts an annual conflict of interest survey that includes obtaining signed conflict of interest statements. These are reviewed annually by University leadership.

Regis Board of Trustees

Contributions from members of the Board of Trustees account for 85% and 94% of total contributions receivable as of April 30, 2024 and 2023, respectively, and 14% and 12% of total contributed revenue for 2024 and 2023, respectively. The Board of Trustees percentage of contributions receivable is applied to total contributions receivable to calculate related party accounts receivable in the supplemental schedule for the Department of Education Composite Score Calculation.

The Promissory Notes include a subordinate interest in the University's gross revenues. Promissory Notes payable to members of the Board of Trustees account for 53% of total notes payable as of April 30, 2024 and 2023.

Regis Jesuit Community

Members of the Jesuit Community serve as University faculty and administrators under individual employment agreements. The related salaries are paid in total to the Jesuit Community. In the opinion of the University's administration, such salaries are comparable to those of other University employees. Members of the Jesuit Community do not participate in the University's benefits package or the federal social security program. However, the University pays to the Jesuit Community an amount approximating such benefits for each community member employed by the University.

18. Leases

Accounting Policies

The University determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The University determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The University has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all operating lease liabilities. The risk-free rate is determined using a period comparable with the lease term. The lease term may include options to extend or to terminate the lease that the University is reasonably certain to exercise. The University continues to use the implicit borrowing rate for the initial and subsequent measurement of all finance lease liabilities. Lease expense is generally recognized on a straight-line basis over the lease term.

The University has elected not to record leases with an initial term of 12 months or less on the consolidated statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The University has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of equipment for the use of University operations. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases

The University leases space for educational purposes that expire in various years through 2028. These leases generally contain renewal options for periods ranging from 5 to 10 years and require the University to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which range from a 2 to 3 percent increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

All Leases

The University has no material related-party leases or subleases. The University's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The operating lease costs are primarily recorded in the auxiliary services line and the financing lease cost is recorded in the institutional support line of the consolidated statement of activities. The lease cost and other required information for the year ended April 30, 2024 and 2023 are:

		2024		2023
Lease Cost				
Operating lease cost	**$**	**1,817,006**	$	2,364,646
Financing lease cost		**1,500,680**		1,461,870
Total Lease Cost	**$**	**3,317,686**	$	3,826,516

	2024	2023
Other Information		
Weighted-average Remaining Lease Term (Years)		
Operating leases	**3.95**	4.27
Financing leases	**3.66**	3.77
Weighted-average Discount Rate		
Operating leases	**3.02%**	2.73%
Financing leases	**4.85%**	1.79%

Rental Revenue

The University has entered into various noncancelable operating lease agreements as a lessor of real rental property at Regis Square. Regis has a facilities use agreement with the Colorado Rapids Youth Soccer Club that will generate revenue over the next 8 years. Additionally, the University is the lessor of real rental property through 2027 in relation to a building it was gifted in 2023. At April 30, 2024, the following future rental and use revenues are expected to be collected:

Fiscal Year Ending April 30,		**Rental Revenue**
2025	$	628,242
2026		511,941
2027		330,014
2028		331,523
2029		342,281
Thereafter		712,853
	$	2,856,854

19. Cyber Attack

The University encountered a cyber attack in August of 2019, resulting in significant disruptions to its network and systems. In response, Regis has worked to both rebuild and restore infrastructure and enhance its systems and practices to improve the network's security and the University's overall technological positioning. Through fiscal year 2023, the University pursued insurance reimbursements for the maximum amount recoverable for the business interruption losses and expenses incurred as a result of the attack. Regis recovered a cumulative amount of $4,498,525, and does not expect to receive additional recoveries related to the cyber attack.

20. Significant Estimates and Concentrations

GAAP requires disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. These matters include the following:

Financial Instruments

Financial instruments that potentially expose the University to concentrations of credit risk include cash and cash equivalents, investments in marketable securities, accounts receivable, and student notes receivable. As a matter of policy, the University only maintains cash balances with financial institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by the distribution of investment funds among asset managers. Concentration of credit risk for accounts receivable and student loans receivable are generally limited due to these balances being carried over a wide creditor base.

At April 30, 2024, there are no securities in a single investment that make up a significant concentration.

Litigation

The University is at times involved in litigation arising from the normal course of business. Management has consulted with legal counsel and estimates that these matters will be resolved without a material impact on the operations or financial position of the University.

Other Contingencies

Other contingencies include amounts expended under the terms of certain federal grants and loans that are subject to audit and possible adjustment by an agency of the federal government. In the opinion of the University's management, any adjustments that may be required will not be material.

21. Subsequent Events

Management evaluates subsequent events through the date financial statements are available for issue, which is the date of the Independent Auditors' Report.

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Independent Auditors' Report On Supplementary Information

Board of Trustees
Regis University
Denver, Colorado

We have audited the consolidated financial statements of Regis University (the University) as of and for the years ended April 30, 2024 and 2023, and our report thereon dated July 26, 2024, which expressed an unmodified opinion on those financial statements, appears on pages 3 through 5. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying schedules that calculate the University's Department of Education Composite Score, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements and has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with governmental auditing standards generally accepted in the United States of America. In our opinion, the information in the accompanying schedules is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RubinBrown LLP

July 26, 2024

REGIS UNIVERSITY

Department of Education Composite Score Calculation
April 30, 2024

Expendable Net Assets		
Net assets without donor restrictions [Statement of Financial Position]	$	49,914,574
Net assets with donor restrictions [Statement of Financial Position]		87,344,263
Net assets with donor restrictions - restricted in perpetuity [Note 12]		(49,975,200)
Annuities, term endowments and life income funds with donor restrictions [Note 12]		(2,188,803)
Intangible assets		—
Pre-implementation net property, plant and equipment [Note 4]		(43,401,120)
Post-implementation net property, plant and equipment [Note 4]		(44,026,931)
Post-implementation net ROU assets [Note 4]		(12,809,762)
Post-employment and defined benefit pension liabilities		—
Pre-implementation debt obtained for long-term purposes, not to exceed total net PPE [Note 9]		36,276,648
Post-implementation debt obtained for long-term purposes, not to exceed total net PPE [Note 9]		21,407,325
Post-implementation lease liabilities obtained for long-term purposes, not to exceed total net PPE [Note 9]		12,628,940
Unsecured related party receivables [Note 17]		(3,873,049)
Total Expendable Net Assets	$	51,296,885
Expenses and Losses Without Donor Restrictions		
Total expenses without donor restrictions [Statement of Activities]	$	131,204,341
Net periodic pension costs reported as non-operating loss, if any		—
Investment loss, if included in total expenses without donor restrictions		—
Loss from change in value of split-interest agreements without donor restrictions		—
Total Expenses and Losses Without Donor Restrictions	$	131,204,341
Modified Net Assets		
Net assets without donor restrictions [Statement of Financial Position]	$	49,914,574
Net assets with donor restrictions [Statement of Financial Position]		87,344,263
Intangible assets		—
Unsecured related party receivables [Note 17]		(3,873,049)
Total Modified Net Assets	$	133,385,788
Modified Assets		
Total assets [Statement of Financial Position]	$	225,866,473
Intangible assets		—
Unsecured related party receivables [Note 17]		(3,873,049)
Total Modified Assets	$	221,993,424
Change in Net Assets Without Donor Restrictions [Statement of Activities]	$	(15,256,519)
Revenues and Gains Without Donor Restrictions		
Total revenues and gains without donor restrictions, including investment gains [Statement of Activities]	$	102,930,830
Net assets released from restrictions [Statement of Activities]		13,016,992
Investment gains included in total revenues and gains without donor restrictions, if any		—
Gain from change in value of split-interest agreements without donor restrictions [Statement of Activities]		—
Other gains without donor restrictions		—
Total Revenues and Gains Without Donor Restrictions	$	115,947,822

REGIS UNIVERSITY

Department of Education Composite Score Calculation (Continued)
April 30, 2024

	Ratio	Strength Factor	Weight	Composite Score
Primary Reserve Ratio				
Expendable Net Assets / Total Expenses and Losses Without Donor Restrictions	0.3910	3.0000	40%	1.2000
Equity Ratio				
Modified Net Assets / Modified Assets	0.6009	3.0000	40%	1.2000
Net Income Ratio				
Change in Net Assets Without Donor Restrictions / Total Revenue and Gains Without Donor Restrictions	(0.1316)	(1.0000)	20%	(0.2000)
Net Composite Score				2.20

REGIS UNIVERSITY

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