

Financial Report

The Colorado College and Subsidiaries
June 30, 2026 and 2025

COLORADO COLLEGE

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Report of Independent Auditors

The Board of Trustees of
The Colorado College

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The Colorado College (the College), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the College as of June 30, 2026 and 2025, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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 within one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College's ability to continue as a going concern for a reasonable period of time.

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Management's Discussion and Analysis is presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Albuquerque, New Mexico
November 10, 2026

Management's Discussion and Analysis

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



2025-26 was a year of careful stewardship and meaningful progress toward "Claiming Our Space." Contributions increased significantly to $33.1 million, primarily due to the generous contributions of many donors in support of a new Science and Innovation Hub, and endowment distributions grew to $46.2 million. In the midst of ongoing enrollment headwinds, the College remains committed to meeting each student's full demonstrated need. Lower enrollment combined with the investment in financial aid resulted in a $6.4 million decline in overall net tuition and fee revenue. Disciplined spending kept growth in operating expenses to just 0.9%, even as the College prioritized the student experience. Finally, endowment investment returns of 15.5%, net of fees, contributed significantly to a total increase in net assets of approximately $135 million.

Colorado College's distinctive, immersive method of teaching and learning known as the Block Plan, which allows faculty and students to focus on one class at a time for three-and-a-half weeks, remains at the heart of who we are and provides flexibility and opportunities for collaborative learning. The 2025-26 fiscal year marked President Manya Whitaker's first full year as president, and her clear vision of bolstering institutional strength and reclaiming the enduring value of the liberal arts guided our work. Like many across higher education, we are navigating a changing federal landscape, and we are doing so from a position of strength. The College has taken a thoughtful look at how our resources align with our priorities, and we continue to implement strategies that position us to invest in our faculty, our students, and the distinctive experience of the Block Plan for years to come.

I am pleased to share more about the College and 2025-26 financial results in the following pages, which contain selected financial highlights to accompany Colorado College's consolidated financial statements for the year ended June 30, 2026. None of this happens without the people behind it. Thank you to our faculty and staff for the meaningful experience they create for our students, and to our Board, alumni, and donors for the generosity and confidence that sustain the College.

Sincerely,

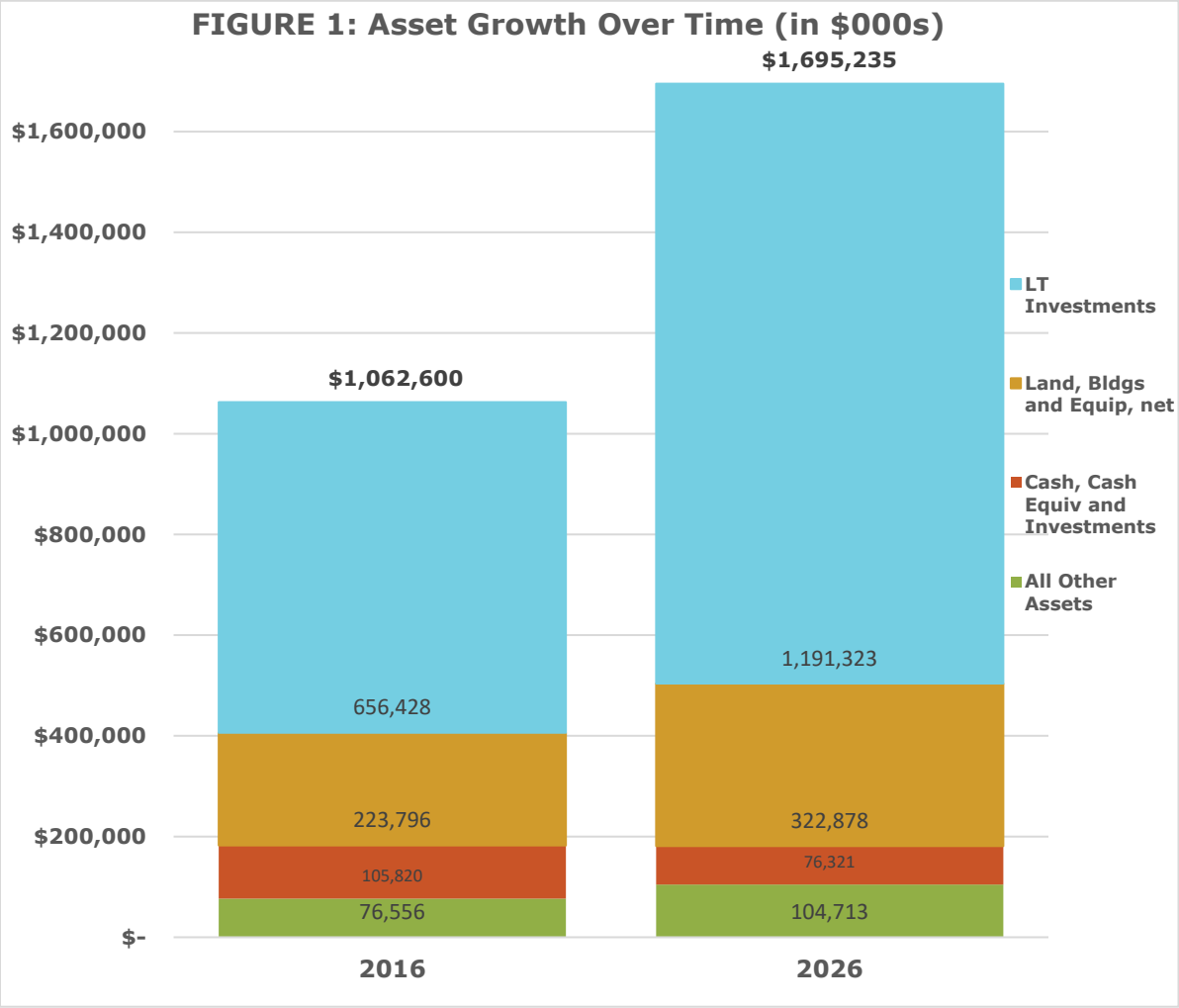
Lori Seager

Lori Seager
Vice President for Finance & Administration
Chief Financial Officer

Statement of Financial Position

- At June 30, 2026, total assets were $1.7 billion, which is an increase of $633 million over the last decade (Figure 1).

- Long-term investments, the College's largest asset, were valued at $1.2 billion on June 30, 2026. The increase of $123 million (11.5%) over the prior year's market value was primarily due to rising endowment investment market values. The endowment portfolio ended the year with a 15.5% annual investment return, net of fees.



- Total liabilities were just 10.1% of total assets.

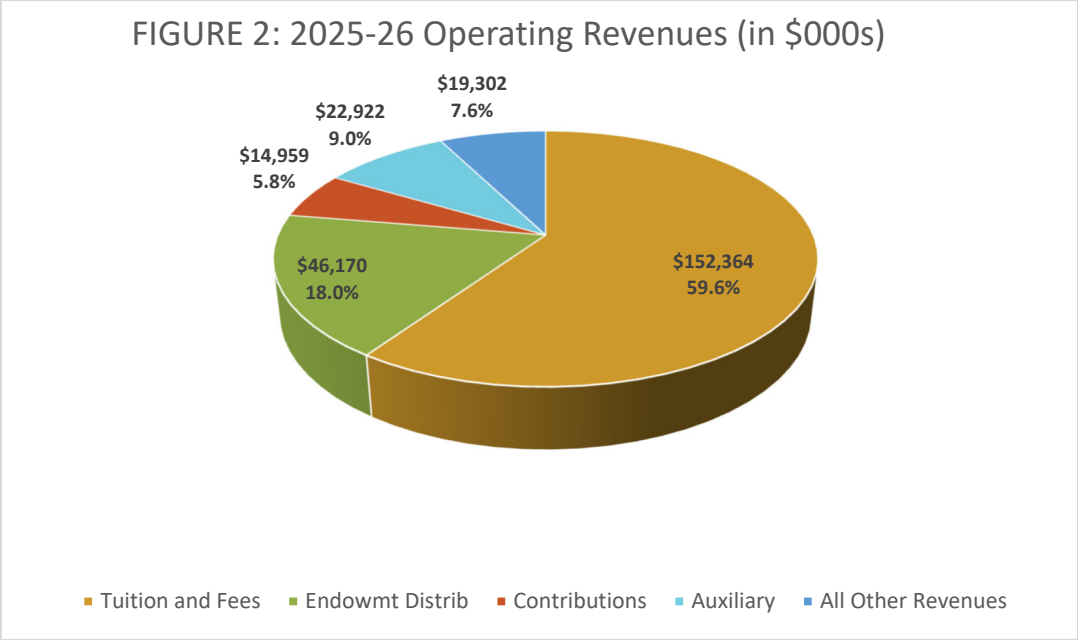
- Net assets were valued at $1.5 billion, an increase of $135 million (9.7%) over the prior year.

Statement of Activities

Revenue

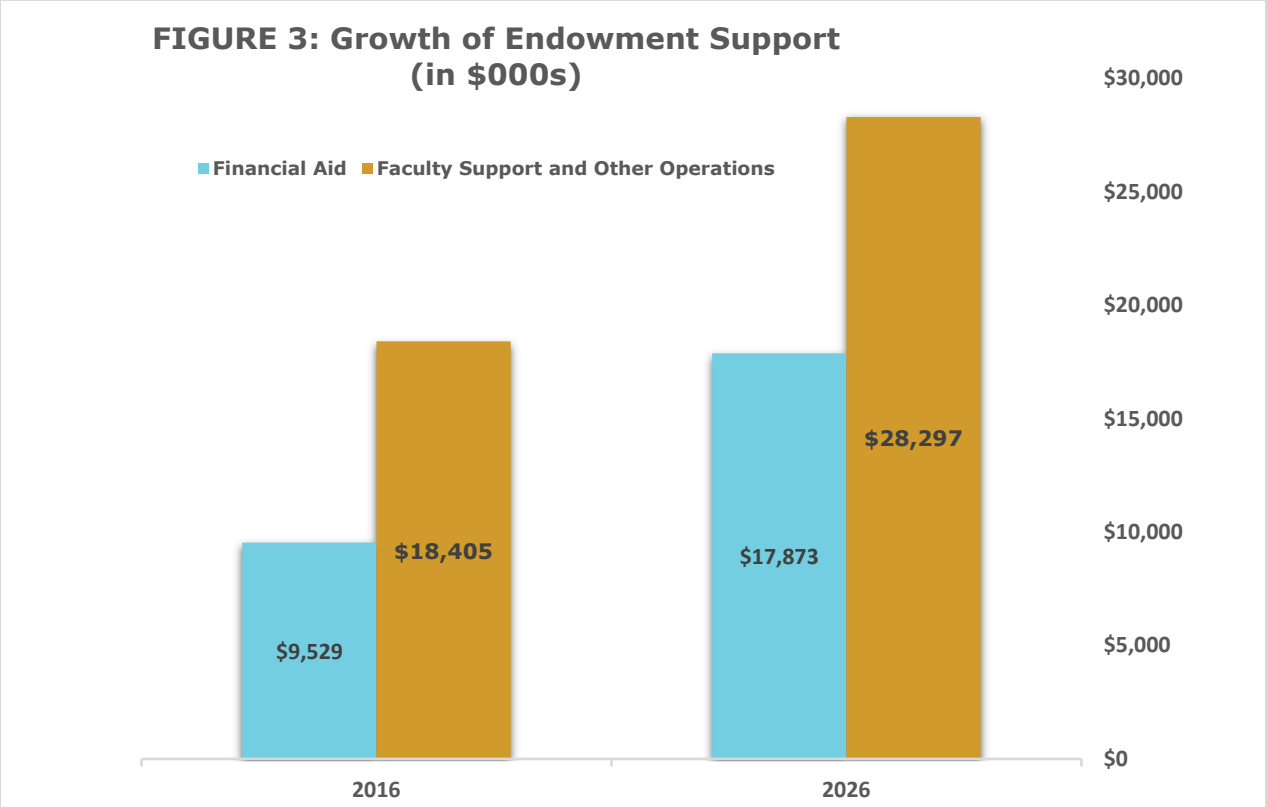
- Total gross operating revenues increased by $3.3 million over the prior year. The increase is largely attributed to increases in contribution revenue, and endowment distributions funded by continued growth in long term investments, slightly offset by decreases in tuition and fees and other investment income.

- Payments from students and their families for tuition, housing, and dining, represented the College's largest source of operating revenue. These revenues comprised 68.6% of the College's total gross operating revenues, as shown in Figure 2.



- Nonoperating investment returns in the College's endowment, trusts, and split interest agreements of $117.4 million and $18.2 million in contributions for nonoperating purposes combined with net operating income to comprise the overall increase in net assets of $135 million.

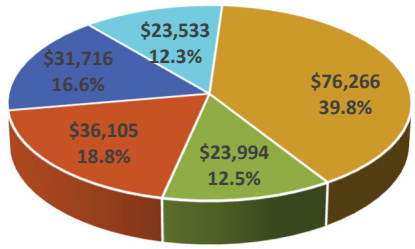
- The endowment contributed $46.2 million in support of financial aid, faculty support, and other College operations. Endowment distributions supporting financial aid totaled $17.9 million, which is approximately 38.7% of total distributions, up 87.6% from the $9.5 million in distributions supporting financial aid just a decade ago (Figure 3).



Expense

- Operating expenses increased just 0.9% ($1.7 million) over the prior year. In the midst of a challenging operating environment for higher education across the country, the College prioritized resource allocation in support of its academic mission and the student experience. Together, instruction, research, academic support, and student services represented 71.1% of total operating expenses (Figure 4).

FIGURE 4: 2025-26 Operating Expense (in $000s)



Instruction
Research, Pub Svc, Acad Supp
Student Services
Institutional Support
Auxiliary Enterprises

President Manya Whitaker's first full year in office brought a clear vision for Colorado College: focus on institutional strength, the enduring value of the liberal arts, and the opportunities and challenges facing higher education. That vision is already translating into action. One exciting initiative the College is advancing is a new Science and Innovation Hub, and as fiscal year 2026 closed, the design team moved into schematic design, and donor support for the project grows. The current project timeline has this innovative facility opening sometime in 2030. Through the impact of this planned Science and Innovation Hub, combined with the uniqueness of the Block Plan, Colorado College will build on its strengths and "claim our space" as a distinctive leader in higher education.

Consolidated Financial Statements

June 30, 2026 (with comparative financial information as of June 30, 2025)
(in thousands)

The Colorado College and Subsidiaries
Consolidated Statements of Financial Position
June 30, 2026 and 2025
Presented in Thousands

	2026	2025
ASSETS		
Cash and Cash Equivalents	$ 14,521	$ 24,466
Short-Term Investments	61,800	57,317
Accounts Receivable and Loans to Students, net	6,179	7,007
Contributions Receivable, net	22,634	6,498
Other Assets	3,848	4,467
Assets Held under Split-Interest Agreements	19,357	15,280
Beneficial Interest in Perpetual Trusts	51,526	46,310
Long-Term Investments	1,191,323	1,068,631
Land, Buildings, and Equipment, net	322,878	330,482
Lease Right-of-Use Assets	1,169	432
Total Assets	$ 1,695,235	$ 1,560,890
LIABILITIES		
Accounts Payable	$ 9,500	$ 5,777
Accrued Payroll and Other Liabilities	10,721	10,141
Agency Liabilities	9,465	8,840
Deferred Revenue	2,507	2,413
Liabilities under Split-Interest Agreements	4,878	3,998
Asset Retirement Obligation	5,199	7,146
Debt Payable, net	127,537	132,964
Lease Liabilities	1,215	432
Total Liabilities	$ 171,022	$ 171,711
NET ASSETS		
Without Donor Restrictions	$ 457,748	$ 434,950
With Donor Restrictions	1,066,465	954,229
Total Net Assets	$ 1,524,213	$ 1,389,179
Total Liabilities and Net Assets	$ 1,695,235	$ 1,560,890

See accompanying notes.

The Colorado College and Subsidiaries
Consolidated Statements of Activities
June 30, 2026 (with Summarized 2025 Totals)
Presented in Thousands

	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Total
OPERATING ACTIVITY				
Revenues, Gains, and Other Support				
Net Tuition and Fees (Note 1)	$ 87,698	$ -	$ 87,698	$ 94,129
Contributions	2,880	12,079	14,959	11,462
Government Grants and Contracts	1,424	-	1,424	1,601
Endowment Distribution	11,616	34,554	46,170	45,051
Other Investment Income	4,864	2,173	7,037	7,589
Auxiliary Enterprises	22,922	-	22,922	22,013
Other Revenue	10,743	98	10,841	9,944
Net Assets Released from Restrictions	44,478	(44,478)	-	-
Total Operating Revenue	$ 186,625	$ 4,426	$ 191,051	$ 191,789
Expenses - Educational and General				
Instruction	$ 76,266	$ -	$ 76,266	$ 80,282
Research	1,041	-	1,041	643
Academic Support	22,953	-	22,953	22,821
Student Services	36,105	-	36,105	32,932
Institutional Support	31,716	-	31,716	32,044
Total Educational and General Expenses	168,081	-	168,081	168,722
Auxiliary Enterprises	23,533	-	23,533	21,178
Total Operating Expenses	$ 191,614	$ -	$ 191,614	$ 189,900
Increase (Decrease) in Net Assets from Operating Activities	$ (4,989)	$ 4,426	$ (563)	$ 1,889
NONOPERATING ACTIVITY				
Contributions	$ 18	$ 18,139	$ 18,157	$ 6,894
Investment Return, net	27,338	81,709	109,047	63,560
Change in Value of Beneficial Interest in Perpetual Trusts and Split Interest Agreements	431	7,962	8,393	5,002
Increase (Decrease) in Net Assets from Nonoperating Activities	27,787	107,810	135,597	75,456
Total Change in Net Assets	$ 22,798	$ 112,236	$ 135,034	$ 77,345
Net Assets - Beginning of Year	$ 434,950	$ 954,229	$ 1,389,179	$ 1,311,834
NET ASSETS - END OF YEAR	$ 457,748	$ 1,066,465	$ 1,524,213	$ 1,389,179

See accompanying notes.

The Colorado College and Subsidiaries
Consolidated Statements of Activities
June 30, 2025
Presented in Thousands

	Without Donor Restrictions	With Donor Restrictions	2025 Total
OPERATING ACTIVITY			
Revenues, Gains, and Other Support			
Net Tuition and Fees (Note 1)	$ 94,129	$ -	$ 94,129
Contributions	8,234	3,228	11,462
Government Grants and Contracts	1,591	10	1,601
Endowment Distribution	11,898	33,153	45,051
Other Investment Income	5,308	2,281	7,589
Auxiliary Enterprises	22,013	-	22,013
Other Revenue	9,923	21	9,944
Net Assets Released from Restrictions	37,627	(37,627)	-
Total Operating Revenue	$ 190,723	$ 1,066	$ 191,789
Expenses - Educational and General			
Instruction	$ 80,282	$ -	$ 80,282
Research	643	-	643
Academic Support	22,821	-	22,821
Student Services	32,932	-	32,932
Institutional Support	32,044	-	32,044
Total Educational and General Expenses	168,722	-	168,722
Auxiliary Enterprises	21,178	-	21,178
Total Operating Expenses	$ 189,900	$ -	$ 189,900
Increase (Decrease) in Net Assets from Operating Activities	$ 823	$ 1,066	$ 1,889
NONOPERATING ACTIVITY			
Contributions	$ 86	$ 6,808	$ 6,894
Investment Return, net	10,518	53,042	63,560
Change in Value of Split Interest Agreements	(19)	5,021	5,002
Increase (Decrease) in Net Assets from Nonoperating Activities	10,585	64,871	75,456
Total Change in Net Assets	$ 11,408	$ 65,937	$ 77,345
Net Assets - Beginning of Year	$ 423,542	$ 888,292	$ 1,311,834
NET ASSETS - END OF YEAR	$ 434,950	$ 954,229	$ 1,389,179

See accompanying notes.

The Colorado College and Subsidiaries
Consolidated Statements of Cash Flow
June 30, 2026 and 2025
Presented in Thousands

	2026	2025
OPERATING ACTIVITIES		
Change in Net Assets	$ 135,034	$ 77,345
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Realized and Unrealized (Gains) Losses on Investments	$ (114,359)	$ (94,576)
Depreciation and Amortization	13,035	12,993
Amortization of Debt Issuance Costs	35	75
Changes in Asset Retirement Obligation and Accretion	(1,947)	933
(Gain)/Loss on Disposal of Capital Equipment and Property	15	2
Change in Value of Split Interest Agreements	(8,413)	(4,951)
Contributions and Investment Income Restricted for Long Term Investments	(1,797)	(6,894)
Changes in:		
Accounts Receivable, net	858	1,758
Contributions Receivable, net	(16,136)	(724)
Other Assets	619	(719)
Accounts Payable	3,723	(154)
Accrued Payroll and Other Liabilities	580	1,126
Agency Liabilities	625	723
Deferred Revenue	94	106
Change in Value of Right of Use Assets and Lease Liabilities	120	74
Net Cash Provided from Operating Activities	$ 12,086	$ (12,883)
INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	$ (5,446)	$ (4,511)
Proceeds from Sales or Maturities of Investments	234,114	267,190
Purchase of Investments	(247,067)	(228,909)
Proceeds from Loans Receivable	107	(221)
Net Cash Provided from Investing Activities	$ (18,292)	$ 33,549
FINANCING ACTIVITIES		
Contributions and Investment Income Restricted for Long-Term Investments	$ 1,797	$ 6,894
Repayments on Debt	(5,462)	(20,467)
Finance Lease Payments	(74)	-
Net Cash from Financing Activities	$ (3,739)	$ (13,573)
NET (DECREASE) INCREASE CASH AND CASH EQUIVALENTS	$ (9,945)	$ 7,093
Cash and Cash Equivalents - Beginning of Year	24,466	17,373
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 14,521	$ 24,466
Supplemental Cash Flow Information		
Interest Paid	$ 5,496	$ 5,855
Noncash Investing and Financing Activities:		
Contributions of Non-Financial Assets	$ 115	$ 156
Right of Use Assets Obtained in Exchange for Financing Lease Liabilities	$ 623	$ -

See accompanying notes.

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 approximately 2,000 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 8 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-Imposed Restrictions – Net assets that are not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, amounts as board-designated endowment. In addition, this category includes investment in land, buildings, and equipment.

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

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

Cash and Cash Equivalents – The College maintains cash in various financial institutions to reduce credit risk. At June 30, 2026 and 2025, the FDIC insurance limit for interest-bearing and noninterest-bearing cash accounts was $250. At June 30, 2026 and 2025, the College's cash accounts exceeded federally insured limits by approximately $15,580 and $25,074, respectively. The College has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents held at these banks.

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

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

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

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

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

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

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

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

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

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

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

Investment returns are presented net of investment manager fees and expenses.

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

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

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

Land, Buildings, and Equipment – Buildings and equipment are recorded at cost or, if donated, at the estimated fair value at the date of donation. Depreciation of land, buildings, and equipment is calculated on the straight-line method over the estimated useful lives of the assets - between four and twenty years for equipment, and forty years for buildings, 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. Purchased and donated furniture and equipment items must have a value of $5 or more at the date of acquisition or donation to be considered for capitalization.

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

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

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

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

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

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

The 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.

Agency Liabilities – The College holds various funds in an agency capacity for organizations of the College, such as classes and clubs, and on behalf of third parties. 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 consolidated statements of activities, but these funds are included in cash and investments and are reported as agency liabilities in the consolidated statements of financial position.

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, $140 and $271 was returned in fiscal years 2026 and 2025, respectively. The College’s share of $34 in fiscal year 2026 and $55 in fiscal year 2025 was returned to College operating funds.

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

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

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

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

The College offers three summer terms. In summer 2026, Block A began May 26 and ended June 18, Block B began June 22 and ended July 16, and Block C began July 20 and ended August 12. For summer 2025, Block A began May 27 and ended June 20, Block B began June 23 and ended July 17, and Block C began July 21 and ended August 13. Revenue for each is recognized proportionately, depending on the number of days of the Block that fall into each fiscal year. A portion of Block B and all of Block C tuition and fees are recorded as deferred revenue at June 30 of each year.

First-year students secure their enrollment and housing by paying nonrefundable deposits by May 1 for the following academic term. In limited circumstances, students can defer enrollment and housing by one year without forfeiting their deposit. Deposits are recorded as deferred revenue and applied against charges in the first year of enrollment. The enrollment deposit was $1 per student for the academic terms ending June 30, 2026 and 2025, respectively.

Other Revenues – Other revenue includes tuition from the College’s Children’s Center, memberships, Outdoor Education programs, and sports arena rental income and sponsorships. Revenues are recognized as services are provided.

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

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

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

Contract Revenue Recognized over Time	Year ended June 30, 2026	2025
Tuition and Fees	$ 152,364	$ 154,762
Scholarship Allowances	(64,666)	(60,633)
Total Tuition and Fees, net	$ 87,698	$ 94,129
Housing	14,610	14,392
Dining	8,258	7,540
Other Auxiliary Revenue	54	81
Total Auxiliary	$ 22,922	$ 22,013
	$ 110,620	$ 116,142

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

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

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

Contributions receivable include pledges that are recorded at their present value using discount rates ranging from approximately 0.06% – 5.40% depending on the year of inception. An allowance is made for potentially uncollectible contributions based upon management's past collection experience and other relevant factors.

From time to time, the College receives contributions from related parties, including employees, Trustees, or other organizations in which the College's Trustees serve as Directors. At June 30, 2026 and 2025, contributions receivable from related parties were $10,200 and $288, respectively.

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

The College has adopted the requirements related to accounting for uncertain tax positions. The College evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2026 and 2025.

Functional Allocation of Expenses – The costs of various programs, support services, and other activities are summarized on a functional basis in the Consolidated Statements of Activities in accordance with the overall educational mission of the College. The analysis of expenses by nature and function in Note 18 presents the natural classification of categories of expenses within each function. Costs have been either directly charged to, or allocated among, programs and supporting activities. Allocated costs include facilities management and planning, depreciation and disposal of land, buildings, and equipment, information technology service, and interest. Costs not directly charged are allocated on a pro-rata basis to benefiting programs and supporting services. Facility operations, interest and depreciation are allocated based on square footage used by each functional area. Other costs are allocated based on estimates of workload and usage.

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

Prior Year Summarized Financial Information – The Consolidated Statements of Activities for the year ended June 30, 2026, on page 10 contains prior year summarized comparative information that does not include sufficient detail to constitute a full presentation in conformity with U.S. GAAP. A full presentation of prior year information in conformity with U.S. GAAP is presented on the Consolidated Statements of Activities for the year ended June 30, 2025.

Reclassifications – Certain amounts within the June 30, 2025, financial statements have been reclassified to conform to the June 30, 2026 presentation. These reclassifications had no effect on previously reported net assets.

Note 2 – Available Resources and Liquidity

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

In addition to financial assets available to meet general expenditures over the next 12 months, the College operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. As of June 30, 2026 and 2025, the following financial assets could readily be made available within one year of the date of the Consolidated Statements of Financial Position to meet general expenditures.

	2026	2025
Financial Assets Available at Year End		
Cash and Cash Equivalents	$ 14,521	$ 24,466
Short Term Investments	61,800	57,317
Accounts Receivable and Loans to Students, net	6,179	7,007
Contributions Receivable, net	22,634	6,498
Assets Held Under Split Interest Agreements	19,357	15,280
Long Term Investments	1,191,323	1,068,631
	$ 1,315,814	$ 1,179,199
Less Assets Not Available for General Expenditures Within 12 Months:		
Contributions Receivable, beyond one year	$ 17,454	$ 4,272
Assets Related to Agency Agreements	9,465	8,840
Assets Held Under Split Interest Agreements	19,357	15,280
Designated Funds without Donor Restrictions	233,007	208,701
Funds with Donor Restrictions		
Subject to Appropriation Beyond One Year	989,694	885,394
Financial Assets Available for Use Over the Next 12 Months	$ 46,837	$ 56,712

Note 3 – Accounts and Loans Receivable, Net

General, student, grant, and other receivables, as of June 30, 2026 and 2025, consisted of the following:

	2026	2025
Accounts Receivable - General	$ 768	$ 969
Loans to Students	286	394
Accounts Receivable - Students	716	498
Accounts Receivable - Grants	4,207	4,915
Interest Receivable	295	293
	$ 6,272	$ 7,069
Less Allowances for Credit Losses:		
Student Accounts	$ (89)	$ (58)
Loans to Students	(4)	(4)
	$ (93)	$ (62)
Total	$ 6,179	$ $ 7,007

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

The College separates student accounts receivable into risk pools based on their aging and develops a loss rate for each risk pool. The loss rate varies between 10% for student accounts receivable between 31-90 days past due and 45% for any greater than 120 days past due. Given the nature of the types of loans receivable, federal loan program and institutional loan program receivables are analyzed separately. In determining the amount of the allowance as of the statement of financial position date, the College develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

Note 4 – Contributions Receivable

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

	2026	2025
Annual Fund	$ 112	$ 137
Gifts for Operations and Capital Projects	21,290	3,456
Endowment	2,267	3,217
	$ 23,669	$ 6,810
Less allowance for doubtful pledges	(104)	(55)
Less unamortized discount	(931)	(257)
	$ 22,634	$ 6,498

The College expects to collect contributions as follows:

	2026	2025
Net amounts due in		
Less than one year	$ 5,180	$ 2,226
One to five years	12,910	3,593
Greater than five years	4,544	679
	$ 22,634	$ 6,498

Contributions receivable due within one year are not discounted. Contributions receivable expected to be collected in more than one year have been discounted using historic rates, ranging from 0.06% to 5.4%.
In addition, the College has been notified of donor intent to give, in wills or trust instruments of amounts totaling approximately $52,394 and $48,932 as of June 30, 2026 and 2025, respectively. These promises and bequest pledges do not yet meet revenue recognition criteria, and will be recognized when conditions are substantially met.

Note 5 – Investments and Financial Instruments Measured at Fair Value

The College held 105 funds in 66 investment companies at June 30, 2026. The College's exposure to credit risk is limited by the broad diversification of its investment portfolio across asset classes, investment managers and issuers.

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, 2026, and June 30, 2025.

	June 30, 2026
Short Term Investments	$ 61,800
Long Term Investments	1,191,323
Assets Held under Split-Interest Agreements	19,357
	$ 1,272,480

	Level I	Level II	Level III	2026 Total
Cash and Cash Equivalents	$ 36,835		$ -	$ 36,835
Fixed Income	27,956	44,115	-	72,071
Global Equities	360,475	-	-	360,475
Real Estate	-	650	-	650
Water Rights	-	3,631	-	3,631
Assets Held under Split Interest Agreements				
Cash and Cash Equivalents	500	-	456	956
Fixed Income	2,683	-	2,751	5,434
Equities	4,700	-	7,869	12,569
Real Assets	-	-	279	279
Private Debt	-	-	119	119
	$ 433,149	$ 48,396	$ 11,474	$ 493,019
Investments Measured at Net Asset Value				779,461
TOTAL INVESTMENTS				$ 1,272,480

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

	Level I	Level II	Level III	2025 Total
Cash and Cash Equivalents	$ 73,609	$ -	$ -	$ 73,609
Fixed Income	12,342	46,173	-	58,515
Global Equities	359,526	-	-	359,526
Real Estate	-	400	-	400
Water Rights	-	2,182	-	2,182
Assets Held under Split Interest Agreements				
Cash and Cash Equivalents	243	-	344	587
Fixed Income	1,878	-	2,305	4,183
Equities	4,076	-	6,087	10,163
Real Assets	-	-	239	239
Private Debt	-	-	108	108
	$ 451,674	$ 48,755	$ 9,083	$ 509,512
Investments Measured at Net Asset Value				631,716
TOTAL INVESTMENTS				$ 1,141,228

The following tables are reconciliations of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statement of financial position using significant unobservable (Level III) inputs as of June 30, 2026, and June 30, 2025.

Level III Investments	July 1, 2025 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30, 2026 Balance
Assets Held under Split-Interest Agreements	$ 9,083	$ (958)	$ (288)	$ 3,637	$ 11,474

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

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

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

	Investments Held at Net Asset Value	Redemption Notice Period	Redemption Frequency	Unfunded Commitments	Fair Value at June 30, 2026
a	International Equities	6 business days	Weekly	$ -	$ 200,030
b	Absolute Return	45 day notice	Annually	-	162,570
c	Emerging Markets - Liquid	45 day notice	Quarterly	-	289
d	Consumer Markets - Liquid	45 day notice	Quarterly	-	-
e	Distressed Credit	n/a *	n/a *	57,182	94,245
f	Emerging Markets - Illiquid	n/a *	n/a *	3,341	216
g	Consumer Markets - Illiquid	n/a *	n/a *	-	532
h	Real Estate	n/a *	n/a *	21,173	35,043
i	Private Equity Large-Cap Buyout	n/a *	n/a *	119,553	286,536
				$ 201,249	$ 779,461

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

a. **International Equities –** Stock of companies based outside of the United States, offering exposure to global markets and economies. Investing in international equities helps diversify portfolios and can enhance returns by capturing growth opportunities in different regions and sectors.

b. **Absolute Return –** An absolute return investment strategy aims to generate positive returns regardless of market direction by using diverse assets and techniques such as hedging, short selling, and derivatives. It focuses on preserving capital and minimizing volatility.

c. **Emerging Markets - Liquid –** An emerging markets investment strategy focuses on investing in readily tradable securities such as equities, bonds, and currencies, within developing economies that offer higher growth potential. This strategy seeks to capture attractive risk-adjusted returns through active management, diversification, and liquidity discipline amid the volatility and structural opportunities of emerging markets.

d. **Distressed Credit –** A distressed credit investment strategy focuses on acquiring the debt of companies facing financial distress, restructuring, or bankruptcy, often at significant discounts to face value. The goal is to capitalize on recovery potential through restructurings, asset sales, or improved operations, generating strong risk-adjusted returns independent of market cycles.

e. **Emerging Markets – Illiquid –** An emerging markets illiquid investment strategy targets long-term opportunities in private equity, real assets, and private credit within developing economies where capital markets are less mature. The strategy seeks to capture outsized growth and valuation upside by partnering with local operators and leveraging structural economic expansion, despite higher risks and lower liquidity.

f. **Consumer Markets – Illiquid –** A consumer markets illiquid investment strategy targets private investments in companies and assets that benefit from long-term consumer demand trends, such as branded goods, healthcare, technology, and services. The strategy seeks to create value through active ownership and operational improvements, capitalizing on enduring shifts in consumer behavior and market growth potential.

g. **Real Estate –** A real estate investment strategy involves acquiring, developing, or managing property assets to generate income and long-term capital appreciation. It seeks to balance stable cash flows with potential value growth, often through diversification across sectors such as residential, commercial, industrial, and logistics real estate.

h. **Private Equity Large-Cap Buyout** – A private equity large-cap buyout investment strategy focuses on acquiring controlling stakes in established, high-quality companies with strong cash flows and defensible market positions. The strategy aims to drive value through operational improvements, strategic growth initiatives, and financial optimization, ultimately delivering attractive returns upon exit.

The following table represents the endowment portfolio liquidity, by category, as a percentage of the total endowment portfolio:

Liquidity	2026	2025
Daily/Weekly	34%	40%
Monthly	6%	7%
Quarterly	26%	24%
Illiquid	34%	29%

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

	2026	2025
Operating Revenue	$ 53,207	$ 52,640
Non-Operating Activity	109,047	63,560
	$ 162,254	$ 116,200

Note 6 – Split-Interest Agreements

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

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

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

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

June 30, 2026	CRATs/CRUTs	Charitable Gift Annuities	Endowment CRT	June 30 Balance
Contribution Revenue	$ 1,044	$ -	$ -	$ 1,044
Investments	15,861	2,010	1,486	$ 19,357

June 30, 2025	CRATs/CRUTs	Charitable Gift Annuities	Endowment CRT	June 30 Balance
Contribution Revenue	$ -	$ -	$ -	$ -
Investments	12,063	1,872	1,345	$ 15,280

Note 7 – Beneficial Interests in Perpetual Trusts

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

All beneficial interests in perpetual trusts held by a third party are classified as Level III in accordance with the valuation hierarchy defined in Note 1 as the fair values are based on unobservable inputs. The carrying amount of the actuarial asset approximates fair value based on life expectancies, quoted market prices, and the present value discount included in the carrying amount. Since the College has an irrevocable right to receive the income earned from the trusts' assets, the fair value of the College's beneficial interest is estimated to approximate the net present value of each trust's assets using a discount rate of 3%.

Investments at Levels as of June 30,	Level I	Level II	Level III	Total
2026 Beneficial Interests Perpetual Trusts	$ -	$ -	$ 51,526	$ 51,526
2025 Beneficial Interests Perpetual Trusts	$ -	$ -	$ 46,310	$ 46,310

Level 3 Activity	July 1 Balance	Unrealized Gains & (Losses)	Redemptions	Purchases, Issuances	June 30 Balance
2026 Beneficial Interests Perpetual Trusts	$ 46,310	$ 4,407	$ -	$ 809	$ 51,526
2025 Beneficial Interests Perpetual Trusts	$ 42,096	$ 3,068	$ -	$ 1,146	$ 46,310

Note 8 – Endowment

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

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

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

2026 Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Designated Endowments	$ 220,517	$ -	$ 220,517
Donor-Restricted Endowments, held in perpetuity	-	225,996	225,996
Purpose Restricted, subject to appropriation	-	46,235	46,235
Accumulated Investment Gains, subject to appropriation	-	686,592	686,592
Total Endowment Funds	$ 220,517	$ 958,823	$ 1,179,340

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

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

2026 Change in Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year July 1, 2025	$ 190,501	$ 873,607	$ 1,064,108
Contributions/Additions	17	1,705	1,722
Investment Returns, net	41,615	118,065	159,680
Appropriation of Endowment Assets for Expenditures	(11,616)	(34,554)	(46,170)
Endowment at Year End June 30, 2026	$ 220,517	$ 958,823	$ 1,179,340

2025 Change in Endowment Net Assets	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year July 1, 2024	$ 179,575	$ 812,359	$ 991,934
Contributions/Additions	86	6,808	6,894
Investment Returns, net	22,738	87,593	110,330
Appropriation of Endowment Assets for Expenditures	(11,898)	(33,153)	(45,050)
Endowment at Year End June 30, 2025	$ 190,501	$ 873,607	$ 1,064,108

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the College is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restriction and aggregated. There were no such deficiencies as of June 30, 2026 and 2025.

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 2026, 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:

	2026	2025
Buildings and Improvements	$ 452,808	$ 452,001
Land	11,908	11,908
Campus Infrastructure	35,486	34,801
Equipment and Furnishings	23,077	22,220
Long-Term Equipment	7,037	6,980
Construction in Progress	5,904	3,326
	$ 536,220	$ 531,236
Less Accumulated Depreciation	(213,342)	(200,754)
	$ 322,878	$ 330,482

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

	2026	2025
Capitalized interest costs related to construction in progress during the years ending June 30	$ 231	$ 149
Total depreciation and amortization expense for the years ending June 30	$ 13,035	$ 12,993

Note 10 – Deferred Revenue

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

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

	Balance at June 30, 2024	Revenue recognized	Payments received	Balance at June 30, 2025	Revenue recognized	Payments received	Balance at June 30, 2026
Tuition and Fees	720	(7,116)	7,039	643	(6,790)	6,989	842
Student Deposits and Other Deferred Revenue	1,586	(9,359)	9,543	1,770	(7,755)	7,650	1,665
Total	$2,306	$ (16,475)	$16,582	$2,413	$ (14,545)	$14,639	$2,507

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.

	2026	2025
Total pension expense for the year ending June 30	$ 6,425	$ 6,194

Note 12 – Other Post-Retirement Benefit Plans

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

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

The College uses a June 30 measurement date for the plan. The plan's obligation as of June 30, 2026 and 2025 was $559 and $519 respectively, and this is recorded in the accrued payroll & other liabilities on the Consolidated Statements of Financial Position.

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

2027	$	88
2028		72
2029		70
2030		61
2031		53
Thereafter:		215
Total	$	559

For measurement purposes, a 5% discount rate in the per capita cost of covered health benefits was assumed for fiscal year 2026.

Note 13 – Self-Funded Insurance Plans

The College maintains self-funded dental and health insurance plans. Under these plans, the College incurs insurance claims expense of approximately $1,141 per month. The College has contracted with a third-party administrator to process claims. The third-party administrator submits employee insurance claims for payment on a weekly basis, one week in arrears. Administrative costs are paid monthly. The College is liable for claims of up to $400 per individual, per year. Claims above $400 per individual, per year, are covered by a specific stop-loss insurance program, which has no stop-loss maximum.

	2026	2025
Plan expense	$ 11,760	$ 10,308
Incurred but not reported claims (based on actuarial calculations)	1,894	1,676
Plan reserve (from designated net assets without donor restrictions)	2,136	3,243

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

Note 14 – Debt Payable

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

	Original Issue Amount	Interest Rate	Final Maturity	Principal balance - net of unamortized discounts and issue premiums as of June 30 2026	2025
Tax-Exempt fixed-rate:					
Series 2020A issued through El Paso County	$ 15,585	5.00%	2032	$ 9,077	$ 10,395
Tax-Exempt fixed-rate - structured as a bank loan:					
Series 2019 issued through El Paso County	20,745	2.35%	2040	15,510	16,435
Taxable fixed-rate:					
Series 2015C issued through El Paso County	110,000	3.3% - 4.7%	2046	103,424	106,643
Less Bond Issuance Costs				(474)	(509)
Total Debt, net				$ 127,537	$ 132,964

These unsecured bonds do not contain restrictive covenants as to additional indebtedness.

Aggregate annual maturities (or minimum payments) for the term of the debt outstanding as of June 30, 2026 were:

	Bond Debt
2027	$ 5,375
2028	5,575
2029	5,785
2030	6,010
2031	6,250
Thereafter	97,545
	$ 126,540
Less Discounts	(260)
Plus Premiums	1,731
Less Bond Issuance Costs	(474)
	$ 127,537

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:

	2026	2025
Total Interest Charged to Expense	$ 5,006	$ 5,407

Note 15 – Asset Retirement Obligation

The College's asset retirement obligations primarily relate to asbestos contained in buildings the College owns. The estimate of the losses that are probable for asbestos removal was calculated using the expected cash flow approach and based on an inventory of the College’s long-lived assets combined with an estimate of the current market prices to remove the asbestos. The College utilized a credit-adjusted risk-free rate, 3.5% and 2.6% in fiscal years 2026 and 2025, respectively. A summary of changes in asset retirement obligations since the date of adoption is included in the table below:

	2026	2025
Liability - Beginning of Year	$ 7,146	$ 6,213
Net Accretion Expenses/Settlements	(1,947)	933
Liability - End of Year	$ 5,199	$ 7,146

Note 16 – Scholarship Allowances (Tuition Discounts)

For the years ended June 30, 2026 and 2025, the College's scholarship allowances (tuition discounts, prizes, and external scholarships) were provided for students at the College from the following sources:

	2026	2025
Unrestricted Sources		
Colorado College Funds	$ 43,722	$ 40,414
ACM Tuition Exchange	365	298
Total Unrestricted Sources	$ 44,087	$ 40,712
Restricted Sources		
Endowments	$ 18,688	$ 18,052
Private Gifts and Grants	1,325	1,320
Government Grants	566	549
Total Restricted Sources	$ 20,579	$ 19,921
Total Scholarships Provided by Colorado College	$ 64,666	$ 60,633
Other scholarship allowances (not included above):		
Tuition remission benefits for dependents of employees	$ 1,418	$ 1,568
The College acts as custodian for these funds -		
Outside Scholarships for Colorado College students	2,243	2,929
Pell Grants	1,828	2,132

Note 17 – Restrictions and Limitations on Net Asset Balances

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

	2026	2025
Scholarships and Other Endowment Funds	$ 31,815	$ 29,190
Instruction and Other Departmental Support	12,663	8,357
Capital Projects	-	80
	$ 44,478	$ 37,627

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

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

	2026	2025
Net Assets without Donor Restrictions		
Undesignated	$ 14,845	$ 13,755
Student Loans Funds	705	730
Designated Operating Reserves	12,489	18,201
Designated Endowments	220,517	190,501
Invested in Property and Equipment - net of related debt	209,192	211,763
Total Without Donor Restrictions	$ 457,748	$ 434,950
Net Assets with Donor Restrictions		
Donor Restricted Net Assets, not invested in perpetuity		
Instruction and Other Departmental Support	$ 13,988	$ 13,706
Financial Aid	165	121
Capital Projects	27,290	8,571
Accumulated Earnings on Endowed Funds, subject to appropriation	686,592	606,184
Purpose Restricted, subject to appropriation	46,235	42,983
Annuity	771	259
Life Income, and BIPT	13,287	11,101
Unconditional Promises to Give for specific purposes	-	-
Total with Donor restriction not invested in perpetuity	$ 788,328	$ 682,925
Donor Restricted Net Assets held in Perpetuity		
Instruction and Other Departmental Support	95,295	94,121
Financial Aid	$ 122,683	$ 121,472
General Purposes	5,753	5,753
Annuity, Life Income, and BIPT	52,140	46,863
Unconditional promises to give to the Endowment	2,266	3,095
Total with Donor restriction held in perpetuity	$ 278,137	$ 271,304
Total With Donor Restrictions	$ 1,066,465	$ 954,229
Total Net Assets	$ 1,524,213	$ 1,389,179

Note 18 – Expenses by Nature and Function

The costs of program and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities. The College reports expenditures in categories reflecting core operational objectives for higher education as defined by the Integrated Postsecondary Education Data System (IPEDS). Facility operations, interest and depreciation are allocated on the basis of square footage used by each functional area. Other costs are allocated based on estimates of workload and usage. The College's expenditures for 2026 and 2025 were as follows:

	Instructional	Academic Support & Research	Student Services	Institutional Support Admin	Institutional Support Fund Raising	Auxiliary	2026 Total
Compensation	$ 52,169	$ 12,835	$ 18,128	$ 13,318	$ 6,110	$ 2,343	$ 104,903
Instructional Operations	5,567	4,218	4,042	1,748	1,050	2,014	18,639
Fees & Contracts	8,743	2,990	4,084	3,201	470	10,754	30,242
Information Technology	1,114	1,369	1,031	1,063	143	160	4,880
Employee Conferences	3,332	639	3,278	124	372	94	7,839
Facility Operations	32	76	1,850	2,195	14	2,903	7,070
Interest	1,473	518	1,025	482	47	1,461	5,006
Depreciation	3,836	1,350	2,667	1,255	123	3,804	13,035
Total Expenses	$ 76,266	$ 23,995	$ 36,105	$ 23,386	$ 8,329	$ 23,533	$ 191,614

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

Note 19 – Leases

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

Operating Leases – College as Lessee – The College currently has an agreement for one residential location until May 31, 2030, for six units. Monthly payments are $8. The liability for this lease is calculated using the remaining term of the lease.

The College has twelve tower leases for the operation of its public radio station, KRCC. Terms extend out to the years of 2026 through 2040. Monthly payments range from $0 to $6. The liability for these leases is calculated using the remaining term of each lease.

Operating Leases – College as Lessor – The College has agreements with third-party service providers on 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 2026 totaled $242. In addition, UC Health and La Belle Melange LLC rented office or restaurant space on campus for services they provide to, or in collaboration with, the College. Such rental receipts totaled $88 for the fiscal year.

Finance Leases – College as Lessee – The College leases certain equipment under agreements with third-party service providers including appliances used in residence halls and copier and printer equipment. These agreements are classified as finance leases because the lease terms represent a major part of the economic lives of the underlying assets.

Right-of-use assets related to operating leases and finance leases at June 30 was as follows:

	2026	2025
Lease right-of-use assets:		
Operating lease	$ 767	$ 432
Finance lease, net	402	-
Total lease right-of-use assets	$ 1,169	$ 432

Following is a maturity analysis of annual undiscounted cash flows for operating lease liabilities and minimum lease payments under finance leases as of June 30:

Year ending June 30:	Operating Leases	Finance Leases
2027	234	110
2028	164	110
2029	149	110
2030	142	110
2031	38	21
Thereafter	151	-
Total Minimum Lease Payments	$ 878	$ 461
Less: Imputed Interest	$ (85)	$ (39)
Total Lease Liabilities	$ 793	$ 422

Following is quantitative information concerning the College's operating and finance leases as of June 30:

	2026	2025
Components of lease expense:		
Operating lease cost	$ 370	$ 657
Finance lease cost:		
Amortization of leased assets	96	-
Interest on lease liabilities	5	-
Total lease expense	$ 471	$ 657
Weighted-average remaining lease term (in years):		
Operating lease	5.69	8.22
Finance lease	4.28	N/A
Weighted-average discount rate:		
Operating lease	4.50%	3.48%
Finance lease	5.04%	0.00%

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

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

Construction Commitments – The College had several major construction projects in progress at June 30, 2026 and 2025, with commitments to contractors. There are funds available from existing sources for completion of these projects.

	2026	2025
Construction contractor commitments	$ 1,710	$ 3,198
Cumulative available funds for projects	$ 9,217	$ 9,307

Note 21 – Subsequent Events

The College evaluated subsequent events through November 9, 2026, the date at which the financial statements were available to be issued, and determined there were no additional events to disclose.