University of Saint Joseph

Financial Report
June 30, 2025

Contents

Independent Auditor's Report

Board of Trustees
University of Saint Joseph

Opinion

We have audited the financial statements of University of Saint Joseph (the University), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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.

RSM US LLP

Boston, Massachusetts
December 23, 2025

University of Saint Joseph

Statements of Financial Position
June 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Assets		
Cash and cash equivalents	**$ 6,141**	$ 6,666
Short-term investments	**15,893**	15,145
Accounts receivable, net	**8,120**	3,848
Contributions receivable, net	**1,830**	1,155
Other assets	**1,151**	671
Investments	**64,898**	55,053
Cash restricted for investment in property, plant and equipment	**2,606**	1,340
Interest rate swap	**684**	1,344
Property, plant and equipment, net	**64,539**	66,857
Total assets	**$ 165,862**	$ 152,079
Liabilities and Net Assets		
Accounts payable and accrued expenses	**$ 4,703**	$ 3,972
Student deposits and deferred revenue	**4,324**	3,268
Other liabilities	**3,260**	3,345
Bonds and loans payable	**40,960**	42,316
Total liabilities	**53,247**	52,901
Commitments and contingencies		
Net assets:		
Without donor restrictions	**67,089**	60,896
With donor restrictions	**45,526**	38,282
Total net assets	**112,615**	99,178
Total liabilities and net assets	**$ 165,862**	$ 152,079

See notes to financial statements.

University of Saint Joseph

Statement of Activities
Year Ended June 30, 2025
(With Comparative Totals for 2024)
(Dollars in Thousands)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Operating revenues:				
Tuition and fees, net	$ 39,527	$ -	$ 39,527	$ 40,678
Laboratory schools tuition and fees	21,129	-	21,129	19,686
Grant and contract income	2,154	-	2,154	4,268
Contributions	3,953	1,915	5,868	3,421
Endowment spending used in operations	474	606	1,080	1,020
Residence and dining	5,862	-	5,862	4,998
Auxiliary services and other revenue	776	-	776	967
Interest income	1,079	-	1,079	850
Net assets released from restrictions	1,068	(1,068)	-	-
Total operating revenues	76,022	1,453	77,475	75,888
Operating expenses:				
Salaries and wages	40,084	-	40,084	38,291
Benefits	8,360	-	8,360	9,152
Capital-related costs	10,634	-	10,634	9,819
Other expenses	12,645	-	12,645	11,277
Total operating expenses	71,723	-	71,723	68,539
Operating subtotal	4,299	1,453	5,752	7,349
Nonoperating:				
Contributions restricted for long-term investment	-	1,259	1,259	800
Contributions restricted for investment in plant	-	1,285	1,285	-
Contributions of nonfinancial assets	645	-	645	447
Net return on long-term investments, net of amounts used in operations	1,909	3,247	5,156	5,420
Change in fair value of interest rate swap	(660)	-	(660)	521
Nonoperating subtotal	1,894	5,791	7,685	7,188
Change in net assets	6,193	7,244	13,437	14,537
Net assets at beginning of year	60,896	38,282	99,178	84,641
Net assets at end of year	$ 67,089	$ 45,526	$ 112,615	$ 99,178

See notes to financial statements.

University of Saint Joseph

Statement of Activities
Year Ended June 30, 2024
(Dollars in Thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues:			
Tuition and fees, net	$ 40,678	$ -	$ 40,678
Laboratory schools tuition and fees	19,686	-	19,686
Grant and contract income	4,268	-	4,268
Contributions	1,723	1,698	3,421
Endowment spending used in operations	435	585	1,020
Residence and dining	4,998	-	4,998
Auxiliary services and other revenue	967	-	967
Interest income	850	-	850
Net assets released from restrictions	1,336	(1,336)	-
Total operating revenues	74,941	947	75,888
Operating expenses:			
Salaries and wages	38,291	-	38,291
Benefits	9,152	-	9,152
Capital-related costs	9,819	-	9,819
Other expenses	11,277	-	11,277
Total operating expenses	68,539	-	68,539
Operating subtotal	6,402	947	7,349
Nonoperating:			
Contributions restricted for long-term investment	-	800	800
Contributions of nonfinancial assets	447	-	447
Net return on long-term investments, net of amounts used in operations	2,183	3,237	5,420
Change in fair value of interest rate swap	521	-	521
Nonoperating subtotal	3,151	4,037	7,188
Change in net assets	9,553	4,984	14,537
Net assets at beginning of year	51,343	33,298	84,641
Net assets at end of year	$ 60,896	$ 38,282	$ 99,178

See notes to financial statements.

University of Saint Joseph

Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Cash flows from operating activities:		
Change in net assets	**$ 13,437**	$ 14,537
Adjustments to reconcile change in net assets to		
Net cash provided by operating activities:		
Depreciation and amortization	**4,915**	4,559
Bond cost and loan origination amortization	**26**	31
Change in interest rate swap value and change in discounts	**660**	(521)
Net realized and unrealized gains on investments	**(4,427)**	(5,359)
(Provision) recovery for bad debt	**(99)**	223
Change in present value discount	**(128)**	(2)
Forgiveness of vendor advances included in other liabilities	**(336)**	(336)
Asset retirement obligation accretion	**-**	(799)
Contributions restricted for long-term investment	**(1,259)**	(800)
Contributions restricted for investment in plant	**(1,285)**	-
Contributions of nonfinancial assets	**(645)**	(447)
Change in operating assets and liabilities:		
Accounts and loans receivable	**(4,190)**	(1,115)
Contributions receivable	**(530)**	182
Other assets	**(480)**	82
Accounts payable and accrued expenses	**537**	519
Deposits and deferred revenue	**1,056**	(1,079)
Other liabilities	**250**	-
Net cash provided by operating activities	**7,502**	9,675
Cash flows from investing activities:		
Purchases of plant and equipment	**(1,757)**	(5,446)
Proceeds from maturities and sale of investments	**52,912**	34,600
Purchases of investments	**(59,078)**	(37,621)
Net cash used in investing activities	**(7,923)**	(8,467)
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term investment	**1,259**	800
Proceeds from contributions restricted for investment in plant	**1,285**	-
Principal payments on bonds and loans payable	**(1,382)**	(1,334)
Return of funds on government loans	**-**	(182)
Net cash provided by (used in) financing activities	**1,162**	(716)
Change in cash, cash equivalents and restricted cash	**741**	492
Cash, cash equivalents and restricted cash:		
Beginning	**8,006**	7,514
Ending	**$ 8,747**	$ 8,006
Supplemental disclosures of cash flow information:		
Interest paid	**$ 1,399**	$ 1,420
Plant and equipment paid through accounts payable and accrued expenses	**$ 294**	$ 100

See notes to financial statements.

(In Thousands)

Note 1. Organization

University of Saint Joseph (the University) is a private, tax-exempt, nonprofit educational institution founded in 1932, located on approximately 91 acres in West Hartford, Connecticut.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The University's financial statements have been prepared on the accrual basis of accounting following accounting principles generally accepted in the United States of America (U.S. GAAP) which require that the University report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets are available for general use and not subject to donor restrictions but may be designated for specific purposes by the University or may be limited by contractual agreements with outside parties. Such net assets may be designated by the Board of Trustees of the University (the Board) for specific purposes, including to function as endowment.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. As further described in Note 8, the University is subject to the Connecticut Uniform Prudent Management Institutional Funds Act (UPMIFA), under which donor-restricted endowment funds may be appropriated for expenditure by the Board in accordance with the standard of prudence prescribed by UPMIFA. Net assets of such funds in excess of their historic dollar value are classified as with donor restrictions until appropriated by the Board and spent on their intended purpose. Contributions receivable for which the ultimate use is restricted by the donor or subject to inherent time restrictions are also reported as net assets with donor restrictions.

Operating activities: The statements of activities include all of the University's revenues and expenses as part of operating activities, including endowment spending used in operations appropriated under the endowment spending policy. Items not included represent contributions restricted for long-term investment, contributions of nonfinancial assets, net return on long-term investments, net of amount used in operations and change in the fair value of interest rate swaps.

Short-term investments: Short-term investments are highly liquid investments that are available to be used to pay liabilities of the University within the next year.

Cash, cash equivalents and restricted cash: Cash and cash equivalents consist principally of accounts with maturities of three months or less when purchased. Cash equivalents held by investment managers are considered part of investments given the expectation of near-term reinvestment.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2025	2024
Cash and cash equivalents	$ 6,141	$ 6,666
Restricted cash	2,606	1,340
	$ 8,747	$ 8,006

Note 2. Summary of Significant Accounting Policies (Continued)

The University maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limit. The University has not experienced any losses in such accounts. The University believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts and loans receivable: Accounts and loans receivable are stated at the amount outstanding, less an allowance for credit losses. The allowance for credit losses is established through a charge to bad debt expense for balances that have been deemed uncollectible.

Allowances for credit losses are established based on prior collection experience and reasonable supportable forecasts about future economic and market conditions which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Loan balances are written off only when they are deemed to be permanently uncollectible.

The Federal Perkins loans program was liquidated during the year ended June 30, 2024, and all outstanding loans were assigned to the federal government.

Investments: Investments are reported in the financial statements at fair value. Purchases and sales of securities are recorded on trade dates, and realized gains and losses are determined on the basis of the average cost of securities sold.

Net return on long-term investments, net of amounts used in operations, is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses and endowment spending used for operations. Net gain on long-term investments is reported as increases in net assets with donor restrictions if the terms of the original gift require it, or if required by UPMIFA. Otherwise, net return on long-term investments is reported as increases in net assets without donor restrictions.

Bond discount and origination costs: Bond discount and origination costs, net of accumulated amortization, are netted against the principal of bonds payable included in bonds and loans payable in the statements of financial position. Amortization is reported as a component of interest expense over the term of the related bonds.

Derivative financial instruments: The University uses an interest rate swap agreement to hedge its exposure to changes in the interest rate related to its outstanding bonds (see Note 9). The swap agreement is recorded at fair value as estimated by the counterparty financial institution. Changes in the fair values are recognized in the statements of activities. The swap agreement is secured by a pledge of all gross receipts of the University.

(In Thousands)

Note 2. Summary of Significant Accounting Policies (Continued)

Land, buildings and equipment: Land, buildings and equipment are recorded at cost as of the date of acquisition, except donated property, plant and equipment which are recorded at the estimated fair value at the date of the gift. The University's policy is to capitalize all expenditures of land, buildings and equipment of $2,500 or more. Expenditures for maintenance and repairs are charged to expense as incurred; betterments are capitalized. When assets are sold or retired, the related cost and accumulated depreciation are removed from the respective accounts and any resulting gain or loss is credited or charged to non-operating activities. Costs associated with ongoing projects are accumulated as construction in progress until completed. The completed asset is then reclassified to property and equipment depreciated over its useful life. Depreciation expense is recognized on a straight-line basis over the estimated useful lives as follows:

	Estimated Useful Lives
Land	-
Land improvements	10-39
Building and building improvements	10-45
Furniture and equipment	3-10

The University recognizes the fair value of a liability for legal obligations associated with asset retirement obligations (ARO) in the period in which the obligation is incurred if a reasonable estimate of fair value of the obligation can be made. These liabilities are initially recorded at fair value utilizing Level 2 inputs and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time, new laws and regulations and revisions to either the timing or amounts of the original estimate of undiscounted cash flows. Upon settlement of the obligation, any difference between the cost to settle the ARO and the liability recorded will be recognized as a gain or loss in the statements of activities. The University has recorded an ARO liability of $1,543 as of June 30, 2025 and 2024, which is included in other liabilities in the statements of financial position.

Long-lived asset impairment: The University evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. There were no impairment indicators identified and no asset impairment was recognized during the years ended June 30, 2025 or 2024.

Collections: Collections consist of items that include works of art that were donated or purchased by the University. These items are capitalized at cost, if the items were purchased, or at the fair value on their accession date, if the items were contributed. Gains and losses from deaccessions of collection items are reported as nonoperating revenue and expenses in the University's financial statements in the period in which the items are sold. The proceeds from the deaccessioning of collection items, if any, are only used for the acquisition of new artwork. Collection items are depreciated over their estimated useful lives unless they have cultural, aesthetic, or historical value that is worth preserving perpetually, and the organization is protecting and preserving essentially undiminished the service potential of the collection item.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue recognition: The University recognizes revenue through the five-step model prescribed by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which requires the entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The five-step model defined by ASC 606 requires the University to: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when each performance obligation is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

The University derives revenues primarily through tuition and fees, net, residence and dining, laboratory schools and other auxiliary services, all of which are under arrangements that are aligned to an academic semester which is less than one year in length.

Tuition and fees, residence and dining, laboratory schools and other auxiliary services: Tuition and fees, residence and dining, laboratory schools and other auxiliary services revenue are recorded at established rates. Tuition and fees, as well as residence and dining, are presented, net of institutional financial aid that totaled $20,567 and $20,308 in 2025 and 2024, respectively. Such net amounts are recorded over time as revenue when performance obligations are satisfied, which is generally over the course of the relevant academic term as services are rendered whether relating to educational services or residence and dining. Tuition waivers provided to employees are considered part of fringe benefits within operating expenses and, likewise, are recorded over time. Other auxiliary services and other income are recorded at a point in time when the related service is provided. The University does not consider there to be significant judgment involved in the timing of satisfaction of performance obligations as those are directly linked to the academic calendar of the related academic activity.

Students may withdraw from programs of study within certain time limits under the University’s withdrawal policies by semester. These policies vary by program but in the majority of cases allow for up to a 100% refund prior to the add drop date 14 days after the start of classes. Given the normal timing of the University’s programs the exposure to such is limited at year-end.

Payments made by third parties, such as the Department of Education, relative to loans and grants to students, are a mechanism to facilitate payment on behalf of students and, accordingly, such funding does not represent revenue of the University.

Student deposits and deferred revenues: Student deposits represent reservation deposits and other advance payments by students for tuition, residence and dining related to the next academic term that will be recognized when the related performance obligations are satisfied. Deposits and deferred revenue balance of $4,347 as of June 30, 2023, was recognized as tuition revenue during the year ended June 30, 2024. Deposits and deferred revenue balance of $3,268 as of June 30, 2024, was recognized as tuition revenue during the year ended June 30, 2025. The deferred revenue balance of $4,324 at June 30, 2025, will be recognized during the next academic year as services are rendered.

Note 2. Summary of Significant Accounting Policies (Continued)

Contribution revenue: The University reports contributions (including unconditional promises to give) at fair value and as revenue with donor restrictions if they are received with donor stipulations that limit the use of the contribution. 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 restrictions. Contributions restricted for property, plant and equipment are recognized as released from restrictions when the asset is placed into service. Conditional contributions, that is, those that contain both a right of return and a performance or other barrier, are recognized when the conditions are substantially met. There are no conditional contributions as of June 30, 2025 and 2024. Contributions other than cash are recorded at their estimated fair value. Contributions expected to be received after one year are discounted at a risk adjusted rate commensurate with the risk involved. An allowance for uncollectible contributions receivable is estimated based on many factors including collection history, type of contribution and nature of fundraising activity.

Contributions of nonfinancial assets: Contributions of nonfinancial assets are noncash, tangible donations received by the University and are valued at fair market value as determined by a written appraisal from an independent qualified appraiser or other substantiating documentation. Contributions of nonfinancial assets received during the years ended June 30, 2025 and 2024, totaled $645 and $447, respectively, and related to donated art for the University's museum, which were capitalized as part of collections. Contributions of nonfinancial assets are utilized and unless otherwise noted, are recorded in nets assets without donor restrictions.

Grants and contract income: Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The University recognizes revenue associated with direct and indirect costs as costs are incurred. The University's agreements that do contain a recovery for indirect costs are based on a de minimis rate.

Individual grant arrangements have been evaluated and have been determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution (i.e., when the barrier to entitlement is overcome). The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. The University has elected the simultaneous release policy, which allows the University to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. As of June 30, 2025 and 2024, conditional grants which the University has not incurred qualifying expenditures was approximately $529 and $516, respectively.

Income taxes: The University is recognized by the Internal Revenue Service as an organization under Internal Revenue Code (IRC) Section 501(a) described in Section 501(c)(3) of the IRC. Under IRC Section 501(a), the University is generally exempt from Federal and State income taxes on related income.

The University believes it has taken no uncertain tax positions. Tax positions for the open tax years as of June 30, 2025, were reviewed, and it was determined that no provision for uncertain tax positions was required as of June 30, 2025 or 2024. The University's Federal and State returns are generally open for examination for three years following the date filed. The University will account for interest and penalties related to uncertain tax positions, if any, as part of tax expense.

(In Thousands)

Note 2. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with U.S. 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 and expenses during the period. Actual results could differ from those estimates. Significant management estimates included in the financial statements relate to the allowance for credit losses for loans, student accounts and other accounts receivable, allowance for doubtful contributions receivable, useful lives of depreciable assets, asset retirement obligations, valuation of interest rate swap agreement and allocation of expenses across functional categories.

Advertising: The University expenses advertising costs as incurred.

Liquidity: In order to provide information about liquidity, assets are presented according to their ease of conversion to cash and liabilities are presented in order of their estimated maturity. Endowment investments are classified based upon the long-term intent of the endowment, however, there is significant liquidity within these investments (see Note 6).

Recently adopted accounting pronouncement: In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,* that introduces a practical expedient and for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, *Financial Instruments—Credit Losses*, to current accounts receivable and current contract assets. The ASU allows an entity to assume that current conditions as of the balance sheet date remain unchanged over the remaining life of an asset in developing reasonable and supportable forecasts as part of estimating expected credit losses. This removes the requirement to incorporate macroeconomic forecasts for assets within the scope of the ASU. Provided that the practical expedient is elected, this policy election also permits eligible entities to consider post-balance sheet collection activity when estimating expected credit losses. The amendments in the ASU are effective for annual periods beginning after December 15, 2025, including interim periods within those annual periods. The University is currently evaluating the impact of this new guidance on its financial statements.

Subsequent events: The University has evaluated subsequent events through December 23, 2025, the date the financial statements were available to be issued.

Note 3. Liquidity and Availability

The following financial assets could be made readily available within one year of the statements of financial position date to meet general expenditures defined by the University as operating expenses, scheduled debt service payments and capital expenditures not financed through debt as of June 30:

	2025	2024
Cash and cash equivalents	$ 3,229	$ 4,562
Short-term investments	15,893	15,145
Accounts receivable, net	8,120	3,737
Subsequent year's endowment appropriation	1,335	2,258
Investments available for operations	498	590
Contributions receivable	-	181
	$ 29,075	$ 26,473

(In Thousands)

Note 3. Liquidity and Availability (Continued)

The University regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University has invested a portion of its available operating cash in U.S. treasuries and in marketable certificates of deposit to enhance earnings while maintaining liquidity. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its mission and related activities, as well as the services to support those activities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The University's revenues are well diversified and consist of the following at June 30, 2025 and 2024: 24% and 23% from undergraduate revenues, 16% and 18% from graduate revenues, 35% and 33% from laboratory schools, 7% and 9% from pharmacy revenues, 8% and 7% from physician's assistant revenues and 10% from other, respectively.

The University has various sources of liquidity at its disposal including a line of credit (see Note 9).

The Board has designated a portion of its resources without donor restrictions for the endowment. These funds remain available and may be spent at the discretion of the Board. As of June 30, 2025 and 2024, $26,443 and $21,006 were designated for endowment, respectively (see Note 8).

The Board approves an annual distribution from the endowment to fund operations (see Note 8). The Board has the authority to approve additional distributions if deemed prudent.

Note 4. Accounts Receivable

Accounts and loans receivable consist of the following at June 30:

	2025	2024
Student accounts receivable	$ 2,134	$ 2,621
Gengras center receivables	1,316	1,053
Grants and other receivables	5,866	1,452
	9,316	5,126
Less allowance for credit losses	(1,196)	(1,278)
Accounts and loans receivable, net	$ 8,120	$ 3,848

The beginning of year student accounts and loans receivable balances for the years ended June 30, 2025 and 2024 were $3,848 and $2,954, respectively.

(In Thousands)

Note 5. Contributions Receivable

Unconditional promises to give are expected to be realized as follows at June 30:

	2025	2024
One year or less	$ 1,546	$ 783
Two to five years	518	751
	2,064	1,534
Less:		
Allowance for uncollectible contributions receivable	(98)	(115)
Discount to present value	(136)	(264)
Total contributions receivable	$ 1,830	$ 1,155

As of June 30, 2025 and 2024, 68% and 62%, respectively, of net contributions receivable were due from two and three donors, respectively.

Contributions receivable at June 30, 2025 and 2024, are discounted at rates ranging from 2.25% to 8.50%.

Note 6. Fair Value Measurements and Investments

Under the FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the University uses various methods, including market, income and cost approaches. Based on these approaches, the University often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the University is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data. The University has no Level 3 assets or liabilities.

(In Thousands)

Note 6. Fair Value Measurements and Investments (Continued)

During the years ended June 30, 2025 and 2024, there were no changes to the University's valuation techniques that had, or are expected to have, a material impact on its financial position or changes in net assets.

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

Cash and cash equivalents, domestic equities, international equities, equity funds, fixed income funds, blended funds and U.S. treasuries: The fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

Derivative instruments: Derivatives consist of an interest rate swap and is fair valued according to their classification as over the counter (OTC). This derivative is fair valued under Level 2 using third-party services. Observable market inputs include yield curves (the London Interbank Offered Rate (LIBOR) swap curve and applicable basis swap curves).

Assets measured at fair value on a recurring basis are summarized as follows at June 30:

	2025					
	Total	Level 1	Level 2	Level 3	Redemption Frequency	Days Notice
Assets:						
Short-term investments:						
U.S. Treasuries	$ 13,705	$ 9,785	$ -	$ -	Daily	1
Cash deposits	1,438	-	-	-	*	*
Certificate of deposits	750	-	-	-	*	*
Total short-term investments	$ 15,893	$ 9,785	$ -	$ -		
Investments:						
Cash and cash equivalents	$ 4,345	$ 4,345	$ -	$ -	Daily	1
Domestic equities	4,529	4,529	-	-	Daily	1
Equity funds:						
Small cap	636	636	-	-	Daily	1
Large cap	22,942	22,942	-	-	Daily	1
International	11,414	11,414	-	-	Daily	1
Fixed income funds	13,209	13,209	-	-	Daily	1
Blended fund	7,823	7,823	-	-	Daily	1
Total investments	$ 64,898	$ 64,898	$ -	$ -		
Interest rate swap agreement	$ 684	$ -	$ 684	$ -		

* Cash deposits and certificates of deposits are not included in the fair value hierarchy. Included in above table for reconciliation purposes only.

(In Thousands)

Note 6. Fair Value Measurements and Investments (Continued)

	2024					
	Total	Level 1	Level 2	Level 3	Redemption Frequency	Days Notice
Assets:						
Short-term investments:						
U.S. Treasuries	$ 13,635	$ 13,635	$ -	$ -	Daily	1
Cash deposits	510	-	-	-	*	*
Certificate of deposits	1,000	-	-	-	*	*
Total short-term investments	$ 15,145	$ 13,635	$ -	$ -		
Investments:						
Cash and cash equivalents	$ 1,764	$ 1,764	$ -	$ -	Daily	1
Domestic equities	4,340	4,340	-	-	Daily	1
International equities	314	314	-	-	Daily	1
Equity funds:						
Small cap	241	241	-	-	Daily	1
Large cap	17,738	17,738	-	-	Daily	1
International	10,081	10,081	-	-	Daily	1
Fixed income funds	13,154	13,154	-	-	Daily	1
Blended fund	7,421	7,421	-	-	Daily	1
Total investments	$ 55,053	$ 55,053	$ -	$ -		
Interest rate swap agreement	$ 1,344	$ -	$ 1,344	$ -		

The estimate of fair value may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Note 7. Land, Buildings and Equipment

Land, buildings and equipment are as follows at June 30:

	2025	2024
Land	$ 2,523	$ 2,523
Land improvements	17,268	17,079
Leasehold improvements	1,634	1,634
Buildings and building improvements	94,849	93,753
Furniture and equipment	28,291	27,552
Collections	1,893	1,175
Construction in progress	209	384
	146,667	144,100
Less accumulated depreciation	(82,128)	(77,243)
	$ 64,539	$ 66,857

Note 7. Land, Buildings and Equipment (Continued)

The University recognized depreciation expense of $4,915 and $4,559 during the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, the construction in progress balance of $209 relates to expansion of the library. Estimated costs to complete the project are approximately $12,800 as of June 30, 2025. The project is expected to be completed in the spring of 2027. As of June 30, 2024, the construction in progress balance of $384 relates to construction of a nursing lab. The project was completed in the fall of 2024.

Note 8. Endowment Investments

The University's endowment consists of 238 individual funds established for a variety of purposes, including both donor-restricted endowment funds and fund designated by the Board to function as endowment (quasi endowment).

The University manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks.

The University's annual spending distribution rate is determined by applying a spending formula outlined in the Endowment Spending Policy. The spending formula is the lesser of 5%, the trailing 12 quarter average of the endowment fund's total market value, or the actual total return generated by the portfolio over the prior three years, net of inflation for the same period. The spending rate was 2.6% for the years ended June 30, 2025 and 2024. The spending rate is then applied to the average of the quarterly portfolio market values for the previous three fiscal years as of December 31 of the previous fiscal year, to determine the total spending amount. The spending total is allocated to the individual funds on a unit basis. The spending policy allows for spending on underwater funds if the cumulative underwater amount is less than 20% of original endowment gifts.

The University classifies as permanent endowment: (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.

The remaining portion of the donor-restricted endowment fund that is not classified as permanent endowment is classified as temporary endowment until those amounts are appropriated for expenditure by the Board 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) the duration and preservation of the fund, (2) the purposes of the University and the donor-restricted endowment fund, (3) general economic conditions, (4) possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the University and (7) the investment policies of the University.

(In Thousands)

Note 8. Endowment Investments (Continued)

Endowment net assets consist of the following at June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 37,957	$ 37,957
Quasi (board-designated)	26,443	-	26,443
Total endowed net assets	$ 26,443	$ 37,957	$ 64,400

Endowment net assets consist of the following at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 33,457	$ 33,457
Quasi (board-designated)	21,006	-	21,006
Total endowed net assets	$ 21,006	$ 33,457	$ 54,463

Changes in endowment net assets for the year ended June 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	$ 21,006	$ 33,457	$ 54,463
Investment return, net	2,383	3,853	6,236
Contributions/designations	3,528	1,253	4,781
Appropriations	(474)	(606)	(1,080)
Endowment net assets, June 30, 2025	$ 26,443	$ 37,957	$ 64,400

Changes in endowment net assets for the year ended June 30, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	$ 16,540	$ 29,410	$ 45,950
Investment return, net	2,618	3,822	6,440
Contributions/designations	2,283	810	3,093
Appropriations	(435)	(585)	(1,020)
Endowment net assets, June 30, 2024	$ 21,006	$ 33,457	$ 54,463

There was $498 and $590 due from the endowment to operations as of June 30, 2025 and 2024, respectively.

(In Thousands)

Note 8. Endowment Investments (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original endowment gift amount. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025 and 2024, there were no underwater endowment funds.

Note 9. Bonds, Loans and Interest Rate Swap

Bonds payable: The following is a summary of bonds payable at June 30:

	Maturity	Interest Rate	2025	2024
Connecticut Health and Educational Facilities Authority (CHEFA):				
Series E bonds	2048	Variable	$ 27,382	$ 27,996
Series F bonds	2040	Fixed - 2.5%	14,210	14,978
			41,592	42,974
Unamortized debt issuance costs			(632)	(658)
Total			$ 40,960	$ 42,316

In December 2018, the University issued CHEFA Series E bonds in the amount of $30,000. The proceeds were used to: (a) fund the construction and renovation of the student center, (b) fund the construction of an addition and expansion of the athletic center, (c) fund the construction and renovation of a turf athletic field, (d) refinance $3,912 of the amount outstanding on the $5,000 bridge loan which provided funds for the renovation of certain residence halls and costs of improvements of the electrical infrastructure and (e) pay cost of issuance fees of $512 with respect to the bonds. The bonds are secured by a pledge of all gross receipts of the University. Monthly principal and interest payments are payable through December 1, 2033. The interest rate is calculated using 78.7% of 30-day Secured Overnight Financing Rate (SOFR), plus 1.35% (4.55% and 5.35% as of June 30, 2025 and 2024, respectively). Final maturity of Series E is on December 1, 2048.

In June 2021, the University issued CHEFA Series F bonds in the amount of $17,900. The proceeds were used to refund the remaining balance of the CHEFA Series C and D bonds. The bonds are payable in monthly principal and interest payments through June 1, 2040. The bonds are secured by a pledge of gross receipts of the University.

The University does not have any outstanding publicly held debt.

On December 6, 2018, the University entered into an interest rate swap with an original notional amount of $30,000, and an effective date of December 1, 2020 to December 1, 2033, for the CHEFA Series E bonds. The interest rate swap agreement was not entered into for trading or speculative purposes. The purpose of the swap was to effectively fix the variable rate, 78.7% of 30-day SOFR, to an interest rate 3.81% as of June 30, 2025 and 2024. If held to maturity, the value of the swap on December 1, 2033, will be $0. The notional amount at June 30, 2025 and 2024, is $27,383 and $27,995, respectively.

(In Thousands)

Note 9. Bonds, Loans and Interest Rate Swap (Continued)

Fair values of derivative instruments consist of the following at June 30:

Derivative	Statements of Financial Position Location	2025	2024
Interest rate contract	Interest rate swap asset	$ 684	$ 1,344

The effect of derivative instruments on the statements activities is as follows for the years ended June 30:

Derivative	Location of (Loss) Gain Recognized in Without Donor Restriction Nonoperating Activity	Amount of (Loss) Gain Recognized in Without Donor Restriction Nonoperating Activity 2025	2024
Interest rate contract	Change in value of interest rate swap	$ (660)	$ 521

Under the bond agreement with CHEFA, and a line of credit agreement with a bank, the University has agreed to certain financial covenants, including a minimum cash to debt ratio.

Bond cost amortization expenses charged to operations were $26 and $31 for years ended June 30, 2025 and 2024, respectively.

The following is a schedule of bond debt maturities payable over the next five years and thereafter:

Years ending June 30:	
2026	$ 1,426
2027	1,472
2028	1,516
2029	1,568
2030	1,619
Thereafter	33,991
	$ 41,592

Short-term line of credit: The University has a revolving line of credit agreement for borrowings up to $3,500. There were no outstanding borrowings against the line at June 30, 2025 and 2024. The line of credit is secured by a pledge of gross receipts of the University. The revolving line of credit maturity was extended on August 6, 2024 to December 31, 2027. The line of credit has a floating interest rate with the option of using Berkshire Bank’s PRIME rate, or 30-day Term SOFR plus 1.50% (5.94% and 7.19% as of June 30, 2025 and 2024, respectively). On November 21, 2025, the line of credit was amended to increase the availability to $7,000 and modify the expiration date to December 31, 2028.

(In Thousands)

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30 consisted of:

	2025	2024
Net assets with donor restrictions:		
Time and purpose restricted promises to give	$ 1,830	$ 1,155
Purpose restricted gifts:		
Capital	2,606	1,340
Scholarships	221	226
Other	2,912	2,104
Term endowment funds	182	165
Accumulated appreciation on permanent endowment, subject to spending policy and appropriation:		
Scholarships	8,650	6,444
Academic support—library, lectures, art museum	4,237	3,519
Other	1,627	1,317
Permanent endowment:		
Scholarships	19,072	17,911
Academic support—library, lectures, art museum	2,143	2,164
Other	2,046	1,937
Total	$ 45,526	$ 38,282

Note 11. Net Assets Released From Restrictions

Endowment distributions with donor restrictions and one-time restricted contributions were released from net assets with donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor. Net assets released from restriction were as follows for the years ended June 30:

	2025	2024
From one-time restricted gifts:		
Scholarships	$ 168	$ 142
Capital	31	193
Other	263	416
From endowment income allocations:		
Scholarships	523	563
Other	83	22
Total	$ 1,068	$ 1,336

(In Thousands)

Note 12. Functional Expenses

The following tables summarize the University's expenses allocated by function as of June 30:

	2025						
	Instruction	Public Service	Academic Support	Student Services	Institutional Support	Auxiliary Services	Total
Salaries and wages	$ 18,085	$ 11,049	$ 1,637	$ 4,607	$ 3,507	$ 1,199	$ 40,084
Employee benefits	4,017	1,931	564	866	899	83	8,360
Capital	1,295	992	238	1,959	3,724	2,426	10,634
Other	3,512	829	988	2,219	1,599	3,498	12,645
Total expenses	$ 26,909	$ 14,801	$ 3,427	$ 9,651	$ 9,729	$ 7,206	$ 71,723

	2024						
	Instruction	Public Service	Academic Support	Student Services	Institutional Support	Auxiliary Services	Total
Salaries and wages	$ 16,476	$ 8,873	$ 2,424	$ 5,048	$ 4,286	$ 1,184	$ 38,291
Employee benefits	4,296	2,336	399	1,082	1,014	25	9,152
Capital	1,715	1,246	507	1,873	1,578	2,900	9,819
Other	2,836	4,085	372	599	1,732	1,653	11,277
Total expenses	$ 25,323	$ 16,540	$ 3,702	$ 8,602	$ 8,610	$ 5,762	$ 68,539

Fundraising expenses for the years ended June 30, 2025 and 2024, totaling $905 and $891, respectively, have been included in institutional support expenses above.

Certain expenses are attributable to more than one program or supporting function. These expenses are allocated consistently on the following bases: depreciation and utilities are allocated based on square footage used by each function, interest is allocated to programs and support based on the related debt, information technology expenses and benefits are allocated based on headcount. Capital costs include depreciation, interest, utilities and rents.

Note 13. Retirement Plans

The University maintains a defined contribution retirement program with TIAA. During the year ended June 30, 2025, the University terminated their individually sponsored plan and joined a multiple employer plan with TIAA. For the years ended June 30, 2025 and 2024, the University contributed 5.5% of salaries, as defined, for both nonexempt participating employees and for exempt participating employees, as defined. Eligible employees may contribute a percentage of their annual compensation, pretax, subject to various restrictions within the IRC. Retirement expense for the years ended June 30, 2025 and 2024, was $1,147 and $1,330, respectively.

Note 14. Leases

The University has an agreement with the town of West Hartford to lease a building and certain town property for the operation of the School for Young Children. The lease expires on July 31, 2047, and may be terminated by the University at any time before the end of the lease. Rent is payable in amounts of $1 per year. The lease is contingent upon the University continuing to operate a comprehensive integrated child development and family support services program within the facility.

Note 14. Leases (Continued)

In March 2025, the University entered into a short-term lease agreement for student housing. The lease term is August 1, 2025 through July 31, 2026. Total fixed lease payments under the agreement are $807,600. The University is also responsible for monthly parking fees and utility costs if they exceed a certain amount as defined in the lease.

Note 15. Vendor Advances

The University has included in other liabilities vendor advances of $1,716 and $1,802 as of June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, the University amended a vendor agreement and received an additional advance of $250,000. These advances are subject to annual forgiveness during the contract period and immediately due and payable if the contracts are terminated. Forgiveness of $336 related to vendor advances is reported within auxiliary services and other revenue in the statements of activities for the fiscal years ended June 30, 2025 and 2024.

Note 16. Related Parties

The University has a conflict-of-interest policy, which requires each trustee, officer and senior executive to disclose to the Board at least once each year all the material facts concerning his or her relationship with or interest in any person, firm, corporation or other entity with whom the University has, or proposes to enter into, any contract or other transaction with.

During the years ended June 30, 2025 and 2024, contributions from related parties totaled $2,000 and $227, respectively. As of June 30, 2025 and 2024, $1,005 and $30 of outstanding contributions receivable, respectively, were from related parties.

Note 17. Contingencies and Uncertainties

The University participates in a number of federal programs that are subject to financial and compliance audits. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the University does not expect these amounts, if any, to be material to the financial statements.

The University's revenues include a variety of federal funds, including contracts for services, grants, scholarships, loans, and other forms of federal assistance. Economic conditions and legislative responses thereto, including any future federal shutdown may reduce federal funds available to the University. Additionally, federal policies can shift from one presidential administration or Congress to another, which shifts can result in the reduction of federal funding for a variety of policy priorities. The University continues to monitor changes to federal policies that may impact the availability, timing, and terms of federal funding that could materially affect the University's operations.

In the ordinary course of business, the University is involved in various claims and litigation. Adequate provision has been made in the financial statements for these matters. The ultimate outcome is not expected to have a material effect on the University's financial position. Legal counsel currently expresses no opinion on the outcome of these matters.

Note 18. Subsequent Events

On November 25, 2025, the University amended the line of credit agreement (see Note 9).

On December 5, 2025, the University entered into a lease agreement for student housing. The lease term is August 1, 2026 through July 31, 2031. Lease payments under the agreement are $50,700 per month which increase over the term of the agreement.