THE COLORADO COLLEGE AND SUBSIDIARIES
COLORADO SPRINGS, COLORADO

FINANCIAL REPORT
JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

PAGE

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Colorado College
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of the Colorado College (the College), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the College as of June 30, 2022 and 2021, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

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 the consolidated 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 College's ability to continue as a going concern for one year after the date 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Board of Trustees
The Colorado College

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements as a whole. The Financial Responsibility Composite Score Supplemental Schedule (the supplementary information) 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in this report. The other information comprises Management's Discussion and Analysis but does not include the consolidated financial statements and our auditors' report thereon. Our opinions on the consolidated financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of the College'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 College'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 College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
November 28, 2022

COLORADO COLLEGE

Office of Finance & Administration

14 E. Cache La Poudre St.
Colorado Springs, CO 80903

Report from Robert G. Moore,
Senior Vice President for Finance & Administration

The 2020-21 academic year was a year like no other. The college housed only about a third of the normal number of students and there was a significant increase in the number of students who opted to take a gap year. These changes resulted in a 14% decline in net tuition revenue and a nearly 40% decline in revenue from the housing and food service programs. Despite these significant declines in revenue and the added costs of responding to the pandemic, the college engaged in careful expense management and ended the fiscal year with a small net positive gain in operating activities. The 2021-22 academic year included higher than expected student enrollment, resulting in significant improvements in operating activities. Almost all students who had taken a gap year in 2020-21 returned to campus and first year student enrollment exceeded expectations. Net tuition and fee revenue was up 19.8% and student housing and food service revenues were 114.7% above the previous fiscal year. Financial contributions for college operations increased by 16.1%. In contrast to these positive financial results, the endowment investment return declined by 164.9% from prior year returns. This steep decline in endowment market value resulted in reduction in net assets of approximately $76 million.

Colorado College remains a distinctive place with a unique, immersive method of teaching and learning known as the Block Plan. The Block Plan allows faculty and students to focus on one class at a time for three-and-a-half weeks, providing flexibility and opportunities for collaborative learning. CC is positioned to draw students desiring a unique experience. Colorado College is committed to appropriate resource allocations. 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. Long-range planning, strategic budgeting and careful management are keys to sustaining the necessary financial position to support this important work.

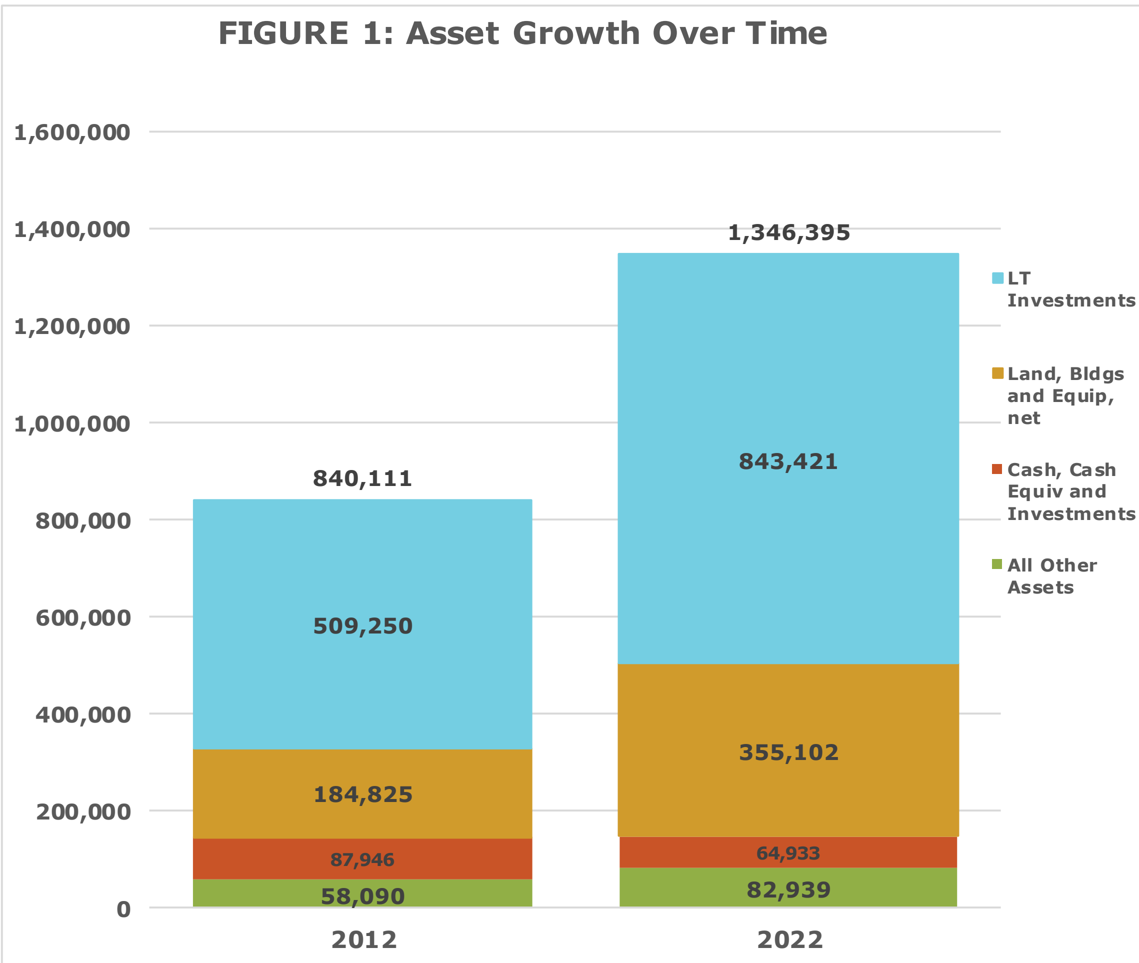
I am pleased to share selected financial highlights to accompany Colorado College's consolidated financial statements for the year ended June 30, 2022. I want to again thank the faculty for providing our students with a meaningful educational experience, and I want to thank the staff for their extraordinary service to the college during these challenging years.

The financial results for the year are demonstrated in the following pages.

Sincerely,

Statement of Financial Position

- At June 30, total assets were $1.35 billion, which is an increase of $506.3 million over the last decade (Figure 1).
- Long-term investments, the College's largest asset, were valued at $843.4 million at June 30, 2022. This decrease of 9.55% was primarily due to declines in the market producing a negative 7.5% annual investment return, net of fees.



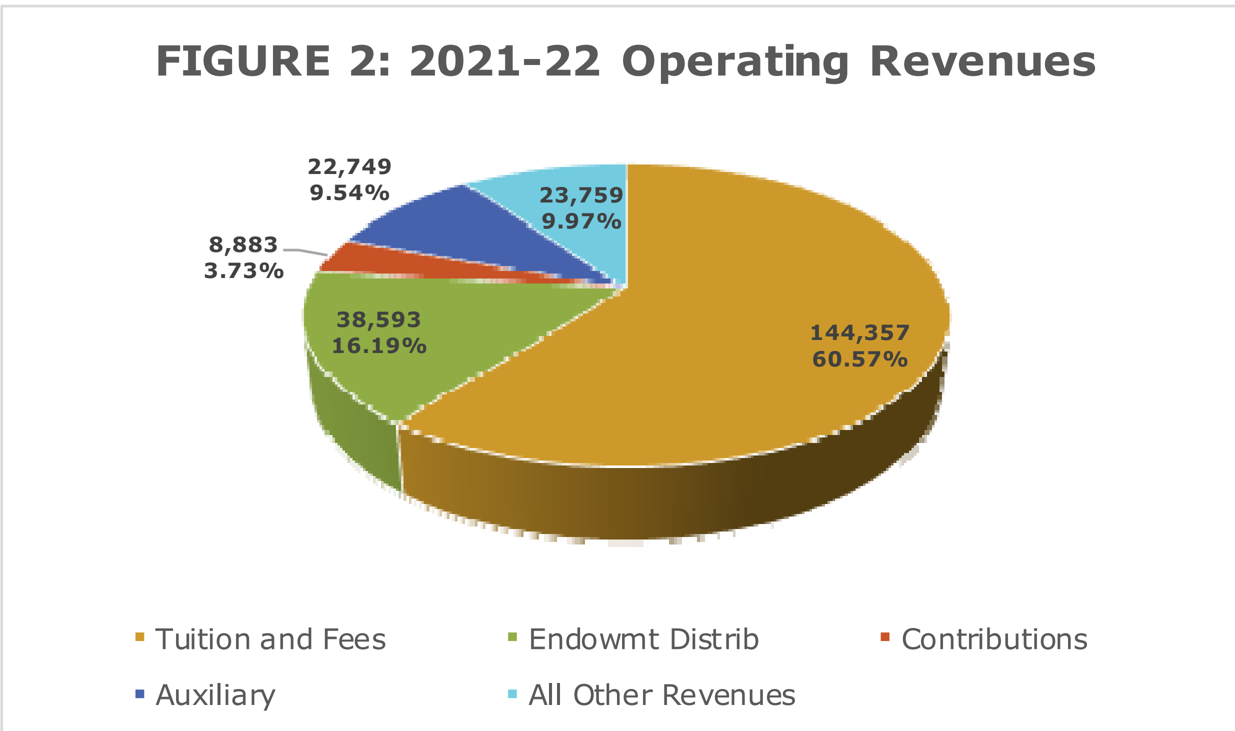
- Total liabilities decreased by $13.7 million (a decrease of 6.0%), primarily due to a decrease in Debt Payable due to routine debt service payments. In addition, the completion of the Robson Arena and the Yalich Student Support Center contributed to reduced outstanding payables at year end. Liabilities were just 16.0% of total assets.
- Net assets were valued at $1.132 billion, a decrease of $76.2 million over the prior year.

Statement of Activities

Revenue

- Total net operating revenues increased by $36.7 million (25.2%) over the prior year.

- Net tuition rose $13.3 million over the prior year, due to a larger first year class and students returning to campus after a gap year during the height of the pandemic. Revenue sources from students and their families, such as tuition, housing and dining comprised over 70% of the College's total operating revenue, as shown in Figure 2.

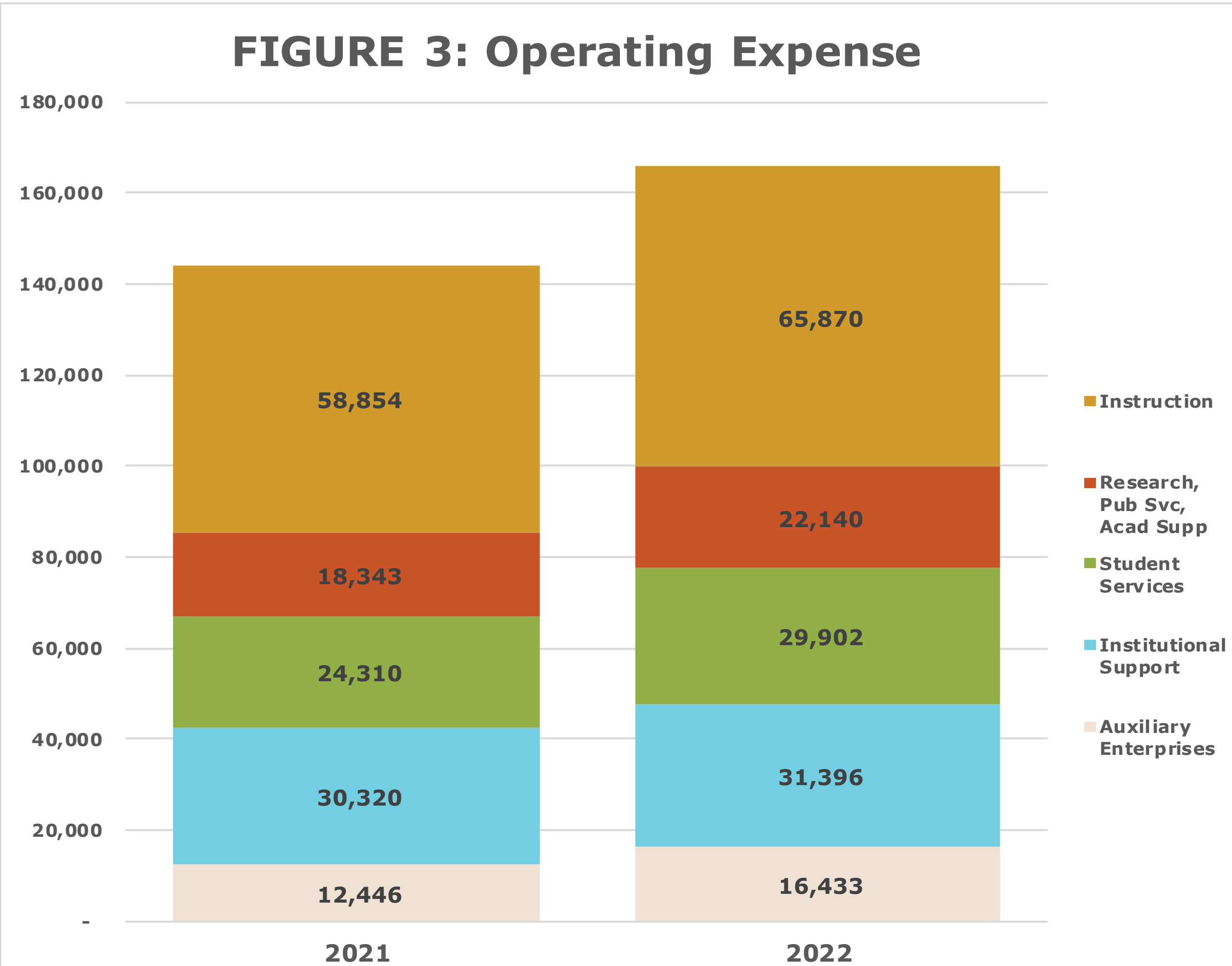


- The endowment contributed $38.6 million in support of financial aid, faculty support and other college operations. Endowment distributions supporting financial aid totaled $13.4 million (approximately 36% of total distributions) and were up 83.6% from the $7.3 million in distributions supporting financial aid just a decade ago.

- Despite market turbulence contributing to negative non-operating investment returns in the College's endowment and trusts of $107.2 million, net assets declined by only $76.2 million due to approximately $16.9 million from net operating activities and the recognition of non-operating gifts (for the endowment and capital projects) totaling $20.3 million.

Expense

- Operating expenditures increased by 14.9% ($21.5 million), as campus activities were able to move closer to normal levels. The College continued to prioritize expenditures to support students such as those for instruction, academic support, and student services, and in all these expenses totaled 70% of all operating expense (Figure 3).



Construction was completed on the Ed Robson Arena, the Mike and Barbara Yalich Student Services Building and the associated parking garage. These major building additions to the campus were made possible with strong donor support and a unique agreement with the City of Colorado Springs to utilize the arena over 50 days a year in support of the City for Champions program. The buildings were able to begin operations, and the 2022 Commencement was held in the arena.

THE COLORADO COLLEGE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

Presented in Thousands

ASSETS	**2022**	**2021**
Cash and Cash Equivalents	$ 12,691	$ 31,718
Short Term Investments	52,242	28,506
Accounts Receivable, net	12,941	3,278
Contributions Receivable, net	12,389	25,016
Other Assets	4,073	3,089
Loans to Students, net	1,163	1,566
Assets Held under Split-Interest Agreements	15,285	15,596
Beneficial Interest in Perpetual Trusts	36,702	43,369
Long Term Investments	843,421	932,493
Land, Buildings, and Equipment, net	355,102	350,818
Operating Lease Right-of-Use Assets	386	919
Total Assets	$ 1,346,395	$ 1,436,368
LIABILITIES		
Accounts Payable	$ 5,236	$ 10,457
Accrued Payroll and Other Liabilities	14,987	16,763
Deferred Revenue	2,925	1,717
Government Advances for Loans to Students	714	1,180
Liabilities under Split-Interest Agreements	3,980	4,105
Asset Retirement Obligation	10,805	5,638
Debt Payable, net	175,860	187,839
Operating Lease Liabilities	386	919
Total Liabilities	214,893	228,618
NET ASSETS		
Without Donor Restrictions	367,374	355,798
With Donor Restrictions	764,128	851,952
Total Net Assets	1,131,502	1,207,750
Total Liabilities and Net Assets	$ 1,346,395	$ 1,436,368

See accompanying notes to consolidated financial statements.

THE COLORADO COLLEGE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
June 30, 2022 (with summarized 2021 Totals)

Presented in Thousands	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
OPERATING ACTIVITY				
Revenues, Gains, and Other Support				
Tuition and Fees	$ 144,357	$ -	$ 144,357	$ 119,334
Less Scholarship Allowances	(54,083)	-	(54,083)	(43,979)
Net Tuition and Fees	90,274	-	90,274	75,355
Contributions	6,595	2,288	8,883	7,649
Government Grants and Contracts	5,089	7,460	12,549	6,429
Endowment Distribution	11,341	27,252	38,593	38,334
Other Investment Income	1,152	1,856	3,008	3,963
Auxiliary Enterprises	22,749	-	22,749	10,598
Other Revenue	6,568	16	6,584	3,613
Net Assets Released from Restrictions	36,043	(36,043)	-	-
Total Operating Revenue	179,811	2,829	182,640	145,941
Expenses: Educational and General				
Instruction	65,870	-	65,870	58,854
Research	1,965	-	1,965	593
Public Service	-	-	-	899
Academic Support	20,175	-	20,175	16,851
Student Services	29,902	-	29,902	24,310
Institutional Support	31,396	-	31,396	30,320
Total Educational and General Expenses	149,308	-	149,308	131,827
Auxiliary Enterprises	16,433	-	16,433	12,446
Total Operating Expenses	165,741	-	165,741	144,273
Increase (Decrease) in Net Assets from Operating Activities	14,070	2,829	16,899	1,668
NON-OPERATING ACTIVITY				
Contributions	11	20,880	20,891	13,007
Investment return on endowment	(21,811)	(85,359)	(107,170)	165,136
Change in value of Split Interest agreements	(1,004)	(5,864)	(6,868)	13,876
Net Assets Released from Restrictions	20,310	(20,310)	-	-
Increase (Decrease) in Net Assets from Non-Operating Activities	(2,494)	(90,653)	(93,147)	192,019
Total Change in NET ASSETS	11,576	(87,824)	(76,248)	193,687
Net Assets - Beginning of Year	355,798	851,952	1,207,750	1,014,063
NET ASSETS - END OF YEAR	$ 367,374	$ 764,128	$ 1,131,502	$ 1,207,750

See accompanying notes to consolidated financial statements.

THE COLORADO COLLEGE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the year ended June 30, 2021

Presented in Thousands	Without Donor Restrictions	With Donor Restrictions	2021 Total
OPERATING ACTIVITY			
Revenues, Gains, and Other Support			
Tuition and Fees	$ 119,334	$ -	$ 119,334
Less Scholarship Allowances	(43,979)	-	(43,979)
Net Tuition and Fees	75,355	-	75,355
Contributions	5,112	2,537	7,649
Government Grants and Contracts	4,496	1,933	6,429
Endowment Distribution	12,305	26,029	38,334
Other Investment Income	2,376	1,587	3,963
Auxiliary Enterprises	10,598	-	10,598
Other Revenue	3,592	21	3,613
Net Assets Released from Restrictions	28,106	(28,106)	-
Total Operating Revenue	141,940	4,001	145,941
Expenses: Educational and General			
Instruction	58,854		58,854
Research	593		593
Public Service	899		899
Academic Support	16,851		16,851
Student Services	24,310		24,310
Institutional Support	30,320		30,320
Total Educational and General Expenses	131,827	-	131,827
Auxiliary Enterprises	12,446		12,446
Total Operating Expenses	144,273	-	144,273
Increase (Decrease) in Net Assets from Operating Activities	(2,333)	4,001	1,668
NON-OPERATING ACTIVITY			
Contributions	316	12,691	13,007
Investment return on endowment, net of distributions	31,399	133,737	165,136
Change in value of Split Interest agreements	1,314	12,562	13,876
Increase (Decrease) in Net Assets from	-		-
Non-Operating Activities	33,029	158,990	192,019
Total Change in NET ASSETS	30,696	162,991	193,687
Net Assets - Beginning of Year	325,102	688,961	1,014,063
NET ASSETS - END OF YEAR	$ 355,798	$ 851,952	$ 1,207,750

See accompanying notes to consolidated financial statements.

THE COLORADO COLLEGE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
June 30, 2022 and 2021

Presented in Thousands

OPERATING ACTIVITIES	**2022**	**2021**
Change in Net Assets	$ (76,248)	$ 193,687
Items Not requiring (Providing) Operating Activities Cash Flows:		
Realized and Unrealized (Gains) losses on Investments	69,341	(154,995)
Depreciation, Amortization	13,004	10,691
Amortization of Bond Issuance Costs	123	28
Revisions to Asset Retirement Obligation and Accretion	5,167	1,985
(Gain)/Loss on Disposal of Capital Equipment and Property	122	(7)
Change in Value of Split-Interest Agreements	6,853	(13,729)
Contributions and Investment Income restricted for Long Term Investments	(20,891)	(12,691)
Change in Allowance for Doubtful Loans to Students	403	587
Changes in:		
Accounts Receivable, net	(9,663)	577
Contributions Receivable, net	12,161	3,324
Operating Lease Right-of-Use asset	532	(919)
Other Assets	(984)	(484)
Accounts Payable	(5,221)	402
Accrued Payroll and Other Liabilities	(1,776)	244
Deferred Revenue	1,207	(1,501)
Operating Lease Liability	(532)	919
NET Cash Provided by (Used in) Operating activities	(6,402)	28,118
INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	(17,433)	(53,929)
Proceeds on Sales of Land, Buildings and Equipment	24	12
Proceeds from Sales or Maturities of Investments	376,454	191,047
Purchase of Investments	(380,459)	(167,771)
NET Cash Provided by (Used in) Investing Activities	(21,414)	(30,641)
FINANCING ACTIVITIES		
Contributions and Investment Income restricted for Long-Term Investments	20,891	12,691
Repayments on Debt	(12,102)	(28,885)
Proceeds from new debt	-	37,280
NET Cash Provided by (Used in) Financing Activities	8,789	21,086
(DECREASE) INCREASE CASH AND CASH EQUIVALENTS	(19,027)	18,563
Cash and Cash Equivalents - Beginning of Year	31,718	13,155
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,691	$ 31,718
Supplemental Cash Flow information		
Interest paid	6,738	4,008
Noncash Investing and Financing Activities:		
Gifts in Kind	86	116

See accompanying notes to 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 2,100 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 11 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 property, plant 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.

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.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Standards

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard was issued to increase transparency of contributed nonfinancial assets for not-for-profit entities and address transparency concerns on the amount of those contributions used in programs and other activities. The College had no substantial nonfinancial gifts in the years ending June 30, 2022 or June 30, 2021, so no change in presentation or additional disclosure is reflected.

Operating Lease Right-of-Use Assets and Liabilities

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The standard requires lessees to recognize the assets and liabilities that arise from leases in the Statement of Financial Position. Additionally, in July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the consolidated financial statements and instead recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The College adopted ASU 2016-02 and its related amendments as of June 30, 2021, and it elected to adopt the transition relief provisions from ASU 2018-11, recording the impact of adoption as of July 1, 2020 without restating any prior-year amounts. Additional lease disclosures can be found in Note 19. There was no cumulative effect adjustment to the opening balance of net assets required.

Fair Value Measurement

The Financial Accounting Standards Board issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 simplifies certain disclosure requirements in Topic 820. The College adopted ASU 2018-13 in fiscal 2021 and revised fair value disclosures accordingly.

Cash and Cash Equivalents

The College considers cash and all highly liquid temporary investments, with an original maturity of three months or less, to be cash equivalents. At June 30, 2022 and 2021, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At June 30, 2022 and 2021, the FDIC insurance limit for interest-bearing and noninterest-bearing cash accounts was $250,000. At June 30, 2022 and 2021, the College's cash accounts exceed federally insured limits by approximately $13,322,944 and $32,700,885, 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.

Cash equivalents held in investment funds are reported as investments on the statement of financial position.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Loans to Students

Accounts receivable are stated at the amount billed to customers and students, net of allowances for doubtful accounts. Loans to students represent the net amount of outstanding loans from students, after considering similar allowances. The College calculates allowances for doubtful accounts and loans based on a review of outstanding receivables and student loans, historical collection information and existing economic conditions. 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 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 net realizable value (using the first-in, first-out method).

Investments

Investments in equity securities having a readily determinable fair value are stated at fair value determined by quoted market prices. Other investments, for which no such 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 done on a periodic basis. 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.

Fair Value Measurements

The College follows the *Fair Value Measurements* standard as established by the Financial Accounting Standards Board. The standard defines fair value, establishes a framework for measuring fair value under 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 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.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In situations when investments do not have readily determinable fair values (alternative investments), the College will use the Net Asset Value per Share (NAV), 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) 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.

Property, Plant, and Equipment

Buildings and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation of property, plant, 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.

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

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.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 non-exempt employees.

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.

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.

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, $466,403 and $719,750 was returned in fiscal years 2022 and 2021, respectively. The institution's share of $115,809 in fiscal year 2022 and $180,323 in fiscal year 2021 was returned to College operating funds.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Activities

Revenues received and expenses incurred in conducting the programs and services of the College are presented in the financial statements 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 distributed 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, as well as those for land, buildings and equipment, are reported in the non-operating section of the 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 two 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 is 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.

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 17.

The College offers three summer terms. In summer 2022, Block A began June 1 and ended June 24, Block B began June 27 and ended July 21, and Block C began July 25 and ended August 12. For summer 2021, Block A began June 2 and ended June 25, Block B began June 28 and ended July 21, and Block C began July 26 and ended August 13. Revenue for each is recognized ratably over each term, 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 final year of enrollment. The enrollment deposit was $1,000 per student for the academic terms ending June 30, 2022 and 2021, respectively.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Auxiliary Services and Other Contracts with Customers
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. The COVID-19 pandemic required most classes to be taught online during academic year 2020-21, and the College de-densified campus housing to prevent the spread of COVID-19. Ultimately, only about one-third of campus housing capacity was filled over the course of the year, and Housing and Dining revenue fell short of budget expectations. The 2021-22 academic year included higher than expected student enrollment, resulting in significant improvements in operating activities. Almost all students who had taken a gap year in 2020-21 returned to campus and first year student enrollment exceeded expectations, and housing and dining revenues far exceeded the prior year, as shown below.

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 non-refundable. Refunds issued reduce the amount of revenue recognized. Credit balances are included in Deferred Revenue on the Statements of Financial Position.

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, 2022	Year ended June 30, 2021
Tuition and Fees	$ 144,357	$ 119,334
Scholarship Allowances	(54,083)	(43,979)
Total Tuition and Fees, net	90,274	75,355
Housing	14,985	7,636
Dining	7,624	2,885
Other Auxiliary Revenue	140	77
Total Auxiliary	22,749	10,598
	$ 113,023	$ 85,953

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

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 statement of activities as net assets released from restrictions. 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.

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, as well as those for land, buildings and equipment, are reported in the non-operating section of the Statements of Activities.

Contributions receivable include pledges that are recorded at their present value using discount rates ranging from approximately 0.06% - 3.01% 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, 2022 and 2021 contributions receivable from related parties were $917,975 and $2,209,613, respectively.

Through the following three different Acts, Congress has provided budgetary relief to higher education institutions through numerous provisions. Under each of these acts, funds were allocated to the Higher Education Emergency Relief Fund (HEERF).

- The Coronavirus Aid, Relief, and Economic Security Act (CARES or HEERF I)
- Coronavirus Response and Relief Supplement Appropriations Act (CRRSAA or HEERF II)
- The American Rescue Plan Act (ARPA or HEERF III)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2022, the total funding awarded to Colorado College through the HEERF I, II, and III was $5,731,255. Of that amount, a total of $2,625,318 was allocated under HEERF I, II and III for the student portion allocations. As of June 30, 2022 and 2021, $1,467,927 and $889,870, respectively, was disbursed directly to students as emergency assistance and emergency financial aid grants. The college recognized revenue in Governmental Grants and Contracts line and student aid operating expense for the amount disbursed to students for campus disruptions due to coronavirus.

The college was awarded a matching $3,105,937 for the institutional portion allocation of HEERF I, II, and III as of June 30, 2022. The college recognized $1,467,927 and $1,370,487, respectively, in Government Grants and Contracts revenue for the allowable expenditures incurred by the College in the years ended June 30, 2022 and 2021. Expenditures identified primarily relate to forgone academic revenue attributed to the pandemic and campus closures, COVID mitigation, and communication to students of the potential for changes to financial aid eligibility.

Income Taxes

The College qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. 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, 2022 and 2021.

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 19 presents the natural classification of categories of expense 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 property, plant and equipment, information technology service, and interest on long-term debt. Costs not directly charged are allocated on a pro-rata basis to benefitting programs and supporting services, using functional expense totals as a proxy for estimated utilization of resources or support.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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 statement of activities for the year ended June 30, 2022 on page 8 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 statement of activities for the year ended June 30, 2021.

Reclassifications

Certain amounts within the June 30, 2021 financial statements have been reclassified to conform to the June 30, 2022 presentation. The 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.

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.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY (Continued)

As of June 30, 2022 and 2021, the following financial assets could readily be made available within one year of the date of the Statement of Financial Position to meet general expenditures.

Presented in Thousands

Financial Assets available at Year End:	2022	2021
Cash and Cash Equivalents	$ 12,691	$ 31,718
Short Term Investments	52,242	28,506
Accounts Receivable, net	12,941	3,278
Contributions Receivable, net	12,389	25,016
Loans to Students, net	1,163	1,566
Assets Held in Trust	15,285	15,596
Long Term Investments	843,421	932,181
	950,132	1,037,861
Less Assets not available for general expenditures within 12 months:		
Contributions receivable beyond one year	7,695	13,506
Government Advances for Student Loans	714	1,180
Designated Reserves	11,692	8,400
Assets Held in Trust	15,285	15,596
Perpetual and term endowment, and accumulated earnings subject to appropriation beyond one year	815,920	891,752
Designated for Capital Projects	-	13,199
Funds with Donor restrictions	32,762	44,803
Financial Assets available for use over the next 12 months	$ 66,064	$ 49,425

NOTE 3 ACCOUNTS AND LOANS RECEIVABLE

General, student, grant and other receivables, as of June 30, 2022 and 2021, consisted of the following:

Presented in Thousands

	2022	2021
Accounts Receivable - General	$ 1,544	$ 962
Loans to Students	1,214	1,638
Accounts Receivable - Students	866	897
Accounts Receivable - Grants	10,371	1,386
Interest Receivable	249	100
	14,244	4,983
Less Allowances for doubtful:		
General Accounts	-	-
Student Accounts	(89)	(67)
Loans to Students	(51)	(72)
	(140)	(139)
Total	$ 14,104	$ 4,844

NOTE 3 ACCOUNTS AND LOANS RECEIVABLE (Continued)

Allowances for doubtful accounts are established based on prior collection experiences and current economic factors, which in the College's judgment could influence the ability of students and customers to repay the amounts.

NOTE 4 CONTRIBUTIONS RECEIVABLE

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

Presented in Thousands	2022	2021
Annual Fund	$ 200	$ 157
Gifts for Operations	8,898	15,555
Endowment	3,569	9,652
	12,667	25,364
Less allowance for doubtful pledges	(108)	(106)
Less unamortized discount	(170)	(242)
	$ 12,389	$ 25,016

Amounts due in -	2022	2021
Less than one year	$ 4,694	$ 11,510
One to five years	6,775	12,459
Greater than five years	920	1,047
	$ 12,389	$ 25,016

The College also has conditional promises to give of approximately $123,000 and $587,000 at June 30, 2022 and 2021, respectively. In addition, the College has been notified of donor intent to give, in wills or trust instruments, of amounts totaling approximately $56.4 million and $103.1 million as of June 30, 2022 and 2021, respectively. These promises and bequest pledges do not yet meet revenue recognition criteria, and they will be recognized when conditions are substantially met.

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, 2022, and June 30, 2021.

Presented in Thousands

	June 30, 2022
Short Term Investments	$ 52,242
Long Term Investments	843,421
Assets Held under Split-Interest Agreements	15,285
	$ 910,948

	Level I	Level II	Level III	2022 Total
Cash and Cash Equivalents	$ 120,250			$ 120,250
Fixed Income	7,379	47		7,426
Global Equities	221,582	315		221,897
Emerging Markets	24,882			24,882
Real Estate and Water Rights			2,582	2,582
Assets Held under Split Interest agreements	5,788		9,497	15,285
	$ 379,881	$ 362	$ 12,079	$ 392,322
Investments Measured at Net Asset Value				518,626
TOTAL INVESTMENTS				**$ 910,948**

	June 30, 2021
Short Term Investments	$ 28,506
Long Term Investments	932,493
Assets Held under Split-Interest Agreements	15,596
	$ 976,595

	Level I	Level II	Level III	2021 Total
Cash and Cash Equivalents	$ 54,052			$ 54,052
Fixed Income	39,638	23,444		63,082
Global Equities	331,453	284		331,737
Emerging Markets	2,834			2,834
Real Estate and Water Rights		11,048	2,569	13,617
Assets Held under Split-Interest Agreements	6,710		8,886	15,596
	$ 434,687	$ 34,776	$ 11,455	$ 480,918
Investments Measured at Net Asset Value				495,677
TOTAL INVESTMENTS				**$ 976,595**

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 3) inputs as of June 30, 2022, and June 30, 2021.

Presented in Thousands

Level 3 Investments	July 1, 2021 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	**June 30, 2022 Balance**
Real Estate and Water Rights	2,569	13	-	-	2,582
Assets Held under Split-Interest Agreements	8,886	406	(1,522)	1,727	9,497
Totals	$ 11,455	$ 419	$ (1,522)	$ 1,727	$ 12,079

NOTE 5 INVESTMENTS AND FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

Presented in Thousands

Level 3 Investments	July 1, 2020 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	**June 30, 2021 Balance**
Real Estate and Water Rights	2,569	-	-	-	2,569
Assets Held under Split-Interest Agreements	5,078	(325)	(317)	4,450	8,886
Totals	$ 7,647	$ (325)	$ (317)	$ 4,450	$ 11,455

Of the total Level 3 unrealized gains and (losses), approximately $131,919 and ($96,000) were recognized in net assets without donor restriction during the years ending in June 30, 2022 and 2021, respectively.

The College uses the NAV to determine 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 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 @ June 30, 2022	Fair Value @ June 30, 2021
a	International Equities	6 Business days	Weekly	$ -	$ 128,630	$ 113,846
b	Absolute Return	45 Day notice	Annually	-	132,892	99,850
c	Emerging Markets - Liquid	45 Day notice	Quarterly	640	40,978	-
d	Consumer markets - Liquid	45 Day notice	Quarterly	-	19,784	-
e	Distressed Credit	n/a *	n/a *	37,779	48,348	50,712
f	Emerging Markets - Illiquid	n/a *	n/a *	-	6,920	71,103
g	Consumer markets - Illiquid	n/a *	n/a *	113	2,276	24,198
h	Real Estate	n/a *	n/a *	18,965	7,731	1,990
i	Private Equity large-cap buyout	n/a *	n/a *	108,814	131,067	133,978
				$ 166,311	$ 518,626	$ 495,677

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

a - Long only international equities in a diversified portfolio of value securities.
b - Absolute return hedge funds focused on merger arbitrage, real estate, distressed credit, special situations & liquidations
c - Firms that invest in mid-market buyout and growth equity in Asia, Africa, and Latin America - Liquid.
d - Firms that invest in businesses that are beneficiaries of discretionary consumer spending in the Asian markets - Liquid
e - Private equity firms pursue distressed investments in residential and asset backed securities, in distressed & mispriced loans and securities, and in rescue and distressed lending.
f - Private equity firms invest in mid-market buyout and growth equity in Asia, Africa, and Latin America - Illiquid.
g - Private equity firms invest in businesses that are beneficiaries of discretionary consumer spending in the Asian markets - Illiquid.
h - Private equity firms invest in real estate located primarily in the United States.
i - Private equity firms pursue large-cap buyout or growth equity/venture capital strategies in the US and/or Europe.

Presented in Thousands

Of the Investments Held at Net Asset Value, the estimated remaining commitments have lives ranging from 1 to 10 years as follows:

2023	$ 34,246
2024	20,466
2025	17,757
2026 and beyond	93,842
	$ 166,311

NOTE 5 INVESTMENTS AND FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Continued)

The College held 84 funds in 62 investment companies at June 30, 2022. Investment funds totaled 64 in 45 investment companies at June 30, 2021. The College had the following outstanding investment commitments for the years ending June 30:

Presented in Thousands	2022	2021
Investment commitments	$ 450,895	$ 386,223
Contributions to commitments	284,584	270,002
Remaining commitments	$ 166,311	$ 116,221

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:

Liquidity	2022	2021
Daily/Weekly	35%	43%
Monthly	13%	8%
Quarterly	29%	21%
Annually	1%	5%
Multi-year Lock ups	0%	4%
Illiquid	22%	19%

Investment return is presented in the consolidated statements of activities as follows:

Presented in Thousands	2022	2021
Operating Revenue	$ 41,601	$ 42,297
Non-Operating Activity	(107,170)	165,136
	$ (65,569)	$ 207,433

NOTE 6 SPLIT-INTEREST AGREEMENTS

The College participates in split-interest agreements with donors, which include beneficial interests in perpetual trusts (see Note 8), charitable remainder trusts, charitable gift annuities, and pooled life income funds. Assets associated with split-interest agreements are included in investments. Upon termination of the trust, the College receives the assets remaining in the trust.

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 Statement of Financial Position. The liability recorded is calculated based on the present value of the expected distributions to beneficiaries, using a discount rate of approximately 6% and estimated life of the youngest beneficiary based on Internal Revenue Service mortality tables.

NOTE 6 SPLIT-INTEREST AGREEMENTS (Continued)

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

Presented in Thousands

June 30, 2022	CRATs/CRUTs	Charitable Gift Annuities	Endowment CRT
Contribution Revenue	$ 748	$ -	$ -
Investments	12,296	1,713	1,276

June 30, 2021	CRATs/CRUTs	Charitable Gift Annuities	Endowment CRT
Contribution Revenue	$ 2,371	$ 51	$ 521
Investments	12,167	2,025	1,404

NOTE 7 BENEFICIAL INTEREST 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 market 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, without or with donor restriction as stipulated by the donor.

Presented in Thousands

Investments at Levels as of June 30,	Level I	Level II	Level III	**Total**
2022 Beneficial Interest Perpetual Trusts	$ -	$ -	$ 36,702	$ 36,702
2021 Beneficial Interest Perpetual Trusts	$ -	$ -	$ 43,369	43,369

Level 3 Activity	July 1 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30 Balance
2022 Beneficial Interest Perpetual Trusts	$ 43,369	$ (6,562)	$ (105)		$ 36,702
2021 Beneficial Interest Perpetual Trusts	$ 34,447	$ 7,663	$ -	$ 1,259	$ 43,369

NOTE 8 ENDOWMENT

The College's endowment consists of over 900 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.

NOTE 8 ENDOWMENT (Continued)

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

	June 30, 2022		
Endowment Net Assets	Without Donor Restriction	With Donor Restriction	Total
Designated Endowments	$ 142,610	$ -	$ 142,610
Designated Endowments - Capital Projects	-	-	-
Donor-Restricted Endowments held in perpetuity	-	205,751	205,751
Purpose restricted, subject to appropriation	-	33,283	33,283
Accumulated Investment gains subject to appropriation	-	444,816	444,816
Total Endowment Funds	$ 142,610	$ 683,850	$ 826,460

Presented in Thousands

	June 30, 2021		
Endowment Net Assets	Without Donor Restriction	With Donor Restriction	Total
Designated Endowments	$ 155,220	$ -	$ 155,220
Designated Endowments - Capital Projects	10,039	-	10,039
Donor-Restricted Endowments held in perpetuity	-	189,039	189,039
Purpose restricted, subject to appropriation	-	29,941	29,941
Accumulated Investment gains subject to appropriation	-	533,997	533,997
Total Endowment Funds	$ 165,259	$ 752,977	$ 918,236

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

Presented in Thousands

2022 Change in Endowment Net Assets	Without Donor Restriction	With Donor Restriction	Total
Beginning of year July 1, 2021	$ 165,259	$ 752,977	$ 918,236
Contributions/Additions	11	16,256	16,267
Investment Returns (net)	(11,319)	(58,131)	(69,450)
Appropriation of Endowment Assets for expenditures	(11,341)	(27,252)	(38,593)
Endowment at Year End June 30, 2022	$ 142,610	$ 683,850	$ 826,460

NOTE 8 ENDOWMENT (Continued)

Presented in Thousands

2021 Change in Endowment Net Assets	Without Donor Restriction	With Donor Restriction	Total
Beginning of year July 1, 2020	$ 171,769	$ 607,746	$ 779,515
Contributions/Additions	316	8,068	8,384
Investment Returns (net)	5,479	163,192	168,671
Appropriation of Endowment Assets for expenditures	(12,305)	(26,029)	(38,334)
Endowment at Year End June 30, 2021	$ 165,259	$ 752,977	$ 918,236

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 Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restriction and aggregated. Such deficiencies totaled $2,833 and $-0- at June 30, 2022 and 2021, respectively.

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 College has a Board approved spending policy for appropriating funds for expenditure each year. For fiscal year 2021, 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:

Presented in Thousands	2022	2021
Buildings and improvements	$ 440,916	$ 360,531
Land	11,908	11,834
Campus infrastructure	34,801	34,801
Equipment and furnishings	20,583	19,046
Long-Term Equipment	6,880	6,705
Construction in progress	425	67,570
Buildings Conditional Asset Retirement Obligation	3,691	1,961
	519,204	502,448
Less accumulated Depreciation	(164,102)	(151,630)
	$ 355,102	$ 350,818

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

Presented in Thousands	2022	2021
Capitalized interest costs related to construction in progress during the years ending June 30	$ 973	$ 1,190
Total depreciation and amortization expense for the years ending June 30	$ 13,004	$ 10,691

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.

NOTE 10 DEFERRED REVENUE (Continued)

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.

Presented in Thousands

	Tuition and Fees	Student Deposits and Other Deferred Revenue	Total
Balance at June 30, 2020	$ 2,280	$ 938	$ 3,218
Revenue recognized, deposits applied/forfeited	(17,208)	(2,002)	(19,210)
Payments received for future performance obligations	15,473	2,236	17,709
Balance at June 30, 2021	$ 545	$ 1,172	$ 1,717
Revenue recognized, deposits applied/forfeited	(16,057)	(1,089)	(17,146)
Payments received for future performance obligations	16,075	2,279	18,354
Balance at June 30, 2022	$ 563	$ 2,362	$ 2,925

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. During the 2020-21 fiscal year, regular retirement plan contributions were paused for six months, then increased to 5% of base salary, and as of July 1, 2021 contributions were restored to the full 10%.

	2022	2021
Total pension expense ending June 30	$ 5,592	$ 2,438

NOTE 12 OTHER POSTRETIREMENT BENEFIT PLANS

The College has a closed noncontributory defined benefit postretirement health care plan for those who retired prior to July 1, 1995. On June 30, 2005, the post-retirement fully-insured medical program was changed to a defined contribution program that created accounts to be used for the purchase of post-retirement medical coverage that are funded during the active employment years.

Post-retirement medical liability is for those who retired prior to July 1, 1995 who receive an 80% subsidy from the College for medical coverage and any pre-65 retiree enrolled in medical. Although early retirees pay 100% of the active premium, their medical costs are higher than the active employees, thus creating a "hidden" College subsidy liability.

The College's funding policy is generally to fund as amounts become due (pay-as you go), but may elect to pre-fund the liability from time to time. The College expects to contribute $104,777 to the plan in 2023.

As required by the *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* topic of FASB ASC, an employer must recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan), as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which changes occur through changes in net assets without donor restriction.

The College uses a June 30 measurement date for the plan. The plan's funded status as of June 30 was:

Presented in Thousands	2022	2021
Benefit Obligation	$ 632	$ 422
Funded Status	$ 632	$ 422

The postretirement benefit and plan obligation is reflected in the Accrued Payroll & Other Liabilities on the Statement of Financial Position.

Other significant balances and costs are:		
Employer Contribution	$ 44	$ 93
Benefits Paid	(44)	(93)
Benefits Cost	$ -	$ -

The estimated net loss and transition obligation for the defined benefit postretirement health care plan that will be amortized from net assets without donor restriction into net periodic benefit cost over the next fiscal year are:

	2022	2021
Estimated net loss and transition obligation	$ 75	$ 67

For measurement purposes, a 4.00% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2022.

NOTE 12 OTHER POSTRETIREMENT BENEFIT PLANS (Continued)

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

Presented in Thousands		
2023	$	98
2024		84
2025		70
2026		62
2027		53
2028-2031		145
Total	$	512

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 $882,000 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 on a monthly basis. 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.

Presented in Thousands		**2022**		**2021**
Plan expense	$	8,929	$	7,986
Incurred but not reported claims (based on actuarial calculations)	$	1,625	$	1,363
Plan reserve (from designated net assets without donor restrictions)	$	2,023	$	1,807

The incurred but not reported claims are reflected in the Accrued Payroll and Other Liabilities on the Statement of Financial Position.

NOTE 14 DEBT PAYABLE

On December 17, 2020, Series 2020A Tax- Exempt Revenue Bond with a par amount of $15,585,000 and 2020B Taxable Revenue Bond with a par amount of $22,765,000, were issued through El Paso County. Series 2020A refinanced Series 2010 and Series 2015A in a current refunding, while Series 2020B advance refunded, with taxable proceeds, a portion of Series 2012 for interest savings, and established a liquidity reserve of $15,000,000 for the purpose of meeting unexpected needs due to COVID-19.

NOTE 14 DEBT PAYABLE (Continued)

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

Presented in Thousands	Original Issue Amount	Interest Rate	Final Maturity	Principal balance - net of unamortized discounts and premiums as of June 30 2022	2021
Tax-Exempt fixed-rate:					
Series 2012 issued through El Paso County	3,220	5.00%	2024	$ -	$ 3,701
Series 2020A issued through El Paso County	15,585	5.00%	2032	15,464	17,627
Tax-Exempt fixed-rate - structured as a bank loan:					
Series 2015B issued through El Paso County	14,590	1.85%	2024	9,815	14,590
Series 2019 issued through El Paso County	19,925	2.35%	2040	19,085	19,925
Taxable fixed-rate:					
Series 2015C issued through El Paso County	110,000	3.3% - 4.7%	2046	109,728	109,717
Series 2020B issued through El Paso County	22,765	0.8% - 1.2%	2024	22,491	22,686
Less Bond Issuance Costs				(764)	(887)
Total Bond Debt, net				$ 175,819	$ 187,359
Short Term, fixed rate loans					
2017 Unsecured issued through Wells Fargo Bank	2,150	2.68%	2022	-	430
Quad Innovation Partnership Loan issued through The Dakota Foundation	50	1.50%	2027	41	50
Total Debt, net				$ 175,860	$ 187,839

Aggregate annual maturities (or minimum lease payments) for the term of the debt outstanding as of June 30, 2022 were:

Presented in Thousands	Bond Debt	Short Term Debt	**Total Debt**
2023	$ 10,955	$ 9	$ 10,964
2024	11,185	9	11,194
2025	20,215	9	20,224
2026	5,190	9	5,199
2027	5,375	5	5,380
Thereafter	121,165	-	121,165
	$ 174,085	$ 41	$ 174,126
Less Discounts	(387)	-	(387)
Plus Premiums	2,885	-	2,885
Less Bond Issuance Costs	(764)	-	(764)
	$ 175,819	$ 41	$ 175,860

NOTE 14 DEBT PAYABLE (Continued)

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:

	2022	2021
Total Interest charged to expense	$ 4,945	$ 3,956

NOTE 15 ASSET RETIREMENT OBLIGATION

The College's asset retirement obligations primarily relate to asbestos contained in buildings the College owns. Environmental regulations specify how to dispose of asbestos if facilities are demolished, or undergo major renovations or repairs. The obligation to remove asbestos is estimated based on the expected costs to be incurred escalated at an inflation rate and discounted at a credit adjusted risk-free rate. A summary of changes in asset retirement obligations since the date of adoption is included in the table below:

Presented in Thousands	2022	2021
Liability - Beginning of Year	$ 5,638	$ 3,653
Net Accretion Expenses	5,167	1,985
Liability - End of Year	$ 10,805	$ 5,638

NOTE 16 SCHOLARSHIP ALLOWANCES (TUITION DISCOUNTS)

For the years ended June 30, 2022 and 2021 the College's scholarship allowances (tuition discounts, prizes, and external scholarships) were provided for students at the College from the following sources:

Presented in Thousands	2022	2021
Unrestricted Sources		
Colorado College Funds	$ 36,554	$ 28,699
ACM Tuition Exchange	339	302
Total unrestricted sources	36,893	29,001
Restricted Sources		
Endowments	13,811	13,075
Private Gifts and Grants	1,481	1,478
Governments Grants	1,898	425
Total restricted sources	17,190	14,978
Total Scholarships Provided by Colorado College	$ 54,083	$ 43,979
Other scholarship allowances (not included above):		
Tuition remission benefits for dependents of employees	$ 1,353	$ 1,102
The College acts as custodian for these funds -		
Outside Scholarships for Colorado College students	$ 3,126	$ 2,456
Pell Grants	$ 1,618	$ 1,508

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:

Presented in Thousands

	2022	2021
Scholarships and Other Endowment funds	$ 18,817	$ 21,663
Instruction and Other Departmental Support	9,036	7,664
Capital Projects	8,190	(1,221)
	$ 36,043	$ 28,106

Contributions for acquisition or construction 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 statements of activities.

NOTE 17 RESTRICTIONS AND LIMITATIONS ON NET ASSETS BALANCES (Continued)

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

Presented in Thousands	2022	2021
Net Assets without Donor restrictions		
Undesignated	$ 10,850	$ 9,399
Student Loans Funds	894	972
Designated Operating Reserves	11,692	8,400
Designated Capital Projects	-	3,160
Designated Endowments	142,610	155,220
Designated Endowments - Capital Projects	-	10,039
Invested in Property and Equipment - net of related Debt	201,328	168,608
Total Without Donor Restrictions	367,374	355,798
Net Assets with Donor restrictions		
Donor Restricted Net Assets not Invested in Perpetuity		
Instruction and Other Departmental Support	18,105	25,520
Financial Aid	266	116
Capital Projects	13,940	19,166
Accumulated Earnings on Endowed Funds subject to Appropriations	444,816	533,997
Purpose Restricted, Subject to Appropriation	32,983	29,641
Annuity, Life Income, and BIPT	10,880	10,474
Unconditional promises to give for specific purposes	299	299
Total with Donor restriction not invested in perpetuity	521,289	619,213
Donor Restricted Net Assets held in Perpetuity		
Income expended for Scholarships	111,119	89,463
Income expended for Instruction and other departmental support	85,217	84,550
Income expended for General Purposes	6,185	5,727
Annuity, Life Income, and BIPT	37,088	43,700
Unconditional promises to give to the Endowment	3,230	9,299
Total with Donor restriction held in perpetuity	242,839	232,739
Total With Donor Restrictions	764,128	851,952
Total Net Assets	**$ 1,131,502**	**$ 1,207,750**

NOTE 18 EXPENSES BY NATURE AND FUNCTION

The costs of program and supporting services have been summarized on a functional basis in the statement 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 2022 and 2021 were as follows:

Presented in Thousands	Instructional	Academic Support, Public Service, & Research	Student Services	Institutional Support - Admin	Institutional Support - Fund Raising	Auxiliary	**2022 Total**
Compensation	$ 45,066	$ 10,664	$ 14,750	$ 11,450	$ 4,333	$ 1,502	$ 87,765
Instructional Operations	4,183	4,236	3,864	2,742	282	1,235	16,542
Fees & Contracts	4,591	2,953	2,730	4,672	709	9,837	25,492
Information Technology	218	916	306	759	346	50	2,595
Employee Conferences	2,190	749	2,654	151	100	23	5,867
Plant Operations	1,984	534	2,222	2,328	187	2,276	9,531
Interest	2,297	628	1,016	769	235	-	4,945
Depreciation	5,341	1,460	2,360	1,787	546	1,510	13,004
Total Expenses	$ 65,870	$ 22,140	$ 29,902	$ 24,658	$ 6,738	$ 16,433	$ 165,741

Presented in Thousands	Instructional	Academic Support, Public Service, & Research	Student Services	Institutional Support - Admin	Institutional Support - Fund Raising	Auxiliary	**2021 Total**
Compensation	$ 41,789	$ 9,380	$ 13,062	$ 10,254	$ 4,619	$ 1,481	$ 80,585
Instructional Operations	3,221	3,658	2,752	1,603	261	1,319	12,814
Fees & Contracts	3,581	1,836	2,219	6,637	534	7,160	21,967
Information Technology	152	724	119	470	350	11	1,826
Employee Conferences	190	103	1,072	45	7	21	1,438
Plant Operations	3,655	951	2,498	2,179	409	1,304	10,996
Interest	1,836	496	759	649	216	-	3,956
Depreciation	4,430	1,195	1,829	1,566	521	1,150	10,691
Total Expenses	$ 58,854	$ 18,343	$ 24,310	$ 23,403	$ 6,917	$ 12,446	$ 144,273

NOTE 19 LEASES

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.

NOTE 19 LEASES (Continued)

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.

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 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.

<u>Operating Leases – College as Lessee</u>
In fiscal year 2022, the College leased space in six locations. The leases commenced in July of 2020, with four terminating in August 2021 and the remaining two extending out to 2022 and 2023. Monthly payments range from $2,995 to $100,000. The liability for these leases is calculated using the remaining term of each lease.

The College has fourteen tower leases for the operation of its public radio station, KRCC. Six of these agreements have been long standing and are on a month to month renewal. Terms on the remaining five leases extend out to the years of 2023 through 2040. Monthly payments range from $200 to $4,800. The liability for these leases is calculated using the remaining term of each lease.

The College has four leases for equipment that extend out to 2023 or 2025. Monthly payments range from $979 to $4,170. The liability for these leases is calculated using the remaining term of the lease.

<u>Operating Leases – College as Lessor</u>
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 2022 totaled $232,440. In addition, Optumcare and La'au's Taco Shop rented office or restaurant space on campus for services they provide to, or in collaboration with, the College. Such rental receipts totaled $66,976 for the fiscal year.

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

Presented in Thousands	2022	2021
Lease expense:		
Operating lease expense	$ 3,991	$ 3,144
Total lease expense	$ 3,991	$ 3,144

NOTE 19 LEASES (Continued)

Other Information:		
Cash paid for amounts included in the measurement of leases:		
Operating cash flows from operating leases	$	3,991
Right-of-use assets obtained in exchange for new operating lease liabilities		386
Weighted-average remaining lease term (in years):		
Operating leases		3.42
Weighted-average discount rate:		
Operating leases		1.558%

Following is a maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2022:

Presented in Thousands

Year ending June 30:		Operating Leases
2023	$	254
2024		123
2025		28
2026		20
2027		5
Thereafter		34
Total Minimum Lease Payments		464
Less: Imputed Interest		(78)
Total Lease Liabilities	$	386

The College previously leased various equipment and infrastructure under finance leases which expired March 2021. The capitalized cost and accumulated amortization under these expired leases for the years ending June 30:

Presented in Thousands			**2022**		**2021**
Campus Infrastructure		$	2,473	$	2,473
Equipment			714		714
	Total Cost		3,187		3,187
Less accumulated amortization			(1,582)		(1,512)
	Total	$	1,605	$	1,675

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.

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 the ultimate disallowance pertaining to these regulations, if any, will not be material to the overall financial condition of the College.

Construction Commitments

The College had several major construction projects in progress at June 30, 2022 and 2021 with commitments to contractors. There are funds available from existing sources for completion of these projects.

Presented in Thousands	2022	2021
Construction contractor commitments	$ 1,877	$ 10,787
Cumulative available funds for projects	$ 7,820	$ 26,624

NOTE 21 SUBSEQUENT EVENTS

The College evaluated subsequent events through November 28, 2022 , the date at which the financial statements were available to be issued, and they determined there were no additional events to disclose.

NOTE 22 FINANCIAL RESPONSIBILITY RATIOS

The composite score is prepared pursuant to Appendix B of 34 CFR Part 668-Supbpart L, Ratio Methodology for Private Non-Profit Institutions. Private non-profit institutions must demonstrate financial health to participate in Title IV funding. The College prepared the required calculations based on audited financial statements for the year ended June 30, 2022. The composite score reflects the overall relative financial health of institutions along a scale from negative 1.0 to positive 3.0.

The composite score for the year ended June 30, 2022 is as follows:

Primary Reserve Ratio:	$ 676,991	
Expendable Net Assets	$ 165,741	4.085
Total Expenses		
Equity Ratio:		
Modified Net Assets	$ 1,128,402	
Modified Assets	$ 1,343,295	0.840
Net Income Ratio:		
Change in Net Assets Without Donor Restrictions	$ 11,576	
Total Revenues Without Donor Restrictions	$ 172,954	0.067

	Ratios	Strength Factors	Weight	Composite Scores	
Primary Reserve Ratio	4.085	3.0	40%	1.20	
Equity Ratio	0.840	3.0	40%	1.20	
Net Income Ratio	0.067	3.0	20%	0.60	
Composite Score				3.00	**PASS**

NOTE 22 FINANCIAL RESPONSIBILITY RATIOS (CONTINUED)

The Department of Education issued regulations on February 23, 2019, which became effective for filings July 1, 2020, regarding additional diclosures deemed necessary to calculate ratios for determining sufficent financial responsibility under Title IV.

Presented in Thousands

Net Assets			
1	Net Assets With Donor Restrictions: Restricted in Perpetuity	$	242,839
2	Other Net Assets With Donor Restrictions (Not Restricted in Perpetuity)		
	a. Annuities With Donor Restrictions		166
	b. Term Endowments		-
	c. Life Income Funds (Trusts)		10,714
	d. Total Annuities, Term Endowments and Life Income Funds with Donor Restrictions	$	10,880
Land, Buildings and Equipment, net			
3	Pre-implementation Land, Buildings and Equipment, net		
	a. Ending Balance of Last Financial Statements submitted to and accepted by the Department of Education (June 30, 2020 Financial Statements)	$	241,193
	b. Reclassify Capital Lease Assets previously included in LBE, net, prior to the implementation of ASU 2016-02 lease standard		-
	c. Less subsequent Depreciation and Disposals (net of accumulated depreciation)		(9,753)
	d. Balance Pre-implementation Land, Buildings and Equipment, net		231,440
4	Debt-financed post-implementation Land, Buildings and Equipment, net Long-lived Assets acquired with Debt subsequent to June 30, 2019		
	a. Equipment		-
	b. Land Improvements		1,507
	c. Buildings		12,818
	d. Total Land, Buildings and Equipment, net, acquired with Debt exceeding 12 months		14,325
5	Construction-in-Progress, acquired with debt, subsequent to June 30, 2019		398
6	Post-implementation Land, Buildings and Equipment, net, acquired without Debt		
	a. Long-lived assets acquired without use of Debt subsequent to June 30, 2019		108,939
7	Total Land, Buildings and Equipment, net at June 30, 2021	$	355,102
Debt to be excluded from Expendable Net Assets			
8	Pre-implementation Debt:		
	a. Ending Balance of Last Financial Statements submitted to and accepted by the Department of Education (June 30, 2020 Financial Statements)	$	151,632
	b. Reclassify Capital Lease Assets previously included in Long-term Debt, prior to the implementation of ASU 2016-02 lease standard		-
	c. Less subsequent Debt Repayments		(10,574)
	d. Balance Pre-implementation Debt		141,058
9	Allowable post-implementation Debt used for Capitalized Long-Lived Assets		
	a. Equipment - all capitalized		-
	b. Land Improvements		1,592
	c. Buildings		13,730
	d. Balance Post-Implementation Debt		15,322
10	Construction-in-Progress financed with Debt or Line of Credit subsequent to June 30, 2019		398
11	Long-Term Debt not for the Purchase of Land, Buildings and Equipment OR Liability greater than Asset Value		19,082
12	Total Debt to be Excluded from Expendable Net Assets	$	175,860
14	Lease Right-of-Use Asset, pre-implementation (grandfather of leases option not chosen)	$	-
15	Lease Right-of-Use Asset, post-implementation		386
17	Pre-implementation Right-of-Use Asset Liability		-
18	Post-implementation Right-of-Use Asset Liability		386
Unsecured Related-Party Receivables			
19	Secured Related-Party Receivables	$	-
20	Unsecured Related-Party Receivables		918
21	Total Secured and Unsecured Related-Party Receivables	$	918
Other Items			
22	Sale of Fixed Assets, gains (losses)		-
23	Intangible Assets (Water rights)		2,182

THE COLORADO COLLEGE AND SUBSIDIARIES
FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE
JUNE 30, 2022

Presented in Thousands

Supplemental Schedule - Financial Responsibility Calculation Supplemental Components

	Primary Reserve Ratio:			
		Expendable Net Assets:		
1	Statement of Financial Position (SFP)	Net Assets Without Donor Restrictions	$	367,374
2	SFP	Net Assets With Donor Restrictions		764,128
3	Note 17	Net Assets With Donor Restrictions: Restricted in Perpetuity		242,839
4	Note 22	Unsecured Related-Party Receivables		918
5	Note 17	Donor Restricted Annuities, Term Endowments, Life Income Funds		10,880
6	Note 22	Land, Buildings and Equipment, net, pre-implementation		231,440
7	Note 22	Land, Buildings and Equipment, net, post-implementation with Outstanding Debt for original purchase		14,325
8	Note 22	Construction in Progress purchased with Long-Term Debt		398
9	Note 22	Post-implementation Land, Buildings and Equipment, net, acquired without Debt		108,939
9	Note 22	Lease Right-of-Use Asset, pre-implementation (grandfather of leases option not chosen)		-
10	Note 22	Lease Right-of-Use Asset, post-implementation		386
11	Note 22	Intangible Assets (Water rights)		2,182
12	Note 12	Post-Employment and Pension Liabilities		632
13	Note 22	Long-Term-Debt - for long-term purposes, pre-implementation		141,058
14	Note 22	Long-Term-Debt - for long-term purposes, post-implementation		15,322
15	Note 22	Debt or Line of Credit for Construction in Progress		398
16	Note 22	Pre-implementation Right-of-Use Asset Liability (grandfather option not chosen)		-
17	Note 22	Post-implementation Right-of-Use Asset Liability		386
		Total Expenses and Losses:		
18	Statement of Activities (SOA)	Total Expenses (operating and non operating) without donor restrictions		165,741
19	SOA	Nonservice Component of Pension/Post-employment (nonoperating) cost (if loss)		-
20	Note 22	Sale of Fixed Assets (if loss)		-
21	SOA - N/A	Change in Value of Interest-Rate Swap Agreements (if loss)		-
	Equity Ratio:			
		Modified Net Assets:		
22	SFP	Net Assets Without Donor Restrictions	$	367,374
23	SFP	Net Assets With Donor Restrictions		764,128
24	SFP - N/A	Intangible Assets		2,182
25	Note 22	Unsecured Related-Party Receivables		918
		Modified Assets:		
26	SFP	Total Assets		1,346,395
27	Note 22	Lease Right-of-Use Asset, pre-implementation		-
28	SFP - N/A	Intangible Assets		2,182
29	Note 22	Unsecured Related-Party Receivables		918
	Net Income Ratio:			
30	SOA	**Change in Net Assets Without Donor Restrictions**	$	11,576
		Total Revenues and Gains Without Donor Restriction:		
31	SOA	Total Operating Revenue (including Net Assets Released from Restrictions)		179,811
32	SOA	Investment gain, net (aggregate operating and nonoperating interest, dividends, realized and unrealized gains)		-
33	SOA - N/A	Nonservice Component of Pension/Post-employment (nonoperating) cost, (if loss)		-
34	SOA - N/A	Pension-related Changes other than Net Periodic Pension Costs (if gain)		-
35	SOA	Change in Value of Annuity Agreement (typically in nonoperating)		(6,868)
36	SOA - N/A	Change in Value of Interest-Rate Swap Agreements (if gain)		-
37	Note 22	Sale of Fixed Assets (if gain)		-
38	SOA	Other Gains (nonoperating contributions) Without Donor Restrictions		11