



Report of Independent Auditors and Financial Statements

*The Colorado College and Subsidiaries
June 30, 2025 and 2024*

Table of Contents

	Page
Report of Independent Auditors	1
Management's Discussion and Analysis	4
Consolidated Financial Statements	
Consolidated Statements of Financial Position	10
Consolidated Statements of Activities	11
Consolidated Statements of Cash Flow	13
Notes to the Consolidated Financial Statements	14

Report of Independent Auditors

The Board of Trustees of
The Colorado College

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of the Colorado College (the College), which comprise the consolidated statements of financial position as of June 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College 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.

Other Matter

The consolidated financial statements of the College for the year ended June 30, 2024, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on November 19, 2024.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 College'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 College'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.

Baker Tilly US, LLP

Albuquerque, New Mexico
November 13, 2025

Management's Discussion and Analysis

The Colorado College and Subsidiaries

Management's Discussion and Analysis

June 30, 2025 and 2024

**Report from Lori Seager,
Vice President for Finance & Chief Financial Officer**

In 2024, Colorado College celebrated its sesquicentennial anniversary - a century and a half of fostering intellectual curiosity, academic excellence, and a deep appreciation for doing things differently. From its founding in 1874, the College has continually evolved, developing a community of diverse minds and innovative thinkers.

Colorado College remains a distinctive place with a unique, immersive method of teaching and learning known as the Block Plan. The flexible Block Plan allows faculty and students to focus on one class at a time for three-and-a-half weeks, providing multiple opportunities for collaborative learning. Colorado College is committed to optimal resource allocation to support this kind of academic mission. Such commitments include funding faculty salaries at a level above those of our 15 peer institutions allowing us to attract and retain the very best faculty, allocating appropriate space for classes meeting any time each day during a block, and supporting travel of our academic classes into the field and abroad.

During the 2024-25 fiscal year, the College exemplified institutional strength, exhibiting conservative management, sustained oversight and careful planning, amid unique times for higher education. The College ended the fiscal year with a 2.8% increase in total operating revenues and net income from operating activities of \$1.9 million. Increased contributions and investment income, offset by a slight decline in net tuition and fees (2.6%) were complemented by careful attention to operating outlays which ultimately contributed to the overall positive operating results. Finally, endowment investment returns of 11.3% contributed significantly to a total increase in net assets of approximately \$77.3 million.

I am pleased to share more about the College in the following pages, which contain selected financial highlights to accompany Colorado College's consolidated financial statements for the year ended June 30, 2025. I want to thank the faculty and staff for delivering a meaningful educational experience to our students, and I want to thank our board, alumni, and donors for the ongoing support they have provided.

Colorado College's 2024-25 financial results are demonstrated in the following pages.

Sincerely,

Lori Seager



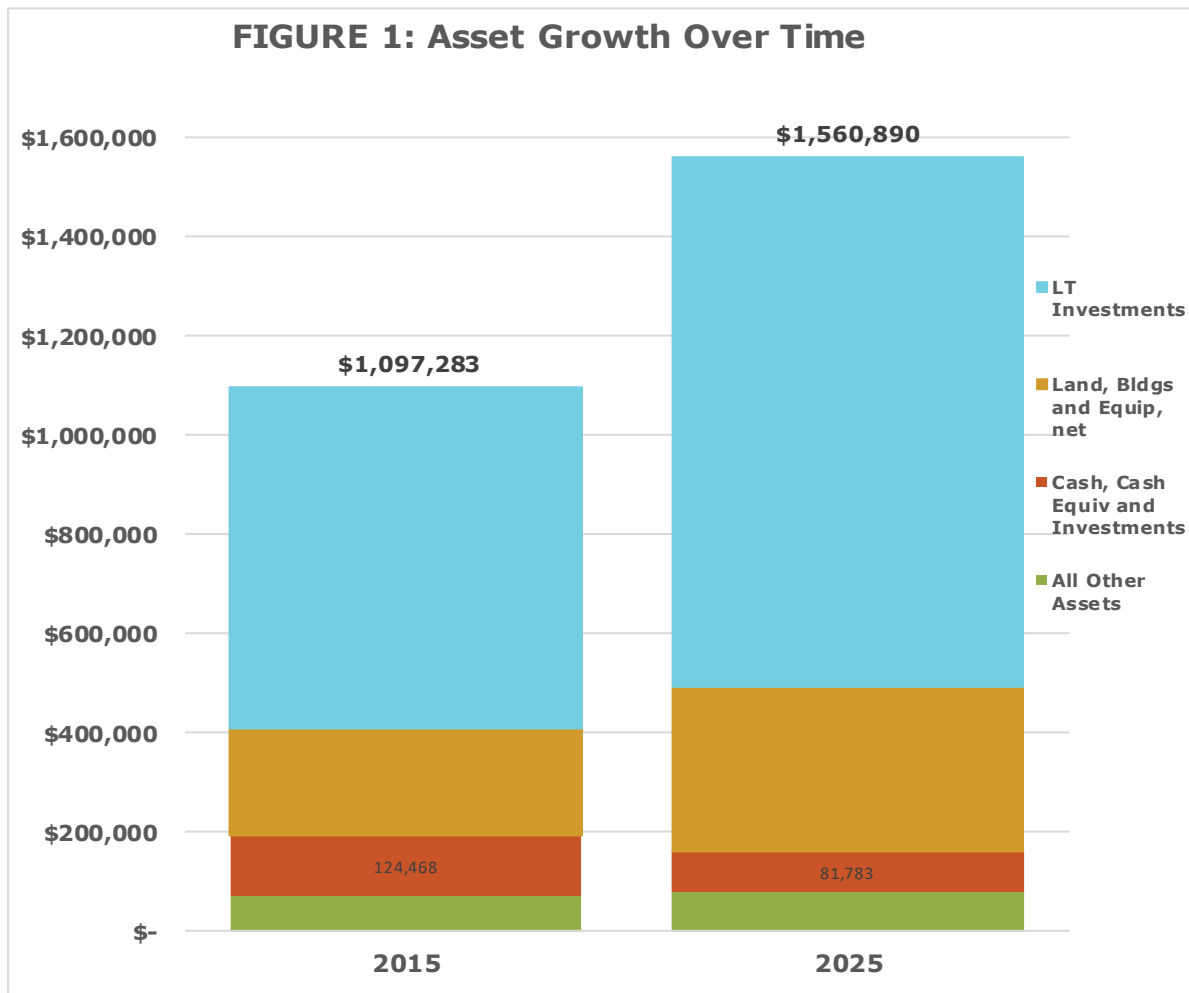
The Colorado College and Subsidiaries

Management's Discussion and Analysis

June 30, 2025 and 2024

Statement of Financial Position

- At June 30, total assets were \$1.6 billion, which is an increase of \$463.6 million over the last decade (Figure 1).
- Long-term investments, the College's largest asset, were valued at \$1.1 billion on June 30, 2025. The growth of \$60.3 million (6.0%) over the prior year's market value was primarily due to rising endowment investment market values, offset by liquidation of invested bond proceeds for extinguishment of the series 2020B bonds. The endowment portfolio ended the year with an 11.3% annual investment return, net of fees.



- Total liabilities decreased by \$18.3 million (a decrease of 9.6%), primarily from the decrease in Debt Payable due to routine debt service payments, including full payment of the series 2020B bonds. Liabilities were just 11% of total assets.

The Colorado College and Subsidiaries

Management's Discussion and Analysis

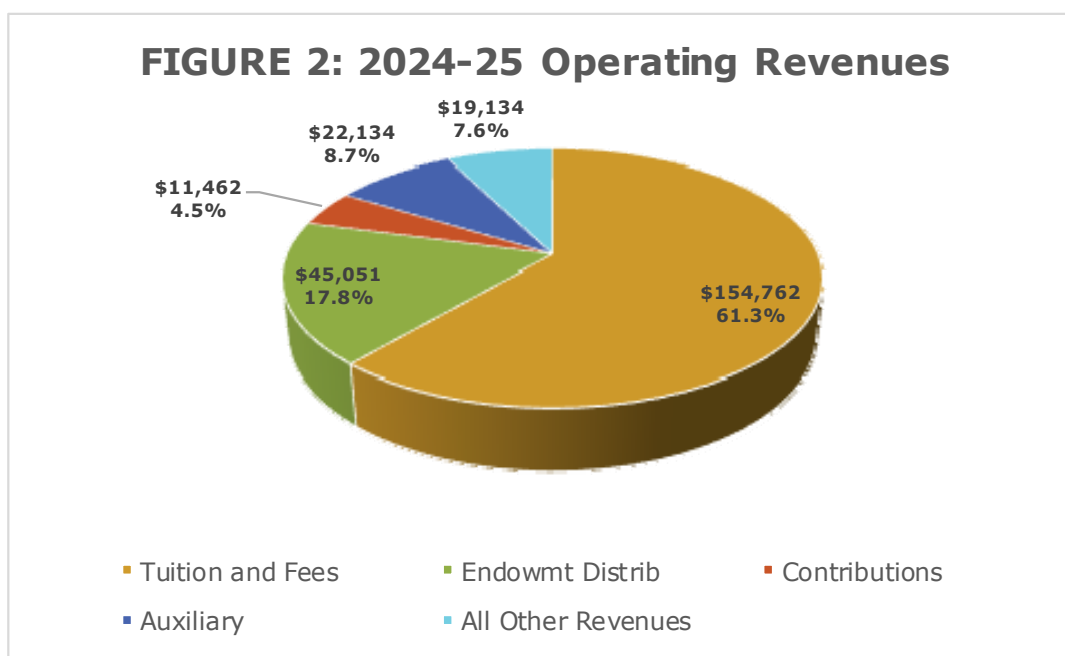
June 30, 2025 and 2024

- Net assets were valued at \$1.4 billion, an increase of \$77.3 million (5.9%) over the prior year.

Statement of Activities

Revenue

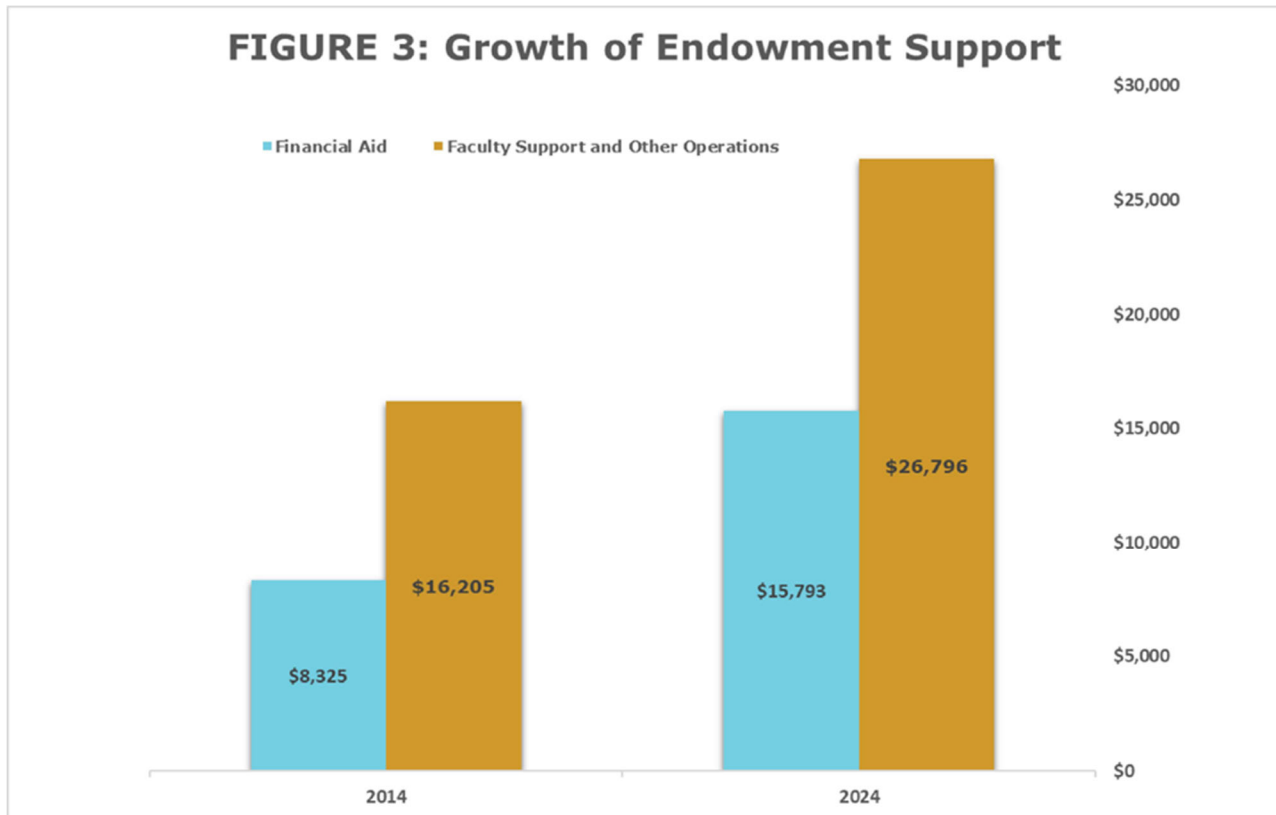
- Total net operating revenues increased by \$5.2 million over the prior year. The increase is attributed primarily to increases in contribution revenue and other investment income, offset by slight decreases in tuition and fees and government grants and contracts.
- Net tuition fell \$2.0 million over the prior year, due to lower enrollment than in the previous year, offset by a 4% increase in tuition and mandatory fees. Revenue sources from students and their families, such as tuition, housing, and dining comprised just over 70% of the College's total operating revenue, as shown in Figure 2.



- Net operating income of \$1.9 million, nonoperating investment returns in the College's endowment, trusts, and split interest agreements of \$68.6 million, and \$6.9 million in contributions for nonoperating purposes were primary contributors to the overall increase in net assets of \$77.3 million.

The Colorado College and Subsidiaries Management's Discussion and Analysis June 30, 2025 and 2024

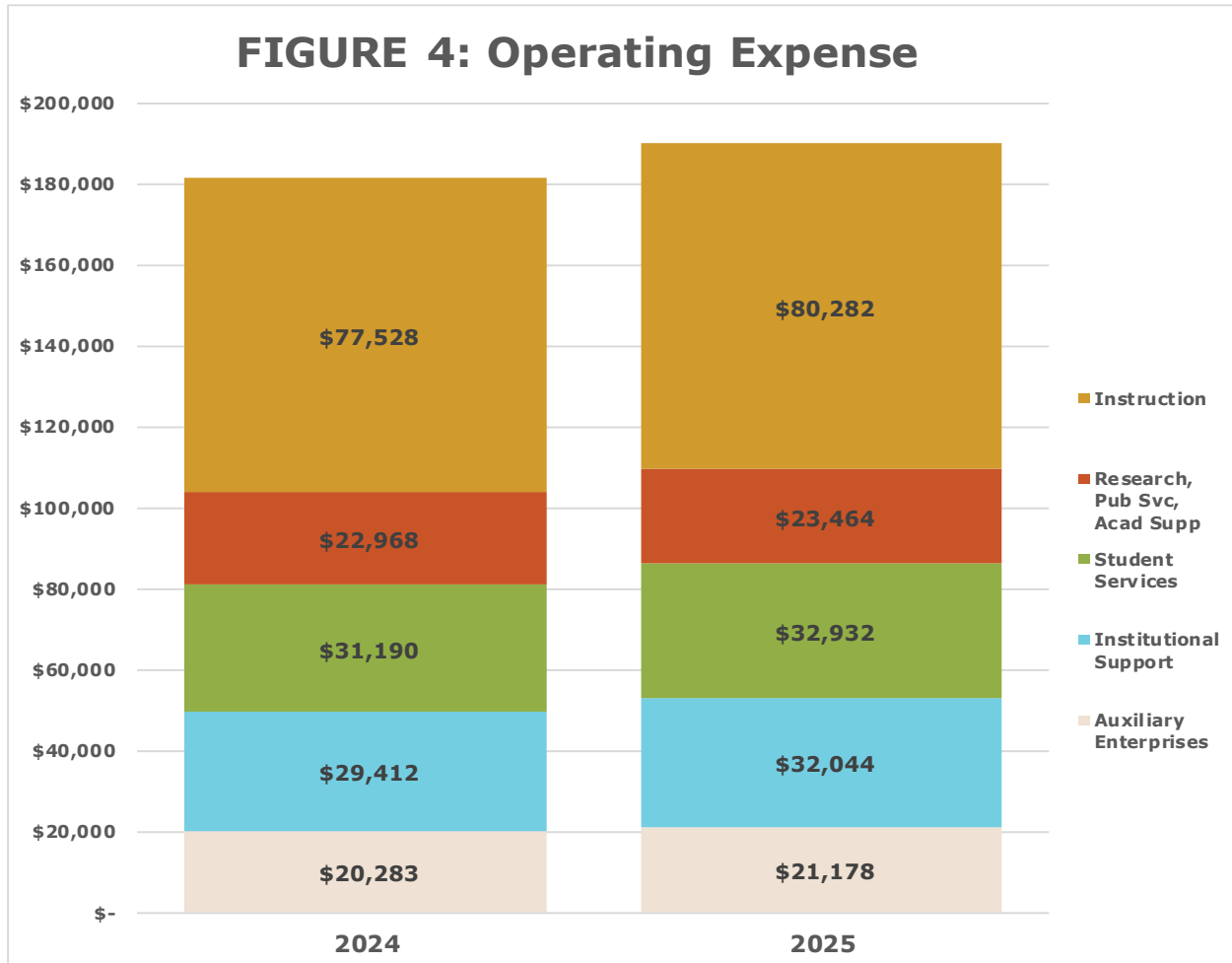
- The endowment contributed \$45.1 million in support of financial aid, faculty support, and other College operations. Endowment distributions supporting financial aid totaled \$17.3 million, which is approximately 39% of total distributions, and were up 94% from the \$8.9 million in distributions supporting financial aid just a decade ago (Figure 3).



Expense

- Operating expenditures increased by 4.7% (\$8.5 million), primarily from increases to employee compensation, repair and maintenance work around the campus, and inflationary increases in services and goods. The College continued to prioritize expenditures to support students such as those for instruction, research, academic support, and student services, and these expenses totaled 72% of all operating expenses (Figure 4).

The Colorado College and Subsidiaries
Management's Discussion and Analysis
June 30, 2025 and 2024



As fiscal year 2025 ended, the Colorado College Board of Trustees named its 15th President, Dr. Manya Whitaker. Interim President Whitaker’s leadership navigated the College through a unique moment in our history with clarity and transparency. Now as President Whitaker inhabits the role permanently, the College will continue its focus on institutional strength and reclaiming the liberal arts, leading boldly as we “claim our space” in higher education.

Consolidated Financial Statements

The Colorado College and Subsidiaries

Consolidated Statements of Financial Position

June 30, 2025 and 2024

Presented in Thousands

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 24,466	\$ 17,373
Short Term Investments	57,317	61,232
Accounts Receivable and Loans to Students, net	7,007	9,072
Contributions Receivable, net	6,498	5,774
Other Assets	4,467	3,822
Assets Held under Split-Interest Agreements	15,280	14,581
Beneficial Interest in Perpetual Trusts	46,310	42,096
Long Term Investments	1,068,631	1,008,284
Land, Buildings, and Equipment, net	330,482	338,967
Operating Lease Right-of-Use Assets	432	639
Total Assets	<u>\$ 1,560,890</u>	<u>\$ 1,501,840</u>
LIABILITIES		
Accounts Payable	\$ 5,777	\$ 5,931
Accrued Payroll and Other Liabilities	18,981	17,522
Deferred Revenue	2,413	2,306
Liabilities under Split-Interest Agreements	3,998	4,039
Asset Retirement Obligation	7,146	6,213
Debt Payable, net	132,964	153,356
Operating Lease Liabilities	432	639
Total Liabilities	<u>\$ 171,711</u>	<u>\$ 190,006</u>
NET ASSETS		
Without Donor Restrictions	\$ 434,950	\$ 423,542
With Donor Restrictions	954,229	888,292
Total Net Assets	<u>\$ 1,389,179</u>	<u>\$ 1,311,834</u>
Total Liabilities and Net Assets	<u>\$ 1,560,890</u>	<u>\$ 1,501,840</u>

See accompanying notes.

The Colorado College and Subsidiaries
Consolidated Statements of Activities
June 30, 2025 (with Summarized 2024 Totals)

<i>Presented in Thousands</i>	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
OPERATING ACTIVITY				
Revenues, Gains, and Other Support				
Net Tuition and Fees (Note 1)	\$ 94,129	\$ -	\$ 94,129	\$ 96,606
Contributions	8,234	3,228	11,462	7,429
Government Grants and Contracts	1,591	10	1,601	1,656
Endowment Distribution	11,898	33,153	45,051	42,589
Other Investment Income	5,308	2,281	7,589	6,563
Auxiliary Enterprises	22,013	-	22,013	21,944
Other Revenue	9,923	21	9,944	9,826
Net Assets Released from Restrictions	37,627	(37,627)	-	-
Total Operating Revenue	<u>\$ 190,723</u>	<u>\$ 1,066</u>	<u>\$ 191,789</u>	<u>\$ 186,613</u>
Expenses: Educational and General				
Instruction	\$ 80,282	\$ -	\$ 80,282	\$ 77,528
Research	643	-	643	854
Academic Support	22,821	-	22,821	22,114
Student Services	32,932	-	32,932	31,190
Institutional Support	32,044	-	32,044	29,412
Total Educational and General Expenses	168,722	-	168,722	161,098
Auxiliary Enterprises	21,178	-	21,178	20,283
Total Operating Expenses	<u>\$ 189,900</u>	<u>\$ -</u>	<u>\$ 189,900</u>	<u>\$ 181,381</u>
Increase (Decrease) in Net Assets from Operating Activities	<u>\$ 823</u>	<u>\$ 1,066</u>	<u>\$ 1,889</u>	<u>\$ 5,232</u>
NONOPERATING ACTIVITY				
Contributions	\$ 86	\$ 6,808	\$ 6,894	\$ 22,193
Investment Return on Endowment, net	10,518	53,042	63,560	84,172
Change in Value of Split Interest Agreements	(19)	5,021	5,002	3,073
Increase (Decrease) in Net Assets from Nonoperating Activities	10,585	64,871	75,456	109,438
Total Change in NET ASSETS	<u>\$ 11,408</u>	<u>\$ 65,937</u>	<u>\$ 77,345</u>	<u>\$ 114,670</u>
Net Assets - Beginning of Year	<u>\$ 423,542</u>	<u>\$ 888,292</u>	<u>\$ 1,311,834</u>	<u>\$ 1,197,164</u>
NET ASSETS - END OF YEAR	<u><u>\$ 434,950</u></u>	<u><u>\$ 954,229</u></u>	<u><u>\$ 1,389,179</u></u>	<u><u>\$ 1,311,834</u></u>

See accompanying notes.

The Colorado College and Subsidiaries

Consolidated Statements of Activities

June 30, 2024

<i>Presented in Thousands</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total
OPERATING ACTIVITY			
Revenues, Gains, and Other Support			
Net Tuition and Fees (Note 1)	\$ 96,606	\$ -	\$ 96,606
Contributions	4,539	2,890	7,429
Government Grants and Contracts	1,637	19	1,656
Endowment Distribution	11,254	31,335	42,589
Other Investment Income	4,848	1,715	6,563
Auxiliary Enterprises	21,944	-	21,944
Other Revenue	9,787	39	9,826
Net Assets Released from Restrictions	38,659	(38,659)	-
Total Operating Revenue	<u>\$ 189,274</u>	<u>\$ (2,661)</u>	<u>\$ 186,613</u>
Expenses: Educational and General			
Instruction	\$ 77,528	\$ -	\$ 77,528
Research	854	-	854
Academic Support	22,114	-	22,114
Student Services	31,190	-	31,190
Institutional Support	29,412	-	29,412
Total Educational and General Expenses	161,098	-	161,098
Auxiliary Enterprises	20,283	-	20,283
Total Operating Expenses	<u>\$ 181,381</u>	<u>\$ -</u>	<u>\$ 181,381</u>
Increase (Decrease) in Net Assets from Operating Activities	<u>\$ 7,893</u>	<u>\$ (2,661)</u>	<u>\$ 5,232</u>
NONOPERATING ACTIVITY			
Contributions	\$ 16,108	\$ 6,085	\$ 22,193
Investment Return on Endowment, net	12,653	71,519	84,172
Change in Value of Split Interest Agreements	(36)	3,109	3,073
Increase (Decrease) in Net Assets from Nonoperating Activities	28,725	80,713	109,438
Total Change in NET ASSETS	<u>\$ 36,618</u>	<u>\$ 78,052</u>	<u>\$ 114,670</u>
Net Assets - Beginning of Year	<u>\$ 386,924</u>	<u>\$ 810,240</u>	<u>\$ 1,197,164</u>
NET ASSETS - END OF YEAR	<u><u>\$ 423,542</u></u>	<u><u>\$ 888,292</u></u>	<u><u>\$ 1,311,834</u></u>

See accompanying notes.

The Colorado College and Subsidiaries
Consolidated Statements of Cash Flow
June 30, 2025 and 2024

<i>Presented in Thousands</i>	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Change in Net Assets	\$ 77,345	\$ 114,670
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Realized and Unrealized (Gains) Losses on Investments	\$ (86,651)	\$ (133,238)
Depreciation and Amortization	12,993	12,308
Amortization of Bond Issuance Costs	75	90
Changes in Asset Retirement Obligation and Accretion	933	(3,165)
(Gain)/Loss on Disposal of Capital Equipment and Property	2	12
Change in Value of Split Interest Agreements	(4,951)	(2,561)
Contributions and Investment Income Restricted for Long Term Investments	(6,894)	(22,193)
Changes in:		
Accounts Receivable, net	1,758	33
Contributions Receivable, net	(724)	5,682
Other Assets and Operating Lease Right-of-Use Assets	(439)	469
Accounts Payable and Operating Lease Liabilities	(360)	2,168
Accrued Payroll and Other Liabilities	1,849	2,414
Deferred Revenue	106	(1,121)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (4,958)</u>	<u>\$ (24,432)</u>
INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	\$ (4,511)	\$ (7,123)
Proceeds from Sales or Maturities of Investments	105,013	107,527
Purchase of Investments	(74,658)	(89,864)
Change in Loans Receivable	(221)	(304)
Net Cash Provided by (Used in) Investing Activities	<u>\$ 25,623</u>	<u>\$ 10,236</u>
FINANCING ACTIVITIES		
Contributions and Investment Income Restricted for Long-Term Investments	\$ 6,894	\$ 22,193
Repayments on Debt	(20,467)	(11,437)
Net Cash Provided by (Used in) Financing Activities	<u>\$ (13,573)</u>	<u>\$ 10,756</u>
INCREASE (Decrease) CASH AND CASH EQUIVALENTS	<u>\$ 7,093</u>	<u>\$ (3,440)</u>
Cash and Cash Equivalents - Beginning of Year	<u>17,373</u>	<u>20,813</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 24,466</u></u>	<u><u>\$ 17,373</u></u>
Supplemental Cash Flow Information		
Interest paid	\$ 5,855	\$ 6,141
Noncash Investing and Financing Activities:		
Gifts in Kind	\$ 156	\$ 233

See accompanying notes.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations – The Colorado College (the College) is an independent college of liberal arts and sciences. The College was established as a coeducational, residential institution in 1874. The College provides undergraduate and master-of-arts in teaching degree programs to nearly 2,200 students each year. The College's distinctive class calendar divides the year into segments called blocks. Under this system, students take, and faculty teach, only one course at a time. The student-teacher ratio is 9 to 1, typically with no more than 25 students per class. The College's revenues are predominately earned from tuition and fees, contributions, auxiliary enterprises, and investment income.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Principles of Consolidation – The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the College and two wholly-owned for-profit subsidiaries of the College: Dale Street Properties, LLC, and Cascade Avenue Medical Building, Inc. All significant intercompany balances and transactions have been eliminated.

Basis of Presentation – Net assets and revenues, gains, and losses are classified based on the existence or absence of externally imposed restrictions. Accordingly, net assets of the College are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, amounts as board-designated endowment. In addition, this category includes investment in land, buildings, and equipment.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions and grants (including grants with government agencies) that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as without donor restriction.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment or similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restrictions on net assets, (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets or net assets released from restrictions.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Cash and Cash Equivalents – The College maintains cash in various financial institutions to reduce credit risk. At June 30, 2025 and 2024, the FDIC insurance limit for interest-bearing and noninterest-bearing cash accounts was \$250,000. At June 30, 2025 and 2024, the College's cash accounts exceed federally insured limits by approximately \$25,073,838 and \$17,850,092, respectively. The College has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents held at these banks.

Short Term Investments – Short term investments reflect cash held in money markets which is available for operations. Cash equivalents in short term investments seek to provide current income while maintaining liquidity.

Accounts Receivable and Loans to Students, Net – Accounts receivable are stated at the amount billed to grants, customers, and students, net of allowances for credit losses. Loans to students represent the net amount of outstanding loans from students, after considering similar allowances. The College calculates allowances for credit losses and loans based on a review of outstanding receivables and student loans, historical collection information, existing economic conditions, and reasonable and supportable forecasts. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 120 days are considered delinquent. Interest is not accrued on unpaid accounts. Delinquent unsecured accounts and loans receivable are written off based on individual credit evaluations and specific circumstances of the customer or student.

Other Assets – Other assets consist primarily of prepaid expenses and inventories. Inventories consist mainly of fuel, postage, and supplies. Inventories are valued at the lower of cost or fair value (using the first-in, first-out method).

Investments – Investments are stated at fair value. Investment income and realized and unrealized gains and losses are reflected in the Consolidated Statements of Activities as without or with donor restriction based upon the existence and nature of any donor or legally imposed restrictions. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in with donor restricted revenue and net assets released from restrictions.

Cash and cash equivalents held in investment funds are held for reinvestment and are reported as investments on the Consolidated Statements of Financial Position. Equity and fixed income securities having a readily determinable fair value are stated at fair value determined by daily quoted market prices. Other investments, such as some fixed income securities, for which no quoted market values or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. Water rights and real estate fair values are determined at the time conveyed by appraisal, with reappraisals performed at least every five years.

Fair Value Measurements – The College follows the Fair Value Measurements Standard as established by the FASB. The standard defines fair value, establishes a framework for measuring fair value under Generally Accepted Accounting Principles in the United States (U.S. GAAP), and enhances disclosures about fair value measurements. Under the standard, fair value is defined as the amount that would be received for an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants on the valuation date.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The standard also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability used to measure fair value that rely on the reporting entity's own assumptions concerning the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

In situations when investments do not have readily determinable fair values (alternative investments), the College uses the Net Asset Value, or its equivalent, as a practical expedient for fair value.

Amounts Held as Trustee or Agent under Split-Interest Agreements – Under irrevocable trust agreements, the College receives contributed investments and agrees to maintain the principal of the investment during the life of the donor(s) and make annual payments to the donor(s) or beneficiaries for life. The annual payments are based on a fixed rate of return or on related investment income, as stipulated in the trust agreement. Amounts received under irrevocable trust agreements, net of the present value of future payments to beneficiaries, are recorded as contribution revenue with donor restriction upon receipt. A liability for trust obligations is recorded for the estimated present value of future payments to beneficiaries. Upon the death of the beneficiaries, the assets are transferred from net assets with donor restriction as designated by the Board or trust agreement.

The College also receives contributions of charitable gift annuity contracts. The College recognizes a liability equal to the present value of the remaining payments due to annuitants under annuity contracts, based upon the remaining life expectancies of the respective annuitants.

Beneficial Interest in Trusts Held by Others – The beneficial interest in trusts held by others and related contribution revenue are recognized at the date the trusts are established and are recorded at the present value of estimated future payments to be received.

Land, Buildings, and Equipment – Buildings and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation of land, buildings, and equipment is calculated on the straight-line method over the estimated useful lives of the assets - between four and twenty years for equipment, and forty years for building, improvements, and infrastructure.

Construction in progress is recorded for renovation and new construction projects that are in process at year-end. Upon project completion, the asset is transferred to the applicable depreciable asset category.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

To qualify as capital expenses, costs must (1) be significant in amount and (2) provide benefit to the College over more than one accounting period. For improvement or restoration costs, the costs must increase the productive capacity or useful life of the asset. Costs that meet all these criteria are added to the value of the affected asset and depreciated over the remaining useful life of that asset to be capitalized. Costs that do not meet all these criteria will be expensed in the operating period in which they occur. To be considered significant in amount, an improvement, renovation, or restoration project must have total costs equal to or greater than \$25,000. Purchased and donated furniture and equipment items must have a value of \$5,000 or more at the date of acquisition or donation to be considered for capitalization.

Collections of works of art, historical treasures, and similar assets are not capitalized or depreciated because the items are preserved and cared for continuously. Purchases of collection items are reported in the year of acquisition as decreases in net assets without donor restriction and as net assets released from restriction if the assets used to purchase the items were restricted to that use by donor stipulation. Contributions of collection items are not reported in the financial statements. Proceeds from disposal of and insurance recoveries related to collection items are reported as increases in the appropriate net asset classes.

Asset Retirement Obligations – The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the cost of the retirement obligation is capitalized by increasing the carrying value of the related asset. Over time, the liability is accreted to its present value each year and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the Consolidated Statements of Activities. The College reviews its estimates annually and adjusts the recorded liability as needed.

Operating Lease Right-of-Use Assets and Operating Lease Liabilities – The College determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities, and should the College have finance leases, they are included in finance lease right-of-use (ROU) assets and finance lease liabilities in the Consolidated Statements of Financial Position.

ROU assets represent the College's right to use an underlying asset for the lease term and lease liabilities represent the College's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The College does not record right to use assets or lease liabilities of less than one year.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that the College will exercise that option. For individual lease contracts that do not provide information about the discount rate, the College has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liabilities. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Accrued Payroll and Other Liabilities – The College accrues earned but unpaid salaries, wages and related benefits, including taxes, insurance, retirement and other compensation related withholdings. In addition, College policy permits employees to accumulate earned but unused vacation benefits that would be paid to employees upon separation from College services. The accrual of vacation hours is limited to 264 hours for exempt and nonexempt employees.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The College provides either a full or phased early retirement program for tenure-track and adjunct faculty. Benefit periods are three years for the retiree between the ages of 59.5 and 67, two years at the age of 68 and one year at the age of 69. Early full retirement for tenure-track faculty is equal to 50% of salary with adjustments for inflation for the applicable time period. Adjunct faculty early full retirement equates to 50% of the compensation one would receive for the prior five-year course-count average. Phased retirement for tenure-track and adjunct faculty is equal to 70% of inflation-adjusted salary and these faculty members are required to teach half time or three blocks per academic year. Additions to the accrual are based upon the terms of the specific early retirement agreements issued.

The College holds various funds in a fiduciary capacity for organizations of the College, such as classes and clubs. These organizations raise funds in their own capacities and expend the funds on their organization's behalf. The revenues and expenses of these organizations are not included in the accompanying financial statements, but these funds are included in cash and investments and considered a liability of the College.

Government Advances for Loans to Students – The College administers the Title IV Perkins Loan Program for the benefit of its students. Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed to students. The College has elected to continue to collect on Perkins loans and return the Federal Capital Contributions (FCC) portion as the loans are collected. As payments are made back to the Department of Education, government advances for loans to students will be reduced. Per instructions from the Department of Education, \$271,267 and \$304,391 was returned in fiscal years 2025 and 2024, respectively. The College's share of \$54,767 in fiscal year 2025 and \$75,720 in fiscal year 2024 was returned to College operating funds.

Deferred Revenue – Deferred revenue represents payments received prior to the start of an academic term for performance obligations to be met in the following fiscal year as programs are completed. Summer programs are the primary source of such deferred revenue.

Operating Activities – Revenues received and expenses incurred in conducting the programs and services of the College are presented in the Consolidated Statements of Activities as operating activities. Revenues and other support from operating activities that are not restricted by donors or other external sources are classified as without donor restrictions. Other revenues and support from operating activities that are restricted for a specific purpose by the donor are classified as with donor restriction. Operating activities also include investment earnings from the College's working capital funds and endowment distributions as approved by the board. Net assets released from restriction included in operating activities represent certain gifts and income used for operating expenses where the donor restriction has been satisfied in the current year. All contributions for endowment, including unrestricted donations that the board designates as endowments, as well as those for land, buildings, and equipment, are reported in the nonoperating section of the Consolidated Statements of Activities.

Revenue Recognition – Tuition and Fees – Tuition and fees are recognized in the fiscal year in which the academic programs and services are provided. Instructional programs are delivered over the course of four three-and-a-half week blocks each semester, with three blocks each summer, as described below. Amounts received for future periods are reported as deferred revenue. As these performance obligations are satisfied, deferred revenue is reduced. When payments are received, accounts receivable are reduced. Full payment for services is due by the 10th day of the Fall, Spring, and Summer terms. In addition, students who adjust their course load or withdraw completely within the first two blocks of the Fall or Spring semester may receive a full or partial refund in accordance with the College's refund policy.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Institutional scholarships awarded to students reduce the amount of revenue recognized. Funding sources for institutional scholarships include amounts funded by College funds, Associated Colleges of the Midwest (ACM) Tuition Exchange, the endowment, gifts, and grants. Tuition discounts are detailed in Note 16.

The College offers three summer terms. In summer 2025, Block A began May 27 and ended June 20, Block B began June 23 and ended July 17, and Block C began July 21 and ended August 13. For summer 2024, Block A began May 28 and ended June 21, Block B began June 24 and ended July 18, and Block C began July 22 and ended August 14. Revenue for each is recognized proportionately, depending on the number of days of the Block that fall into each fiscal year. A portion of Block B and all of Block C tuition and fees are recorded as deferred revenue at June 30 of each year.

First-year students secure their enrollment and housing by paying nonrefundable deposits by May 1 for the following academic term. In limited circumstances, students can defer enrollment and housing by one year without forfeiting their deposit. Deposits are recorded as deferred revenue and applied against charges in the first year of enrollment. The enrollment deposit was \$1,000 per student for the academic terms ending June 30, 2025 and 2024, respectively.

Auxiliary Services and Other Revenue – The College also provides auxiliary services to students, faculty, staff, and incidentally to the general public. Fees for auxiliary services are priced to offset the cost of the goods or services provided. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions.

Auxiliary services revenue includes activities such as residential housing, meal services, and the campus bookstore. Since performance obligations for housing and meal services are met as services are delivered over the academic terms, revenue from these services is recognized in the fiscal year in which the goods and services are provided. Charges for housing and meal plans are posted to student accounts, and payment terms mirror those for tuition and fees. Students that withdraw completely from the College may receive a partial refund for meal plan charges, in accordance with the College's refund policy. Housing room charges, with few exceptions, are nonrefundable. Refunds issued reduce the amount of revenue recognized. Credit balances are included in deferred revenue on the Consolidated Statements of Financial Position.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The following table shows tuition and auxiliary revenues disaggregated according to the timing of the transfer of goods or services and by source:

Presented in Thousands

Contract Revenue Recognized over Time

	Year ended June 30,	
	2025	2024
Tuition and Fees	\$ 154,762	\$ 156,795
Scholarship Allowances	(60,633)	(60,189)
Total Tuition and Fees, net	\$ 94,129	\$ 96,606
Housing	14,392	14,473
Dining	7,540	7,446
Other Auxiliary Revenue	81	25
Total Auxiliary	\$ 22,013	\$ 21,944
	<u>\$ 116,142</u>	<u>\$ 118,550</u>

Contributions and Grants – Unconditional gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restriction. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restriction. Contributions, grants, (including cost reimbursable government grants) and contracts received are evaluated and accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. Further, contributions and grants deemed nonreciprocal transactions are evaluated to determine whether conditional or unconditional. Unconditional contributions and grants are immediately recognized as revenue, while conditional contributions or grants are recognized as revenue as donor-imposed conditions are met.

When a donor stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

The College reports gifts of land, buildings, and equipment as without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction support. The College reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. All contributions for endowment, including unrestricted donations that the board designates as endowments, as well as those for land, buildings, and equipment, are reported in the nonoperating section of the Consolidated Statements of Activities.

Contributions receivable include pledges that are recorded at their present value using discount rates ranging from approximately 0.07% – 5.40% depending on the year of inception. An allowance is made for potentially uncollectible contributions based upon management's past collection experience and other relevant factors.

From time to time, the College receives contributions from related parties, including employees, Trustees, or other organizations in which the College's Trustees serve as Directors. At June 30, 2025 and 2024, contributions receivable from related parties were \$288,354 and \$657,300, respectively.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Income Taxes – The College qualifies as a tax-exempt nonprofit organization under Section 501(a) of the Internal Revenue Code as an organization described under Section 501(c)(3). The College is subject to federal income tax only on net unrelated business income under the provisions of Section 501(c)(3) of the Internal Revenue Code. Cascade Avenue Medical Building, Inc. is subject to federal and state income taxes. Profits and losses of Dale Street Properties, LLC pass through directly to the College.

The College has adopted the requirements related to accounting for uncertain tax positions. The College evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2025 and 2024.

Functional Allocation of Expenses – The costs of various programs, support services, and other activities are summarized on a functional basis in the Consolidated Statements of Activities in accordance with the overall educational mission of the College. The analysis of expenses by nature and function in Note 18 presents the natural classification of categories of expenses within each function. Costs have been either directly charged to, or allocated among, programs and supporting activities. Allocated costs include facilities management and planning, depreciation and disposal of land, buildings, and equipment, information technology service, and interest. Costs not directly charged are allocated on a pro-rata basis to benefiting programs and supporting services, using functional expense totals as a proxy for estimated utilization of resources or support.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Summarized Financial Information – The Consolidated Statements of Activities for the year ended June 30, 2025, on page 10 contains prior year summarized comparative information that does not include sufficient detail to constitute a full presentation in conformity with U.S. GAAP. A full presentation of prior year information in conformity with U.S. GAAP is presented on the Consolidated Statements of Activities for the year ended June 30, 2024.

Reclassifications – Certain amounts within the June 30, 2024, financial statements have been reclassified to conform to the June 30, 2025 presentation. These reclassifications had no effect on previously reported net assets.

Note 2 – Available Resources and Liquidity

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

In addition to financial assets available to meet general expenditures over the next 12 months, the College operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. As of June 30, 2025 and 2024, the following financial assets could readily be made available within one year of the date of the Consolidated Statements of Financial Position to meet general expenditures.

<i>Presented in Thousands</i>	2025	2024
Financial Assets Available at Year End		
Cash and Cash Equivalents	\$ 24,466	\$ 17,373
Short Term Investments	57,317	61,232
Accounts Receivable, net	6,617	8,514
Contributions Receivable, net	6,498	5,774
Loans to Students, net	390	558
Assets Held Under Split Interest Agreements	15,280	14,581
Long Term Investments	1,068,631	1,008,284
	<u>\$ 1,179,199</u>	<u>\$ 1,116,316</u>
Less Assets Not Available for General Expenditures Within 12 Months:		
Contributions Receivable, beyond one year	\$ 4,272	\$ 2,653
Designated Reserves	18,201	20,147
Assets Held Under Split Interest Agreements	15,280	14,581
Perpetual and Term Endowment, and Accumulated Earnings		
Subject to Appropriation Beyond One Year	1,053,277	982,304
Funds with Donor Restrictions	22,399	22,929
	<u>22,399</u>	<u>22,929</u>
Financial Assets Available for Use Over the Next 12 Months	<u>\$ 65,669</u>	<u>\$ 73,702</u>

Note 3 – Accounts and Loans Receivable, Net

General, student, grant, and other receivables, as of June 30, 2025 and 2024, consisted of the following:

<i>Presented in Thousands</i>	2025	2024
Accounts Receivable - General	\$ 969	\$ 1,141
Loans to Students	394	566
Accounts Receivable - Students	498	706
Accounts Receivable - Grants	4,915	5,715
Interest Receivable	293	473
Other Receivables	-	526
	<u>\$ 7,069</u>	<u>\$ 9,127</u>
Less Allowances for Credit Losses:		
Student Accounts	\$ (58)	\$ (47)
Loans to Students	(4)	(8)
	<u>\$ (62)</u>	<u>\$ (55)</u>
Total	<u>\$ 7,007</u>	<u>\$ 9,072</u>

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

An allowance for credit losses is recorded annually based on historical experience and management's evaluation of receivables and the end of the year. Credit losses are written off when deemed uncollectible. Receivables are generally unsecured.

The College separates students accounts receivable into risk pools based on their aging and develops a loss rate for each risk pool. The loss rate varies between 10% for student accounts receivable between 31-90 days past due and 45% for any greater than 120 days past due. The allowance for credit losses on students is calculated using the average cohort default rate which is 1.1% and 1.4% at June 30, 2025 and 2024, respectively.

Note 4 – Contributions Receivable

Contributions receivable consist of the following unconditional promises to give as of June 30:

<i>Presented in Thousands</i>	2025	2024
Annual Fund	\$ 137	\$ 226
Gifts for Operations	3,456	3,592
Endowment	3,217	2,192
	<u>\$ 6,810</u>	<u>\$ 6,010</u>
Less allowance for doubtful pledges	(55)	(58)
Less unamortized discount	(257)	(178)
	<u><u>\$ 6,498</u></u>	<u><u>\$ 5,774</u></u>

The College expects to collect contributions as follows:

<i>Presented in Thousands</i>	2025	2024
Net amounts due in		
Less than one year	\$ 2,226	\$ 3,178
One to five years	3,593	1,890
Greater than five years	679	706
	<u><u>\$ 6,498</u></u>	<u><u>\$ 5,774</u></u>

Contributions receivable due within one year are not discounted. Contributions receivable expected to be collected in more than one year have been discounted using historic rates, ranging from 0.07% to 5.4%. In addition, the College has been notified of donor intent to give, in wills or trust instruments of amounts totaling approximately \$48.9 million and \$40.9 million as of June 30, 2025 and 2024, respectively. These promises and bequest pledges do not yet meet revenue recognition criteria, and will be recognized when conditions are substantially met.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 5 – Investments and Financial Instruments Measured at Fair Value

The following tables present investments and financial instruments carried at fair value in accordance with the valuation hierarchy defined in Note 1 as of June 30, 2025, and June 30, 2024.

Presented in Thousands

	June 30, 2025
Short Term Investments	\$ 57,317
Long Term Investments	1,068,631
Assets Held under Split-Interest Agreements	15,280
	<u>\$ 1,141,228</u>

	Level I	Level II	Level III	2025 Total
Cash and Cash Equivalents	\$ 119,415	\$ -	\$ -	\$ 119,415
Fixed Income	12,342	367	-	12,709
Global Equities	359,526	-	-	359,526
Real Estate and Water Rights	-	2,582	-	2,582
Assets Held under Split Interest Agreements				
Cash and Cash Equivalents	243	-	344	587
Fixed Income	1,878	-	2,305	4,183
Equities	4,076	-	6,087	10,163
Real Assets	-	-	239	239
Private Debt	-	-	108	108
	<u>\$ 497,480</u>	<u>\$ 2,949</u>	<u>\$ 9,083</u>	<u>\$ 509,512</u>
Investments Measured at Net Asset Value				631,716
TOTAL INVESTMENTS				<u>\$ 1,141,228</u>

Presented in Thousands

	June 30, 2024
Short Term Investments	\$ 61,232
Long Term Investments	1,008,284
Assets Held under Split-Interest Agreements	14,581
	<u>\$ 1,084,097</u>

	Level I	Level II	Level III	2024 Total
Cash and Cash Equivalents	\$ 103,366	\$ -	\$ -	\$ 103,366
Fixed Income	19,969	51	-	20,020
Global Equities	344,658	-	-	344,658
Real Estate and Water Rights	-	2,582	-	2,582
Assets Held under Split Interest Agreements				
Cash and Cash Equivalents	90	-	246	336
Fixed Income	1,813	-	2,230	4,043
Equities	4,177	-	5,682	9,859
Real Assets	-	-	240	240
Private Debt	-	-	103	103
	<u>\$ 474,073</u>	<u>\$ 2,633</u>	<u>\$ 8,501</u>	<u>\$ 485,207</u>
Investments Measured at Net Asset Value				598,890
TOTAL INVESTMENTS				<u>\$ 1,084,097</u>

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The following tables are reconciliations of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level III) inputs as of June 30, 2025, and June 30, 2024.

Level III Investments	July 1, 2024 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30, 2025 Balance
Assets Held under Split-Interest Agreements	<u>\$ 8,501</u>	<u>\$ 455</u>	<u>\$ (400)</u>	<u>\$ 527</u>	<u>\$ 9,083</u>

Level III Investments	July 1, 2023 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30, 2024 Balance
Assets Held under Split-Interest Agreements	<u>\$ 9,066</u>	<u>\$ 758</u>	<u>\$ (743)</u>	<u>\$ (580)</u>	<u>\$ 8,501</u>

The College uses the Net Asset Value (NAV) to estimate fair value of all its investments that a) do not have a readily determinable fair value and b) prepare their financial statements consistent with the measurement principles or have the attributes of an investment company. The College has estimated the fair value of these funds by using the NAV provided by the investee. If not determined as of the College's measurement date, NAV is adjusted to reflect any significant events that would materially affect the security's value. Certain attributes that impact the security's fair value may not be reflected in NAV, including, but not limited to, the investor's ability to redeem the investment at the measurement date and unfunded purchase commitments. If the College sold all or a portion of its alternative investment, it is reasonably possible that the transaction value could differ significantly from the estimated fair value at the measurement date, because of the nature of the investments, changes in market conditions and the overall economic environment. Under accounting guidance, investments measured using the NAV per share (or its equivalent) practical expedient are not classified in the fair value hierarchy.

The following table lists investments reported at NAV in other investment companies (in partnership format) by major category:

Presented in Thousands

Investments Held at Net Asset Value	Redemption Notice Period	Redemption Frequency	Unfunded Commitments	Fair Value at June 30, 2025
a International Equities	6 Business days	Weekly	\$ -	\$ 178,827
b Absolute Return	45 Day notice	Annually	-	123,149
c Emerging Markets - Liquid	45 Day notice	Quarterly	-	289
d Consumer Markets - Liquid	45 Day notice	Quarterly	-	-
e Distressed Credit	n/a *	n/a *	63,731	82,287
f Emerging Markets - Illiquid	n/a *	n/a *	335	4,063
g Consumer Markets - Illiquid	n/a *	n/a *	-	882
h Real Estate	n/a *	n/a *	13,383	30,832
i Private Equity Large-Cap Buyout	n/a *	n/a *	149,591	211,387
			<u>\$ 227,040</u>	<u>\$ 631,716</u>

* These funds are in private equity structures, with no ability to be redeemed

- a. **International Equities** – Stock of companies based outside of the United States, offering exposure to global markets and economies. Investing in international equities helps diversify portfolios and can enhance returns by capturing growth opportunities in different regions and sectors.
- b. **Absolute Return** – An absolute return investment strategy aims to generate positive returns regardless of market direction by using diverse assets and techniques such as hedging, short selling, and derivatives. It focuses on preserving capital and minimizing volatility.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

- c. **Emerging Markets – Liquid** – An emerging markets investment strategy focuses on investing in readily tradable securities such as equities, bonds, and currencies, within developing economies that offer higher growth potential. This strategy seeks to capture attractive risk-adjusted returns through active management, diversification, and liquidity discipline amid the volatility and structural opportunities of emerging markets.
- d. **Consumer Markets – Liquid** – A consumer markets liquid investment strategy targets investments in publicly traded companies and instruments within sectors driven by consumer demand, such as retail, healthcare, technology, and consumer goods. It aims to capitalize on global consumption trends and deliver attractive, risk-adjusted returns through diversified, actively managed, and highly liquid positions.
- e. **Distressed Credit** – A distressed credit investment strategy focuses on acquiring the debt of companies facing financial distress, restructuring, or bankruptcy, often at significant discounts to face value. The goal is to capitalize on recovery potential through restructurings, asset sales, or improved operations, generating strong risk-adjusted returns independent of market cycles.
- f. **Emerging Markets – Illiquid** – An emerging markets illiquid investment strategy targets long-term opportunities in private equity, real assets, and private credit within developing economies where capital markets are less mature. The strategy seeks to capture outsized growth and valuation upside by partnering with local operators and leveraging structural economic expansion, despite higher risks and lower liquidity.
- g. **Consumer Markets – Illiquid** – A consumer markets illiquid investment strategy targets private investments in companies and assets that benefit from long-term consumer demand trends, such as branded goods, healthcare, technology, and services. The strategy seeks to create value through active ownership and operational improvements, capitalizing on enduring shifts in consumer behavior and market growth potential.
- h. **Real Estate** – A real estate investment strategy involves acquiring, developing, or managing property assets to generate income and long-term capital appreciation. It seeks to balance stable cash flows with potential value growth, often through diversification across sectors such as residential, commercial, industrial, and logistics real estate.
- i. **Private Equity Large-Cap Buyout** – A private equity large-cap buyout investment strategy focuses on acquiring controlling stakes in established, high-quality companies with strong cash flows and defensible market positions. The strategy aims to drive value through operational improvements, strategic growth initiatives, and financial optimization, ultimately delivering attractive returns upon exit.

Of the investments held at NAV, the estimated remaining commitments have lives ranging from 1 to 10 years ending June 30 as follows:

Presented in Thousands

2026	\$ 46,656
2027	29,476
2028	28,176
2029	25,599
2030 and beyond	97,133
	<u>\$ 227,040</u>

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The College held 98 funds in 66 investment companies at June 30, 2025. The College had the following outstanding investment commitments for the year ending June 30:

<i>Presented in Thousands</i>	2025
Investment commitments	\$ 595,418
Contributions to commitments	368,378
Remaining commitments	\$ 227,040

The College reviews endowment portfolio investment liquidity quarterly. Redemption requirements range from one day to 120 days as found in the individual Investment Offering Memorandum for each investment. The following table represents the endowment portfolio liquidity, by category, as a percentage of the total endowment portfolio:

	2025	2024
Liquidity		
Daily/Weekly	40%	40%
Monthly	7%	8%
Quarterly	24%	25%
Annually	0%	0%
Illiquid	29%	27%

Investment return is presented in the Consolidated Statements of Activities as follows:

<i>Presented in Thousands</i>	2025	2024
Operating Revenue	\$ 52,640	\$ 49,152
Non-Operating Activity	63,560	84,172
	\$ 116,199	\$ 133,324

Note 6 – Split-Interest Agreements

The College participates in split-interest agreements with donors, which include beneficial interests in perpetual trusts (see Note 7), charitable remainder trusts, charitable gift annuities, and pooled life income funds. Assets associated with split-interest agreements are included in investments and are invested along with other assets of the College. Upon termination of the trust, the College receives the assets remaining in the trust.

For those agreements in which the College is the trustee, contribution revenue from charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors and/or other beneficiaries. Contribution revenue from pooled income funds is recognized upon establishment of the agreement at the fair value of the estimated future receipts discounted for the estimated period to complete the agreement.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The split-interest investments are recorded at fair value and the liabilities for annuities payable and other life income funds payable are reflected within liabilities under split interest agreements on the accompanying Consolidated Statements of Financial Position. The liability recorded is calculated based on the present value of the expected distributions to beneficiaries, using a discount rate varying from 3% to 6% and estimated life expectancy of the youngest beneficiary based on Internal Revenue Service mortality tables.

Contribution revenue recognized and investments recorded by the College related to split-interest agreements are as follows:

Presented in Thousands

	CRATs/CRUTs	Charitable Gift Annuities	Endowment CRT
June 30, 2025			
Contribution Revenue	\$ -	\$ -	\$ -
Investments	12,063	1,872	1,345
June 30, 2024			
Contribution Revenue	\$ 347	\$ -	\$ -
Investments	11,381	1,910	1,290

Note 7 – Beneficial Interests in Perpetual Trusts

Beneficial interests in perpetual trusts are recognized as a contribution when the College is notified of the existence of an irrevocable trust and can establish the fair value of the trust assets. Trust investments are held by a third party (trustee), and the College receives income and/or a residual interest from the assets. The net assets from the trusts are recorded as with donor restriction. Distributions received from the trusts are recorded as investment income, with or without donor restriction as stipulated by the donor.

All beneficial interests in perpetual trusts held by a third party are classified as Level III in accordance with the valuation hierarchy defined in Note 1 as the fair values are based on unobservable inputs. The carrying amount of the actuarial asset approximates fair value based on life expectancies, quoted market prices, and the present value discount included in the carrying amount. Since the College has an irrevocable right to receive the income earned from the trusts' assets, the fair value of the College's beneficial interest is estimated to approximate the net present value of each trust's assets.

Presented in Thousands

Investments at Levels as of June 30,				
	Level I	Level II	Level III	Total
2025 Beneficial Interests Perpetual Trusts	\$ -	\$ -	\$ 46,310	\$ 46,310
2024 Beneficial Interests Perpetual Trusts	\$ -	\$ -	\$ 42,096	\$ 42,096

Level 3 Activity	July 1 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30 Balance
2025 Beneficial Interests Perpetual Trusts	\$ 42,096	\$ 3,068	\$ -	\$ 1,146	\$ 46,310
2024 Beneficial Interests Perpetual Trusts	\$ 38,958	\$ 5,002	\$ -	\$ (1,864)	\$ 42,096

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 8 – Endowment

The College's endowment consists of more than 1,000 active individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds functioning as endowments (internally designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including internally designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The College's Board of Trustees has interpreted the State of Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies the original value of gifts, subsequent gifts, and other accumulations to the endowment as net assets with donor restriction with the direction of the applicable donor gift instrument. The appreciation of a donor-restricted endowment fund is classified as net assets with donor restriction consistent with the standard of prudence prescribed by UPMIFA.

The composition of net assets (including contributions receivable) by type of endowment fund for the years ending June 30 was:

Presented in Thousands

2025 Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Designated Endowments	\$ 190,501	\$ -	\$ 190,501
Donor-Restricted Endowments, held in perpetuity	-	224,440	224,440
Purpose Restricted, subject to appropriation	-	42,983	42,983
Accumulated Investment Gains, subject to appropriation	-	606,184	606,184
Total Endowment Funds	<u>\$ 190,501</u>	<u>\$ 873,607</u>	<u>\$ 1,064,108</u>

Presented in Thousands

2024 Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Designated Endowments	\$ 179,575	\$ -	\$ 179,575
Donor-Restricted Endowments, held in perpetuity	-	218,993	218,993
Purpose Restricted, subject to appropriation	-	40,224	40,224
Accumulated Investment Gains, subject to appropriation	-	553,142	553,142
Total Endowment Funds	<u>\$ 179,575</u>	<u>\$ 812,359</u>	<u>\$ 991,934</u>

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Changes in endowment net assets for the years ended June 30 were:

Presented in Thousands

2025 Change in Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year July 1, 2024	\$ 179,575	\$ 812,359	\$ 991,934
Contributions/Additions	86	6,808	6,894
Investment Returns, net	22,738	87,592	110,330
Appropriation of Endowment Assets for Expenditures	(11,898)	(33,153)	(45,051)
Endowment at Year End June 30, 2025	<u>\$ 190,501</u>	<u>\$ 873,606</u>	<u>\$ 1,064,107</u>

Presented in Thousands

2024 Change in Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year July 1, 2023	\$ 149,778	\$ 730,435	\$ 880,213
Contributions/Additions	16,108	6,085	22,193
Investment Returns, net	24,943	107,174	132,117
Appropriation of Endowment Assets for Expenditures	(11,254)	(31,335)	(42,589)
Endowment at Year End June 30, 2024	<u>\$ 179,575</u>	<u>\$ 812,359</u>	<u>\$ 991,934</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the College is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restriction and aggregated. Such deficiencies totaled \$0 and \$6,594 at June 30, 2025, and 2024, respectively. The deficiency in 2024 was in one fund, which had a value of \$514,092 and a corpus of \$520,686.

In accordance with UPMIFA, the College considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

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

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the College must hold in perpetuity or for donor-specified periods, as well as those of internally designated endowment funds. Under the College's policies, endowment assets are invested in a manner that is intended to produce results that exceed the spending rate plus inflation annually while assuming a reasonable level of investment risk.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The College has a board approved spending policy for appropriating funds for expenditure each year. For fiscal year 2025, the College appropriated 5% of its endowment fund's average market value over the prior 12 quarters through the calendar year-end prior to the year in which expenditure is planned.

Note 9 – Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following for the years ending June 30:

<i>Presented in Thousands</i>	2025	2024
Buildings and Improvements	\$ 452,362	\$ 449,437
Land	11,908	11,908
Campus Infrastructure	34,801	34,801
Equipment and Furnishings	22,220	21,351
Long-Term Equipment	6,980	6,980
Construction in Progress	3,326	2,633
	<u>\$ 531,597</u>	<u>\$ 527,110</u>
Less Accumulated Depreciation	<u>(200,754)</u>	<u>(188,143)</u>
	<u><u>\$ 330,482</u></u>	<u><u>\$ 338,967</u></u>

Capitalized interest, depreciation, and amortization are detailed below for the years ending June 30:

<i>Presented in Thousands</i>	2025	2024
Capitalized interest costs related to construction in progress during the years ending June 30	\$ 149	\$ 96
Total depreciation and amortization expense for the years ending June 30	\$ 12,993	\$ 12,308

Note 10 – Deferred Revenue

Deferred revenue represents payments received in advance of performance obligations being met, primarily for tuition and fees prior to the start of an academic term. The following table details activity for deferred revenue related to tuition and fees, auxiliary enterprises, and other operations.

The College applies the practical expedient in FASB ASC 606-10-50-14 and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Presented in Thousands

	<u>Tuition and Fees</u>	<u>Student Deposits and Other Deferred Revenue</u>	<u>Total</u>
Balance at June 30, 2023	\$ 452	\$ 2,975	\$ 3,427
Revenue Recognized, Deposits Applied/Forfeited	(14,055)	(3,493)	(17,548)
Payments Received for Future Performance Obligations	<u>13,807</u>	<u>2,620</u>	<u>16,427</u>
Balance at June 30, 2024	<u>\$ 204</u>	<u>\$ 2,102</u>	<u>\$ 2,306</u>
Revenue Recognized, Deposits Applied/Forfeited	\$ (13,837)	\$ (2,638)	\$ (16,475)
Payments Received for Future Performance Obligations	<u>13,752</u>	<u>2,830</u>	<u>16,582</u>
Balance at June 30, 2025	<u>\$ 119</u>	<u>\$ 2,294</u>	<u>\$ 2,413</u>

Note 11 – Defined Contribution Retirement Plan

All employees of the College with one year of service are eligible to participate in a defined contribution retirement plan administered by Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA). Upon the attainment of age 30, eligible employees are required to participate and make contributions equivalent to 5% of their salary. For employees hired before July 1, 1991, the College contributes 6% of salary up to the first half of the median faculty/administrator salary and 11% of the balance of their salary. The College typically contributes 10% of base salary for all other employees.

Presented in Thousands

	<u>2025</u>	<u>2024</u>
Total pension expense ending June 30	\$ 6,194	\$ 5,766

Note 12 – Other Post-Retirement Benefit Plans

On June 30, 2005, the post-retirement fully-insured medical program for Medicare eligible retirees was changed to a defined contribution program that created accounts that are funded during the active employment years to be used for the purchase of post-retirement medical coverage. The change affected all active employees and all retirees with a retirement date on or after July 1, 1995, hence eliminating any medical obligation for these Medicare eligible retirees.

Post-retirement medical liability remains for those who retired prior to July 1, 1995, as they receive an 80% premium subsidy from the College for medical coverage and are covered for life. Pre-65 retirees enrolled in the College's active medical plan also contribute to the College's retiree medical liability until their coverage ends at age 65. Although the pre-65 retirees pay 100% of the active premium, their medical costs are higher than the actives, thus creating a 'hidden' College subsidy liability.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

The College uses a June 30 measurement date for the plan. The plan's obligation as of June 30, 2025 and 2024 was \$518,760 and \$410,156 respectively, and this is recorded in the accrued payroll & other liabilities on the Consolidated Statements of Financial Position.

The estimated benefits expected to be paid in the following years are as follows:

<i>Presented in Thousands</i>	
2026	\$ 35
2027	27
2028	29
2029	20
2030	20
2031-2033	62
Total	<u>\$ 193</u>

For measurement purposes, a 4% annual rate of increase (discount rate) in the per capita cost of covered health benefits was assumed for fiscal year 2025.

Note 13 – Self-Funded Insurance Plans

The College maintains self-funded dental and health insurance plans. Under these plans, the College incurs insurance claims expense of approximately \$1,019,887 per month. The College has contracted with a third-party administrator to process claims. The third-party administrator submits employee insurance claims for payment on a weekly basis, one week in arrears. Administrative costs are paid monthly. The College is liable for claims of up to \$400,000 per individual, per year. Claims above \$400,000 per individual, per year, are covered by a specific stop loss insurance program, which has no stop loss max.

<i>Presented in Thousands</i>	2025	2024
Plan expense	\$ 10,308	\$ 8,436
Incurred but not reported claims (based on actuarial calculations)	1,676	1,474
Plan reserve (from designated net assets without donor restrictions)	3,243	3,872

The incurred but not reported claims are reflected in the accrued payroll and other liabilities on the Consolidated Statements of Financial Position.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 14 – Debt Payable

Debt payable consists of the following for the years ending June 30:

	Original Issue Amount	Interest Rate	Final Maturity	Principal balance - net of unamortized discounts and issue premiums as of June 30	
				2025	2024
Tax-Exempt fixed-rate:					
Series 2020A issued through El Paso County	\$ 15,585	5.00%	2032	\$ 10,395	\$ 11,659
Tax-Exempt fixed-rate - structured as a bank loan:					
Series 2019 issued through El Paso County	20,745	2.35%	2040	16,435	17,340
Taxable fixed-rate:					
Series 2015C issued through El Paso County	110,000	3.3%- 4.7%	2046	106,643	109,751
Series 2020B issued through El Paso County	22,765	0.8%-1.2%	2025	-	15,190
Less Bond Issuance Costs				(509)	(584)
Total Bond Debt, net				<u>\$ 132,964</u>	<u>\$ 153,356</u>
Total Debt, net				<u>\$ 132,964</u>	<u>\$ 153,356</u>

These agreements do not contain restrictive covenants as to additional indebtedness.

Aggregate annual maturities (or minimum payments) for the term of the debt outstanding as of June 30, 2025 were:

<i>Presented in Thousands</i>	Bond Debt
2026	\$ 5,190
2027	5,375
2028	5,575
2029	5,785
2030	6,010
Thereafter	103,795
	<u>\$ 131,730</u>
Less Discounts	(277)
Plus Premiums	2,019
Less Bond Issuance Costs	(509)
	<u>\$ 132,964</u>

Bond issuance costs and the bond discounts amortize over the life of each bond issuance using the straight-line method. Bond premiums accrete over the life of each bond issuance using the straight-line or effective-interest methods. Total interest charged to expense consists of the following for the years ending June 30:

<i>Presented in Thousands</i>	2025	2024
Total Interest Charged to Expense	\$ 5,407	\$ 5,743

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 15 – Asset Retirement Obligation

The College's asset retirement obligations primarily relate to asbestos contained in buildings the College owns. The estimate of the losses that are probable for asbestos removal was calculated using the expected cash flow approach and based on an inventory of the College's long-lived assets combined with an estimate of the current market prices to remove the asbestos. The College utilized a credit-adjusted risk-free rate, 2.6% and 3.3% in fiscal years 2025 and 2024, respectively. A summary of changes in asset retirement obligations since the date of adoption is included in the table below:

<i>Presented in Thousands</i>	2025	2024
Liability - Beginning of Year	\$ 6,213	\$ 9,378
Net Accretion Expenses/Settlements	933	(3,165)
Liability - End of Year	<u>\$ 7,146</u>	<u>\$ 6,213</u>

Note 16 – Scholarship Allowances (Tuition Discounts)

For the years ended June 30, 2025 and 2024, the College's scholarship allowances (tuition discounts, prizes, and external scholarships) were provided for students at the College from the following sources:

<i>Presented in Thousands</i>	2025	2024
Unrestricted Sources		
Colorado College Funds	\$ 40,414	\$ 42,358
ACM Tuition Exchange	298	352
Total Unrestricted Sources	<u>\$ 40,712</u>	<u>\$ 42,710</u>
Restricted Sources		
Endowments	\$ 18,052	\$ 15,521
Private Gifts and Grants	1,320	1,372
Governments Grants	549	586
Total Restricted Sources	<u>\$ 19,921</u>	<u>\$ 17,479</u>
 Total Scholarships Provided by Colorado College	 <u>\$ 60,633</u>	 <u>\$ 60,189</u>
Other scholarship allowances (not included above):		
Tuition remission benefits for dependents of employees	\$ 1,568	\$ 1,658
<i>The College acts as custodian for these funds -</i>		
Outside Scholarships for Colorado College students	2,929	3,006
Pell Grants	2,132	1,764

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 17 – Restrictions and Limitations on Net Assets Balances

Net assets during the years ended June 30 were released from donor restrictions for the following purposes:

<i>Presented in Thousands</i>	2025	2024
Scholarships and Other Endowment Funds	\$ 29,190	\$ 27,648
Instruction and Other Departmental Support	8,357	10,971
Capital Projects	80	40
	<u>\$ 37,627</u>	<u>\$ 38,659</u>

Contributions for acquisition or construction of plant facilities are released from restrictions in the period in which the assets are placed in service. As applicable, these releases are shown in the nonoperating section on the Consolidated Statements of Activities.

The College's net assets were allocated as follows for the years ending June 30:

<i>Presented in Thousands</i>	2025	2024
Net Assets without Donor Restrictions		
Undesignated	\$ 13,755	\$ 11,834
Student Loans Funds	730	776
Designated Operating Reserves	18,201	20,147
Designated Endowments	190,501	179,575
Invested in Property and Equipment - net of related debt	211,764	211,210
Total Without Donor Restrictions	<u>\$ 434,951</u>	<u>\$ 423,542</u>
Net Assets with Donor Restrictions		
Donor Restricted Net Assets, not invested in perpetuity		
Instruction and Other Departmental Support	\$ 13,706	\$ 14,214
Financial Aid	121	25
Capital Projects	8,571	8,690
Accumulated Earnings on Endowed Funds, subject to appropriation	606,184	553,142
Purpose Restricted, subject to appropriation	42,983	40,224
Annuity, Life Income, and BIPT	11,360	10,393
Total with Donor restriction not invested in perpetuity	<u>\$ 682,925</u>	<u>\$ 626,688</u>
Donor Restricted Net Assets held in Perpetuity		
Income expended for Scholarships	\$ 121,472	\$ 118,832
Income expended for Instruction and Other Departmental Support	94,121	92,303
Income expended for General Purposes	5,753	5,747
Annuity, Life Income, and BIPT	46,863	42,611
Unconditional promises to give to the Endowment	3,095	2,111
Total with Donor restriction held in perpetuity	<u>\$ 271,304</u>	<u>\$ 261,604</u>
Total With Donor Restrictions	<u>\$ 954,228</u>	<u>\$ 888,292</u>
 Total Net Assets	 <u>\$ 1,389,179</u>	 <u>\$ 1,311,834</u>

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Note 18 – Expenses By Nature and Function

The costs of program and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities. The College reports expenditures in categories reflecting core operational objectives for higher education as defined by the Integrated Postsecondary Education Data System (IPEDS). The College's expenditures for 2025 and 2024 were as follows:

<i>Presented in Thousands</i>	Instructional	Academic Support & Research	Student Services	Institutional Support Admin	Institutional Support Fund Raising	Auxiliary	2025 Total
Compensation	\$ 52,353	\$ 11,081	\$ 16,713	\$ 12,677	\$ 5,147	\$ 3,079	\$ 101,050
Instructional Operations	5,508	3,949	4,287	1,324	555	1,568	17,191
Fees & Contracts	8,091	3,158	3,013	3,774	409	11,331	29,776
Information Technology	250	2,009	335	1,831	242	175	4,842
Employee Conferences	4,066	727	3,050	167	222	61	8,293
Facility Operations	1,908	487	2,336	2,567	161	2,889	10,348
Interest	2,382	603	940	650	222	610	5,407
Depreciation	5,724	1,450	2,258	1,562	534	1,465	12,993
Total Expenses	<u>\$ 80,282</u>	<u>\$ 23,464</u>	<u>\$ 32,932</u>	<u>\$ 24,552</u>	<u>\$ 7,492</u>	<u>\$ 21,178</u>	<u>\$ 189,900</u>

<i>Presented in Thousands</i>	Instructional	Academic Support & Research	Student Services	Institutional Support Admin	Institutional Support Fund Raising	Auxiliary	2024 Total
Compensation	\$ 50,182	\$ 11,135	\$ 16,119	\$ 10,994	\$ 4,805	\$ 2,997	\$ 96,232
Instructional Operations	6,395	4,593	4,361	1,646	391	1,879	19,265
Fees & Contracts	7,812	2,725	2,716	3,921	428	10,603	28,205
Information Technology	223	1,700	260	1,627	362	99	4,271
Employee Conferences	4,236	631	2,904	162	189	58	8,180
Facility Operations	627	145	1,712	2,049	43	2,601	7,177
Interest	2,562	649	992	660	229	651	5,743
Depreciation	5,491	1,390	2,126	1,415	491	1,395	12,308
Total Expenses	<u>\$ 77,528</u>	<u>\$ 22,968</u>	<u>\$ 31,190</u>	<u>\$ 22,474</u>	<u>\$ 6,938</u>	<u>\$ 20,283</u>	<u>\$ 181,381</u>

Note 19 – Leases

The College has leasing arrangements where the College is the lessor and leasing arrangements where the College is the lessee. The lessee arrangements create right-of-use assets and lease liabilities and are described below. The College's policy is not to record a right-of-use asset and or lease liability for leases less than one year. Qualitative information about each type of arrangement follows.

Operating Leases – College as Lessee – The College currently has an agreement for one residential location until May 31, 2026, for six units. Monthly payments are \$7,000. The liability for this lease is calculated using the remaining term of the lease.

The College has fifteen tower leases for the operation of its public radio station, KRCC. Three of these agreements have been long-standing and are on a month-to-month renewal. Terms on the remaining twelve leases extend out to the years of 2026 through 2040. Monthly payments range from \$200 to \$5,906. The liability for these leases is calculated using the remaining term of each lease.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Operating Leases – College as Lessor – The College has agreements with third-party service providers to the campus, where space is provided for on-campus management of those operations. The College segregates the portion of those contracts relating to space and classifies that portion of revenue as lease revenue received. These receipts in fiscal year 2025 totaled \$223,220. In addition, UC Health and La Belle Melange LLC rented office or restaurant space on campus for services they provide to, or in collaboration with, the College. Such rental receipts totaled \$59,487 for the fiscal year.

The following table provides quantitative information concerning the College's operating leases for the year ended June 30:

<i>Presented in Thousands</i>	<u>2025</u>	<u>2024</u>
Lease expense:		
Operating lease expense	\$ 657	\$ 1,468
Total lease expense	<u>\$ 657</u>	<u>\$ 1,468</u>
Weighted-average remaining lease term (in years):		
Operating leases	8.22	6.69
Weighted-average discount rate:		
Operating leases	3.48%	3.33%

Following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025:

<u>Year ending June 30:</u>	<u>Operating Leases</u>
2026	\$ 210
2027	39
2028	38
2029	25
2030	26
Thereafter	196
Total Minimum Lease Payments	<u>\$ 534</u>
Less: Imputed Interest	<u>\$ (102)</u>
Total Lease Liabilities	<u>\$ 432</u>

Note 20 – Commitments and Contingencies

Litigation – In the normal course of business, the College is involved in various legal matters. Management does not currently believe that any liability related to this litigation would be material to the financial statements. Therefore, no liability has been recorded in these financial statements. Events could occur that would change this estimate materially in the near term.

The Colorado College and Subsidiaries

Notes to the Consolidated Financial Statements

Federal Programs – The College participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure for allowable purposes. Any disallowable expenditures resulting from federal audit may become a liability of the College. It is believed that any disallowance pertaining to these regulations will not be material to the overall financial condition of the College.

The College grant and contract funding is subject to various risks, including changes in government policy and potential executive orders issued by the current federal administration. These recent executive orders may result in modifications, delays, or cancellations of such federal grants and contracts. The College has assessed these risks and believes that any potential impact from such executive orders is uncertain. The ultimate effect on the College's financial position and changes in net assets will depend on future governmental actions and the timing of their implementation. The College will continue to monitor developments related to these executive orders and will take appropriate actions as necessary.

Construction Commitments – The College had several major construction projects in progress at June 30, 2025 and 2024, with commitments to contractors. There are funds available from existing sources for completion of these projects.

<i>Presented in Thousands</i>	<u>2025</u>	<u>2024</u>
Construction contractor commitments	\$ 3,198	\$ 1,901
Cumulative available funds for projects	\$ 9,307	\$ 8,653

Note 21 – Subsequent Events

The College evaluated subsequent events through November 13, 2025, the date at which the financial statements were available to be issued, and determined there were no additional events to disclose.