

**Grand Canyon University**

**REPORT ON AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
AND ON FEDERAL AWARDS PROGRAMS IN ACCORDANCE WITH  
THE OMB UNIFORM GUIDANCE  
For the years ended June 30, 2024 and 2023**

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## **Part I**

### **Consolidated Financial Statements and Schedule of Expenditures of Federal Awards**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
**GRAND CANYON UNIVERSITY**  
Phoenix, Arizona

**Report on the Audit of the Consolidated Financial Statements**

***Opinion***

We have audited the accompanying consolidated financial statements of Grand Canyon University and Subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 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 Grand Canyon University and subsidiaries as of June 30, 2024 and 2023, 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 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 consolidated 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 consolidated 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 consolidated 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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on the University's related party transactions, the 90/10 revenue percentage, as required by 34 C.F.R. Section 668.28, and the financial responsibility supplementary schedule as required by 34 C.F.R. Section 668.172 and 34 C.F.R. Appendix A to Subpart L of Part 668, is required by the U.S. Department of Education and is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. In addition, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the

underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



San Diego, California  
September 19, 2024

**Grand Canyon University**  
**Consolidated Statements of Financial Position**  
(In thousands)

	As of June 30,	
	2024	2023
<b>ASSETS:</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 170,381	\$ 257,146
Restricted cash and cash equivalents	12,052	71,680
Cash deposits with Trustee	59,601	59,813
Investments	121,674	29,593
Restricted investments	73,276	12,534
Student accounts receivable, net	16,834	14,507
Pledges receivable	1,170	782
Other receivables	10,570	9,704
Other current assets	6,970	6,818
<b>Total current assets</b>	<u>472,528</u>	<u>462,577</u>
Property and equipment, net	1,435,688	1,426,972
Finance lease right-of-use (ROU) asset	24,466	24,452
Operating lease right-of-use (ROU) asset	939	27
Intangible assets, net	97,000	98,500
Pledges receivable, net	2,074	2,124
Other investments	15,000	15,000
Other assets	1,369	178
<b>Total assets</b>	<u>\$ 2,049,064</u>	<u>\$ 2,029,830</u>
<b>LIABILITIES:</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 12,595	\$ 22,275
Accrued compensation and benefits	19,853	16,647
Accrued interest payable	13,058	13,446
Accrued liabilities and other	13,632	10,302
Student deposits	121,360	112,295
Deferred revenue	75,182	69,441
Line of credit for capital expenditures	40,000	—
Current portion of bonds payable, net of issuance costs	546,132	46,132
Current portion of notes payable, net of issuance costs	1,370	1,433
Current portion of finance lease liability	586	404
Current portion of operating lease liability	184	27
<b>Total current liabilities</b>	<u>843,952</u>	<u>292,402</u>
Bonds payable, net of issuance costs, less current portion	537,106	1,083,238
Notes payable, net of issuance costs, less current portion	66,033	67,403
Line of credit for capital expenditures, less current portion	60,000	80,000
Finance lease liability, less current portion	28,405	26,996
Operating lease liability, less current portion	816	—
Other noncurrent liabilities	—	1,423
<b>Total liabilities</b>	<u>1,536,312</u>	<u>1,551,462</u>
<b>NET ASSETS:</b>		
Without donor restrictions	504,553	470,609
With donor restrictions	8,199	7,759
<b>Total net assets</b>	<u>512,752</u>	<u>478,368</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,049,064</u>	<u>\$ 2,029,830</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Grand Canyon University**  
**Consolidated Statements of Activities**  
(In thousands)

	Year Ended June 30,	
	2024	2023
<b>Changes in net assets without donor restrictions:</b>		
Revenues:		
Net tuition and fees	\$ 1,438,795	\$ 1,319,582
Contributions and grants	19,644	6,643
Contributions of nonfinancial assets	3,848	8,022
Auxiliary enterprises	14,216	13,829
Investment interest	25,789	15,900
Other income	9,303	6,654
Total revenues, gains and other support without donor restrictions	<u>1,511,595</u>	<u>1,370,630</u>
Net assets released from restrictions	1,540	543
Total revenues and releases	<u>1,513,135</u>	<u>1,371,173</u>
Expenses:		
Instructional program services	412,844	376,557
General and administrative	36,284	29,290
Fundraising	1,998	1,754
Auxiliary enterprises	19,413	22,651
Educational service fee	883,414	803,875
Interest expense	63,016	58,301
Depreciation and amortization	62,221	56,986
Total expenses	<u>1,479,190</u>	<u>1,349,414</u>
Increase in net assets without donor restrictions	<u>33,945</u>	<u>21,759</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions of cash and other financial assets	972	420
Contributions of nonfinancial assets	990	608
Investment return, net	17	8
Net assets released from restrictions	(1,540)	(543)
Increase in net assets with donor restrictions	<u>439</u>	<u>493</u>
<b>Increase in total net assets</b>	<b>34,384</b>	<b>22,252</b>
Net assets, beginning	478,368	456,116
<b>Net assets, ending</b>	<b><u>\$ 512,752</u></b>	<b><u>\$ 478,368</u></b>

The accompanying notes are an integral part of these consolidated financial statements.



**Grand Canyon University**  
**Consolidated Statements of Cash Flows**  
(In thousands)

	<b>Year Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows provided by operating activities:</b>		
Changes in net assets	\$ 34,384	\$ 22,252
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	62,211	56,986
Provision for bad debts	29,168	27,709
Deferred compensation plan	2,876	2,848
Other, including fixed asset impairments	(853)	1,772
Changes in assets and liabilities:		
Accounts receivable, net	(32,749)	(32,334)
Other assets	(1,293)	(527)
Right-of-use assets and lease liabilities	2,135	(139)
Accounts payable	(6,908)	9,158
Accrued liabilities and other	8	(14,120)
Student deposits	9,065	(4,059)
Deferred revenue	5,741	3,716
<b>Net cash provided by operating activities</b>	<b>103,785</b>	<b>73,262</b>
<b>Cash flows used in investing activities:</b>		
Capital expenditures	(70,876)	(131,955)
Investment in real estate partnership	—	(15,000)
Purchases of restricted investments	(212,494)	(12,534)
Proceeds from sale or maturity of restricted investments	154,173	—
Purchases of investments	(262,895)	(303,307)
Proceeds from sale or maturity of investments	173,780	445,015
<b>Net cash used in investing activities</b>	<b>(218,312)</b>	<b>(17,781)</b>
<b>Cash flows provided by financing activities:</b>		
Principal payments on notes payable	(1,581)	(836)
Principal payments under finance lease obligations	(497)	(503)
Finance issuance costs	—	(677)
Proceeds from notes payable	—	70,000
Proceeds from line of credit for capital expenditures	20,000	80,000
Payments to refinance line of credit facility	—	(50,000)
Bond principal payments	(50,000)	(50,000)
Change in deposits with trustees under bond agreements	212	(3,214)
<b>Net cash provided by financing activities</b>	<b>(31,866)</b>	<b>44,770</b>
<b>Net (decrease) increase in cash and cash equivalents and restricted cash</b>	<b>(146,393)</b>	<b>100,251</b>
<b>Cash and cash equivalents and restricted cash, beginning of year</b>	<b>328,826</b>	<b>228,575</b>
<b>Cash and cash equivalents and restricted cash, end of year</b>	<b>\$ 182,433</b>	<b>\$ 328,826</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for bond interest	\$ 50,688	\$ 52,312
Cash paid during the year for notes payable and other interest	\$ 9,303	\$ 3,078
Cash paid during the year for unrelated business income tax	\$ 130	\$ 100
<b>Supplemental disclosure of non-cash investing and financing activities</b>		
Purchases of property and equipment included in accounts payable	\$ 2,744	\$ 5,516

The accompanying notes are an integral part of these consolidated financial statements.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

**1. Nature of Business**

Grand Canyon University (together with its subsidiaries, the “University”) is a 501(c)(3) tax-exempt Arizona nonprofit corporation. The University was formed under the name Gazelle University on November 20, 2014, to establish or acquire, and thereafter to own and operate, a private interdenominational Christian university located in Phoenix, Arizona. On July 1, 2018, Gazelle consummated an Asset Purchase Agreement (the “Asset Purchase Agreement”) with Grand Canyon Education, Inc. (“GCE”). Pursuant to the Asset Purchase Agreement, Gazelle acquired the business operations, including the real property and improvements (the GCE campus), tangible and intangible academic and related operations (the “Transferred Assets”), and assumed certain liabilities related to the Transferred Assets. Concurrently with the consummation of that acquisition, on July 1, 2018, Gazelle changed its name to Grand Canyon University.

The University is a comprehensive regionally accredited university that offers graduate and undergraduate degree programs, emphases and certificates across ten colleges both online, at its ground campus in Phoenix, Arizona and at eight off-campus classroom and laboratory sites. The University is accredited by the Higher Learning Commission. The University’s undergraduate programs are designed to be innovative and to meet the future needs of employers, while providing students with the needed critical thinking and effective communication skills developed through a Christian, private, nonprofit, liberal arts foundation. The University offers master’s and doctoral degrees in contemporary fields that are designed to provide students with the capacity for transformational leadership in their chosen industry, emphasizing the immediate relevance of theory, application, and evaluation to promote personal and organizational change. The University offers healthcare-related academic programs at off-campus classroom and laboratory sites located near healthcare providers to develop high-quality, career-ready graduates who enter the workforce ready to meet the demands of the healthcare industry. The University also offers non-degree certificate programs through its Center for Workforce Development in various technical fields.

The University’s wholly owned subsidiaries of Canyon Golf, LLC, Canyon Hospitality, LLC and Canyon Promotions, LLC are primarily used to operate and facilitate certain educational programs. The University’s wholly owned subsidiary, Grand Canyon University CityServe (“GCU CityServe”), is a 501(c)(3) tax-exempt Arizona nonprofit corporation that provides resources to help support individuals and families in need while enhancing the educational experience for University students.

**2. Educational Services Agreement**

In connection with the closing of the Asset Purchase Agreement, the University and GCE entered into a long-term master services agreement (the “Master Services Agreement”) pursuant to which GCE will provide identified technological, counseling, marketing, financial aid processing and other support services to the University in return for 60% of the University’s revenue, excluding charitable contributions or other gifts to the University that are used for purposes other than the payment of tuition and fees on behalf of students. The Master Services Agreement has an initial term of fifteen (15) years, subject to renewal options, although the University has the right to terminate the Master Services Agreement early after seven (7) years. If the University were to terminate the Master Services Agreement early, then the University would be required to pay GCE a termination fee equal to one-hundred percent (100%) of the fees paid in the trailing twelve (12) month period. If the Master Services Agreement is not renewed after the initial fifteen (15) year term, the University would be required to pay GCE a non-renewal fee equal to fifty percent (50%) of the fees paid in the trailing twelve (12) month period.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

### **3. Summary of Significant Accounting Policies**

#### ***Principles of Consolidation***

The consolidated financial statements include the accounts of Grand Canyon University and its wholly owned subsidiaries. Intercompany transactions have been eliminated in consolidation.

#### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

#### ***Unrestricted and Restricted Cash and Cash Equivalents***

Cash and cash equivalents is comprised of cash and other short-term highly liquid investments that are readily convertible into known amounts of cash. The University considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. As of June 30, 2024 and 2023, the University pledged restricted cash and cash equivalents of \$12,052 and \$71,680, respectively, to secure additional lending.

#### ***Cash Deposits with Trustee***

Cash deposits with trustee represent funds held in trust that are associated with the University's bond agreements. The use of these funds is limited to debt service requirements. See Note 10 to the consolidated financial statements for a full description of the bond agreements.

#### ***Unrestricted and Restricted Investments***

The University records its investments in U.S. Treasury securities, corporate bonds and commercial paper at fair market value. The fair market value was determined using Level 2 of the hierarchy of valuation inputs, with the use of inputs other than quoted prices that are observable for the assets. Unrealized and realized gains and losses, amortization of premiums, accretion of discounts, interest and dividend income are included in other income in the consolidated statements of activities. As of June 30, 2024 and 2023, the University pledged restricted investments of \$73,276 and \$12,534, respectively to secure additional lending.

#### ***Student Accounts Receivable***

Student accounts receivable represents amounts due for tuition, course digital materials, technology fees and other fees from currently enrolled and former students. Students generally fund their education through grants and/or loans under various Title IV programs of the Higher Education Act, tuition assistance from military and corporate employers or personal funds.

#### ***Pledges Receivable***

Unconditional promises to give ("pledges") are recorded as contribution revenue and as receivables. Pledge contributions are classified as pledges with donor restrictions or pledges without donor restrictions. The classification is based on time restrictions or donor-imposed restrictions. Pledge receivables that are expected to be received in greater than one year have been recorded at present value of \$2,074 and \$2,124, net of discounts of \$199 and \$200 for the years ended June 30, 2024 and 2023, respectively, in the consolidated financial statements. An allowance for uncollectible pledges is estimated by management based on such factors as prior collection history, type of contribution and the nature

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

of the fundraising activity. The University determined there was no allowance for uncollectible pledges as of June 30, 2024 and 2023.

***Other Receivables***

Other receivables include amounts owed to the University by GCE, the City of Phoenix under a Development Agreement and other entities. The University had a receivable from GCE totaling \$395 and \$1,037 as of June 30, 2024 and 2023, respectively. Under the terms of the Development Agreement effective July 1, 2015, the City of Phoenix has agreed to reimburse the University for public infrastructure improvements that the University completes in the neighborhood surrounding its main campus. The funds that are used to reimburse the University accumulate over time from a portion of the sales taxes generated by the University, which have been remitted to the City of Phoenix, up to a maximum amount of \$19,000. The total receivable from the City of Phoenix (including construction bonds) totaled \$5,364 and \$6,223 as of June 30, 2024 and 2023, respectively. The University also includes accrued interest income from its investments in other receivables which totaled \$551 and \$48 as of June 30, 2024 and 2023, respectively. The University has \$3,572 and \$1,999 due from vendors as of June 30, 2024 and 2023, respectively.

***Allowance for Credit Losses***

The University records its accounts receivable at the net amount expected to be collected. Accounts receivable are derived from tuition and education related services. The University maintains an allowance for credit losses resulting from our students not making payments. The University determines the adequacy of the allowance by periodically evaluating each student's balance, considering their financial condition and credit history, and considering current and forecasted economic conditions. On July 1, 2023, the University adopted ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments* using a modified retrospective approach. This model requires consideration of a broader range of reasonable and supportable information and requires the University to estimate expected credit losses including a measure of the expected risk of credit loss even if that risk is remote over the lifetime of the asset. There was no material impact to the University upon adoption. Bad debt expense is recorded as an instructional program services expense in the consolidated statements of activities.

***Inventory***

The University records inventory as a current asset in other assets. Inventory consists of food and beverage products that are valued at the lower of cost or net realizable value using the first-in, first-out method and retail products that are valued at the lower of cost or net realizable value using the specific identification method. Contributions of nonfinancial assets (gift-in-kind donations) are received by GCU CityServe in new condition and are recorded in inventory at estimated retail value of identical or similar products purchased from donor retailers upon receipt of the goods. The University's GCU CityServe inventory balance as of June 30, 2024 and 2023 reflects the value of the gift-in-kind donations that have not yet been distributed.

***Property and Equipment***

Purchases or construction of property and equipment are recorded at cost less accumulated depreciation. Normal repairs and maintenance are expensed as incurred. Expenditures that materially extend the useful life of an asset are capitalized. Construction in progress represents items not yet placed in service and are not depreciated. The University capitalizes interest using its interest rates on the specific borrowings used to finance the improvements, which approximated 4.7% and 4.6% for the years ended June 30, 2024 and 2023, respectively. Capitalized interest for the years ended June 30, 2024 and 2023 was \$603 and \$1,202, respectively.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Furniture and fixtures, computer equipment, and vehicles generally have estimated useful lives of ten, four, and five years,

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

respectively. Leasehold improvements are included as investing activities and are included as additions to property, plant and equipment. Leasehold improvements are depreciated over the shorter of their lease term or their estimated useful life. Land improvements, buildings and facilities and athletic facilities are depreciated over lives ranging from 10 to 40 years while land is not depreciated.

***Intangible Assets***

The University recorded intangible assets as a long-lived asset and will amortize the intangible assets with finite lives over their useful lives, along with regular impairment reviews. The University recognizes costs as incurred when they are related to internally developing, maintaining, or restoring intangible assets that are not specifically identifiable, or the useful life is indeterminate, or the cost is inherent in the continuing operation of the organization. For the years ended June 30, 2024 and 2023, the University has determined there to be no impairment of intangible assets.

***Leases***

The University determines if an arrangement is a lease at inception and evaluates the lease agreement to determine whether the lease is a finance or operating lease. Right-of-use (“ROU”) assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The University uses a risk-free discount rate for its leases as determined using a period comparable to that of the expected lease term at the commencement date. At lease inception, the University determines the lease term by assuming no exercises of renewal options, due to the University’s intent not to renew. Leases with an initial term of 12 months or less are not recorded in the consolidated statements of financial position and are recognized as lease expense on a straight-line basis over the lease term. The University has lease agreements with lease and non-lease components, and the non-lease components are accounted for separately and not included in our ROU assets and lease liabilities. Leases primarily consist of retail space the University plans to develop for future educational campuses and office equipment.

***Other Investments***

In December 2022, The University invested \$15,000 in a real estate partnership located in Pinal County, AZ. The University is a minority partner of the limited liability company and accounts for this investment using the equity method. Based on the information provided by the partnership, the University reflects revenues or expenses as increases or decreases in the investment with the correlating increase or decrease reflected in other income and other expenses in the consolidated statements of activities.

***Fair Value of Financial Instruments***

The carrying value of cash and cash equivalents, restricted cash and cash equivalents, cash deposits with trustee, accounts receivable, accounts payable, accrued compensation and benefits and accrued liabilities approximate their fair value based on the liquidity or the short-term maturities of these instruments. The University has elected an exemption to not make these disclosures of fair value of financial instruments in the consolidated financial statements.

***Impairment of Long-Lived Assets***

The University evaluates the recoverability of its long-lived assets for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized will be measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. For the years ended June 30, 2024 and 2023, the University has determined there to be no impairment of long-lived assets.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

***Income Tax Status***

The Internal Revenue Service has determined that the University is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as a public charity in its determination letter dated November 9, 2015. It is also exempt from state income tax. However, any unrelated business income may be subject to taxation.

The University follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the University for uncertain tax positions as of June 30, 2024 and 2023.

The University annually files a Form 990 information return with the IRS. The tax returns for the 2019 year and thereafter are open to examination by federal and state authorities. The Form 990 information returns for the University's fiscal year 2019 have been under examination by the IRS since March 2021 as part of the IRS's general responsibility to ensure that the requirements for tax-exempt status are met by organizations that are recognized as exempt from federal income tax. The University anticipated this review because, in September 2017, the IRS publicly announced in its annual "workplan" that it would be conducting examinations of formerly for-profit entities that converted to tax-exempt, nonprofit status. The University responded fully to the IRS's original March 22, 2021, Information Document Request ("IDR") relating to its tax year ended June 30, 2019. On April 29, 2024, the IRS notified the University that it would expand the current examination to include the tax years ending June 30, 2015, through June 30, 2018. This notification included additional IDRs and requests for interviews with personnel involved in the University's transition to nonprofit status. The IRS personnel visited the University campus in late August 2024.

***Net Assets***

The University's net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University are classified and reported as follows:

- *Net Assets without donor restrictions* – Net assets without donor restrictions include the revenues and expenses related to the University's operations. Also included are contributions not subject to donor-imposed restrictions and donor restricted contributions whose restrictions are met in the same reporting period.
- *Net Assets with donor restrictions* – Net assets with donor restrictions include contributions subject to donor-imposed restrictions that are perpetual in nature, purpose restricted or time-restricted. Net assets are released from donor restrictions either by actions of the University pursuant to those restrictions or the passage of time.

***Commitments and Contingencies***

The University accrues for a contingent obligation when it is probable that a liability has been incurred and the amount is reasonably estimable. When the University becomes aware of a claim or potential claim, the likelihood of any loss exposure will be assessed. If it is probable that a loss will result, and the amount of the loss is estimable, the University records a liability for the estimated loss. If the loss is not probable or the amount of the potential loss is not estimable, the University discloses the claim if the likelihood of a potential loss is reasonably possible and the amount of the potential loss could be material. Estimates that are particularly sensitive to future changes include tax, legal, and other regulatory matters, which are subject to change as events evolve, and as additional information becomes available during the administrative and litigation process. The University expenses legal fees as incurred.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

***Insurance/Self-Insurance***

The University uses a combination of insurance and self-insurance for a number of risks, including claims related to employee health care, workers' compensation, general liability, and business interruption. Liabilities associated with these risks will be estimated based on, among other things, historical claims experience, severity factors, and other actuarial assumptions. The University's loss exposure related to self-insurance will be limited by stop loss coverage on a per occurrence and aggregate basis. The University regularly analyzes its reserves for incurred but not reported claims, and for reported but not paid claims related to self-funded insurance programs. While the University believes its reserves are adequate, significant judgment is involved in assessing these reserves such as assessing historical paid claims, average lags between the claims' incurred date, reported dates and paid dates, and the frequency and severity of claims. There may be differences between actual settlement amounts and recorded reserves and any resulting adjustments will be included as an expense once a probable amount is known.

***Concentration of Credit Risk***

The University believes the credit risk related to cash and cash equivalents and investments is limited due to its adherence to an investment policy that requires investments to have an upper medium investment grade rating, depending on the type of security, by one major rating agency at the time of purchase. All of the University's unrestricted and restricted cash and cash equivalents, restricted investments and investments as of June 30, 2024 and 2023, are in cash positions with multiple reputable financial institutions. Financial instruments that potentially subject the University to concentration of credit risk consist principally of cash balances, which are primarily invested in money market funds or on deposit at high credit quality financial institutions in the U.S. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250. At June 30, 2024 and June 30, 2023, the University had \$442,305 and \$379,902 of unrestricted and restricted cash and cash equivalents, respectively, in excess of the FDIC insured limit.

A majority of the University's revenues are derived from tuition financed under the Title IV programs of the Higher Education Act of 1965, as amended (the "Higher Education Act"). The financial aid assistance programs are subject to political and budgetary considerations and are subject to extensive and complex regulations. The University's administration of these programs is periodically reviewed by various regulatory agencies. Any regulatory violation could be the basis for the initiation of potentially adverse actions including a suspension, limitation, or termination proceeding, which could have a material adverse effect on the University.

Students obtain access to federal student financial aid through a Department of Education prescribed application and eligibility certification process. Student financial aid funds are generally made available to students at prescribed intervals throughout their predetermined expected length of study. Students typically apply the funds received from the federal financial aid programs first to pay their tuition and fees. Any remaining funds are distributed directly to the student.

***Revenue Recognition***

**Net tuition and fees**

Net tuition and fee revenues consist primarily of tuition, net of scholarships, and fees, including meals and housing, derived from courses taught by the University online, on ground, and at facilities it leases or those of employers, as well as from related educational resources that the University provides to its students, such as access to online materials. Tuition revenue is recognized pro-rata over the applicable period of instruction. A contract is entered into with a student and covers a course or semester. Revenue recognition occurs once a student starts attending a course. The University also charges online students an upfront learning management fee, which is deferred and recognized over the initial course. The University recognizes housing revenue over the period the ground student is utilizing the services.

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The University recognizes meals or food sales at the time of delivery or at a point in time. The University has no costs that are capitalized to obtain or to fulfill a contract with a customer. Auxiliary enterprises include revenues from the University hotel, golf course, arena, retail stores and the promotions enterprises and are recognized at the time of delivery or service as these services were transferred at a point in time. Contributions of nonfinancial assets (gift-in-kind donations) are received by GCU CityServe in new condition and are recorded as revenue at estimated retail value of identical or similar products purchased from donor retailers upon receipt of the goods. Contribution and grants, including gifts of cash and other assets are recorded as with or without donor restrictions based on the existence and/or nature of any donor restrictions. Other income includes miscellaneous income. Investment interest includes interest earned on cash and cash equivalents and investments both restricted and unrestricted. For the years ended June 30, 2024 and 2023, the University's net tuition and fee revenue was reduced by approximately \$360,004 and \$321,859, respectively, as a result of scholarships that the University offered to students. Sales tax collected from students is excluded from net revenues. Collected but unremitted sales tax is included as an accrued liability in our consolidated statements of financial position.

The following table presents our revenues, without and with restrictions, disaggregated by the nature of transfer of services for the years ended June 30, 2024 and 2023:

	As of June 30,	
	2024	2023
Tuition revenues (tuition, housing, meals, and fees)	\$ 1,798,799	\$ 1,641,441
Contributions and grants	20,616	7,063
Contributions of nonfinancial assets	4,838	8,022
Auxiliary enterprises (golf, hotel, arena, Lope Shops, other)	14,216	14,437
Investment interest	25,806	15,900
Other revenues	9,303	6,662
<b>Total revenues</b>	<b>1,873,578</b>	<b>1,693,525</b>
Scholarships	(360,004)	(321,859)
<b>Net Revenues</b>	<b>\$ 1,513,574</b>	<b>\$ 1,371,666</b>

The University's student account receivables represent unconditional rights to consideration from its contracts with students; accordingly, students are not billed until they start attending a course and the revenue recognition process has commenced. Once a student has been invoiced, payment is due immediately. Included in each invoice to the student are all educational related items including tuition, net of scholarships, housing, educational materials, fees, etc. The University does not have any contract assets. The University's contract liabilities were reported as deferred revenue and student deposits in the consolidated statements of financial position. Deferred revenue and student deposits in any period represent the excess of tuition, fees, and other student payments received as compared to amounts recognized as revenue on the consolidated statements of activities and are reflected as current liabilities in the accompanying consolidated statements of financial position. The University's education programs have starting and ending dates that differ from its fiscal year end. Therefore, at the end of the fiscal year, a portion of revenue from these programs was not yet earned.

The University identified a performance obligation associated with the provision of its educational instruction and other educational services, housing services, and other academic related services and used the output measure for recognition as the period of time over which the services were provided to our students. The University identified performance obligations related to its hotel, golf course, restaurants, sale of branded promotional items and other auxiliary enterprises and recognized revenue at the point in time goods or services are provided to its customers. The University maintains an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during stated refund periods. Certain states in which students reside impose separate, mandatory refund policies, which override the University's policy to the extent in conflict. If a student withdraws at a time when only a portion, or none of the tuition is refundable, then in accordance with its revenue recognition policy, the University



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continues to recognize the tuition that was not refunded pro-rata over the applicable period of instruction. However, for students that have taken out financial aid to pay their tuition and for which a return pursuant to Title IV of the Higher Education Act is required as a result of his or her withdrawal, the University recognizes revenue after a student withdraws only at the time of cash collection. The University has elected the short-term contract exemption with respect to its performance obligations under its contracts with students as all such contracts have original terms of less than one year.

Contributions and Grants

Contributions are recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

Contributions of nonfinancial assets

Contributions of nonfinancial assets are primarily received by GCU CityServe in new condition and are recorded at estimated retail value of identical or similar products purchased from donor retailers upon receipt of the goods. GCU CityServe is the network affiliate for the state of Arizona and works with national retailers and suppliers to distribute these donated nonfinancial assets, primarily household goods, through local churches and faith-based organizations.

Contributed nonfinancial assets received during the years ended June 30, 2024 and 2023 were as follows:

**Gifts-in-Kind Revenue**

	2024	2023
Household goods	\$ 4,542	\$ 7,263
Land	—	1,080
Gift certificates	47	117
Art	101	—
Vehicles	—	75
Construction Materials and Labor	75	—
Hotel Rooms	—	39
Marketing materials	—	30
Medical supplies	—	—
Other	73	26
	<u>\$ 4,838</u>	<u>\$ 8,630</u>

***Accounting Pronouncements Adopted in 2024 and 2023***

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. This model requires consideration of a broader range of reasonable and supportable information and requires the University to estimate expected credit losses including a measure of the expected risk of credit loss even if that risk is remote over the lifetime of the asset. The standard is effective for fiscal years, and interim periods within those years, beginning after January 1, 2023. Accordingly, the standard is effective for the University on July 1, 2023, using a modified retrospective approach, and the adoption of this standard had no material impact on the University’s consolidated statements of financial position, consolidated statement of activities or statements of cash flows.

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**Recent Accounting Pronouncements**

The University has determined that no other recent accounting pronouncements apply to its operations or could otherwise have a material impact on its consolidated financial statements.

**4. Information About Financial Assets and Liquidity**

The University's financial assets, without donor or other restrictions limiting their use, available within one year of the consolidated statements of financial position date for general expenditure are as follows:

Total assets at year end	\$ 2,049,064
Less:	
Restricted cash and cash equivalents	12,052
Cash deposit with Trustee	59,601
Restricted investments	73,276
Pledges receivable due in more than one year, net	2,074
Other assets, current and long-term	8,339
Other investments	15,000
Finance lease ROU asset	24,466
Operating lease ROU asset	939
Intangible assets, net	97,000
Property and equipment, net	1,435,688
	<u>\$ 320,629</u>

The University has \$320,629 of financial assets that are available within one year of the consolidated statements of financial position date to meet cash needs for general expenditures consisting of cash of \$170,381, investments of \$121,674, student accounts receivable, net of \$16,834, pledges receivable of \$1,170 and other receivables of \$10,570. The University's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**5. Investments**

As of June 30, 2024, the University had unrestricted and restricted investments of \$121,674 and \$73,276, respectively, carried at fair market value. As of June 30, 2023, the University had unrestricted and restricted investments of \$29,593 and \$12,534, carried at fair market value.

As of June 30, 2024, the University had unrestricted and restricted investments comprised of the following:

	As of June 30, 2024			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Commercial paper	\$ 7,979	—	(4)	\$ 7,975
Corporate bonds	110,958	—	(122)	110,836
Treasury bills	76,052	87	—	76,139
Total investments	<u>\$ 194,989</u>	87	(126)	<u>\$ 194,950</u>

All commercial paper and treasury bills are due in one year or less as of June 30, 2024.

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**6. Allowance for Credit Losses**

	Balance at Beginning of Year	Charged to Expense	Deductions ( <sup>(1)</sup> )	Balance at End of Year
Year ended June 30, 2024	\$ 7,568	29,168	(29,129)	\$ 7,607
Year ended June 30, 2023	\$ 8,616	27,709	(28,757)	\$ 7,568

(1) Deductions represent accounts written off, net of recoveries.

**7. Property and Equipment**

Property and equipment consist of the following:

	As of June 30,	
	2024	2023
Land and land improvements	\$ 175,084	\$ 169,197
Buildings and facilities	1,303,591	1,196,370
Athletic facilities	115,455	115,322
Computer equipment	47,032	43,678
Furniture, fixtures and equipment	68,612	61,132
Other	1,240	1,240
Construction in progress	21,235	80,295
	<u>1,732,249</u>	<u>1,667,234</u>
Less accumulated depreciation and amortization	(296,561)	(240,262)
Property and equipment, net	<u>\$ 1,435,688</u>	<u>\$ 1,426,972</u>

Depreciation and amortization expense associated with property and equipment totaled \$58,870 and \$53,476 for the years ended June 30, 2024 and 2023, respectively. The following additional information for property, plant and equipment is required to support the calculation of the composite score in the Supplementary Information Financial Responsibility Supplemental Schedule:

Pre-implementation property, plant and equipment:	
Property, plant & equipment as of June 30, 2023	\$ 935,276
Less: 2024 depreciation expense	(32,825)
Less: 2024 disposals	(42)
Pre-implementation property, plant and equipment as of June 30, 2024	<u>\$ 902,409</u>
Post-implementation property, plant and equipment acquired with debt:	
Property, plant & equipment as of June 30, 2023	\$ 285,834
Property, plant & equipment acquired during the year ended June 30, 2024	89,920
Less: 2024 depreciation expense	(15,874)
Less: 2024 disposals	(301)
Post-implementation property, plant and equipment as of June 30, 2024	<u>\$ 359,579</u>
Construction in progress as of June 30, 2024	<u>\$ 21,235</u>
Post-implementation property, plant and equipment acquired without debt:	
Property, plant & equipment as of June 30, 2023	\$ 125,567
Property, plant & equipment acquired during the year ended June 30, 2024	39,046
Less: 2024 depreciation expense	(10,171)
Less: 2024 disposals	(1,977)
Post-implementation property, plant and equipment as of June 30, 2024	<u>\$ 152,465</u>

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**8. Leases**

The University has finance leases primarily consisting of retail space the University plans to develop for future educational campuses, golf carts and office equipment and one operating lease for retail space. At lease inception, we determined the lease term by assuming no exercises of renewal options. Leases with an initial term of 12 months or less are not recorded in the consolidated statements of financial position and we recognize lease expense for these leases on a straight-line basis over the lease term. The University has lease costs of \$2,276 and \$8,202 for the years ended June 30, 2024 and 2023, respectively. For the purposes of the Supplementary Information Financial Responsibility Supplemental Schedule, all leases were considered post-implementation.

As of June 30, 2024, the University had \$9,600 of non-cancelable finance lease commitments for solar panels that had not yet commenced. The University's weighted-average remaining lease term relating to its operating leases is 4.59 years, with a weighted-average discount rate of 4.67%. The University's weighted-average remaining lease term relating to its financing leases is 11.81 years, with a weighted-average discount rate of 5.60%.

The University's most significant finance lease was signed in July 2021 and subsequently amended in April 2024, whereby the University entered into a lease of land and buildings in an area adjacent to the University's campus in Phoenix, Arizona. The lease provides the University with the option to purchase the land and building after May 1, 2022 for a purchase price of \$31,500. The lease also provides the landlord the option to require the University to purchase the property in the last two years of the lease. The term of the lease is 15 years with the expiration on July 31, 2036.

	2024	2023
<b>Lease Expense:</b>		
Finance lease expense		
Amortization on ROU assets	\$ 1,896	\$ 1,954
Interest on lease liabilities	200	159
Operating lease expense	179	80
Short-term lease expense	—	—
Variable lease expense	—	—
<b>Total</b>	<b>\$ 2,275</b>	<b>\$ 2,193</b>
<b>Other Information</b>		
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance leases	\$ 497	\$ 503
Operating cash flows from finance leases	\$ 21	\$ 4
Operating cash flows from operating leases	\$ 119	\$ 81

Maturities of lease liabilities as of June 30, 2024 were as follows:

	Finance	Operating
7/1/2024 - 6/30/2025	\$ 1,016	\$ 226
7/1/2025 - 6/30/2026	1,621	235
7/1/2026 - 6/30/2027	1,593	244
7/1/2027 - 6/30/2028	1,564	254
7/1/2028 - 6/30/2029	1,516	153
Thereafter	42,221	—
<b>Total</b>	<b>49,531</b>	<b>1,112</b>
Less: Present value discount	(20,540)	(112)
<b>Lease liability</b>	<b>\$ 28,991</b>	<b>\$ 1,000</b>

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**9. Intangible Assets**

Intangible assets consist of the following:

	As of June 30, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net
Trade name and accreditations	\$ 88,000	\$ —	\$ 88,000
Developed curricula	18,000	(9,000)	9,000
Student relationships	39,000	(39,000)	—
Intangible assets, net	<u>\$ 145,000</u>	<u>\$ (48,000)</u>	<u>\$ 97,000</u>

Trade name and accreditations has an indefinite useful life and will not be amortized by the University. Developed curricula has an estimated useful life of 12 years. Student relationships had an estimated useful life of 3 years. Trade names and trademarks are all individually renewable for each asset at varying dates ranging from November 2024 to May 2035. Amortization expense associated with intangible assets for the years ending June 30, 2024 and 2023 totaled \$1,500 for both years.

Amortization expense for developed curricula for the years ending June 30:

2025	\$ 1,500
2026	1,500
2027	1,500
2028	1,500
2029	1,500
Thereafter	1,500
	<u>\$ 9,000</u>

**10. Bonds Payable, Notes Payable and Other Noncurrent Liabilities**

On December 9, 2021, the University's Taxable Bonds, Series 2021B (the "2021B Bonds") were issued under a Trust Indenture dated as of December 1, 2021 (the "Bond Indenture") by and between the University and UMB Bank, National Association, as bond trustee (the "Bond Trustee"). The 2021B Bonds bear interest from the date of issuance, payable on October 1 and April 1 in each year until maturity or earlier redemption and principal payments are payable October 1 each year. The 2021B Bonds require the pledge of certain revenues as collateral for repayment, pledged certain University assets as collateral, and contain restrictive covenants, including a minimum level of debt service coverage and days cash on hand. All outstanding bond issues were issued based on the creditworthiness of the University.

In June 2022, the University entered into a \$120,000 credit agreement with UMB Bank, N.A ("UMB Credit Facility") for the purpose of financing capital expenditures. The UMB Credit Facility was issued under the Bond Indenture and consists of a \$50,000 revolving credit facility ("UMB LOC") and a \$70,000 term loan facility ("UMB Term Loan"). There are no borrowings on the UMB LOC as of June 30, 2023. As of June 30, 2024, the University received proceeds of \$20,000 on the UMB LOC, which bears interest at the one-month term Standard Overnight Federal Rate ("SORF") plus 2.15% and has a maturity date of June 10, 2025. As of June 30, 2024, the interest rate on the UMB LOC was 7.49%. The UMB Term Loan was drawn in October 2022.

The University was in compliance with all bonds and note payable covenants for the year ended June 30, 2024.

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	As of June 30,	
	2024	2023
<b>Bonds and Note Payable</b>		
Bond issue 2021B, due October 1, 2023, interest at 3.25%	\$ —	\$ 50,000
Bond issue 2021B, due October 1, 2024, interest at 4.125%	500,000	500,000
Bond issue 2021B, due October 1, 2026, interest at 4.375%	200,000	200,000
Bond issue 2021B, due October 1, 2028, interest at 5.125%	400,000	400,000
Note payable to UMB, monthly payments \$418, due June 10, 2027, interest at 5.14%	67,834	69,264
<b>Total Bonds and Note Payable</b>	<u>1,167,834</u>	<u>1,219,264</u>
Less: Unamortized debt issuance costs	<u>(17,193)</u>	<u>(21,208)</u>
<b>Bonds and Note Payable, net of issuance costs</b>	1,150,641	1,198,056
Less: current portion of Bonds Payable, net of issuance costs	(546,132)	(46,132)
Less: current portion of Note Payable, net of issuance costs	(1,370)	(1,283)
<b>Long-term Bonds and Note Payable, net of issuance costs</b>	<u>\$ 603,139</u>	<u>\$ 1,151,924</u>

Payments due under the bonds and note payable, net of issuance costs for the years ending June 30:

2025	\$ 547,502
2026	47,583
2027	160,714
2028	46,132
2029	348,710
	<u>\$ 1,150,641</u>

**Lines of Credit**

In May 2023, the University entered into a line of credit agreement with Zions Bancorporation, N.A. dba National Bank of Arizona in the amount of \$75,000 (“Zions LOC”) for the purpose of financing capital expenditures. The Zions LOC is considered non-recourse unsecured indebtedness under the terms of the Bond Indenture and is collateralized by restricted investments and restricted cash and cash equivalents. The University has \$60,000 drawn on the Zions LOC as of June 30, 2024 and 2023. The Zions LOC bears interest at the one-month term Standard Overnight Federal Rate (“SORF”) plus 1.45% and has a maturity date of May 12, 2028. The interest rate was 6.78% and 6.60% as of June 30, 2024 and 2023, respectively.

In May 2023, the University entered into a line of credit agreement with MidFirst Bank in the amount of \$25,000 (“MidFirst LOC”) for the purpose of financing capital expenditures. The MidFirst LOC is considered non-recourse unsecured indebtedness under the terms of the Bond Indenture and is collateralized by restricted investments and restricted cash and cash equivalents. The University has \$20,000 drawn on the MidFirst LOC as of June 30, 2024 and 2023, respectively. The Zions LOC bears interest at the one-month term Standard Overnight Federal Rate (“SORF”) plus 1.50% and has a maturity date of May 16, 2025. The interest rate was 6.83% and 6.59% as of June 30, 2024 and 2023, respectively.

In the aggregate for these lines of credit, the University has designated \$12,052 and \$71,680 as restricted cash and cash equivalents as of June 30, 2024 and 2023, respectively, and \$73,276 and \$12,534 as restricted investments as of June 30, 2024 and 2023, respectively.

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The following additional information for long-term debt is required to support the calculation of the composite score in the Supplementary Information Financial Responsibility Supplemental Schedule:

**Pre-implementation Long-term Debt:**

Balance as of June 30, 2023	\$ 919,912
Balance as of June 30, 2024	\$ 869,912

**Allowable Post-implementation Long-term debt:**

Post-Implementation Long-Term Debt as of June 30, 2023	\$ 285,834
Post-Implementation Long-Term Debt as of June 30, 2024	\$ 359,579

<b>Construction in progress debt as of June 30, 2024</b>	<b>\$ —</b>
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**Post-implementation Long-term debt not for the purpose of Property, Plant & Equipment or liability greater than asset value:**

Long-term debt as of June 30, 2023	\$ 24,345
Long-term debt as of June 30, 2024	\$ 38,342

**Other Notes Payable**

The University has a LURA payable with semi-annual payments of \$50, extending through 2024 at a 0% interest rate. The current portion of this liability is \$150 for the year ended June 30, 2023 and the balance is \$0 as of June 30, 2024.

**11. Net Assets**

Net assets are classified as net assets with donor restrictions and net assets without donor restrictions. The net assets with donor restriction in the years ended June 30, 2024 and 2023 are primarily related to grants, scholarships and GCU CityServe donations that have not yet been distributed, which are deemed to be nonexchange (nonreciprocal) transactions. Under this guidance, revenue related to conditional grants is recorded when the conditions are met as specified in the grant agreement. The University reports these grants and contracts as changes in net assets without donor restrictions when restrictions are met in the same period. Restricted grants are recorded as changes in net assets with donor restrictions. When a donor restriction expires, net assets are reclassified as net assets without donor restrictions. The net assets with donor restrictions also include scholarship programs that are awarded to qualified students of the University. Included in the other category are net assets subject to donor-imposed restrictions to be maintained permanently by the University, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income be made available for program operations. A breakdown of these net assets without and with donor restrictions is as follows:

	As of June 30,	
	2024	2023
Net assets without donor restrictions:		
Designated by the Board	\$ —	\$ —
Undesignated	504,553	470,609
	<u>\$ 504,553</u>	<u>\$ 470,609</u>
Net assets with donor restrictions subject to expenditure for specified purposes:		
Grants	\$ 2,721	\$ 2,595
Scholarships	2,491	2,867
GCU CityServe	1,214	1,014
Other	1,773	1,283
	<u>\$ 8,199</u>	<u>\$ 7,759</u>

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## **12. Commitments and Contingencies**

### ***Legal Matters***

From time to time, the University could be party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business, some of which may be covered by insurance. When the University becomes aware of a claim or potential claim, it will assess the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the University will record a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the University will disclose the nature of the specific claim if the likelihood of a potential loss will be reasonably possible and the amount involved is material. With respect to the majority of pending litigation matters, the University's ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to those matters will not be considered probable.

On October 31, 2023, DOE's Federal Student Aid Office of Enforcement recommended a fine against the University related to alleged misrepresentations in written materials provided to students enrolling in certain doctoral programs. The University categorically denies DOE's claims and will take all measures necessary to defend itself from the false accusations. The University has appealed the fine to the Office of Hearings and Appeals ("OHA") within DOE as the first step in its defense. Neither DOE's findings nor the imposition of a fine is effective until OHA rules on the matter and the Secretary of DOE decides any subsequent appeals of that ruling. Thus, as of the audited financial statements report date, no liability has been recorded for the fine.

Except for identified liabilities assumed by the University, GCE retained responsibility for all liabilities of the business arising from pre-closing operations.

Upon resolution of any pending legal matters, the University may incur charges in excess of established reserves. Management does not believe that any such charges would, individually or in the aggregate, have a material adverse effect on the University's financial condition, results of operations or cash flows.

## **13. Compensation Plans**

### ***Deferred Compensation Plan***

The University has established a deferred compensation plan as of July 1, 2018 (the "Deferred Compensation Plan"). With each award, the University accrues for the payout over the vesting period including accrued interest at a rate of 5% per annum (each year). Participants vest in their accounts in accordance with the vesting schedule set forth in their participation agreements. As amounts vest, the University will make distributions equal to the vested amounts to participants within 90 days of the end of the Plan Year (July 1-June 30) in which the vesting occurred. A participant who terminates employment prior to becoming vested will forfeit his or her account balance. For the years ended June 30, 2024 and 2023, the University expensed \$2,876 and \$2,848, respectively, for accrued deferred compensation.

### ***401(k) Plan***

The University has established a 401(k) Defined Contribution Benefit Plan (the "401(k) Plan"). All employees who are age of 21 or older are eligible to participate in the 401(k) Plan. Eligible employees may elect to make tax-deferred contributions subject to limitations imposed under the Internal Revenue Code and the University has the right to match those contributions. Participant accounts are generally distributed to participants following their termination of employment. The University made discretionary matching contributions to the 401(k) Plan of \$2,174 and \$2,011 for the calendar years ended December 31, 2023 and 2022, respectively. The University has accrued \$1,382 and \$1,085 for its calendar year contribution to the 401(k) Plan as of June 30, 2024 and 2023, respectively.



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**14. Functional Expenses**

The following table presents expenses by both their nature and function:

	<b>For the Year Ended June 30, 2024</b>				
	<b>Instructional Program Services</b>	<b>Fundraising</b>	<b>Auxiliary Enterprises</b>	<b>General &amp; Administrative</b>	<b>Total</b>
Employee and faculty compensation and benefits	\$ 249,684	\$ 1,030	\$ 5,558	\$ 17,200	\$ 273,472
Occupancy costs	18,796	6	1,470	5,530	25,802
Bad debt expense	29,168	—	—	—	29,168
Cost of sales	70,698	—	10,705	—	81,403
Other operating expenses	44,498	962	1,680	13,554	60,694
Interest expense	58,581	79	3,281	1,075	63,016
Depreciation and amortization	57,671	72	3,507	971	62,221
Total University operations	<u>\$ 529,096</u>	<u>\$ 2,149</u>	<u>\$ 26,201</u>	<u>\$ 38,330</u>	<u>\$ 595,776</u>
Educational service fee	883,414	—	—	—	883,414
Total expenses	<u>\$ 1,412,510</u>	<u>\$ 2,149</u>	<u>\$ 26,201</u>	<u>\$ 38,330</u>	<u>\$ 1,479,190</u>

	<b>For the Year Ended June 30, 2023</b>				
	<b>Instructional Program Services</b>	<b>Fundraising</b>	<b>Auxiliary Enterprises</b>	<b>General &amp; Administrative</b>	<b>Total</b>
Employee and faculty compensation and benefits	\$ 226,517	\$ 972	\$ 5,553	\$ 14,964	\$ 248,006
Occupancy costs	16,579	9	1,669	4,835	23,092
Bad debt expense	27,709	—	—	—	27,709
Cost of sales	66,706	—	14,132	—	80,838
Other operating expenses	39,046	773	1,297	9,491	50,607
Interest expense	54,106	45	3,035	1,115	58,301
Depreciation and amortization	52,886	43	2,967	1,090	56,986
Total University operations	<u>\$ 483,549</u>	<u>\$ 1,842</u>	<u>\$ 28,653</u>	<u>\$ 31,495</u>	<u>\$ 545,539</u>
Educational service fee	803,875	—	—	—	803,875
Total expenses	<u>\$ 1,287,424</u>	<u>\$ 1,842</u>	<u>\$ 28,653</u>	<u>\$ 31,495</u>	<u>\$ 1,349,414</u>

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the University. Expenses reported by functional categories include allocations of costs for depreciation and amortization, and interest on indebtedness. The University applies various methods to allocate costs among the program and support functions, the most significant of which is by specific identification for depreciation and amortization. The University's property, plant and equipment were specifically identified for instructional program services and auxiliary enterprises. The allocation methodology used for the remaining shared depreciable assets including computer equipment, furniture and fixtures, and vehicles, were allocated based on headcount to instructional program services, fundraising, and general and administrative. The allocation of interest on indebtedness was done utilizing the same total allocation percentages derived for depreciation and amortization expense. The educational service fee was allocated entirely to instructional program services. The educational service fee is calculated as 60% of total revenue, excluding fundraising (see Note 2) as defined in the Master Services Agreement. Under this agreement, GCE provides technological, counseling, marketing, financial aid processing and other support services to support the operation of the University as a whole. Therefore, it is not meaningful or practical to users of the financial statements to allocate the educational service fee to anything other than instructional program services. Since the educational service fee is significant to total operating expenses, the University provided a total for University operations, which correlates with its consolidated statements of activities presentation, and total expenses which includes the educational service fee.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

**15. Regulatory**

The University is subject to extensive regulation by federal and state governmental agencies and accrediting bodies. In particular, the Higher Education Act of 1965, as amended (the “Higher Education Act”), and the regulations promulgated thereunder by the Department of Education (the “Department”), subject the University to significant regulatory scrutiny on the basis of numerous standards that schools must satisfy in order to participate in the various federal student financial assistance programs under Title IV of the Higher Education Act.

An institution must, among other things, be licensed or authorized to offer its educational programs by the state in which it is physically located (in the University’s case, Arizona, Utah, Nevada, Missouri, Florida, Idaho, New Mexico, Colorado and Wyoming) and maintain institutional accreditation by an accrediting commission recognized by the Department of Education (in the University’s case, the Higher Learning Commission).

An institution must also demonstrate its compliance to the Department on an ongoing basis. The University has operated under a Provisional Program Participation Agreement (“PPPA”) that was signed on November 14, 2019 following the change of ownership in which the 501(c)(3) acquired the University, but continued to participate as a for-profit institution as determined by the Department of Education. Under that PPPA, the University continued to participate in Title IV programs through September 30, 2022. As required, the University timely filed a renewal application and continued to participate on a month-to-month extension of the PPPA while the Department completed its review of the application. As of June 30, 2023, the University continued to participate in Title IV programs under the terms of the PPPA pursuant to the month-to-month extension. The Department approved and the parties executed a new Provisional Program Participation Agreement on September 29, 2023, which expires June 30, 2026.

The University has been regionally accredited by the Higher Learning Commission (“HLC”) and its predecessor since 1968, most recently obtaining reaccreditation in 2017 for the ten-year period through 2027. Following a comprehensive review of the institution’s academic offerings, governance and administration, mission, finances and resources during 2016, the University’s accreditation was reaffirmed by the HLC’s Institutional Actions Council at its meeting on February 28, 2017, with no requirements for any monitoring or interim reports. The comprehensive review occurs every 10 years, along with a mid-term review in year four. As of June 30, 2024, the University believes that it is in compliance with the applicable HLC standards in all material respects.

In addition to the University’s institutional accreditation with HLC, the University is in candidacy status or holds specialized accreditations for certain programs, including from the Association for Advancing Quality in Educator Preparation (AAQEP), Accreditation Board for Engineering and Technology (ABET), the Accreditation Council for Business Schools and Programs (ACBSP), the Accreditation Council for Education in Nutrition and Dietetics (ACEND), Association of Theological Schools (ATS), the Commission on Accreditation of Athletic Training Education (CAATE), the Council on Social Work Education (CSWE), the Commission on Collegiate Nursing Education (CCNE), the National Addiction Studies Accreditation Commission (NASAC), the Society for Simulation in Healthcare (SSIH), and the Commission on Accreditation for Health Informatics and Information Management Education (CAHIIM). The University also has approval from the Certified Financial Planner Board of Standards (CFP Board) of the Bachelor of Science in Finance with an Emphasis in Financial Planning program and designation from the Centers of Academic Excellence Cyber Defense (CAE-CD) of the Bachelor of Science in Information Technology with an Emphasis in Cybersecurity program.

The University is licensed and authorized to offer its programs by the Arizona State Board for Private Postsecondary Education, the regulatory agency governing private post-secondary educational institutions in the State of Arizona, where the University is located. The University is also approved to offer its programs in Wyoming by the Wyoming Department of Education. The University is authorized to offer its Accelerated Bachelor of Science in Nursing programs in Nevada by the Nevada Commission on Postsecondary Education, New Mexico Higher Education Department, Idaho State Board of Education, Missouri Coordinating Board for Higher Education, Florida Commission for Independent Education, Colorado Department of Higher Education, and Utah by the Utah Division of Consumer Protection.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

The University is an approved institutional participant in the State Authorization Reciprocity Agreement (“SARA”). SARA is an agreement among member states, districts and territories that establishes comparable national standards for interstate offering of post-secondary distance education courses and programs. It is intended to make it easier for students to take online courses offered by post-secondary institutions based in another state. SARA is overseen by a national council (NC-SARA) and administered by four regional education compacts. Arizona is a member of the western SARA compact. There is a yearly renewal for participating in NC-SARA and AZ-SARA and institutions must agree to meet certain requirements to participate. As of June 30, 2024, 49 states are members of SARA. The only state that does not participate in SARA is the State of California, but the University is exempt from registering or being approved by California’s Bureau for Private Post-Secondary Education. The University currently enrolls students in all 50 states and the District of Columbia.

Many states have specific requirements that an individual must satisfy in order to be licensed as a professional in specified fields, including fields such as education, healthcare, social work and counseling. These requirements vary by state and by field. A student’s success in obtaining licensure following graduation typically depends on several factors, including the background and qualifications of the individual graduate. Many states also require that graduates pass a state test or examination as a prerequisite to becoming certified in certain fields, such as teaching and nursing. Many states will certify individuals if they have already been certified in another state. The University’s College of Education is approved by the Arizona State Department of Education to offer Institutional Recommendations (credentials) for the certification of early childhood, elementary, secondary, and special education teachers and school administrators. The University’s College of Nursing and Health Care Professions is approved by the Arizona State Board of Nursing for the Bachelor of Science in Nursing and advanced practice Master of Science in Nursing degrees for Family Nurse Practitioner and Acute Care Nurse Practitioner. Due to varying requirements for professional licensure and certification in states other than Arizona, the University informs students of the requirements associated with obtaining professional licensure or certification and whether, in the University’s assessment of those requirements, its programs meet the various requirements through state specific disclosures in the enrollment agreement and its website.

Because the University operates in a highly regulated industry, it, like other industry participants, may be subject from time to time to investigations, claims of non-compliance, or lawsuits by governmental agencies or third parties, which allege statutory violations, regulatory infractions, or common law causes of action. While there can be no assurance that regulatory agencies or third parties will not undertake investigations or make claims against the University, or that such claims, if made, will not have a material adverse effect on the University’s business, results of operations or financial condition, management believes the University is in compliance with applicable regulations in all material respects.

***90/10 Disclosure***

The University derives a substantial portion of its revenues from Federal educational assistance received directly by the school or by its students. To continue to participate in the programs authorized by Title IV of the Higher Education Act (“HEA”), the University must comply with the regulations promulgated under the HEA. The regulations require a proprietary school to derive at least 10 percent of its cash basis revenues for each fiscal year from sources other than Federal funds (the “90/10 revenue test”). If a school receives more than 90 percent of its cash basis revenues from Federal funds during its fiscal year, the school becomes provisionally certified for the next two fiscal years. If a school fails to satisfy this 90/10 requirement for two consecutive years, the school will lose its ability to participate in Title IV programs. Using the Department of Education’s cash-basis, regulatory formula for the 90/10 Rule as in effect for its 2024 and 2023 fiscal years, the University derived 67.2% and 65.5%, respectively, of its 90/10 revenue from Federal Student Aid program funds for the years ended June 30, 2024 and 2023.

**Grand Canyon University**  
**Notes to the Consolidated Financial Statements**  
**(In thousands)**

***Composite Score***

The Department of Education and Higher Education Act require institutions to meet standards of financial responsibility. The composite score for an institution's most recent fiscal year must be at least 1.5 for the institution to be deemed financially responsible. For the years ended June 30, 2024 and 2023, the University's composite score was 1.9 and 1.8, respectively, using the proprietary school calculation.

**16. Related Party Transactions**

During the years ended June 30, 2024 and 2023, the University did not engage in transactions with companies owned by or affiliated with members of the Board of Trustees. During the year ended June 30, 2024, the University received a total of \$8 from officers of the University and \$6 from a member of the Board of Trustees. \$4 of these donations were designated as restricted for scholarships for students, \$2 were designated to GCU CityServe and \$8 were designated to GCU Lopes club membership. During the year ended June 30, 2023, the University received a total of \$6 from officers of the University and \$2 from a member of the Board of Trustees. \$6 of these donations were designated as restricted for scholarships for students, \$1 were designated to GCU CityServe and \$1 were designated to GCU Student Benevolence Fund.

**17. Subsequent Events**

Events and transactions have been evaluated by the University for possible adjustment and/or disclosure through the date of this report.

## **SUPPLEMENTARY INFORMATION**

**Grand Canyon University**  
**Supplementary Information**  
**(Information Required by the U.S. Department of Education)**  
**For the years ended June 30, 2024 and 2023**  
**(In thousands)**

**Related-Party Transactions**

Related-party transactions include transactions between the University and certain members of its Board of Trustees and its affiliates. As the University participates in the Title IV programs administered by the Department of Education pursuant to the Higher Education Act, the University must comply with the regulations promulgated under the Higher Education Act. Those regulations require that all related-party transactions be disclosed, regardless of their materiality to the financial statements. During the years ended June 30, 2024 and 2023, the University did not engage in transactions with companies owned by or affiliated with members of the Board of Trustees. During the year ended June 30, 2024, the University received a total of \$8 from officers of the University and \$6 from a member of the Board of Trustees. \$4 of these donations were designated as restricted for scholarships for students, \$2 were designated to GCU CityServe and \$8 were designated to GCU Lopes Club memberships. During the year ended June 30, 2023, the University received a total of \$6 from officers of the University and \$2 from a member of the Board of Trustees. \$6 of these donations were designated as restricted for scholarships for students, \$1 were designated to GCU CityServe and \$1 were designated to GCU Student Benevolence Fund.

**90/10 Disclosure**

The University derives a substantial portion of its revenues from Federal educational assistance received directly by the school or by its students. To continue to participate in the programs authorized by Title IV of the Higher Education Act (“HEA”), the University must comply with the regulations promulgated under the HEA. The regulations require a proprietary school to derive at least 10 percent of its cash basis revenues for each fiscal year from sources other than Federal funds (the “90/10 revenue test”). If a school receives more than 90 percent of its cash basis revenues from Federal funds during its fiscal year, the school becomes provisionally certified for the next two fiscal years. If a school fails to satisfy this 90/10 requirement for two consecutive years, the school will lose its ability to participate in Title IV programs. Using the Department of Education’s cash-basis, regulatory formula for the 90/10 Rule as in effect for its 2024 and 2023 fiscal years, the University derived 67.2% and 65.5%, respectively, of its 90/10 revenue from Federal Student Aid program funds for the years ended June 30, 2024 and 2023.

**Financial Responsibility**

The U.S. Department of Education issued regulations, effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV. These disclosures are not required by accounting principles generally accepted in the United States of America but are intended for use by the U.S. Department of Education and to ensure compliance with Federal Title IV regulations.

For the year ended June 30, 2024, the University’s composite score was 1.9, as calculated on page 36.

The information presented on pages 29 through 36, is required by the U.S. Department of Education and presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements.

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

**90/10 Revenue Percentage**

	<b>Amount Disbursed</b>	<b>Adjusted Amount</b>
<b>Student Title IV Revenue</b>		
Title IV Credit Balance Carried Over From Prior Year	\$ 96,429,528	\$ 96,429,528
Federal Direct Loans	1,130,301,599	1,130,301,599
Federal Pell Grant	269,963,054	269,963,054
TEACH Grant	11,183,030	11,183,030
FSEOG (subject to matching reduction)	4,329,659	3,233,952
<b>Total Student Title IV Revenue</b>	<b>\$ 1,512,206,870</b>	<b>\$ 1,511,111,163</b>
Title IV funds returned for a student under 34 C.F.R. §668.22		(148,212,911)
Student Title IV Revenue Adjustment		(424,424,331)
<b>Total Adjusted Student Title IV Revenue</b>	<b>1,512,206,870</b>	<b>938,473,921</b>
<b>Other Federal Funds Paid Directly to Institution</b>		
Department of Veterans Affairs	39,053,488	39,053,488
Department of Defense Payments	13,434,404	13,434,404
Federal Portion of other Funds	487,414	487,414
<b>Total Other Federal Funds Paid Directly to Institution</b>	<b>52,975,306</b>	<b>52,975,306</b>
Other Federal Funds Paid Directly to Institution Revenue Adjustment		(13,532,583)
<b>Total Adjusted Other Federal Funds Paid Directly to Institution</b>	<b>52,975,306</b>	<b>39,442,723</b>
<b>Other Federal Funds Paid Directly to Student</b>		
Other Federal Funds	643,106	643,106
<b>Total Other Federal Funds Paid Directly to Student</b>	<b>643,106</b>	<b>643,106</b>
Other Federal Funds Paid Directly to Student Revenue Adjustment		(483,404)
<b>Total Adjusted Other Federal Funds Paid Directly to Student</b>	<b>643,106</b>	<b>159,702</b>
<b>Student Non-Federal Revenue</b>		
Non-Title IV Credit Balance Carried Over From Prior Year	15,783,281	15,783,281
Grant funds for the student from non-Federal public agencies or private sources independent of the institution	22,858,349	22,858,349
Funds provided for the student under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals	—	—
Funds used by a student from savings plans for educational expenses established by or on behalf of the student that qualify for special tax treatment under the internal Revenue Code	—	—
Institutional scholarships disbursed to the student	—	—
Student payments		
Third Party Loans	53,878,713	53,878,713
Employer Payments	14,109,174	14,109,174
Student Cash	421,920,858	421,920,858
<b>Total Student Non-Federal Revenue</b>	<b>528,550,376</b>	<b>528,550,376</b>
Student Non-Federal Revenue Adjustment		(50,215,659)
<b>Total Adjusted Student Non-Federal Revenue</b>	<b>528,550,376</b>	<b>478,334,717</b>
<b>Revenue from Other Sources</b>		
Activities conducted by the institution that are necessary for education and training.	—	—
Funds paid to the institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs.	—	—
<b>Total Revenue From Other Sources</b>	<b>—</b>	<b>—</b>
Total Adjusted Federal Revenue		<b>978,076,346</b>
Total Adjusted Federal Revenue + Total Adjusted Non-Federal Revenue and Revenue from Other Sources		<b>\$ 1,456,411,063</b>
90/10 Ratio		<b>67.16 %</b>

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

**FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE**

Lines		<b>Primary Reserve Ratio:</b>		
		<b><u>Adjusted Equity</u></b>		
31	Balance Sheet - Total Equity	Total equity		512,752
5, 6, 11	Balance Sheet - All Related party receivable, net and Receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other related party assets		-
5, 11	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecured related party receivables and/or other related party assets		-
9	Balance Sheet - Property, Plant and Equipment, net	Property, plant and equipment, net - including construction in progress	1,435,688	
FS Note line 9A	Note of the Financial Statements - Balance Sheet - Property, Plant and Equipment, net - pre-implementation	Property, plant and equipment, net - pre-implementation less any construction in progress		902,409
FS Note line 9B	Note of the Financial Statements Balance Sheet - Property, Plant and Equipment, net - pre-implementation with outstanding debt for original purchase	Property, plant and equipment, net - post-implementation less any construction in progress with outstanding debt for original purchase with debt		359,579
FS Note line 9D	Note of the Financial Statements Balance sheet - Property, Plant and Equipment, net - post-implementation without outstanding debt for original purchase	Property, plant and equipment, net - post-implementation less any construction in progress with outstanding debt for original purchase without debt		152,465
FS Note line 9C	Note of the Financial Statements Balance Sheet - Property, Plant, and Equipment - Construction in process	Construction in progress		21,235
10	Balance Sheet - Lease right-of-use asset	Lease right-of-use asset	25,405	
Excluded 10 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
M10 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - post-implementation		25,405
12	Balance Sheet - Goodwill	Intangible assets		97,000
28	Balance Sheet - Post-employment and pension liability	Post-employment and defined pension plan liabilities		1,322
16, 20, 21, 24, 25	Balance Sheet - Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in process	Long-term debt - for long-term purposes and Construction in process debt	1,267,834	
M16, 20, 21, 24, 25 Note Debt A	Balance Sheet - Notes payable and Line of Credit (both current and long-term) and Line of Credit for Construction in process	Long-term debt for long-term purposes pre-implementation		869,912
Debt Note B	Balance Sheet - Notes payable and Line of Credit (both current and long-term) for purchase of Property, Plant and Equipment	Qualified Long-term debt for long-term purposes post-implementation for purchase of Property, Plant and Equipment		359,579

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.



Debt Note C	Balance Sheet - Notes payable and Line of Credit for Construction in process	Line of Credit for Construction in process		-
18, 26	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Lease right-of-use asset liability	29,991	
Excluded 18, 26 Leases	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-Implementation right-of-use leases		-
M18, 26 FS Note	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Post-Implementation right-of-use leases		29,991
41, 45, 46, 47	Statement of (Loss) Income - Total Operating Expenses, Interest Expense, Loss on Impairment of Assets and Loss on Disposal of Assets	<b>Total Expenses and Losses:</b>		1,479,190

Lines		<b>Equity Ratio</b>		
		<b>Modified Equity</b>		
31	Balance Sheet - Total Equity	Total equity		512,752
Excluded 18, 26 Leases	Balance Sheet - Lease right-of-use assets liability (both current and long-term)	Pre-Implementation right-of-use leases		-
Excluded 10 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
12	Balance Sheet - Goodwill	Intangible assets		97,000
5, 6, 11	Balance Sheet - All Related party receivable, net and Receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other related party assets	-	
5, 11	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecured related party receivables and/or other related party assets		-
		<b>Modified Assets:</b>		
14	Balance Sheet - Total assets	Total assets		2,049,064
Excluded 10 Note Leases	Note of Financial Statements - Balance Sheet - Lease right-of-use asset pre-implementation	Lease right-of-use asset - pre-implementation		-
12	Balance Sheet - Goodwill	Intangible assets		97,000
5, 6, 11	Balance Sheet - All Related party receivable, net and Receivable from affiliate, net and Related party note	Secure and Unsecured related party receivables and/or other related party assets	-	
5, 11	Balance Sheet - Related party receivable, net and Receivable from affiliate, net and Related party note	Unsecured related party receivables and/or other related party assets		-

Lines		<b>Net Income Ratio:</b>		
		<b>Income Before Taxes</b>		
49	Statement of (Loss) Income - Net Income Before Income Taxes			34,384
35, 43, 44	Statement of (Loss) Income - Total Revenue, Interest income and Other miscellaneous income	<b>Total Revenues and Gains</b>		1,513,574

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

**BALANCE SHEET**

Line

	<b>Current Assets</b>	
1	Cash and cash equivalents	\$ 436,985
2	Accounts receivable, net	31,732
3	Inventory	2,434
4	Prepaid expenses	4,536
5	Related party receivable	-
6	Related party receivable, secured	-
7	Student loans receivable, net	-
8	<b>Total Current Assets</b>	475,687
9	Property, plant and equipment, net	1,435,688
10	Lease right-of-use assets, net	25,405
11	Receivable from affiliate, net	-
12	Goodwill and intangibles	97,000
13	Deposits and other	15,284
14	<b>Total Assets</b>	\$ 2,049,064
	<b>Current Liabilities</b>	
15	Accounts payable and accrued expenses	\$ 57,816
16	Line of credit - short term CIP	40,000
17	Deferred revenue and student deposits	196,542
18	Leases right-of-use asset liabilities	770
19	Line of credit - operating	-
20	Line of credit - for long term purposes	-
21	Current portion of debt	547,502
22	<b>Total Current Liabilities</b>	842,630
23	Line of credit - operating	-
24	Line of credit - for long term purposes	60,000
25	Debt	603,139
26	Lease right-of-use asset liabilities	29,221
27	Other liabilities	-
28	Post-employment and pension liability	1,322
29	<b>Total Liabilities</b>	1,536,312
	<b>Equity</b>	
30	Equity	512,752
31	<b>Total Equity</b>	512,752
32	<b>Total Liabilities and Equity</b>	\$ 2,049,064

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

**STATEMENT OF INCOME**

Line

	<b>Revenue</b>		
33	Tuition and fees, net		\$ 1,473,569
34	Auxiliary enterprises revenue		14,216
35		<b>Total Revenue</b>	<u>1,487,785</u>
	<b>Operating Expenses</b>		
36	Instructional		1,296,258
37	Auxiliary enterprises		19,413
38	Fundraising		1,998
39	General and administrative		36,284
40	Depreciation and amortization		62,221
41		<b>Total Operating Expenses</b>	<u>1,416,174</u>
42	<b>Operating Income (Loss)</b>		<u>71,611</u>
	<b>Other Income (expense)</b>		
43	Interest income		25,789
44	Other income		-
45	Loss on impairment of assets		-
46	Loss on disposal of assets		-
47	Interest expense		(63,016)
48		<b>Total Other Income (Expense)</b>	<u>(37,227)</u>
49		<b>Net Income Before Income Taxes</b>	<u>34,384</u>
50	Income taxes		-
51		<b>Net Income (Loss)</b>	<u>\$ 34,384</u>

Note for Line 10 - Lease right of use assets

A.	Lease right-of-use assets - pre-implementation	\$ -	Removed from assets
B.	Lease right-of-use assets - post implementation	25,405	-
	Total	\$ 25,405	-

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

Note for Line 9 - Net Property, Plant and Equipment

A.	Pre-Implementation Property, Plant and Equipment		\$ 902,409
B.	Post-Implementation Property, Plant and Equipment		359,579
	Buildings & Improvements	310,450	
	Capital Leases	-	
	Computers	3,569	
	Furniture, Equipment, and Other	8,549	
	Land & Improvements	36,592	
	Vehicles	419	
C.	Construction in progress		21,235
D.	Post-Implementation Property, Plant and Equipment		152,465
	Total		\$ 1,435,688

- A. This is the ending balance on the last financial statement submission prior to the implementation of the regulations -- Less any depreciation or disposals
- B. This is the balance of assets purchased after the implementation of the regulations that was purchased by obtaining debt.
- C. Asset value of the Construction in progress
- D. Post-Implementation Property, Plant and Equipment with no outstanding debt.

Notes for Line 16, 20, 21, 24, 25 - Long-term debt for long term purposes

A.	Pre-Implementation Long-term Debt		\$ 869,912
B.	Allowable Post-Implementation Long-term Debt		359,579
	Buildings & Improvements	310,450	
	Capital Leases	-	
	Computers	3,569	
	Furniture, Equipment, and Other	8,549	
	Land & Improvements	36,592	
	Vehicles	419	
C.	Construction in progress - debt		-
D.	Long-term debt not for the purchase of Property, Plant and Equipment or liability greater than assets value		38,341
	Total		\$ 1,267,832

- A. This is the ending balance of the last financial statement submission prior to the implementation of the regulations -- Less in repayments
- B. This is the lessor of actual outstanding debt of each assets or the value of the asset.
- C. All debt associated with Construction in progress up to the asset value for construction on progress is included
- D. Long-term debt not for the purchase of Property, Plant and Equipment.

Note for Lines 18 and 26 - Lease right-of-use asset liability

A	Lease right-of-use assets liability - pre-implementation	\$ -	Removed from liabilities
B	Lease right-of-use assets liability - post-implementation	29,991	-
	Total	\$ 29,991	-

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Supplementary Information, continued**  
**(Information Required by the U.S. Department of Education)**  
**For the year ended June 30, 2024**  
**(In thousands)**

Calculating the Composite Score	Lines		
*Primary Reserve Ratio = Adjusted Equity	31 - 12 - (5 + 11) - (9 + M10) + 28 + (M16 + M18 + M20 + M21 + M24 + M25 + M26)	210,877	<b>0.1426</b>
/Total Expenses and Losses	41 + 45 + 46 + 47	1,479,190	
*Equity Ratio = Modified Equity	31 - (5 + 11) - 12	415,752	<b>0.2130</b>
/Modified assets	14 - (5 + 11) - 12	1,952,064	
Net Income Ratio = Income Before Taxes	49	34,384	<b>0.0227</b>
/Total Revenue and Gains	35 + 43 + 44	1,513,574	

**\*All pre-implementation right-of-use assets and liabilities are removed from total assets and total liabilities M# - Modified for the right-of-use liabilities pre-implementation and post implementation debt not directly related to purchase of assets.**

**Step 1:** Calculate the strength factor score for each ratio by using the following algorithms

Primary Reserve strength factor score = 20 x the primary reserve ratio result

Equity strength factor score = 6 x the equity ratio result

Net Income strength factor score = 1 + (33.3 x net income ratio result)

If the strength factor score for any ratio is greater than or equal to 3, the strength factor score for the ratio is 3

If the strength factor score for any ratio is less than or equal to -1, the strength factor score for that ratio is -1

**Step 2:** Calculate the weighted score for each ratio and calculate the composite score by adding the three weighted scores

Primary Reserve weighted score = 30% x the primary reserve strength factor

Equity weighted score = 40% x the equity strength factor score

Net income weighted score = 30% x the net income strength factor score

Composite Score = the sum of all weighted scores

Round the composite score to one digit after the decimal point to determine the final score

RATIO	Ratio	Strength Factor	Weight	Composite Score
<b>Primary Reserve Ratio</b>	0.1426	2.8512	30%	0.8554
<b>Equity Ratio</b>	0.2130	1.2779	40%	0.5112
<b>Net Income Ratio</b>	0.0227	1.7565	30%	0.5269
				1.8935
<b>TOTAL Composite Score - Rounded</b>				<b>1.9</b>

The consolidated financial statements and accompanying notes should be read in connection with the supplementary information.

**Grand Canyon University**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2024**

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor and Number</u>	<u>Federal Expenditures (\$)</u>
<b><u>U.S. Department of Education</u></b>			
<b><i>Student Financial Assistance (SFA) Cluster</i></b>			
Federal Supplemental Educational Opportunity Grant Program	84.007		\$ 4,000,000
Federal Work-Study Program	84.033		2,850,432
Federal Pell Grant Program	84.063		254,760,242
Federal Direct Student Loans	84.268		997,728,950
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		11,035,852
<i>Total SFA Cluster</i>			<u>1,270,375,476</u>
<b><i>Other Programs</i></b>			
<b><u>Department of Defense</u></b>			
GenCyber Grants Program	12.903		176,280
Information Security Grants	12.902		62,467
<i>Total Department of Defense</i>			<u>238,747</u>
<b><u>Department of the Treasury</u></b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Maricopa County	382,241
<i>Total Department of the Treasury</i>			<u>382,241</u>
<b><u>U.S. Department of Veterans Affairs</u></b>			
Vocational Rehabilitation for Disabled Veterans	64.116		40,141,311
Post-9/11 Veterans Educational Assistance	64.028		214,558
<i>Total Department of Veterans Affairs</i>			<u>40,355,869</u>
<b><u>National Science Foundation</u></b>			
STEM Education	47.076		96,037
<i>Total National Science Foundation</i>			<u>96,037</u>
<b><u>Department of Labor</u></b>			
WIOA Youth Activities	17.259	AZ Governor's Office of Youth, Faith and Family	90,290
<i>Total Department of Labor</i>			<u>90,290</u>
<b><i>Total Expenditures of Federal Awards</i></b>			<b><u>\$ 1,311,538,660</u></b>

**Grand Canyon University**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the year ended June 30, 2024**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the University under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

**2. Summary of Significant Accounts Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The University has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for the following Federal Grant Program:

<u>CFDA Number</u>	<u>Program Name</u>
12.903	DOD GenCyber
21.027	DOT – Maricopa County
47.076	NSF – STEM Education

## **Part II**

### **Reports on Internal Control and Compliance**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
**GRAND CANYON UNIVERSITY**  
Phoenix, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Grand Canyon University and Subsidiaries (the "University"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 19, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

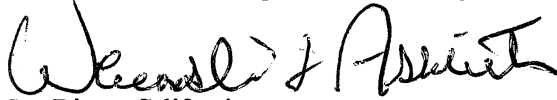
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California  
September 19, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
**GRAND CANYON UNIVERSITY**  
Phoenix, Arizona

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Grand Canyon University and subsidiaries' (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

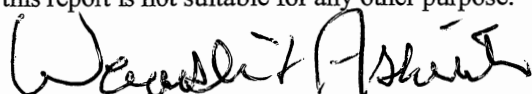
## Report on Internal Control over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



San Diego, California  
September 19, 2024

## **Part III**

### **Audit Findings and Questioned Costs**

**Grand Canyon University**  
**Summary Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

**Section I - Summary of Independent Auditors' Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None Reported

Noncompliance material to financial statements  
noted: \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Significant deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_X\_\_\_ None Reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with section 2 CFR  
200.516(a)? \_\_\_\_\_ Yes \_\_\_X\_\_\_ No

Identification of major programs:

<b><u>CFDA Number</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
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84.007, 84.033, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
--	--------------------------------------

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 3,934,616

Auditee qualified as low-risk auditee? \_\_\_X\_\_\_ Yes \_\_\_\_\_ No

**Grand Canyon University**  
**Summary Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

**Section II – Financial Statement Audit Findings**

None noted.

**Section III – Federal Awards Findings and Question Costs**

None noted.



**Grand Canyon University  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024**

**Prior Year Findings and Questioned Costs for Federal Awards**

There are no findings from the prior years that require an update in this report.