Colorado School of Mines

Financial and Compliance Audit

Years Ended June 30, 2025 and 2024

Report Number 2503F-A

Legislative Audit Committee

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Members of the Legislative Audit Committee
Colorado School of Mines Board of Trustees

We have completed the financial statement audit of the Colorado School of Mines as of and for the year ended June 30, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We were engaged to conduct our audit pursuant to Section 2-3-103 C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions, and agencies of state government. The reports we have issued as a result of this engagement are set forth in the table of contents which follows.

Forvis Mazars, LLP

Denver, Colorado
December 4, 2025

Colorado School of Mines
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June 30, 2025 and 2024

Colorado School of Mines

Report Summary

Year Ended June 30, 2025

Purposes and Scope of Audit

Authority, Purpose and Scope

The Office of the State Auditor of the State of Colorado, engaged Forvis Mazars, LLP to conduct the financial and compliance audit of the Colorado School of Mines (the University) for the Fiscal Year ended June 30, 2025. The audit of the University was performed under authority of Section 2-3-103 C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions, and agencies of state government. The purpose of the audit was to express opinions on the financial statements of the University for the year ended June 30, 2025. The financial statements of the Colorado School of Mines Foundation, Incorporated were audited by other auditors as disclosed in the Independent Auditor's Report.

Forvis Mazars, LLP conducted the audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America. The audit of the Colorado School of Mines Foundation, Incorporated was not performed in accordance with *Government Auditing Standards*.

The purposes and scope of this audit was:

- To express opinions on the financial statements of the University as of and for the year ended June 30, 2025, including consideration of the related systems of internal controls as required by auditing standards generally accepted in the United States of America. As disclosed in the Independent Auditor's Report, the financial statements as of and for the year ended June 30, 2024 were audited by other auditors.

- To test the University's compliance with certain rules and regulations governing the expenditure of State and Federal funds for the year ended June 30, 2025.

- To evaluate progress in implementing the prior audit recommendations.

Colorado School of Mines

Report Summary

Year Ended June 30, 2025

The University's schedule of expenditures of federal awards and applicable opinions thereon issued by the Colorado Office of the State Auditor, are included in the Statewide Single Audit Report issued under separate cover.

Summary of Major Audit Comments

Audit Findings and Financial Statement Audit Report Section

There was one prior year audit recommendation which was determined to be implemented. The Disposition of Prior Audit Recommendations is located on page 20.

There were two new audit recommendations as a result of the current year audit.

Audit Opinion and Reports

The independent auditor's reports, included herein, state that the financial statements of the University are fairly stated, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and that the audit was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. No deficiencies in internal control considered to be material weaknesses in internal controls were identified during the course of the audit. However, deficiencies in internal control were identified that are considered to be significant deficiencies.

Significant Audit Adjustments

There were two proposed audit adjustments for the year ended June 30, 2025.

Some audit adjustments proposed were not recorded by management because their effect is not currently considered material to the financial statements as a whole. A summary is included as part of the auditor's communication to the Legislative Audit Committee and University Board of Trustees and is located on page 132.

Colorado School of Mines

Report Summary

Year Ended June 30, 2025

Auditor's Communication to Legislative Audit Committee and University Board of Trustees

The auditor's communication to the Legislative Audit Committee and University Board of Trustees describes the auditor's responsibility under auditing standards generally accepted in the United States of America and significant management judgments and estimates. This communication is located on page 126.

Colorado School of Mines

Recommendation Locator

Year Ended June 30, 2025

Rec. Number	Page Number	Recommendation Summary	University Response	Implementation Date
2025-001	8	The Colorado School of Mines (University) should strengthen its internal controls over its Workday and Banner Information Technology (IT) systems by: A. Establishing and implementing a formal process to ensure that System and Organization Controls (SOC) 1, Type II reports are requested and obtained from the University's service organizations for Workday and Banner on an annual basis, that the reports and related User Entity Controls are reviewed within 30 calendar days of receipt, and that copies of the SOC reports are provided to the Office of the State Controller within 10 business days of receipt by the University, as required. B. Developing and implementing written policies and procedures related to the University's service organizations, including a requirement that vendor SOC reports are reviewed to ensure that Complementary User Entity Controls noted in the reports are designed, implemented, and operating effectively. Documentation of the review should include consideration of the University's controls in place which address the User Controls noted in the reports.	Agree	A. June 2026 B. March 2026

Colorado School of Mines

Recommendation Locator

Year Ended June 30, 2025

Rec. Number	Page Number	Recommendation Summary	University Response	Implementation Date
2025-002	14	The Colorado School of Mines (University) should strengthen its internal controls over its classifications of net position within its financial statements by: A. Revising the University's net investment in capital assets template to ensure it includes all required elements for the calculation of net investment in capital assets. B. Revising the University's analysis of restricted net position to incorporate all restricted asset balances, and reviewing and monitoring the classification of all restricted net position balances to ensure they are classified in accordance with the Governmental Accounting Standards Board's requirements.	Agree	A. November 2025 B. June 2026

DESCRIPTION OF THE COLORADO SCHOOL OF MINES (UNAUDITED)
YEAR ENDED JUNE 30, 2025

The Colorado School of Mines (the University) was founded on February 9, 1874. The University came under state control with statehood in 1876. The first diploma was granted in 1882. The authority under which the University operates is Article 41 of Title 23, C.R.S.

The Board of Trustees is the governing body of the University and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms and two nonvoting members, representing the faculty and students of the University, voted in by the respective constituents.

Financial support comes from student tuition and fees and from the state through a fee-for-service contract and student stipends. Funds are augmented by government and privately sponsored research, private support from alumni and support from industry and friends through the Colorado School of Mines Foundation, Incorporated (the Foundation).

The primary emphasis of the Colorado School of Mines is engineering and science education and research. The full-time equivalent (FTE) for student enrollment of the University for the past three fiscal years has been as follows:

Fiscal Year	Resident	Nonresident	Total
2025	4,209	3,248	7,457
2024	4,044	3,085	7,129
2023	3,960	2,986	6,946

Full-time equivalent employees, funded by the State of Colorado, reported by the University for the last three fiscal years are as follows:

Fiscal Year	Faculty	Staff	Total
2025	556	898	1,454
2024	586	864	1,450
2023	547	782	1,329

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the University as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the University's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the University's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be significant deficiencies.

Colorado School of Mines

Findings and Recommendations

Year Ended June 30, 2025

Internal Controls Over Financial Reporting
Finding 2025-001
Service Organization Internal Controls

The Colorado School of Mines (University) is responsible for instituting and maintaining systems of internal accounting and administrative controls. The University contracts with third-party vendors (service organizations) to provide Software as a Service (SaaS) solutions for its Workday and Banner Information Technology (IT) systems. SaaS is a cloud-based software model that delivers applications to end users through an internet browser. The SaaS provider develops and maintains the software, provides automatic software updates, and makes the software available through the internet. The University's Workday and Banner systems are essential to its financial reporting and academic operations. Workday is a SaaS system that manages the University's human resources, payroll, and financial transactions. Banner is a SaaS system that processes student information, financial aid, and academic records. Accordingly, the University must ensure that the service organizations it contracts with have effective internal controls in place to protect the University's resources and data.

Typically, service organizations will have an auditor review their internal controls and issue a System and Organization Controls (SOC) report based on their review. The service organization would then provide the SOC report to its user entity, such as the University, in order to provide them with assurances on the vendor's internal control environment.

One type of SOC report – a SOC 1, Type II (SOC 1) report – provides the service auditor's opinion on the service organization's internal controls, specifically as to whether the internal controls relevant to financial reporting are suitably designed, implemented, and operating effectively for a specified period.

As part of the SOC report, service organizations will also state that there are certain internal controls – referred to as Complementary User Entity Controls (User Controls) – that must be designed, implemented, and operating effectively at the user entity, in this case at the University, for the controls listed in the SOC 1 report that are supported by the service organization to be fully relied upon by the user entity and to ensure data reliability. An example of a User Control is the University having controls in place to ensure that a University staff's user access to accounts and data is revoked upon termination of employment.

The Office of the State Controller's (OSC) Fiscal Procedures Manual (Manual) includes requirements that departments and institutions of higher education are required to follow for SOC reports. One of these requirements is that, on an annual basis, each department and institution of higher education that receives SOC reports must provide a copy of each report to the OSC within 10 business days of receipt. Another requirement is that the department or institution of higher education, in this case the University, must perform a review over SOC reports within 30 calendar days of receipt. This review should include reviewing the section of the SOC report detailing the User Controls and determining if any actions are necessary to remediate issues noted during the review. The department or institution of higher education must then summarize any issues noted during the review, as well as their planned steps for remediation, and provide a copy to the OSC.

What was the purpose of our audit work and what work was performed?

The purpose of our audit work was to gain an understanding of the University's internal controls related to SOC 1 reports for the Workday and Banner IT systems, and determine whether the University had a sufficient review process in place over SOC 1 reports for Fiscal Year 2025. In addition, we sought to determine whether the University's internal controls were designed, implemented, and operating effectively to address any User Controls identified by the service organizations in the SOC 1 reports.

We obtained and reviewed the most recent SOC 1 reports from the University for Workday and Banner, inquired and discussed the User Controls contained in the SOC 1 reports with University staff to gain an understanding of the service organization controls and the user control expectations, and reviewed related documentation provided by University staff. We also sought to determine the University's compliance with SOC 1 report-related requirements established and published within the OSC's Manual and the University's alignment with SOC 1 related industry best practices.

How were the results of the audit work measured?

We measured the results of our audit work against the following requirements:

- According to the OSC's policy, Internal Control System, the state's principal departments of the Executive Branch must use the Standards for Internal Control in the Federal Government – Green Book (Green Book) as their framework for their systems of internal control. All other state components, including the State's institutions of higher education, should establish appropriate internal controls. While not required to follow the Green Book, these entities may choose to use it as best practice. Green Book Paragraph OV4.01, Service Organizations, which were applied as a best practice, states that management retains responsibility for the performance of processes assigned to service organizations. Furthermore, the Green Book specifies that management needs to understand the internal controls that each service organization has designed, implemented, and operates, as well as how each service organization's internal control system impacts the University's internal control systems.

- Green Book Principal 4.02, states that, if controls performed by the service organization are necessary for the entity to achieve its objectives and address risks related to the assigned operational process, the entity's internal controls may include User Controls identified by the service organization or its auditors that are necessary to achieve the service organization's control objectives.

- Green Book Paragraph OV4.08, *Documentation Requirements*, which we applied as a best practice, states that documentation is a necessary part of an effective internal control system and is required for the effective design, implementation, and operating effectiveness of an entity's internal control system.

- The OSC's Manual, Chapter 3, Section 3.41, *Statewide System and Organizational Controls Reviews*, includes agency responsibilities related to the receipt and review of SOC 1 reports. Specifically, the University must provide the OSC a copy of its SOC 1 reports within 10 business days of receipt by the University. In addition, the University must designate a person responsible for reviewing the report, who must then review and determine if any actions are necessary to remediate any issues noted in the SOC 1 report. The Manual notes that a critical portion of the SOC 1 reports that should be reviewed is the section that details the Complementary User Entity Controls. The University's review of its SOC reports must happen within 30 calendar days of receipt.

What problems did the audit work identify?

Overall, we found that the University did not have documentation of its review of either the Workday or Banner SOC 1 reports, including review of the User Controls during Fiscal Year 2025 and did not ensure that it had controls in place to address the User Controls that were listed in the SOC 1 reports. The

University received the Banner SOC 1 report on June 5, 2025 and the Workday SOC 1 report on June 2, 2025, but staff did not review the reports and User Entity Controls within 30 calendar days of receipt. In addition, the University did not provide the OSC a copy of either the Workday or Banner SOC 1 report covering Fiscal Year 2025, which is out of compliance with the OSC's 10 business days of receipt submission deadline.

Why did these problems occur?

The University has not developed or documented a process to request and receive SOC reports for its service organizations, perform a review of the report and related User Entity Controls within 30 calendar days of receipt, or ensure that it provides the OSC a copy of its SOC 1 reports within 10 business days of receipt. In addition, the University does not have written policies and procedures related to its service organizations, such as requirements that University staff perform analyses of the reports to identify and ensure that User Controls noted in the reports are designed, implemented, and operating effectively at the University.

Why do these problems matter?

Without a formalized SOC review process in place, the University may not become aware of issues identified in the reports relating to the controls its service organizations have designed, implemented, and operate over contracted services, which relate to financial reporting as well as vulnerabilities resulting from significant User Controls that may not be implemented by the University. As a result, the University may fail to address serious issues that impact data reliability.

Classification of Finding: **Significant Deficiency**
This finding does not apply to a prior audit recommendation.

Recommendation 2025-001

The Colorado School of Mines (University) should strengthen its internal controls over its Workday and Banner Information Technology (IT) systems by:

A. Establishing and implementing a formal process to ensure that System and Organization Controls (SOC) 1, Type II reports are requested and obtained from the University's service organizations for Workday and Banner on an annual basis, that the reports and related User Entity Controls are reviewed within 30 calendar days of receipt, and that copies of the SOC reports are provided to the Office of the State Controller within 10 business days of receipt by the University, as required.

B. Developing and implementing written policies and procedures related to the University's service organizations, including a requirement that vendor SOC reports are reviewed to ensure that Complementary User Entity Controls noted in the reports are designed, implemented, and operating effectively. Documentation of the review should include consideration of the University's controls in place which address the User Controls noted in the reports.

Colorado School of Mines Response:

Recommendation 2025-001

A. Colorado School of Mines agrees that it should strengthen its internal controls over its Workday and Banner Information Technology (IT) systems and will develop and implement a formal process to ensure receipt of SOC reports from the Ellucian (Banner) and Workday on an annual basis. As part of this process, Colorado School of Mines Controller and Director of Business Systems and Functional Support will review the report and related User Entity Controls within 30 days of receipt. The review will be memorialized and indicate whether Colorado School of Mines has identified any issues that would require changes in the University's control environment.

Additionally, this process will include sending the SOC reports for Banner and Workday to the Office of the State Controller within 10 business days of receipt as required by the Chapter 3, Section 3.41 Statewide System and Organizational Controls Reviews in the Office of the State Controller's Fiscal Procedures Manual.

Implementation date: June 2026

B. Colorado School of Mines agrees that it should strengthen its internal controls over its Workday and Banner Information Technology (IT) systems and will develop and implement written policies and procedures related to the University's service organizations, including a requirement that the vendor SOC reports are reviewed by the Controller and Director of Business Systems and Functional Support within 30 days of receipt. This will be completed in a meeting conducted by the Controller and Director of Business

Systems and Functional Support on an annual basis. This meeting will ensure the review of Complementary User Entity Controls noted in the reports are designed, implemented, and operating effectively. Additionally, the review will memorialize the consideration of the University's controls in place which address the User Controls noted in the reports.

Implementation date: March 2026

Colorado School of Mines

Findings and Recommendations

Year Ended June 30, 2025

Internal Controls Over Financial Reporting
Finding 2025-002
Net Position Classification

The Colorado School of Mines (University) is required to prepare its financial statements in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) establishes GAAP for state and local government entities through the issuance of GASB statements and authoritative guidance, such as GASB implementation guides, which the University must comply with when preparing its financial statements. GASB Concept Statement No. 4, *Elements of Financial Statements*, defines net position as the "residual of all other elements presented in the statement of financial position." Therefore, net position is measured by the difference between the sum of assets and deferred outflows of resources, less the sum of liabilities and deferred inflows of resources.

Net position is classified into three broad categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets is a prescribed calculation performed by the University and equals the University's investment in capital assets, net of related debt, and plus or minus other related balances. The University should not include debt that is not related to capital assets in this calculation. Restricted net position is determined by external constraints and signifies the ability to spend those funds only on specific purposes. Unrestricted net position is the residual after the calculation and separate classification of net investment in capital assets and restricted net position; this amount can be expended on any University purpose and at the University's discretion. A deficit in unrestricted net position occurs when liabilities exceed assets not restricted by external constraints. As of June 30, 2025, the University reported total net position as $250.4 million, comprised of $276.6 million in net investment in capital assets, $50.6 million as restricted net position, and an unrestricted deficit of $76.8 million.

As part of its fiscal year-end close procedures, the University utilizes a Government Finance Officers Association (GFOA) template to calculate its net investment in capital assets. The GFOA is a professional organization that promotes best practices in government financial management and provides resources for government finance professionals. The GFOA's standardized template for calculating net investment in capital assets helps ensure that the calculation is consistent with best practices and aligns with GASB requirements. Additionally, the University prepares an analysis to determine which restricted assets the University is required to report as part of restricted net position. The University reviews each restricted asset to ensure proper classification and evaluates whether any related liabilities offset those assets.

Colorado School of Mines

Findings and Recommendations

Year Ended June 30, 2025

What was the purpose of our audit work and what work was performed?

The purpose of the audit work was to assess the adequacy and effectiveness of the University's internal controls over financial reporting, and to determine whether the University's Fiscal Year 2025 financial statements, specifically the reported composition of its net position, were accurate, and to evaluate whether the University's net investments in capital assets calculation and the University's reported constraints over restricted net position complied with GASB standards. We reviewed the University's supporting schedules and workpapers for its net investment in capital assets calculation and the University's underlying debt agreements, and compared the reported net investments in capital assets calculation to GASB requirements and GASB's implementation guide questions and answers. We also obtained the University's analysis of restricted assets to determine if the restricted net position was inclusive of all required accounts and met the definition of such contained in the authoritative criteria.

How were the results of the audit work measured?

We measured the results of our audit work against the following requirements for the net investment in capital assets calculation:

- **GASB Codification Section 2200.119, *Annual Comprehensive Financial Report*:** Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets. Only debt directly related to capital assets should be included; debt for noncapital purposes must be excluded.
- **GASB Codification Section L20.120 and L20.144, *Leases*:** Lease assets are defined as a capital asset. Therefore, the debt related to lease assets should be included in the calculation for net investment in capital assets. Lease receivables and related accounts do not meet the definition of a capital asset.
- **GASB Comprehensive Implementation Guide Chapter 7, Questions 7.23.2 and 7.23.5:** Debt issued but not used for capital assets is excluded from the calculation of net investment in capital assets. Additionally, the portion of debt attributable to the unspent proceeds should not be included in the calculation of net investment in capital assets and is required to be reported in the same net position component as the unspent proceeds, such as amounts restricted for capital projects.

In addition, GASB Codification Section 2200.120, *Annual Comprehensive Financial Report Section*, states that net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributor's or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As a result, for net position to appear as restricted in the University's financial statements, it must be limited by an external source – such as the proceeds from a bond issuance, donations from donors, a bond covenant, or applicable laws or statutes.

What problems did the audit work identify?

We identified the following errors in the University's calculations of its net investments in capital assets:

- Debt of $40.3 million and $41.2 million in Fiscal Years 2025 and 2024, respectively, were improperly excluded from the calculations, despite being attributable to capital asset acquisition.
- Lease liabilities totaling $914,000 and $366,000 in Fiscal Years 2025 and 2024, respectively, were improperly excluded from the calculations, even though they pertained to a capital asset.
- Deferred inflows related to lease receivables of $5.8 million in Fiscal Years 2025 and 2024, were improperly included in the calculations.
- Debt issued for noncapital purposes of $20.9 million and related unspent bond proceeds of $9.8 million and $20.0 million in Fiscal Years 2025 and 2024, respectively, were improperly included in the calculations.
- Unspent bond proceeds related to debt issued for capital purposes held in the University's cash accounts of $19.9 million and $3.6 million in Fiscal Years 2025 and 2024, respectively, were not properly removed from the calculations.

This resulted in the University overstating its net investment in capital assets and understating its unrestricted net position by $4.4 million and $31.3 million in Fiscal Years 2025 and 2024, respectively. The University subsequently corrected the Fiscal Year 2025 balances by reclassifying the balance from net investment in capital assets to unrestricted net position.

In addition, we determined that $10.7 million and $2.8 million of interest earnings on the University's bond proceeds were improperly classified as part of unrestricted net position in Fiscal Years 2025 and 2024, respectively. The University is required to use the interest earnings on the bond proceeds for a capital project or to pay debt service and therefore, these earnings should be reported as part of restricted net position, since the bonds carry an external constraint. The University subsequently corrected the affected Fiscal Year 2025 balances by reclassifying the balance from unrestricted net position to restricted net position. Because the University presents comparative financial statements, the University decided to restate its Fiscal Year 2024 financial statements to correct the previously reported incorrect balances.

Why did these problems occur?

We found that the University's template used to verify the net investment in capital assets calculation failed to include all elements required under GASB standards. Specifically, the template employed broad categories instead of detailing the specific items reported in the University's financial statements and did not include a separate line item to exclude noncapital related debt, which directly contributed to errors in the net investment in capital assets calculation and impacted the accuracy of reported amounts. As a result, the University either omitted or improperly considered critical information during the review process.

We also found that the University's analysis did not include all restricted asset balances when determining the restricted net position classification; specifically, the account related to the interest earnings on debt was not included. This oversight contributed to the improper classification of certain funds as unrestricted rather than restricted.

Why do these problems matter?

The University's net position amounts were not properly stated in Fiscal Years 2025 and 2024, which required the University to adjust its financial statements for both fiscal years. In total, the University's corrections resulted in unrestricted net position decreasing by $6.3 million and increasing by $28.5 million for Fiscal Years 2025 and 2024, respectively.

The University should ensure the proper classification of net investment in capital assets, as well as other net position balances, in order to present the most accurate representation of its financial results. Properly classifying the net investment in capital assets informs the readers of the financial statements about the portion of net position invested in capital assets, net of related debt, and distinguishes it from unrestricted net position or amounts restricted for specific purposes. This clarity helps users understand how much of the University's resources are tied up in capital assets and related obligations versus what is available for management's discretionary use or required for designated purposes. Additionally, the proper classification of the net position balance tells the reader of the financial statements how much net position is free to be expended on purposes determined by management and the University versus how much can be spent on specific purposes.

Classification of Finding: **Significant Deficiency**
This finding does not apply to a prior audit recommendation.

Recommendation 2025-002

The Colorado School of Mines (University) should strengthen its internal controls over its classifications of net position within its financial statements by:

A. Revising the University's net investment in capital assets template to ensure it includes all required elements for the calculation of net investment in capital assets.

B. Revising the University's analysis of restricted net position to incorporate all restricted asset balances, and reviewing and monitoring the classification of all restricted net position balances to ensure they are classified in accordance with the Governmental Accounting Standards Board's requirements.

Colorado School of Mines Response:

Recommendation 2025-002

A. The Colorado School of Mines agrees with the recommendation to revise the net investment in capital assets template to ensure it includes all required elements for the calculation of net investment in capital assets. The University updated the net investment in capital assets template to include appropriate activity.

Implementation date: November 2025

B. The Colorado School of Mines agrees with the recommendation to revise the analysis of restricted net position to incorporate all restricted asset balances and to review and monitor the classification of all restricted net position balances to ensure they are classified in accordance with the Governmental

Accounting Standard Board's requirements. The University reclassified all interest earnings on unspent bond proceeds as Restricted for Capital Assets. The University will perform quarterly reconciliations of net position and these reconciliations will be reviewed as part of the quarterly financial statement review. In addition, the University is working on net position leads reports that will be available in the Workday finance system and will provide a detail of what constitutes the balances in each net position category to facilitate net position review. These reports are expected to be finished by June 30, 2026.

Implementation date: June 2026

Colorado School of Mines

Disposition of Prior Audit Recommendations

Year Ended June 30, 2025

Rec. Number	Recommendation	Disposition
2024-001	The Colorado School of Mines (the University) should ensure that it has adequate internal controls over its accounting for capital asset expenditures to ensure that such activity is recorded in accordance with generally accepted accounting principles and the University's accounting policies, and that the controls are being followed consistently so that in the event of staff turnover, the controls will continue to operate as designed. Specifically, University staff should follow the University's accounting policies that require a documented formal review and approval of capital asset expenditures to ensure they are properly recorded; this review should be performed periodically throughout the year and during each of the University's fiscal year-end close periods with evidence of the review documented contemporaneously and maintained.	Implemented

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Independent Auditor's Report

Members of the Legislative Audit Committee
Board of Trustees of Colorado School of Mines

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Colorado School of Mines (the University), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Colorado School of Mines Foundation, Incorporated (the Foundation), the discretely presented component unit of the University. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Foundation, are based solely on the report of the other auditors.

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation, the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

As discussed in Note 1, the financial statements of the University, an institution of higher education of the State of Colorado, are intended to present the financial position, the changes in financial position and where applicable, cash flows of the business-type activities and the discretely presented component unit of the State of Colorado that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2025, and the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 14 to the financial statements, in 2025, the University adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter

The 2024 financial statements, before they were revised for the matter discussed in Note 1 and restated for the matters discussed in Note 14, were audited by other auditors, and their report thereon, dated December 5, 2024, expressed unmodified opinions. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Description of the Colorado School of Mines but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic 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 December 4, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Denver, Colorado
December 4, 2025

Management is pleased to present this financial discussion and analysis of the Colorado School of Mines (University). It is intended to make the University's financial statements easier to understand and communicate the University's financial situation in an open and accountable manner. It provides an objective analysis of the University's financial position (statements of net position) and results of operations (statements of revenues, expenses, and changes in net position) as of and for the years ended June 30, 2025 and 2024 (Fiscal Years 2025 and 2024, respectively) with comparative information for Fiscal Year 2023. University management is responsible for the completeness and fairness of this discussion and analysis and the financial statements, as well as the underlying system of internal controls.

UNDERSTANDING THE FINANCIAL STATEMENTS

Financial highlights are presented in this discussion and analysis to help your assessment of the University's financial activities. Since the presentation includes highly summarized data, it should be read in conjunction with the financial statements, which have the following six parts:

- **Independent Auditors' Report** presents unmodified opinions prepared by our auditors, an independent certified public accounting firm, on the fairness, in all material respects, of our financial statements.
- **Statements of Net Position** present the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at a point in time. Their purpose is to present a financial snapshot of the University. They aid readers in determining the assets available to continue the University's operations; how much the University owes to employees, vendors and creditors; and a picture of net positions and their availability for expenditure by the University.
- **Statements of Revenues, Expenses and Changes in Net Position** present the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time. Their purpose is to assess the University's operating and nonoperating activities.
- **Statements of Cash Flows** present the cash receipts and disbursements of the University during a period of time. Their purpose is to assess the University's ability to generate net cash flows to meet its obligations as they come due.
- **Notes to the Financial Statements** present additional information to support the financial statements and are commonly referred to as "Notes." Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion and analysis to indicate where details of the financial highlights may be found.
- **Required Supplementary Information (RSI)** presents additional information that differs from the basic financial statements. In this report, the RSI includes schedules on the University's proportionate share of the Public Employees Retirement Association (PERA) pension and other postemployment benefit (OPEB) liabilities and related information.

We recommend that you combine this financial discussion and analysis with relevant nonfinancial indicators to assess the overall health of the University. Examples of nonfinancial indicators include trend and quality of student applicants and commitments, student retention, graduation rates, building condition, and campus safety.

Information about nonfinancial indicators is not included in this discussion and analysis but may be obtained from the University's Office of Communications and Marketing. It should be noted that the University's financial statements include the presentation of a discretely presented component unit, the Colorado School of Mines Foundation, Incorporated (the Foundation), which is a required presentation by accounting standards. The Foundation is not included in this financial discussion and analysis.

FINANCIAL HIGHLIGHTS

Selected financial highlights for Fiscal Year 2025 include:

- Total University assets increased by 4.4% and total net position increased by 22.0%. The increase in net position is primarily the result of net increases in capital assets and an increase in unrestricted net position.
- Operating revenues increased by 19.1%, while operating expenses increased by 11.1%. The increase in operating revenue is primarily attributed to increases in grants and contracts, tuition and fees, and room and board. Operating expenses increased primarily due to increased instruction research, and operation and maintenance of plant. The following sections provide further explanations of the University's financial health.
- During Fiscal Year 2025, as part of the strategic plan, the University completed construction on the Early Childhood Education Center, Mines Park Redevelopment Phase I, East Parking Garage and Classroom Building, and 1600 Jackson Street Renovation. An additional $133,543,000 was spent on capital construction projects not completed at year-end.
- In Fiscal Year 2025, the University implemented GASB Statement No. 101, Compensated Absences. This implementation required prior period adjustments and a restatement of the Fiscal Year 2024 financial statements. See Note 14 for further information related to GASB Statement No. 101.
- In Fiscal Year 2025, the University implemented GASB Statement No. 102, Certain Risk Disclosures. However, the University did not have any additional disclosures as a result of the implementation of GASB Statement No. 102.

STATEMENTS OF NET POSITION

Table 1 – Condensed Statements of Net Position presents a financial snapshot of the University and serves, over time, as a useful indicator of the strength of the University's financial position. It presents the fiscal resources (assets), claims against those resources (liabilities), and residual net position available for future operations (net position). Analysis of the University's deferred outflows and inflows of resources, capital assets, and related debt is included in the section titled Capital Assets and Debt Management, while this section provides analysis of the University's noncapital assets and liabilities.

Table 1
Condensed Statements of Net Position
June 30, 2025, 2024, and 2023
(in thousands)

	2025	2024*	2023*	2025 vs 2024 Amount	2025 vs 2024 Percent	2024 vs 2023 Amount	2024 vs 2023 Percent
ASSETS							
Cash and Restricted Cash	$ 252,958	$ 457,538	$ 249,672	$ (204,580)	(44.7)%	$ 207,866	83.3 %
Other Noncapital Assets	123,815	100,491	87,797	23,324	23.2	12,694	14.5
Net Capital Assets	940,657	704,369	563,600	236,288	33.5	140,769	25.0
Total Assets	1,317,430	1,262,398	901,069	55,032	4.4	361,329	40.1
DEFERRED OUTFLOWS OF RESOURCES	20,411	30,678	47,313	(10,267)	(33.5)	(16,635)	(35.2)
LIABILITIES							
Nondebt Liabilities	299,748	293,674	302,041	6,074	2.1	(8,367)	(2.8)
Debt Liabilities, Leases and SBITA's	766,907	774,628	434,527	(7,721)	(1.0)	340,101	78.3
Total Liabilities	1,066,655	1,068,302	736,568	(1,647)	(0.2)	331,734	45.0
DEFERRED INFLOWS OF RESOURCES	20,750	19,453	15,800	1,297	6.7	3,653	23.1
NET POSITION							
Net Investment in Capital Assets	276,635	239,315	256,134	37,320	15.6	(16,819)	(6.6)
Restricted:							
Nonexpendable Purposes	8,403	8,449	8,011	(46)	(0.5)	438	5.5
Expendable Purposes	42,194	28,789	23,336	13,405	46.6	5,453	23.4
Unrestricted (deficit)	(76,796)	(71,232)	(91,467)	(5,564)	7.8	20,235	(22.1)
Total Net Position	$ 250,436	$ 205,321	$ 196,014	$ 45,115	22.0	$ 9,307	4.7

** Restated*

Assets

Cash and restricted cash comprised approximately 67.1% and 82.0% of the University's total noncapital assets as of June 30, 2025 and 2024, respectively. Restricted cash of $178,979,000 and $352,583,000, as of June 30, 2025 and 2024, respectively, primarily consists of unspent bond proceeds that will be used for capital related activity as well as funds that have been received but not yet spent for restricted grants, gifts, and contracts. Total cash and restricted cash decreased during Fiscal Year 2025 primarily due to outlays for capital construction projects. The statements of cash flows provide additional information on how cash is received and how it is used by the University.

Nondebt Liabilities

The University's nondebt related liabilities totaling $299,748,000 and $293,674,000 as of June 30, 2025 and 2024, respectively, comprise 28.1% and 27.5%, respectively, of the total liabilities.

The net pension liability comprises 60.4% and 70.3%, respectively, of total nondebt related liabilities in Fiscal Years 2025 and 2024. Each year, the University records its share of the statewide net pension liability. The University's net pension liability decreased 12.2% from 2024 to 2025 and decreased 13.9% from 2023 to 2024. The decrease in Fiscal Year 2025 is primarily attributed to PERA's collective net pension liability decrease from Fiscal Year 2024. PERA operates on a calendar year; PERA's net pension liability for the years ending December 31, 2024 and 2023 was $9,509,399,000 and $10,113,093,000, respectively. The University's portion of PERA's liability for the fiscal years ending June 30, 2025 and 2024 was $181,175,000 and $206,418,000, respectively.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* requires the University to record its percent of the statewide net pension liability, and is under no obligation to fund the liability, nor does the University have any ability to affect funding, benefit, or annual required contribution decisions of the plan. The Public Employees Retirement Association of Colorado (PERA) and the State's General Assembly control those decisions. See Note 12 of the accompanying financial statements for more information related to the net pension liability.

GASB Statement No. 75, *Reporting for Other Postemployment Benefits Other Than Pensions (OPEB)*, requires the University to record a liability for its proportionate share of the PERA retiree healthcare costs. PERA subsidizes a portion of a PERA retiree's healthcare costs, and it is this subsidy that is categorized as an OPEB liability. Colorado PERA's unfunded liability for OPEB as of December 31, 2024 and 2023 was $478,167,000 and $713,726,000, respectively, and the University share of that liability is $3,049,000 and $4,894,000 as of June 30, 2025 and 2024, respectively. See Note 13 of the accompanying financial statements for more information related to the OPEB liability.

As a result of implementing GASB Statement No. 83, *Certain Asset Retirement Obligations (ARO)*, in Fiscal Year 2019, the University recorded a liability and a deferred outflow, net of amortization expense, for the future costs associated with the disposal of assets requiring remediation. The University has a recorded liability of $336,000 and $313,000 as of June 30, 2025 and 2024, respectively. As of June 30, 2025, there remains a deferred outflow of $238,000.

Unearned revenue is comprised of tuition and fees that represent cash collected for the summer term that extends beyond the end of the fiscal year and sponsored project amounts paid by grantors and contractors for which the University has not yet met all of the requirements for revenue recognition. Unearned revenue decreased 11.6% from the prior year due to a decrease in prepayments on sponsored projects. Unearned revenue amounts will be recognized as revenue in future periods after all requirements have been satisfied. See Note 8 for additional information on the University's unearned revenues.

Net Position

A portion of the University's net position has restrictions imposed by external parties, such as donors, or amounts that are invested in capital assets (property, plant, and equipment) which are therefore not immediately available to spend. To help understand these restrictions, the University's net position is shown in four categories.

- The largest category of net position relates to the University's net investment in capital assets. This consists of the University's capital assets less accumulated depreciation and related debt issued to fund the purchase or construction of those assets. This amount represents the University's investments in campus facilities and equipment that is necessary to carry out the teaching, research, and public service mission of the University. The increase in Fiscal Year 2025 occurred due to the University's commitment to improving the student on-campus experience through new and renovated student and academic facilities along with various infrastructure improvements. Additional discussion on the University's capital activity is included in the Capital Assets and Debt Management section of this discussion and analysis.

- Net position restricted for nonexpendable purposes represents gift funds received from donors whereby the donor has specified the original principal be set aside for perpetual investment (endowment) with a set amount of spendable distribution based on University policy. The majority of the endowment assets benefiting the University are managed by the Foundation, which is a discretely presented component unit. See Note 15 for additional information.
- Net position restricted for expendable purposes represents funds received for specific purposes, but for which the University is allowed to fully expend those funds in accordance with the purposes identified by the individual or entity providing the funds. This includes spendable distributions and accumulated undistributed earnings from University endowments.
- Unrestricted net position represents the amount available for spending for any appropriate and necessary purpose at the full discretion of management. In some instances, management or the Board has placed internal designations on the use of these funds. As discussed above, the negative unrestricted net position reflects the recording of the University's proportionate share of the statewide net pension and OPEB liabilities and the associated pension expenses beyond the University's annual required contributions.

Table 2 – Unrestricted Net Position reflects the impact on the University's unrestricted net position of recording the net pension and OPEB liabilities and associated deferred outflows and inflows of resources.

Table 2
Unrestricted Net Position
(in thousands)

	2025	2024*
Unrestricted Net Position with Pension and OPEB Impact	$ (76,796)	$ (71,232)
Cumulative Effect on Unrestricted Net Position Associated with the Net Pension Liability and OPEB	180,940	197,396
Unrestricted Net Position without Pension and OPEB	$ 104,144	$ 126,164

** Restated*

Because the University is not required, and has no plans, to fund the net pension or OPEB liabilities, the unrestricted net position without the pension and OPEB impact is used for budgetary and operational purposes.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Table 3 – Condensed Statements of Revenues, Expenses and Changes in Net Position presents the financial activity of the University during the fiscal year. A key component of these statements is the differentiation between operating and nonoperating activities. Operating revenues, such as tuition and auxiliary operations, are earned primarily by providing services to the students and various constituencies of the University. Operating expenses are incurred to provide services, primarily instruction and research, or acquire goods necessary to carry out the mission of the University for which the University earns operating revenues. Nonoperating revenues are received when goods or services are not directly provided and include contributions, certain state appropriations and support, investment income or loss, federal interest subsidies, and Pell Grant revenue. Nonoperating expenses include interest on long-term debt, bond issuance costs, and gains/losses on disposals of assets.

Table 3
Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024*	2023*	Amount	Percent	Amount	Percent
OPERATING REVENUES	$ 440,497	$ 369,867	$ 330,407	$ 70,630	19.1 %	$ 39,460	11.9 %
OPERATING EXPENSES	445,465	400,946	358,482	44,519	11.1	42,464	11.8
OPERATING INCOME (LOSS)	(4,968)	(31,079)	(28,075)	26,111	(84.0)	(3,004)	10.7
NET NONOPERATING REVENUES	43,009	34,430	34,696	8,579	24.9	(266)	(0.8)
INCOME BEFORE OTHER REVENUES	38,041	3,351	6,621	34,690	1035.2	(3,270)	(49.4)
OTHER REVENUES	7,074	5,956	6,029	1,118	18.8	(73)	(1.2)
INCREASE IN NET POSITION	45,115	9,307	12,650	35,808	384.7	(3,343)	(26.4)
NET POSITION - BEGINNING OF YEAR	205,321	196,014	183,364	9,307	4.7	12,650	6.9
NET POSITION - END OF YEAR	$ 250,436	$ 205,321	$ 196,014	$ 45,115	22.0	$ 9,307	4.7

** Restated*

Table 4 – Operating and Nonoperating Revenues provides gross operating and nonoperating (noncapital) revenues by major sources. As Table 4 shows, the University's total operating revenues increased 19.1% and 11.9% for Fiscal Years 2025 and 2024, respectively, and total revenues increased 19.6% in Fiscal Year 2025 over Fiscal Year 2024 and 10.7% from Fiscal Year 2023 to 2024.

Table 4
Operating and Nonoperating Revenues
Years Ended June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	Percent	Amount	Percent
OPERATING REVENUES							
Student Tuition and Fees, Net	$ 190,461	$ 175,834	$ 162,083	$ 14,627	8.3 %	$ 13,751	8.5 %
Grants and Contracts	170,088	123,638	99,244	46,450	37.6	24,394	24.6
Fee for Service	25,817	22,941	20,697	2,876	12.5	2,244	10.8
Auxiliary Enterprises, Net	48,727	41,821	42,847	6,906	16.5	(1,026)	(2.4)
Other Operating	5,404	5,633	5,536	(229)	(4.1)	97	1.8
Total Operating Revenues	440,497	369,867	330,407	70,630	19.1	39,460	11.9
NONOPERATING REVENUES							
State Appropriations	7,140	3,907	4,996	3,233	82.7	(1,089)	(21.8)
State Support for Pensions	1,432	331	4,373	1,101	332.6	(4,042)	(92.4)
Contributions	36,569	32,017	27,759	4,552	14.2	4,258	15.3
Investment Income, Net	23,796	21,664	7,645	2,132	9.8	14,019	183.4
Federal Nonoperating	7,263	5,351	4,674	1,912	35.7	677	14.5
Interest on Long-Term Debt	(33,513)	(24,841)	(14,563)	(8,672)	34.9	(10,278)	70.6
Other Nonoperating, Net	322	(3,999)	(188)	4,321	(108.1)	(3,811)	2027.1
Total Nonoperating Revenues	43,009	34,430	34,696	8,579	24.9	(266)	(0.8)
Total Revenues (Noncapital)	$ 483,506	$ 404,297	$ 365,103	$ 79,209	19.6	$ 39,194	10.7

The University has experienced increases in most sources of operating revenue in Fiscal Years 2025 and 2024. Student Tuition and Fees (net of scholarship allowance) increased 8.3% from Fiscal Year 2024 due to an increase in tuition revenue from increased enrollment. The majority of the University's financial aid resources are applied to the students' accounts and is recorded as a scholarship allowance, net of tuition and fee revenue. The University's total financial aid resources benefiting students were $66,115,000, $59,260,000, and $53,631,000, in Fiscal Years 2025, 2024, and 2023, respectively. Comparatively, gross tuition increased by $19,263,000, $18,862,000, and $12,169,000 in Fiscal Years 2025, 2024, and 2023, respectively.

Grants and Contracts revenue for Fiscal Year 2025 increased 37.6% over Fiscal Year 2024, which increased 24.6% over Fiscal Year 2023. The University remains committed to increasing its focus and national role as a research institution. In 2022 the University reached R1 research status as defined by the Carnegie Classification of Institutions of Higher Education. In Fiscal Year 2025, the University secured restricted research awards and other sponsored programs of $136,546,000, compared to $106,107,000 in Fiscal Year 2024 and $95,789,000 in Fiscal Year 2023. In Fiscal Year 2025, Mines received an additional award in the amount of $38,558,000 from the federal government pursuant to a Cooperative Agreement with the United States Geologic Survey (USGS). The University and the USGS entered into a ground lease for the term of 99 years whereby the University leased approximately six acres of land to the USGS and the USGS contracted (through a Cooperative Agreement) with the University and will fund the University to build an Energy and Minerals Research Facility. The Facility will be primarily occupied by the USGS and the University will occupy approximately 24% of the Facility pursuant to an occupancy lease with a term of 99 years. The University continues to focus on securing funding from both federal and private industry sources as additional resources are focused on research and other sponsored programs. Revenue from the federal government represents approximately 83.5% and 76.1% of total grants and contracts revenue for Fiscal Years 2025 and 2024, respectively. Grants and contracts generally allow for reimbursement of a portion of any related administrative and facility overhead costs; in Fiscal Years 2025 and 2024, the University received reimbursements of approximately $22,926,000 and $20,436,000, respectively.

The University receives funding from the State of Colorado in two ways; (1) fee-for-service contracts with the Colorado Department of Higher Education and (2) stipends to qualified resident undergraduate students used to pay a portion of tuition. The University's fee-for-service contract increased by $2,876,000 and $2,244,000 in Fiscal Years 2025 and 2024, respectively.

The anticipated funding related to resident student stipends is incorporated into the University's student tuition rates.

Table 5 – College Opportunity Fund (COF) – Undergraduate Student Stipends reflects the amount of COF stipends applied toward student accounts, the per credit hour stipend allotted per student approved by the state legislature, and the total number of stipend eligible hours that students applied for during the past three years.

Table 5
College Opportunity Fund – Undergraduate Student Stipends

	2025	2024	2023
Student Stipends	$11,238,000	$ 10,635,000	$ 9,378,000
Stipend Allotment	116/Hour	116/Hour	104/Hour
Stipend Eligible Hours	96,881	91,681	90,173

Nonoperating revenues fluctuate from year to year due to the type of revenues being recognized. Contribution revenues, received primarily from the Foundation, increased 14.2% in Fiscal Year 2025, compared to 15.3% in Fiscal Year 2024. The University has experienced higher investment income over the last three fiscal years due to larger investments of bond proceeds held in reserve for capital projects, an allocation to higher yielding cash equivalent investments, and improving conditions in the financial markets. The University experienced unrealized gains and (losses) in Fiscal Years 2025, 2024, and 2023 of $7,082,000, $8,466,000, and $1,031,000, respectively. The realized investment income was $17,212,000, $13,706,000, and $7,102,000, respectively, for the same periods. Federal nonoperating revenues consist of interest subsidies received for taxable Build America Bonds (BAB) issued by the University and financial aid received under the Pell program. The University received $882,000, $884,000, and $884,000 in federal interest subsidies in Fiscal Years 2025, 2024, and 2023, respectively. The amount of federal subsidies received is tied to the interest payments being made on the bonds. The flat revenue during the past three years reflects the consistent interest payments being made on the bonds. Revenues from the Pell program for Fiscal Years 2025, 2024, and 2023 were $6,381,000, $4,467,000, and $3,791,000, respectively. Revenues fluctuate based on student activity in the Pell program.

The programmatic and natural classification uses of University resources are displayed in Table 6 – Operating Expenses by Function and Natural Classifications.

Table 6
Operating Expenses by Function and Natural Classifications
Years Ended June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024*	2023*	Amount	Percent	Amount	Percent
BY FUNCTIONAL EXPENSE							
Education and General:							
Instruction	$ 110,655	$ 97,880	$ 97,088	$ 12,775	13.1 %	$ 792	0.8 %
Research	78,571	67,580	64,722	10,991	16.3	2,858	4.4
Public Service	2,612	2,187	1,018	425	19.4	1,169	114.8
Academic Support	30,240	29,377	24,225	863	2.9	5,152	21.3
Student Services	15,975	14,302	13,424	1,673	11.7	878	6.5
Institutional Support	38,094	36,928	37,656	1,166	3.2	(728)	(1.9)
Operation and Maintenance of Plant	73,742	65,982	40,434	7,760	11.8	25,548	63.2
Scholarships and Fellowships	13,529	11,142	9,515	2,387	21.4	1,627	17.1
Total Education and General	363,418	325,378	288,082	38,040	11.7	37,296	12.9
Auxiliary Enterprises	49,792	46,866	42,187	2,926	6.2	4,679	11.1
Depreciation and Amortization	32,255	28,702	28,213	3,553	12.4	489	1.7
Total Operating Expenses	$ 445,465	$ 400,946	$ 358,482	$ 44,519	11.1	$ 42,464	11.8
BY NATURAL CLASSIFICATION							
Salaries and Benefits	$ 253,771	$ 228,500	$ 215,368	$ 25,271	11.1	$ 13,132	6.1
Operating Expenses	159,439	143,744	114,901	15,695	10.9	28,843	25.1
Depreciation	32,255	28,702	28,213	3,553	12.4	489	1.7
Total Operating Expenses	$ 445,465	$ 400,946	$ 358,482	$ 44,519	11.1	$ 42,464	11.8

** Restated*

Total operating expenses increased 11.1% from Fiscal Year 2024 to 2025 and 11.8% from Fiscal Year 2023 to 2024. The increase in Fiscal Year 2025 is mostly due to increases in Instruction and Research. The prior year's increase is due to increases in most areas of operations; the largest single increase occurred in Operation and Maintenance of Plant.

The University reported total pension and OPEB expenses of $2,144,000 for Fiscal Year 2025 compared to ($1,142,000) for Fiscal Year 2024. These pension and OPEB related expenses impact most of the functional expense categories. Excluding the impact of recording pension and OPEB expenses related to the net pension and OPEB liabilities described above, total operating expenses increased by 10.3% from Fiscal Year 2024 to Fiscal Year 2025 and 13.9% from Fiscal Year 2023 to Fiscal Year 2024. Increases in construction related expenses, sponsored research, salaries and wages, and benefits expense from Fiscal Year 2024 to Fiscal Year 2025 are the primary contributors to the increase in operating expense.

Construction expenses within Operation and Maintenance paid by the University on behalf of USGS increased by $33,553,000 related to the construction of the Energy and Minerals Research Facility (EMRF).

CAPITAL ASSETS AND DEBT MANAGEMENT

As indicated in Table 7 – Capital Assets Categories (Before Depreciation), the University's capital assets consist of land, works of art, construction in progress, land improvements, buildings and improvements, software, equipment, library materials, right-to-use, and intangible assets with a gross book value of $1,328,086,000, $1,067,454,000, and $902,628,000 at June 30, 2025, 2024, and 2023, respectively. Accumulated depreciation and accumulated amortization on depreciable assets totaled $387,429,000, $363,085,000, and $339,028,000, at June 30, 2025, 2024, and 2023, respectively. The University continues to invest in academic, research and auxiliary facilities to enhance the educational and campus experience for students. During the construction of a project, costs are accumulated in construction in progress. Upon completion of the project, the costs are moved from construction in progress into the appropriate asset classification.

Table 7
Capital Assets Categories (Before Depreciation)
June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	Percent	Amount	Percent
Land	$ 31,886	$ 25,231	$ 23,675	$ 6,655	26.4 %	$ 1,556	6.6 %
Works of Art	235	235	234	-	-	1	0.4
Construction In Progress	282,778	148,202	60,731	134,576	90.8	87,471	144.0
Land Improvements	38,202	36,521	36,354	1,681	4.6	167	0.5
Buildings and Improvements	821,990	715,743	660,804	106,247	14.8	54,939	8.3
Software	1,147	2,116	2,248	(969)	(45.8)	(132)	(5.9)
Equipment	114,830	112,466	105,037	2,364	2.1	7,429	7.1
Library Materials	4,197	2,475	2,302	1,722	69.6	173	7.5
Right-to-Use Leases	1,704	1,216	1,345	488	40.1	(129)	(9.6)
Right-to-Use Subscriptions	30,517	21,615	5,438	8,902	41.2	16,177	297.5
Right-to-Use Work in Progress	-	1,034	3,860	(1,034)	(100.0)	(2,826)	(73.2)
Intangible	600	600	600	-	-	-	-
Total Capital Assets	1,328,086	1,067,454	902,628	260,632	24.4	164,826	18.3
Accumulated Depreciation	377,648	355,962	335,528	21,686	6.1	20,434	6.1
Amortization of Right-to-Use	9,781	7,123	3,500	2,658	37.3	3,623	103.5
Net Capital Assets	$ 940,657	$ 704,369	$ 563,600	$ 236,288	33.5	$ 140,769	25.0

During the fiscal year, the University has completed or is actively engaged in construction on the following capital projects:

Completed Projects

- **Mines Park Redevelopment Phase I** – Part of a two-phase project to redevelop Mines Park, an apartment-style housing complex primarily for upper-class and graduate students. The first phase consists of the renovation of 400 existing beds. The cost of the renovation was approximately $13,100,000. The Mines Park Redevelopment – Phase I project was completed in July 2024.

- **1600 Jackson Street Renovation** – This $3,900,000 renovation upgraded mechanical and electrical systems including the replacement of large HVAC air handlers, temperature controls and electrical distribution. Also included was the replacement of windows, changes to the 2nd floor offices and break room, and the addition of modular workstations. The 1600 Jackson Street Renovation project was completed in September 2024.

- **Early Childhood Education Center** – Mines built a 11,500 sq. foot childcare center on the western edge of campus to accommodate the needs of faculty, staff and students and their families. The center serves approximately 100 children ranging in age from infant to pre-kindergarten. Total project cost was approximately $10,200,000. The Early Childhood Education Center project was completed in September 2024.

- **East Parking Garage and Classroom Building** – To accommodate growth and construction projects on existing surface lots, Mines built a parking garage on campus with approximately 870 spaces. The garage is wrapped with a classroom building providing 51,000 gross sq. feet of classroom and faculty space. The total project cost was approximately $79,600,000. The East Parking Garage and Classroom Building project was completed in April of 2025.

Active Projects

- **Mines Park Redevelopment Phase II** – Phase II of this housing redevelopment project involved the demolition of six existing residential buildings at Mines Park and the construction of approximately 600 new apartment-style beds. The redeveloped complex also includes a new shared community center with a café space and fitness center. The cost of the redevelopment was approximately $138,975,000. The Mines Park Redevelopment – Phase II project was completed in July of 2025.

- **Steam Infrastructure** – This project replaces critical boiler infrastructure which is needed to serve current and future buildings. This replacement boiler is necessary to provide more capacity and stability to campus, is required to service USGS' Energy and Mineral Research Facility and will extend the steam piping for future capital development. The total cost of the project is estimated at $9,200,000. University cash will be used to fund the project. The boiler was purchased in the summer of 2025 and is expected to be installed in the fall of 2025.

- **New Sophomore Housing Facility** – The University is currently building a new sophomore residential facility south of 19th street on campus that will have approximately 800 new beds. The new residence hall will feature a cafe, study spaces, fitness center with rooms for group fitness classes, and a 24-hour, self-service marketplace providing students with access to essential grocery items. The budget for the project is $200,000,000. The New Sophomore Housing Facility project commenced in early 2024 and is expected to be completed prior to Fall 2026.

- **Utilities Infrastructure Project** – A $22,700,000 project to expand campus utilities in the south side of campus to accommodate the new Energy and Minerals Research Facility to be built by the United States Geological Survey (USGS). Mines will share research and office space with USGS in the new facility. Currently in progress, the Utilities Infrastructure project is expected to be completed in early 2027.

- **Quantum COmmons Development** – On August 20, 2024, the University acquired a 70-acre parcel of land located approximately 10 miles north of campus for $14,000,000. The school plans to develop this land into a research park focused on quantum information technology. The site will be developed in conjunction with the Elevate Quantum consortium, which is leading the Quantum Tech Hub, as designated by the U.S. Department of Commerce Economic

Development Administration. Current plans for development include the renovation of an existing laboratory building, construction of a new facility to house a clean room, and the upgrade and expansion of utilities infrastructure on the site.

The University utilized its own funds for the property purchase. To fund the construction projects, with an estimated total cost of $25,000,000, the University is using its own funds and seeking reimbursement from state investment incentive funds in the form of refundable tax credits. The Quantum COmmons development project began in the summer of 2025 and is expected to be completed by early 2027.

A list of the large on-going capital projects is detailed in Table 8 – Current Capital Construction Projects. Further detail regarding capital asset activity can be found in Note 4.

Table 8
Current Capital Construction Projects
(in thousands)

Project Description	Financing Sources	Budget
Mines Park Redevelopment Phase II	University Resources	$ 138,975
Steam Infrastructure	University Resources	9,200
New Sophomore Housing Facility	University Resources	200,000
Utilities Infrastructure Project	University Resources	22,700
Quantum COmmons Development	University Resources	25,000

In addition to operating and nonoperating revenues, the University received capital revenues in the amount shown in Table 9 – Capital Revenues. Year to year Capital Appropriations from the state are varied as they are based on the level of approved funding by the state for a respective project. In Fiscal Year 2025, the state supported the start of the University's Emergency Maintenance project to replace the Brown Hall roof. Within Capital Grants and Gifts, in Fiscal Years 2023, 2024, and 2025 the University received gifts provided by donations to fund The Beck Venture Center and various Athletics projects.

Table 9
Capital Revenues
Years Ended June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	Percent	Amount	Percent
Revenue Classification:							
Capital Appropriations and Contributions from the State	$ 156	$ 20	$ 2,304	$ 136	680.0 %	$ (2,284)	(99.1)%
Capital Grants and Gifts	6,918	4,933	3,725	1,985	40.2	1,208	32.4
Addition to Permanent Endowments	-	1,003	-	(1,003)	-	1,003	-
Total Capital Revenues	$ 7,074	$ 5,956	$ 6,029	$ 1,118	18.8	$ (73)	(1.2)

Table 10 – Deferred Outflows (Inflows) of Resources represents the consumption and acquisition of net position of certain activities representing the change in fair value. These deferred outflows and inflows of resources are amortized to expense or revenues over a period of years depending on the specific type. See Notes 5, 12, and 13 the Required Supplementary Information for additional information.

Table 10
Deferred Outflows (Inflows) of Resources
June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
Type	2025	2024	2023	Amount	Percent	Amount	Percent
Loss on Bond Refunding	$ 1,058	$ 2,173	$ 6,195	$ (1,115)	(51.3)%	$ (4,022)	(64.9)%
Components of Pension Liability	17,436	26,517	38,412	(9,081)	(34.2)	(11,895)	(31.0)
Components of OPEB	500	662	909	(162)	(24.5)	(247)	(27.2)
SWAP Valuation	1,179	1,088	1,573	91	8.4	(485)	(30.8)
Components of ARO	238	238	224	-	-	14	6.3
Total Deferred Outflows of Resources	$ 20,411	$ 30,678	$ 47,313	$ (10,267)	(33.5)	$ (16,635)	(35.2)
Gain on Bond Refunding	$ 311	$ 378	$ 450	$ (67)	(17.7)%	$ (72)	(16.0)
Components of Pension Liability	11,894	10,569	5,270	1,325	12.5	5,299	100.6
Components of OPEB	2,758	2,694	3,384	64	2.4	(690)	(20.4)
Components of Right-to-Use Assets	5,787	5,812	6,696	(25)	(0.4)	(884)	(13.2)
Total Deferred Inflows of Resources	$ 20,750	$ 19,453	$ 15,800	$ 1,297	6.7	$ 3,653	23.1

In accordance with accounting standards, the University is required to separately disclose the change in the fair market value of the interest rate swap. As of June 30, 2025, 2024, and 2023, the outstanding swap had a fair market value of ($1,179,000), ($1,088,000), and ($1,573,000), respectively.

The University's long-term obligations, as shown in Table 11 – Long-Term Debt Categories, are comprised principally of various revenue bonds issued to finance construction of the capital assets discussed above, as well as financed purchase liabilities, leases and Subscription Based Information Technology Agreements (SBITA's). As of June 30, 2025, 2024, and 2023, bonds and leases payable of $719,812,000, $760,593,000, and $421,813,000, respectively, were outstanding. Not included in the Fiscal Year 2025 Revenue Bonds figure is the concentrated principal payment of the Series 2022D bonds of $32,435,000 due in December 2025, which was recorded as a current liability. The 2022D bonds were redeemed with the issuance of long-term debt in September of 2025.

Table 11
Long-Term Debt Categories
June 30, 2025, 2024, and 2023
(in thousands)

				Increase (Decrease)			
				2025 vs 2024		2024 vs 2023	
	2025	2024	2023	Amount	Percent	Amount	Percent
Debt Type:							
Revenue Bonds	$ 667,340	$ 712,498	$ 379,334	$ (45,158)	(6.3)%	$ 333,164	87.8 %
Financed Purchase	39,454	40,345	41,198	(891)	(2.2)	(853)	(2.1)
Leases and SBITA's	13,018	7,750	1,281	5,268	68.0	6,469	505.0
Total Long-Term Debt	$ 719,812	$ 760,593	$ 421,813	$ (40,781)	(5.4)	$ 338,780	80.3

One of the University's outstanding bond issues qualifies as Build America Bonds. As such, the University expects to receive a cash subsidy payment from the United States Treasury, referred to as Federal Direct Payments, equal to a percentage of the interest payable on the bonds on or around each interest payment date.

FACTORS IMPACTING FUTURE PERIODS

In Fiscal Year 2025 the University was able to maintain and improve the quality of academic programs, undertake new strategic initiatives, and meet its core mission and ongoing operational needs. In furtherance of the university's strategic goals of collaborating with key external entities, Mines has partnered with a Colorado non-profit, Elevate Quantum, in support of their recent award from the federal Economic Development Agency. This award is enabling the creation of the nation's leading Quantum Technology Hub to be headquartered in Colorado. In support of this award, on August 20, 2024, the University purchased property to develop and operate the Quantum COmmons Technology Park which will house the consortia of Elevate Quantum's Tech Hub. Over the next several years, the University will work with external partners to develop the property to provide quantum lab space, a fabrication/clean room facility and access to co-location and growth of quantum startup and scaleup companies.

Additionally, the University's master plan calls for an expansion of student housing to address demand, increase connectiveness on campus and improve the student experience. To enhance student experience, two major housing projects were planned; one complex has been opened which has 400 new apartment style beds for upper-class and graduate students and their families. An additional housing complex is underway and will open in August 2026 and will include 800 new apartment-style beds for sophomores. The University's operating revenues and debt service are expected to increase accordingly. Table 9.5 Revenue Bonds Future Minimum Payments shows the impact of the financing of these projects on future debt service.

The flexibility to continue investments in strategic priorities is impacted by many factors, principally by student enrollment and the resulting tuition and fees revenue, research volume, the level of state support, and the University's largest expense, compensation costs. Recently, certain agencies within the federal government have slowed down providing research awards to universities. If this persists, this could negatively impact the University's financial position. The University has put in place preventative measures to address any negative financial impacts.

The University is focused on moderating tuition increases compared to the prior year as inflationary pressures begin to stabilize. For Academic Year 2026 the Board of Trustees approved tuition rate increases of 3.0% for resident and non-resident undergraduates and resident graduate students and no increase for graduate non-resident students. For Academic Year 2025, the University determined the need for increases of 2.9% for resident and 3.0% for non-resident tuition rates. For Academic Year 2024, tuition rates increased 5.0% for both resident and non-resident students. Table 12 – Full Time Tuition and Room and Board Charges per Year provides a trend of charges for the Academic Years 2023 to 2026.

Table 12
Full-Time Tuition and Room and Board Charges Per Year

	Annual Full-Time Undergraduate Tuition Rates		Annual Room and Board (avg.)		
Academic Year	Residents*	Nonresidents	Double	Single	Meal Plan
2026	$ 19,500	$ 44,130	$ 10,604	$ 13,158	$ 7,448
2025	18,930	42,840	10,295	12,774	7,236
2024	18,390	41,580	9,994	12,402	6,690
2023	17,520	39,600	9,610	11,924	6,500

Academic Year 2026 fall total enrollment increased 2.3% from Academic Year 2025 fall enrollment. This increase was primarily due to our strong retention rate and new enrollment primarily in undergraduate degree programs.

Table 13
Fall Enrollment Trends – Headcount

	Undergraduate Students			Graduate Students			Total		
Academic Year	Residents	Nonresidents	Total	Residents	Nonresidents	Total	Residents	Nonresidents	Total
2026	3,382	2,989	6,371	1,022	854	1,876	4,404	3,843	8,247
2025	3,379	2,825	6,204	1,020	834	1,854	4,399	3,659	8,058
2024	3,188	2,664	5,852	958	798	1,756	4,146	3,462	7,608

Table 14 – Fall Semester Undergraduate Admissions trends highlights the University's ability to attract freshmen and transfer students. As demonstrated by Tables 13 and 14, the University continues to be successful in attracting new students.

Table 14
Fall Semester Undergraduate Admissions Trends

Fall of Year	Number of Applicants	Number Accepted	Percent Accepted	Number Committed	Percent Committed
2025	13,118	7,516	57.3 %	1,742	23.2 %
2024	11,969	7,221	60.3	1,759	24.4
2023	10,381	6,150	59.2	1,591	25.9

For Fiscal Year 2026, the University's allocation of the higher education budget is $1,086,000 higher than the prior year's allocation. Table 15 – State Operating Support shows the trend in state support for the Fiscal Years 2024 to 2026.

Table 15
State Operating Support
(in thousands)

Fiscal Year	State Support*	Total Operating Revenues**	Percent of Total State Operating Support to Total Operating Revenues
2026	$ 38,141	$ 452,196	8.4 %
2025	37,055	440,497	8.4
2024	33,576	369,867	9.1

*State support includes student stipends, and a fee-for-service contract funded from the College Opportunity Fund.
**Fiscal Year 2026 Amount of state support is based on Amounts included in the State's Long Appropriation Act (Long Bill). Total Operating Revenues is based on the University's Fiscal Year 2026 projected revenues.

FINANCIAL SUSTAINABILITY

The University's strong financial position allows us to support enrollment growth and invest in Quantum research, while streamlining costs and planning for changes in federally funded activity.

During Fiscal Year 2024, as part of the strategic plan, the University issued bonds to fund an expansion of student housing. This new debt service is expected to be funded from future increases in room rental revenue as demand for on-campus housing remains strong. Notably, as of June 30, 2025, the University's long-term credit rating was A1 from Moody's and A+ by Standard & Poor's, unchanged from the prior fiscal year.

In addition, the University has partnered with a Colorado non-profit, Elevate Quantum, with the purchase of property to develop and operate the Quantum COmmons Technology Park which will house the consortia of Elevate Quantum's Tech Hub and provide co-location and growth opportunities for quantum startup and scaleup companies.

The University continues to look at ways to control increases in operating costs. The University evaluates administrative processes and develops streamlined services providing efficiencies and value-added services. As a result of one of these initiatives, in Fiscal Year 2024, the University implemented a new ERP system for Finance and Human Resource processing which simplifies workflows and approval processes. In Fiscal Year 2025, the University updated the Student Information System by moving it to a modern platform.

The University is well positioned to meet the research needs during the federal transition as our research focus is on critical materials and mining, which aligns with federal priorities. While volatility for federal research funding persists during this transition, we are proactively budgeting potential funding shortfalls and/or delays through expense reductions and alternate revenue generating activity.

As the University looks forward, it must ensure that the human capital, physical infrastructure, and financial aid resources accommodates student academic and social needs and expectations, optimizes the professional opportunities for its faculty, fosters growth in research, and enhances business process, all with a single focus of being a world-class institution. The University's Fiscal Year 2026 budget was developed to devote resources to all of these strategic areas. The University will continue to invest in technology, expand student housing, and support quantum research initiatives for Colorado.

FUTURE CAPITAL PROJECTS

Chilled Water and Electrical Utilities Infrastructure – This project replaces critical infrastructure which is needed to serve current and future buildings on campus. The project will increase chilled water and electrical capacity and help to ensure critical reliability of systems. The project's budget is approximately $20,950,000. The University has requested state funding for the project. The project's timeline has not yet been determined.

Guggenheim HVAC/Plumbing Renewal – This project replaces HVAC and plumbing systems that have begun to fail in Guggenheim Hall. The total project budget is $13,600,000. The University has requested state funding for the project. The project schedule is pending a decision on funding.

ECONOMIC OUTLOOK

The University believes it is well-positioned financially. Enrollment remains strong and is growing among both the undergraduate and graduate student populations. The University has increased total enrollment from Academic Year 2024 Fall to Academic Year 2026 Fall by 8.4%. While we experienced growth in sponsored research funding in Fiscal Year 2025, we are anticipating reductions or delays of research from federal sponsors in the upcoming year. The University is proactively addressing this impact through expense reductions and alternate revenue sources.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the University's finances for all those with an interest in the University's finances. Questions concerning any other information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Administration, 1500 Illinois Street, Golden, Colorado 80401-1887.

COLORADO SCHOOL OF MINES
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024
(IN THOUSANDS)

	2025		2024	
	University	Component Unit	University*	Component Unit
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 73,979	$ 7,251	$ 104,955	$ 2,972
Accounts and Loans Receivable, Net	64,148	5,914	53,445	7,303
Other Assets	4,266	-	3,038	-
Total Current Assets	142,393	13,165	161,438	10,275
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	178,979	-	352,583	-
Investments	49,674	511,507	37,516	470,434
Accounts and Loans Receivable, Net	5,727	11,157	6,492	11,223
Other Assets	-	1,949	-	1,003
Capital Assets, Net	940,657	-	704,369	-
Total Noncurrent Assets	1,175,037	524,613	1,100,960	482,660
Total Assets	1,317,430	537,778	1,262,398	492,935
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Bond Refundings	1,058	-	2,173	-
SWAP Valuation	1,179	-	1,088	-
Pension Related	17,436	-	26,517	-
OPEB Related	500	-	662	-
Asset Retirement Obligation	238	-	238	-
Total Deferred Outflows of Resources	20,411	-	30,678	-
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	86,887	4,097	53,092	4,046
Accrued Compensated Absences	1,115	-	972	-
Unearned Revenue	14,419	-	16,312	-
Bonds and Notes Payable	43,777	-	11,283	-
Leases and SBITA Liability	3,318	-	2,752	-
Other Liabilities	1,195	-	1,521	-
Total Current Liabilities	150,711	4,097	85,932	4,046
Noncurrent Liabilities:				
Accrued Compensated Absences	10,164	-	8,783	-
Bonds and Notes Payable	705,615	-	751,755	-
Leases and SBITA Liability	13,018	-	7,750	-
Interest Rate Swap Agreement	1,179	-	1,088	-
Net Pension Liability	181,175	-	206,418	-
Net OPEB Liability	3,049	-	4,894	-
Other Liabilities	1,744	47,361	1,682	44,743
Total Noncurrent Liabilities	915,944	47,361	982,370	44,743
Total Liabilities	1,066,655	51,458	1,068,302	48,789
DEFERRED INFLOWS OF RESOURCES				
Leases	5,787	-	5,812	-
Gain on Refunding	311	-	378	-
Pension Related	11,894	-	10,569	-
OPEB Related	2,758	-	2,694	-
Total Deferred Inflows of Resources	20,750	-	19,453	-
NET POSITION				
Net Investment in Capital Assets	276,635	-	239,315	-
Restricted for Nonexpendable Purposes:				
Instruction	3,010	-	3,010	-
Scholarships and Fellowships	2,051	151,776	2,051	136,633
Other	3,342	138,270	3,388	122,033
Total Restricted for Nonexpendable Purposes	8,403	290,046	8,449	258,666
Restricted for Expendable Purposes:				
Scholarships and Fellowships	6,401	88,650	5,987	85,416
Loans	879	1,403	1,210	1,392
Research	16,802	2,410	13,680	2,401
Capital Projects	11,368	3,689	3,412	3,027
Other	6,744	61,246	4,500	56,712
Total Restricted for Expendable Purposes	42,194	157,398	28,789	148,948
Unrestricted (deficit)	(76,796)	38,876	(71,232)	36,532
Total Net Position	$ 250,436	$ 486,320	$ 205,321	$ 444,146

** Restated*

See accompanying Notes to Financial Statements.

COLORADO SCHOOL OF MINES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024
(IN THOUSANDS)

	2025		2024	
	University	Component Unit	University*	Component Unit
OPERATING REVENUES				
Tuition and Fees (Net of Scholarship Allowance of $65,020 in 2025 and $57,410 in 2024)	$ 190,461	$ -	$ 175,834	$ -
Fee-for-Service	25,817	-	22,941	-
Federal Grants and Contracts	142,084	-	94,109	-
State Grant and Contracts	8,225	-	6,378	-
Nongovernmental Grants and Contracts	19,779	-	23,151	-
Auxiliary Enterprises (Net of Scholarship Allowance of $1,095 in 2025 and $1,850 in 2024)	48,727	-	41,821	-
Contributions	-	42,022	-	38,828
Other Operating Revenues	5,404	584	5,633	598
Total Operating Revenues	440,497	42,606	369,867	39,426
OPERATING EXPENSES				
Education and General:				
Instruction	110,655	-	97,880	-
Research	78,571	-	67,580	-
Public Service	2,612	-	2,187	-
Academic Support	30,240	-	29,377	-
Student Services	15,975	-	14,302	-
Institutional Support	38,094	47,996	36,928	40,366
Operation and Maintenance of Plant	73,742	-	65,982	-
Scholarships and Fellowships	13,529	-	11,142	-
Total Education and General	363,418	47,996	325,378	40,366
Auxiliary Enterprises	49,792	-	46,866	-
Depreciation and Amortization	32,255	-	28,702	-
Total Operating Expenses	445,465	47,996	400,946	40,366
OPERATING INCOME (LOSS)	(4,968)	(5,390)	(31,079)	(940)
NONOPERATING REVENUES (EXPENSES)				
State Appropriations, Noncapital	7,140	-	3,907	-
State Support for Pensions	1,432	-	331	-
Contributions from the Foundation	29,930	-	24,974	-
Contributions	6,639	-	7,043	-
Investment Income (Loss), Net	23,796	47,564	21,664	42,357
Interest on Debt	(33,513)	-	(24,841)	-
Federal Nonoperating Revenue	7,263	-	5,351	-
Other Nonoperating Expenses	(131)	-	(4,217)	-
Other Nonoperating Revenue	453	-	218	-
Total Nonoperating Revenues (Expenses), Net	43,009	47,564	34,430	42,357
INCOME BEFORE OTHER REVENUES	38,041	42,174	3,351	41,417
OTHER REVENUES				
Capital Appropriations and Contributions from State	156	-	20	-
Capital Grants and Gifts	6,918	-	4,933	-
Additions to Permanent Endowments	-	-	1,003	-
Total Other Revenues	7,074	-	5,956	-
INCREASE (DECREASE) IN NET POSITION	45,115	42,174	9,307	41,417
Net Position - Beginning of Year, as Previously Reported	205,321	444,146	194,632	402,729
Adjustment for Change in Accounting Principle	-	-	1,382	-
Net Position - Beginning of Year, as Restated	205,321	444,146	196,014	402,729
NET POSITION - END OF YEAR	$ 250,436	$ 486,320	$ 205,321	$ 444,146

** Restated*

See accompanying Notes to Financial Statements.

COLORADO SCHOOL OF MINES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024
(IN THOUSANDS)

	2025	2024*
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 185,252	$ 171,319
Grants and Contracts	183,494	131,088
Sales of Services from Auxiliary Enterprises	48,450	42,210
Collection of Loans to Students	521	537
Receipts from the Foundation	2,963	929
Other Operating Receipts	4,078	5,249
Payments to Employees	(185,914)	(170,458)
Payments for Employee Benefits	(79,074)	(70,083)
Payments to Suppliers	(145,551)	(124,008)
Direct Lending Receipts	38,097	35,774
Direct Lending Disbursements	(38,121)	(35,794)
Developmental Services Fees	(738)	(2,600)
Scholarships Disbursed	(11,603)	(11,142)
Loans Issued to Students	(419)	(390)
Net Cash Provided (Used) by Operating Activities	1,435	(27,369)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from the Foundation	27,303	25,490
State Appropriations, Noncapital	6,426	3,833
Gifts and Grants for Other than Capital Purposes	8,020	8,922
Additions to Permanent Endowments	-	1,003
Funds Invested with the Foundation	-	(1,022)
Federal Nonoperating Revenue	6,381	4,467
Agency Inflows	13,985	13,278
Agency Outflows	(13,976)	(13,278)
Net Cash Provided by Noncapital Financing Activities	48,139	42,693
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Gifts	6,534	3,695
Academic Facility Fees	5,359	4,909
Receipts as Lessor	1,832	1,577
Bond Proceeds	-	348,089
Bond Issuance and Other Loan Costs	(14)	(1,038)
Acquisition and Construction of Capital Assets	(228,980)	(145,346)
Principal Payments on Capital Debt	(11,283)	(10,810)
Interest Payments on Capital Debt	(34,901)	(24,628)
Payments on Leases and SBITAs	(3,809)	(3,199)
Federal Nonoperating Revenue	882	884
Net Cash Provided (Used) by Capital and Related Financing Activities	(264,380)	174,133
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends on Investments	20,226	18,409
Purchase of Investments	(10,000)	-
Net Cash Provided by Investing Activities	10,226	18,409
NET CHANGE IN CASH AND CASH EQUIVALENTS	(204,580)	207,866
Cash and Cash Equivalents - Beginning of Year	457,538	249,672
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 252,958	$ 457,538

** Restated*

See accompanying Notes to Financial Statements.

COLORADO SCHOOL OF MINES
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023
(IN THOUSANDS)

	2025	2024*
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (4,968)	$ (31,079)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	32,255	28,702
Noncash Operating Expenses	4,482	6,766
Receipts of Items Classified as Nonoperating Revenues	4,772	1,403
Academic Construction Fee Split Out of Tuition to Capital Financing	(5,359)	(4,909)
Operating Activity from SRECNP Shown with Capital Financing (Leases)	(1,692)	(1,339)
Changes in Assets and Liabilities:		
Accounts and Loans Receivable	(9,976)	(12,740)
Other Assets	(1,228)	1,036
Loans to Students	145	142
Accounts Payable and Accrued Liabilities	135	3,498
Unearned Revenue	(1,893)	(1,362)
Accrued Compensated Absences	1,523	495
Other Liabilities	(27,393)	(34,720)
Changes in Deferred Outflows and Inflows:		
Deferred Outflows - Pension	9,082	11,895
Deferred Outflows - OPEB	162	247
Deferred Outflows - Other	(1)	(13)
Deferred Inflows - Pension	1,325	5,299
Deferred Inflows - OPEB	64	(690)
Net Cash Provided (Used) by Operating Activities	$ 1,435	$ (27,369)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Acquired by Donations, State funded, and Payable Increases	$ 63,994	$ 35,167
Fair Value Change in Interest Rate Swap	91	(3,748)
Realized (Unrealized) Gains on Investments	4,038	3,600
Administrative Fees on Investments	496	506
Accretion of Interest on Deep Discount Debt	171	234
Amortization of Premiums (Discounts)	2,535	(2,004)
Amortization of Deferred Losses and Swap Termination	1,048	688
Loss on Disposal of Assets	(422)	(2,243)
Construction in Progress Adjustments and Deductions	(3,765)	(6,694)
Bond Underwriter Costs	-	1,022
Capital Asset acquired by new lease/financed purchase	9,493	10,476

** Restated*

See accompanying Notes to Financial Statements.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

Colorado School of Mines (the University) is a public institution of higher education with a primary emphasis in engineering and science education and research. The University is governed by a nine-member Board of Trustees. Seven voting members are appointed by the Governor of the State of Colorado with the consent of the Colorado Senate. Two nonvoting members, representing the faculty and students of the University, are voted in by the respective constituents.

Financial Reporting Entity and Basis of Presentation

The University's financial reporting entity includes the operations of the University and all related entities for which the University is financially accountable or that provide services to the University, referred to as blended component units. Financial accountability may stem from the University's ability to appoint a majority of the governing board of the related organization, its ability to impose its will on the related organization, its ability to access assets, or its responsibility for debts of the related organization. The University includes the following blended component units:

Colorado School of Mines Building Corporation

Established in June 1976 as a separate corporation under the laws of the State of Colorado. The purpose of the corporation was to build a facility that would house the United States Geological Survey (USGS). The Corporation collects annual rent payments from the USGS. Upon dissolution, subject to certain provisions, any assets remaining shall be transferred to the University. Separate financial statements are not prepared.

Mines Applied Technology Transfer Inc. (MATTI)

Established in 2002 as a separate corporation under the laws of the State of Colorado with a December 31 year-end. The purpose of MATTI, a nonprofit 501(c)(3), is to further the education, research, development and public services objectives of the University and to further the transfer of newly created technologies from the University to the private sector. The corporation is operated exclusively for the benefit of the University. Upon dissolution, subject to certain provisions, any assets remaining shall be transferred to the University. Separate financial statements are not prepared.

Discretely Presented Component Unit

The University's financial statements include one supporting organization as a discretely presented component unit (DPCU) of the University.

Colorado School of Mines Foundation, Incorporated (the Foundation) is a legally separate entity incorporated under Article 40, Title 7 of the Colorado Revised Statutes of 1973. The Foundation was established in 1928 to promote the welfare, development and growth of the University. The Foundation has a determination letter from the Internal Revenue Service (IRS) stating it qualifies under Section 501(c)(3) of the Internal Revenue Code (IRC) as a public charity.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

Although the University does not control the timing of receipts received by the Foundation, the majority of resources or income thereon the Foundation holds and invests are restricted by the donors for the benefit of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. Separately issued financial statements are available by contacting the Foundation at PO Box 4005, Golden, Colorado, 80401-0005.

Relationship to State of Colorado

Article VIII, Section 5 of the Colorado Constitution declares the University to be a state institution. Thus, for financial reporting purposes, the University is included as part of the State's primary government.

Basis of Accounting and Presentation

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

The University applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The Foundation reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

Significant Accounting Policies

Cash and Cash Equivalents

The University considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents consist primarily of funds invested through the State Treasurer's Cash Management Program and money market mutual funds.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include amounts where use is constrained either through external party restrictions or imposition by law. Restricted purposes include gifts, endowments, debt funded project construction and debt service reserves.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Income

Investments in equity and debt securities are carried at fair value. Fair value is determined using values provided by the investment managers, along with management estimates. Investments include, but are not limited to, funds managed by the Foundation on behalf of the University.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Accounts and Loans Receivable

Accounts and loans receivable consist of tuition and fee charges to students, charges for auxiliary enterprise services provided to students, advances to faculty, staff, and students, activity related to research and other sponsored contracts and grants, and short and long-term loans issued to students under various federal and other loan programs to cover tuition and fee charges. Receivables are recorded net of estimated uncollectible amounts. The University also administers student loans on behalf of the discretely presented component unit. The student loans administered by the University are recorded as a receivable from the student, included with loans to students in the statement of net position, and as a liability to the component unit.

Inventories

Inventories are stated at the lower of cost, determined using the FIFO (first-in, first-out) method, or market.

Bond Issuance Costs

Bond issuance costs incurred on revenue bond issues are expensed in the year the bond issue occurs.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation, if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land Improvements	20 Years
Building and Improvements	20 to 50 Years
Leasehold Improvements	1 to 10 Years
Equipment	3 to 20 Years
Software	3 to 11 Years
Library Materials	10 Years
Other Capital Assets	18 Years

For equipment, the capitalization policy includes all items with a value of $5,000 or more, and an estimated useful life of greater than one year.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. For renovations and improvements, the capitalization policy includes items with a value of $50,000 or more. Routine repairs and maintenance are charged to operating expense. Major outlays for the construction of capital assets and improvements are capitalized as construction in progress throughout the building project.

Assets recorded under financed purchase agreements are recorded at the present value of future minimum payments and are amortized over either the term of the agreement or the estimated useful life of the asset, whichever period is shorter. Such amortization is included as depreciation and amortization expense in the accompanying financial statements.

Intangible assets are carried at cost and are comprised of an indefeasible right to use certain fiber optic cables. Intangible assets are amortized over 20 years.

Compensated Absences

University policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time-off or, in limited circumstances, as a cash payment. Expense and the related liabilities that are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time-off or in cash. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect as of June 30 plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue – Tuition, Fees and Grants

Unearned revenue represents student tuition and fees, for which the University has not provided the associated services, and advances on grants and contract awards for which the University has not provided services or has not met all of the applicable eligibility requirements.

Bonds

Bonds represent debt by borrowing or financing, usually for the acquisition of land, buildings, equipment, or capital construction. The University has an International Swaps and Derivatives Association (ISDA) Master Swap Agreement in order to convert certain variable rate debt to a synthetic fixed rate, thereby economically hedging against changes in the cash flow requirements of the University's variable interest rate debt obligations (Note 9).

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows (Inflows) of Resources

Deferred outflows (inflows) of resources represent gains and losses on various bond refunding, the mark to market valuation of the University's SWAP agreement, net pension and OPEB liability related items, right-to-use lease activities and future asset retirement obligations.

For current refunding and advance refunding resulting in defeasance of debt, the difference between the re-acquisition price and the net carrying amount of the old debt is reported as a deferred outflow (inflow) of resources on the statement of net position and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The University recognized a deferred outflow in Fiscal Years 2025 and 2024 for the mark to market valuation of the SWAP agreement.

For the net pension liability related items, the difference between expected and actual experiences, the difference between projected and actual earnings on pension plan investments, the impact on the net pension liability resulting from changes in plan related assumptions, the changes in the University's proportionate share of the net pension liability, and contributions paid to PERA subsequent to the plan's measurement date are all reported as either a deferred outflow or a deferred inflow of resources on the statement of net position and are amortized as a component of pension expense over varying amounts of time.

The Right-to-Use Lease activities include the future payments expected from lease agreements where the University has provided a level of control over the access and right to use its assets. These agreements exceed a 12-month period, and the total payments present value expected from the agreement exceeds the capitalization threshold set by the University.

The Asset Retirement Obligation (ARO) liability is the estimated costs of legally enforceable obligations required to sell, retire, recycle or dispose of specific assets. The legally enforceable obligation could come from federal, state or local laws and regulations, binding contracts, or court judgements. These costs include but are not limited to specific cleaning processes, environmental remediation, transportation and disposal. The University recognizes this liability over the useful life of the assets with legally enforceable obligations.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues

Operating revenues include activities that have the characteristics of exchange or exchange like transactions, program-specific, or government-mandated nonexchange transactions, such as (1) student tuition and fees, net (includes Colorado Opportunity Fund stipends (COF)) (2) state fee for service contract (3) sales and services of auxiliary enterprises, (4) contracts and grants for research activities and (5) interest on student loans.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are not deemed operating revenues, including Federal Pell revenue, investment income, noncapital state appropriations, state support for pensions, and interest subsidy payments associated with Build America Bonds.

Scholarship Discounts and Allowances

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell Grants and other federal, state or nongovernmental programs are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees, and other student charges, the University has recorded a scholarship allowance.

Donor-Restricted Endowments

Disbursements of the net appreciation (realized and unrealized) of investments of endowment gifts are permitted by state law, except where a donor has specified otherwise. The amount of earnings and net appreciation available for spending by the University and the Foundation is based on a spending rate set by the Foundation board on an annual basis. For the years ended June 30, 2025 and 2024, the authorized spending rate was equal to the 4.25% of the rolling 36-month average market value of the endowment investments. Earnings net of fees in excess of the amount authorized for spending are available in future years and are included in the value of the related investment.

Application of Restricted and Unrestricted Resources

The University first applies restricted resources when an expense or outlay is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the IRC and a similar provision of state law. However, the University is subject to federal and state income tax on any unrelated business taxable income. No tax liability has been determined related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2025, and Mines paid $131 and $0 for the liability in Fiscal Years 2025 and 2024, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources 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.

Reclassifications and Revisions

Certain prior year amounts have been reclassified to conform with the Fiscal Year 2025 presentation. The reclassifications had no effect on the change in net position.

Certain revisions have been made to the Fiscal Year 2024 financial statements:

- The classification of investments by the Foundation of $37,244,000 in Table 2.2 Fair Value Measurements was revised from Level 3 to NAV.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS

The University's and DPCU cash and cash equivalents as of June 30 are detailed in Table 2.1, Cash and Cash Equivalents.

Table 2.1 Cash and Cash Equivalents (in thousands)

	2025	2024*
University:		
Cash on Hand	$ 15	$ 17
Cash with U.S. Financial Institutions	107,252	69,804
Bond Proceeds in Highly Liquid Investments	131,679	334,350
Cash with State Treasurer	14,012	53,367
Total University	$ 252,958	$ 457,538
Discretely Presented Component Unit:		
Cash with U.S. Financial Institutions	$ 7,251	$ 2,972
Total Discretely Presented Component Unit	$ 7,251	$ 2,972

** Restated*

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits

Colorado School of Mines deposits cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2025, the University had cash on deposit with the State Treasurer of $14,012,000 which represented approximately 0.09% of the total $15,918.2 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2025, the Pool's resources included $39.1 million of cash on hand and $15,879.1 million of investments. As of June 30, 2024, the University had cash on deposit with the State Treasurer of $53,367,000 which represented approximately 0.29% of the total $18,095.0 million fair value of deposits in the Pool. As of June 30, 2024, the Pool's resources included $38.5 million of cash on hand and $18,056.6 million of investments.

On the basis of Colorado School of Mines participation in the Pool, the University reports as an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Annual Comprehensive Financial Report for the years ended June 30, 2025 and 2024.

Deposits not with the Treasury are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance (FDIC) and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (the Public Deposit Protection Act) or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor – government's name. Accordingly, none of the University's deposits as of June 30, 2025 and 2024 are deemed to be exposed to custodial credit risk. As of June 30, 2025 and 2024, the DPCU maintained balances in various operating accounts in excess of federally insured limits of $250,000 that totaled approximately $7,251,000 and $2,972,000, respectively.

Colorado School of Mines issues bonds to fund capital projects. The University seeks to invest those funds during the period of construction in investments that are highly liquid to ensure funds can be drawn upon as needed. In Fiscal Years 2025 and 2024, the University had $131,679,000 and $334,350,000 of bond proceeds invested in guaranteed investment contracts, money market funds, repurchase agreements and state and local government securities issued by the US Treasury, respectively.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

The University has authority to invest institutional funds in any investment deemed advisable by the governing board per section 15-1-1106, C.R.S. The University may legally invest in direct obligations of, and other obligations guaranteed as to principal by, the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest, to a limited extent, in equity securities.

Credit Quality Risk

Credit quality risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk only applies to debt investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The University has no investment policy that would further limit its investment choices beyond those allowed by state statute. The fixed income funds shown in Table 2.2 are mutual funds and therefore are not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate risk only applies to debt investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rates. Interest rate risk inherent in the University's investments is measured by monitoring the modified duration of the overall investments portfolio. Modified duration estimates the sensitivity of the University's investments to changes in the interest rates. The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. At June 30, 2025 and 2024, no single investment of the University exceeded 5% of the total investments.

Most of the University's investments are managed by the Foundation, on behalf of the University, and are reflected in the Foundation's Long-term Investment Pool (LTIP). The University's investments represent a proportionate share of the Foundation's LTIP and therefore, the University does not own any specific investments. As such the fair value measurement for the University's investments are reported as Level 1 and NAV as described below. The University investments are under the Foundation's LTIP policy. This policy requires funds to be managed in a diversified manner to reduce risks with the goal of providing a steady stream of funding for the University. The LTIP must be over a broad investment spectrum in order to create a mix of potential returns that, in the aggregate, would achieve the overall portfolio objectives. This diversification is to ensure that adverse or unexpected developments arising in one security or asset class will not have a significant detrimental impact on the entire portfolio. This policy minimizes concentration credit risk.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

The Foundation categorizes fair value measurements of investments within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets at the measurement date; Level 2 inputs are significant other than quoted prices that are observable for the investment either directly or indirectly; Level 3 are significant unobservable inputs where little or no market data is available, which requires the entity to develop its own assumptions.

The University also invests in equity and fixed income mutual funds. With certain exceptions for donor gifts, the University's investment policy limits these investments to passively managed U.S. and international equity index funds and fixed income index funds.

The fair value measurement of investments as of June 30, 2025 and 2024 are shown in Table 2.2 Fair Value Measurements.

Table 2.2 Fair Value Measurements (in thousands)

	2025				
	Level 1	Level 2	Level 3	NAV	Total
University:					
Corporate Equity Securities	$ 225	$ -	$ -	$ -	$ 225
Equity Mutual Funds	7,076				7,076
Fixed Income Mutual Funds	3,003				3,003
Investments with Foundation	-	-	-	39,370	39,370
Total University	$ 10,304	$ -	$ -	$ 39,370	$ 49,674
Liabilities - University:					
Interest Rate Swap Agreement	$ -	$ 1,179	$ -	$ -	$ 1,179
Total Liabilities - University	$ -	$ 1,179	$ -	$ -	$ 1,179
Discretely Presented Component Unit (DPCU):					
Cash Equivalents	$ 6,377	$ -	$ -	$ -	$ 6,377
Corporate Equity Securities	129,762	-	-	126,003	255,765
Hedge Funds		-	-	31,968	31,968
Private Equity	-	-	-	123,348	123,348
Corporate Bond Funds	24,798	-	-	20,453	45,251
Real Assets	6,299	-	-	11,658	17,957
Split-Interest Agreements	3,199	-	-	-	3,199
Gift Annuity Agreements	7,980	-	-	-	7,980
Beneficial Interest Investments	-	-	19,662	-	19,662
Total DPCU	$ 178,415	$ -	$ 19,662	$ 313,430	$ 511,507

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

	2024				
	Level 1	Level 2	Level 3	NAV	Total
University:					
Corporate Equity Securities	$ 272	$ -	$ -	$ -	$ 272
Investments with Foundation	-	-	-	37,244	37,244
Total University	$ 272	$ -	$ -	$ 37,244	$ 37,516
Liabilities - University:					
Interest Rate Swap Agreement	$ -	$ 1,088	$ -	$ -	$ 1,088
Total Liabilities - University	$ -	$ 1,088	$ -	$ -	$ 1,088
Discretely Presented Component Unit (DPCU):					
Cash Equivalents	$ 19,881	$ -	$ -	$ -	$ 19,881
Corporate Equity Securities	106,486	-	-	118,641	225,127
Hedge Funds	-	-	-	37,842	37,842
Private Equity	-	-	-	106,587	106,587
Corporate Bond Funds	17,760	-	-	19,628	37,388
Real Assets	7,248	-	-	8,512	15,760
Split-Interest Agreements	2,960	-	-	-	2,960
Gift Annuity Agreements	7,163	-	-	-	7,163
Beneficial Interest Investments	-	-	17,726	-	17,726
Total DPCU	$ 161,498	$ -	$ 17,726	$ 291,210	$ 470,434

The following table details each major category for the Colorado School of Mines Foundation investments at fair value using net asset value (NAV).

Table 2.3 Investments in Certain Entities that Calculate NAV Per Share (in thousands)

	June 30, 2025 Fair Value	June 30, 2024 Fair Value	Unfunded Commitments	June 30, 2025 Redemption Frequency	Redemption Notice Period
Investments - DPCU:					
Global Equity	$ 126,003	$ 118,641	$ -	1 to 5 Years	30 to 90 Days
Hedge Funds	31,968	37,842	-	Quarterly to 3 Years	30 to 90 Days
Private Equity Funds	123,348	106,587	63,840	N/A	N/A
Real Assets	11,658	8,512		Daily to Quarterly	On Demand to 30 Days
Fixed Income	20,453	19,628		Monthly to Annual	5 Days to 90 Days
Total Investments - DPCU	$ 313,430	$ 291,210	$ 63,840		

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

The following table sets forth the School of Mines' total cash, cash equivalents, and investments for the past five fiscal years. The numbers include cash and cash equivalents, restricted cash and cash equivalents, and investments for the University and the Colorado School of Mines Foundation.

Table 2.4 Total Cash, Cash Equivalents, and Investments (in thousands)

Fiscal Year Ending June 30,	Amount*
2021	$ 657,963
2022	603,527
2023	719,383
2024	968,460
2025	821,390

** Restated*

NOTE 3 ACCOUNTS AND LOANS RECEIVABLE

Table 3.1, Accounts Receivable, segregates receivables as of June 30, 2025 and 2024, by type.

Table 3.1 Accounts Receivable (in thousands)

	2025			
	Gross Receivable	Allowance	Net Receivable	Net Current Position
University:				
Student Accounts	$ 5,402	$ 886	$ 4,516	$ 4,516
Student Loans	1,916	82	1,834	303
Federal Government	41,136	91	41,045	41,045
Private Sponsors	7,513	-	7,513	7,513
Discretely Presented Component Unit	3,426	-	3,426	3,426
Other	11,552	11	11,541	7,345
Total University	$ 70,945	$ 1,070	$ 69,875	$ 64,148
Discretely Presented Component Unit (DPCU):				
Contributions*	$ 17,618	$ 1,950	$ 15,668	$ 5,914
Due from University	1,403	-	1,403	-
Total DPCU	$ 19,021	$ 1,950	$ 17,071	$ 5,914

NOTE 3 ACCOUNTS AND LOANS RECEIVABLE (CONTINUED)

Table 3.1 Accounts Receivable (in thousands)

	2024			
	Gross Receivable	Allowance	Net Receivable	Net Current Position
University:				
Student Accounts	$ 4,864	$ 761	$ 4,103	$ 4,103
Student Loans	2,042	30	2,012	360
Federal Government	28,481	-	28,481	28,481
Private Sponsors	8,169	-	8,169	8,169
Discretely Presented Component Unit	3,357	-	3,357	3,357
Other	13,826	11	13,815	8,975
Total University	$ 60,739	$ 802	$ 59,937	$ 53,445
Discretely Presented Component Unit (DPCU):				
Contributions*	$ 19,504	$ 2,370	$ 17,134	$ 7,303
Due from University	1,392	-	1,392	-
Total DPCU	$ 20,896	$ 2,370	$ 18,526	$ 7,303

*The allowance on the contributions receivable is comprised of uncollectible and unamortized discounts of $625 and $1,325, respectively, as of June 30, 2025 and $757 and $1,613, respectively, for June 30, 2024

NOTE 4 CAPITAL ASSETS

Table 4.1, Capital Assets, presents the changes in capital assets and accumulated depreciation by major asset category, including lease and SBITA assets, for the years ended June 30, 2025 and 2024.

NOTE 4 CAPITAL ASSETS (CONTINUED)

Table 4.1 Capital Assets (in thousands)

	2025				
	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Capital Assets Not Being Depreciated:					
Land	$ 25,231	$ -	$ -	$ 6,655	$ 31,886
Works of Art	235		-	-	235
Construction in Progress	148,202	253,399	3,765	(115,058)	282,778
Total Capital Assets Not Being Depreciated	173,668	253,399	3,765	(108,403)	314,899
Capital Assets Being Depreciated:					
Land Improvements	36,521	-	122	1,803	38,202
Buildings and Improvements	715,743	-	-	106,247	821,990
Software	2,116	54	1,023	-	1,147
Equipment	112,466	6,943	4,932	353	114,830
Library Materials	2,475	1,760	38	-	4,197
Intangible Assets	600	-	-	-	600
Total Capital Assets Being Depreciated	869,921	8,757	6,115	108,403	980,966
Less Accumulated Depreciation:					
Land Improvements	20,136	1,339	122	-	21,353
Buildings	258,899	18,626	-	-	277,525
Software	2,021	47	1,023	-	1,045
Equipment	72,936	7,212	4,565	-	75,583
Library Materials	1,474	180	38	-	1,616
Intangible Assets	496	30	-	-	526
Total Accumulated Depreciation	355,962	27,434	5,748	-	377,648
Total Capital Assets Being Depreciated, Net	513,959	(18,677)	367	108,403	603,318
Right-to-Use Assets:					
Right-to-Use Buildings	623	930	752	-	801
Right-to-Use Equipment	593	310	-	-	903
Right-to-Use SBITA	21,615	9,656	1,788	1,034	30,517
Work in Progress - Right-to-Use Assets	1,034	-	-	(1,034)	-
Total Right-to-Use Assets	23,865	10,896	2,540	-	32,221
Total Accumulated Amortization	7,123	4,821	2,163	-	9,781
Total Capital Assets, Net	$ 704,369	$ 240,797	$ 4,509	$ -	$ 940,657

NOTE 4 CAPITAL ASSETS (CONTINUED)

Table 4.1 Capital Assets (in thousands) (continued)

	2024				
	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Capital Assets Not Being Depreciated:					
Land	$ 23,675	$ 1,556	$ -	$ -	$ 25,231
Works of Art	234	1	-	-	235
Construction in Progress	60,731	144,316	1,659	(55,186)	148,202
Total Capital Assets Not Being Depreciated	84,640	145,873	1,659	(55,186)	173,668
Capital Assets Being Depreciated:					
Land Improvements	36,354	-	-	167	36,521
Buildings and Improvements	660,804	4,309	3,305	53,935	715,743
Software	2,248	46	178	-	2,116
Equipment	105,037	10,263	3,920	1,086	112,466
Library Materials	2,302	181	8	-	2,475
Intangible Assets	600	-	-	-	600
Total Capital Assets Being Depreciated	807,345	14,799	7,411	55,188	869,921
Less Accumulated Depreciation:					
Land Improvements	18,825	1,311	-	-	20,136
Buildings	243,173	17,708	1,982	-	258,899
Software	2,180	33	192	-	2,021
Equipment	69,587	6,255	2,906	-	72,936
Library Materials	1,297	185	8	-	1,474
Intangible Assets	466	30	-	-	496
Total Accumulated Depreciation	335,528	25,522	5,088	-	355,962
Total Capital Assets Being Depreciated, Net	471,817	(10,723)	2,323	55,188	513,959
Right-to-Use Assets:					
Right-to-Use Buildings	752	-	129	-	623
Right-to-Use Equipment	593	-	-	-	593
Right-to-Use SBITA	5,438	12,151	-	4,026	21,615
Work in Progress - Right-to-Use Assets	3,860	1,583	383	(4,026)	1,034
Total Right-to-Use Assets	10,643	13,734	512	-	23,865
Total Accumulated Amortization	3,500	3,180	(443)	-	7,123
Total Capital Assets, Net	$ 563,600	$ 145,704	$ 4,937	$ 2	$ 704,369

The interest expense related to capital asset debt incurred by the University during the years ended June 20, 2025 and 2024, was $33,513,000 and $24,841,000, respectively.

NOTE 5 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Table 5.1, Deferred Outflows and Inflows of Resources details the types and amounts of deferred outflows and inflows of resources as of June 30, 2025 and 2024.

Table 5.1 Deferred Outflows and Inflows of Resources (in thousands)

	2025	2024
Deferred Outflows:		
Loss on Bond Refundings	$ 1,058	$ 2,173
SWAP Valuation	1,179	1,088
Pension Related	17,436	26,517
OPEB Related	500	662
Asset Retirement Obligation	238	238
Total Deferred Outflows of Resources	$ 20,411	$ 30,678
Deferred Inflows:		
Leases	$ 5,787	$ 5,812
Gain on Bond Refundings	311	378
Pension Related	11,894	10,569
OPEB Related	2,758	2,694
Total Deferred Inflows of Resources	$ 20,750	$ 19,453

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Table 6.1, Accounts Payable and Accrued Liabilities, details the accounts payable and accrued expenses as of June 30, 2025 and 2024.

Table 6.1 Accounts Payable and Accrued Liabilities (in thousands)

	2025	2024*
Accounts Payable - Vendors	$ 73,453	$ 41,820
Accrued Salaries and Benefits	10,435	8,151
Accrued Interest Payable	2,999	3,121
Total Accounts Payable and Accrued Liabilities	$ 86,887	$ 53,092

** Restated*

NOTE 7 ACCRUED COMPENSATED ABSENCES

Table 7.1, Accrued Compensated Absences, presents the changes in compensated absences for the years ended June 30, 2025 and 2024.

Table 7.1 Accrued Compensated Absences (in thousands)

	2025	2024*
Beginning of the Year	$ 9,755	$ 9,260
Sick Leave Increases (Decreases)	15	(183)
Annual Leave Increases	1,509	678
End of the Year	$ 11,279	$ 9,755
Current Portion	$ 1,115	$ 972

** Restated*

NOTE 8 UNEARNED REVENUE

Table 8.1, Unearned Revenue, details the types and amounts of unearned revenue as of June 30, 2025 and 2024.

Table 8.1 Unearned Revenue (in thousands)

	2025	2024
Tuition and Fees	$ 6,073	$ 5,755
Grants and Contracts	6,970	8,904
Miscellaneous	1,376	1,653
Total Unearned Revenue	$ 14,419	$ 16,312

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS

As of June 30, 2025 and 2024, the categories of long-term obligations are detailed in Table 9.2, Bonds and Other Long-Term Debt Obligations. Table 9.3, Changes in Bonds and Other Long-Term Obligations, presents the changes in bonds and other long-term obligations for the years ended June 30, 2025 and 2024.

Revenue Bonds

A general description of each revenue bond issue, original issuance amount, and the amount outstanding as of June 30, 2025 and 2024 is detailed in Table 9.4, Revenue Bond Detail.

The University's fixed rate revenue bonds are payable semi-annually, have serial maturities, contain sinking fund requirements and contain optional redemption provisions. The University's floating rate note (FRN) bonds principal is payable annually, interest is payable monthly, contains sinking fund requirements, and contains optional redemption provisions. The optional redemption provisions allow the University to redeem, at various dates, portions of the outstanding revenue bonds at varying prices. All University revenue bonds are special limited obligations of the University. The revenue bonds are secured only by certain pledged revenues and are not pledged by any encumbrance, mortgage, or other pledge of property, and the revenue bonds do not constitute general obligations of the University.

The revenue bonds are secured by a pledge of all net revenues as defined by the bond documents. As of June 30, 2025 and 2024, net auxiliary pledged revenues, total net pledged revenues, and the associated debt service coverage are shown in Table 9.1, Net Pledged Revenues. The University's net pledged revenues will continue to be pledged for the life of the associated revenue bonds as detailed in Table 9.2, Bonds and Other Long-Term Debt Obligations. The outstanding principal and interest of the related pledged debt is detailed in Table 9.5, Revenue Bonds Future Minimum Payments. The University believes it is in compliance with all existing pledged revenue requirements of its outstanding bonds.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

Table 9.1 Net Pledged Revenues (in thousands)

	2025	2024
Prior Bond Obligation:		
Auxiliary Gross Revenues:		
Facilities	$ 47,532	$ 41,914
Student Services Fee Revenue	4,428	3,816
Auxiliary Renewal and Replacement Fund	941	883
Total Auxiliary Revenues	52,901	46,613
Total Auxiliary Operating Expenses	(26,412)	(24,556)
Net Auxiliary Revenues	$ 26,489	$ 22,057
Total Prior Obligations Debt Service	1,385	1,380
Prior Obligations Debt Service Coverage	19.1	16.0
Parity Bond Obligations:		
Institution Enterprise Revenues:		
Student Tuition	$ 162,157	$ 150,503
Indirect Cost Recoveries	22,926	20,206
Academic Facility Fees	5,359	4,974
Federal Interest Subsidy	882	884
Total Institution Enterprise Revenues	$ 191,324	$ 176,567
Net Pledged Revenues for Parity Debt	$ 216,428	$ 197,244
Total Parity Debt Service	42,090	31,363
Parity Debt Service Coverage	5.1	6.3
Total Debt Service Coverage	5.0	6.1

The Auxiliary Facility Enterprise Revenue bonds specify debt service coverage requirements for the auxiliary facilities. The debt service coverage provisions require net pledged revenues to be equal to 110% of the combined principal and interest payments, excluding any reserves, on the Auxiliary Bonds and any additional bonds due during any subsequent fiscal year. The Auxiliary Facility Enterprise Revenue bonds are payable from net pledged revenues on parity with the other bonds and the note payable.

A master resolution adopted by the Board includes a covenant by the Board which provides, in summary, that, while the Bonds are outstanding, and subject to applicable law, the Board will continue to impose such fees and charges as are included within the gross revenues and will continue the present operation and use of the institutional enterprise and the facilities.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

The Board will continue to maintain such reasonable fees, rental rates and other charges for the use of all facilities and for services rendered by the Institutional Enterprise as will return annually gross revenue sufficient to pay the prior bond obligations, to pay operation and maintenance expenses, to pay the annual debt service requirements of the bonds and any parity obligations payable from the net revenues. In addition, the Board will make any deposits required to the reserve fund. The debt covenant includes provisions relating to other matters such as maintenance of insurance coverage for the facilities. The Master Resolution prohibits the Board from selling, destroying, abandoning, otherwise disposing of or altering at any time the property comprising a part of the facilities until all bonds payable out of net revenues have been paid or provision has been made to pay all such bonds. However, the Board may sell, destroy, abandon, otherwise dispose of, or alter at any time any property constituting a part of the Facilities which will have been replaced by other property of at least equal value, or which will cease to be necessary for the efficient operation of the Facilities as part of the Institutional Enterprise, or which will not decrease Gross Revenues below the requirements of the Master Resolution. The University believes it is in compliance with these covenants.

The Series 2009B revenue bonds qualify as Build America Bonds for purposes of the American Recovery and Reinvestment Act of 2009 (ARRA) signed into law on February 17, 2009. Pursuant to ARRA, for the Series 2009B the University expects to receive a cash subsidy payment from the United States Treasury, referred to as Federal Direct Payments, equal to 35% of the interest payable on the bonds on or around each interest payment date. Due to federal budget cuts that started during Fiscal Year 2013, the University received approximately 5.7% less in payments under this program for both Fiscal Years 2025 and 2024. Pursuant to the Colorado Recovery Act, the Board may pledge any Federal Direct Payments received to the payments of the bonds. The Board has pledged such payments to the payment of all bonds. In Fiscal Years 2025 and 2024, the University received $882,000 and $884,000, respectively, in Federal Direct Payments.

The Series 2009B, 2016B, 2017C, and 2024A revenue bonds qualify for the State Intercept Program established pursuant to Section 23-5-139 CRS. The State Intercept Program provides for the institutions of higher education to utilize the State of Colorado's credit rating. The State Treasurer is obligated to make principal and interest payments when due with respect to the revenue bonds issued by state supported institutions of higher education if such institution will not make the payment by the due date.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

The following table provides a summary of the University's long-term debt obligations as of June 30, 2025 and 2024 (in thousands):

Table 9.2 Bonds and Other Long-Term Debt Obligations (in thousands)

	Interest Rates	Final Maturity	Balance 2025	Balance 2024
Auxiliary Facilities Enterprise				
Revenue Bonds	5.14% - 5.40%	2028	$ 2,731	$ 3,945
Institutional Enterprise Revenue Bonds:				
Floating Rate Note Bonds	2.80%*	2025	32,435	33,435
Fixed Rate Bonds	2.00% - 6.29%	2054	624,630	633,940
Fixed Rate Bonds (Direct Placement)	2.02% - 5.14%	2053	49,250	50,520
Total Bonds Payable			709,046	721,840
Financed Purchase	4.51%	2050	40,346	41,198
Leases Payable	0.20% - 3.32%	2030	914	366
SBITA's Payable	0.14% - 3.79%	2035	15,422	10,136
Total Bonds and Other Long-Term Debt Obligations			$ 765,728	$ 773,540

* Floating Rate Note Bonds are set at an adjustable rate as discussed below. The rates reflected in the table are as of June 25, 2025, the last reset date prior to June 30, 2025.

In December 2022, the University refunded the 2018A floating rate note (FRN) bonds with the issuance of the 2022D FRN institutional enterprise revenue bonds. The interest rate on the Series 2022D bonds is calculated as the SIFMA Index rate plus an 87-basis point spread. The interest rate on the Series 2022D as of June 30, 2025 and June 30, 2024 (including spread) was 2.799% and 4.759%, respectively.

Table 9.3, Changes in Bonds and Other Long-Term Obligations presents the changes in bonds and financed purchases for the years ended June 30, 2025 and 2024.

Table 9.3 Changes in Bonds and Other Long-Term Obligations (in thousands)

	2025				
	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Current Portion
Revenue Bonds Payable	$ 683,035	$ 171	$ 10,430	$ 672,776	$ 42,885
Plus: Unamortized Premiums	38,807	-	2,536	36,271	-
Less: Unamortized Discounts	2	-	1	1	-
Total Bonds Payable	721,840	171	12,965	709,046	42,885
Financed Purchase	41,198	-	852	40,346	892
Leases Payable	366	801	253	914	272
SBITA's Payable	10,136	8,692	3,406	15,422	3,046
Total Bonds and Leases Payable	$ 773,540	$ 9,664	$ 17,476	$ 765,728	$ 47,095

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

Table 9.3 Changes in Bonds and Other Long-Term Obligations (in thousands) (continued)

	2024				
	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Current Portion
Revenue Bonds Payable	$ 361,116	$ 331,914	$ 9,995	$ 683,035	$ 10,430
Plus: Unamortized Premiums	23,382	17,431	2,006	38,807	-
Less: Unamortized Discounts	4	-	2	2	-
Total Bonds Payable	384,494	349,345	11,999	721,840	10,430
Financed Purchase	42,012	-	814	41,198	853
Leases Payable	631	-	265	366	223
SBITA's Payable	2,554	10,476	2,894	10,136	2,529
Total Bonds and Leases Payable	$ 429,691	$ 359,821	$ 15,972	$ 773,540	$ 14,035

Table 9.4, Revenue Bond Details presents a summary description of the University's outstanding revenue bonds for the years ended June 30, 2025 and 2024.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

Table 9.4 Revenue Bond Details (in thousands)

Description	Original Issuance Amount	Outstanding Balance 2025	Outstanding Balance 2024
Auxiliary Facilities Enterprise Revenue Bonds:			
Capital Appreciation, Series 1999 Used to fund capital improvements for residence halls, residential housing, student center and fraternity housing facilities.	$ 7,794	$ 2,731	$ 3,945
Total Auxiliary Facilities Enterprise Revenue Bonds	7,794	2,731	3,945
Institutional Enterprise Revenue Bonds:			
Series 2009B Taxable Direct Payment Build America Bonds, used to fund construction or renovation of certain campus capital projects including a new residence hall, Weaver Towers, wellness center and other capital improvements.	42,860	42,660	42,850
Series 2016 Used to fund construction, improvements, and equipping of CoorsTek Center; advance refunding portion of the Series 2009A bonds and Series 2009C bonds.	34,690	10,785	12,850
Series 2017A Used to fund construction and improvements to campus-wide generators, a chiller plant, the Green Center roof and a new operations building.	27,675	25,485	26,245
Series 2017B Used to fund construction of a new residence hall, parking garage, innovative learning space and improvements to campus utilities.	71,880	67,130	68,650
Series 2017C Used to advanced refund a portion of the Institutional Enterprise Revenue Bonds, Series 2012B.	35,030	30,795	31,915

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue Bonds (Continued)

Table 9.4 Revenue Bond Details (in thousands) (continued)

Description	Original Issuance Amount	Outstanding Balance 2025	Outstanding Balance 2024
Series 2022A Used to fund construction of Beck Venture Center, Early Childhood Education Center, Labriola Innovation Complex and a new classroom wrap for the garage funded by the Series 2022B and 2022C bonds.	46,405	44,220	45,340
Series 2022B Used to fund construction of a new parking garage. Repayment begins in 2048.	20,345	20,345	20,345
Series 2022C Used to fund construction of a new parking garage. Repayment begins in 2028.	15,260	15,260	15,260
Series 2022D Used to refund all of the floating rate notes Institutional Enterprise Revenue Bonds, Series 2018A.	34,410	32,435	33,435
Series 2023C Used to fund new construction at Mines Park Repayment begins in 2026	132,485	132,485	132,485
Series 2024A Used to fund new construction of new apartment style housing Repayment begins in 2026	199,195	199,195	199,195
Total Institutional Enterprise Revenue Bonds	660,235	620,795	628,570
Direct Placement Institutional Enterprise Revenue Bonds:			
Series 2020 Used to refund all of the Series 2010B Taxable Direct Payment Build America Bonds and the remaining balance of the Series 2012B Institutional Enterprise Revenue Bonds.	15,675	15,130	15,355
Series 2023A Used to renovate Mines Park.	13,450	12,040	12,740
Series 2023B Used to expand campus utilities infrastructure.	22,835	22,080	22,425
Total Direct Placement Institutional Enterprise Revenue Bonds	51,960	49,250	50,520
Subordinate Institutional Enterprise Revenue Bonds, Direct Placement:			
Total Revenue Bonds	$ 719,989	672,776	683,035
Plus: Premiums		36,271	38,807
Less: Discounts		1	2
Total Revenue Bonds		$ 709,046	$ 721,840

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Revenue and Refunding Bond Activity

In November 2023 the University issued Series 2023C Institutional Enterprise Revenue Bonds in the amount of $132,485,000. The 2023C tax exempt bonds were used to redevelop a portion of the Mines Park complex (Phase II of the Mines Park Improvement Project) that was finished in July of 2025. The redevelopment replaced several existing buildings with new units providing approximately 600 beds compared to the prior configuration.

In March 2024 the University issued Series 2024A Institutional Enterprise Revenue Bonds in the amount of $199,195,000. The 2024A tax exempt bonds are being used to build a new Sophomore Residence Hall which will add approximately 800 new beds to available campus housing.

Unused Lines of Credit

The University does not have any outstanding unused lines of credit as of June 30, 2025.

Debt Service Requirements on Revenue Bonds

The future minimum revenue bonds debt service requirements as of June 30, 2025 are shown in Table 9.5, Revenue Bonds Future Minimum Payments.

Table 9.5 Revenue Bonds Future Minimum Payments (in thousands)

	Nondirect Borrowings			Direct Borrowings		
Years Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2026	$ 41,560	$ 29,826	$ 71,386	$ 1,325	$ 1,878	$ 3,203
2027	9,955	28,781	38,736	1,370	1,826	3,196
2028	25,830	27,945	53,775	1,425	1,772	3,197
2029	11,065	27,029	38,094	1,485	1,715	3,200
2030	11,925	26,442	38,367	1,570	1,655	3,225
2031 to 2035	70,950	122,065	193,015	21,270	6,094	27,364
2036 to 2040	98,700	101,008	199,708	6,695	4,272	10,967
2041 to 2045	98,870	74,795	173,665	4,350	3,090	7,440
2046 to 2050	130,785	46,508	177,293	5,620	1,816	7,436
2051 to 2055	124,030	14,697	138,727	4,140	326	4,466
2056 to 2060	-	-	-			
Subtotal	623,670	499,096	1,122,766	49,250	24,444	73,694
Unaccreted Interest -1999 Bonds	(144)	-	(144)	-	-	-
Total Debt Service	$ 623,526	$ 499,096	$ 1,122,622	$ 49,250	$ 24,444	$ 73,694

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Interest Rate Swap Agreement

In Fiscal Year 2008, the University entered into a floating to fixed interest rate swap agreement (Swap Agreement) in connection with the 2008A issuance. The Swap Agreement was entered into with the objective of protecting against the potential of rising interest rates. The 2008A issuance was refunded with the Series 2010A issuance. The Series 2010A was refunded with the issuance of the Series 2018A Refunding Bonds, and the Series 2018A was refunded with the issuance of the Series 2022D Refunding Bonds. The original Swap Agreement was cancelled, and the economic terms were modified and included in a new swap agreement associated with the Series 2022D issuance. The Swap Agreement has a notional amount of $32,435,000 and $33,435,000 and a fair value of $(1,179,000) and ($1,088,000) at June 30, 2025 and 2024, respectively. The Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate payable by the University and a variable rate payable by Morgan Stanley. For the Series 2022D bonds the Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate of 3.907% payable by the University and the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index; the SIFMA rate was 1.92% at June 25, 2025 which was the last change date for Fiscal Year 2025. On December 1, 2025 the fixed rate for the swap agreement resets to 3.59% for the remainder of the agreement. The fair value of the swap is classified as a noncurrent liability and the change in fair value of the swap is classified as a deferred outflow on June 30, 2025 and June 30, 2024.

Morgan Stanley, counterparty to the Swap Agreement, determined the fair value as of June 30, 2025 and 2024, using a discounted forecasted cash flows; however, the actual method and significant assumptions used are proprietary. The Swap Agreement has an effective date of December 15, 2022 and a termination date of December 1, 2037.

There can be risks inherent to interest rate swaps that the University addresses and monitors pursuant to entering into interest rate swap agreements:

Termination Risk

The need to terminate the transaction in a market that dictates a termination payment by the University. It is possible that a termination payment is required in the event of termination of a swap agreement due to a counterparty default or following a decrease in credit rating. In general, exercising the right to optionally terminate an agreement should produce a benefit to the University, either through receipt of a payment from a termination, or if a termination payment is made by the University, a conversion to a more beneficial debt instrument or credit relationship.

Credit Risk

The risk that the counterparty will not fulfill its obligations. The University considers the Swap Agreement counterparty's (Morgan Stanley) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2025, Morgan Stanley's long term credit rating is A1 by Moody's and A- by Standards & Poor's.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Interest Rate Swap Agreement (Continued)

For the outstanding Swap Agreement, the University has a maximum possible loss equivalent to the swap's fair value at June 30, 2025 and 2024 related to the credit risk. However, the University was not exposed to this loss because of the negative fair value of the swaps as of June 30, 2025 and 2024. In addition, these agreements required no collateral and no initial net cash receipt or payment by the University.

Basis Index Risk

Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the University. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, it is the University's policy that any index used as part of an interest rate swap agreement shall be a recognized market index, including, but not limited to, the SIFMA or Secured Overnight Financing Rate (SOFR).

As of June 30, 2025, the aggregate debt service payments and net swap cash payments, assuming current interest rates remain the same for their term, are reflected in Table 9.6, Future Revenue Bonds and Net Swap Minimum Payments.

Table 9.6 Future Revenue Bonds and Net Swap Minimum Payments (in thousands)

Years Ending June 30,	Principal	Bond Interest	SWAP Interest, Net	Total Debt Service	Support Fee
2026	$ 32,435	$ 378	$ 269	$ 33,082	$ 119
Total Debt Service	$ 32,435	$ 378	$ 269	$ 33,082	$ 119

Extinguishment of Debt

The University does not have an escrow balance for defeasance as of June 30, 2025 and 2024.

Financed Purchase

The University entered into a 30-year, $44,250,000 contract on July, 1, 2020 with a third-party developer for the Residence Hall at 1750 Jackson Street. The University had an outstanding liability for financed purchases of $40,346,000 and $41,198,000 as of June 30, 2025 and 2024, respectively, with the underlying gross capitalized asset cost approximating $44,249,000. The total interest expense related to the financed purchase incurred by the University was $1,842,000 and $1,880,000 as of June 30, 2025 and 2024, respectively.

Future minimum payments on the financed purchase are shown in Table 9.7 Future Financed Purchase Payments.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Financed Purchase (Continued)

Table 9.7 Future Financed Purchase Payments (in thousands)

Years Ending June 30,	Principal	Interest	Total
2026	$ 892	$ 1,803	$ 2,695
2027	933	1,762	2,695
2028	976	1,719	2,695
2029	1,021	1,674	2,695
2030	1,068	1,627	2,695
2031 - 2035	6,126	7,349	13,475
2036 - 2040	7,674	5,801	13,475
2041 - 2045	9,613	3,862	13,475
2046 - 2050	12,043	1,433	13,476
Total Financed Purchase Payments	$ 40,346	$ 27,030	$ 67,376

State of Colorado Certificates of Participation

In Fiscal Year 2008, State of Colorado Senate Bill 08-218 made Federal Mineral Leasing (FML) monies available for capital construction at institutions of higher education. FML money is derived from ongoing leasing and production activities on federal lands within Colorado and approximately half of these payments go to the State of Colorado. The state used part of this money on November 6, 2008, and issued Certificates of Participation (COP) to support some higher education construction and maintenance projects. The University received $6,748,000 for a portion of the support in the construction of an addition to the Brown Hall building. The State of Colorado is responsible for making the principal and interest payments on the COP.

On September 26, 2018, the state issued State of Colorado Rural Colorado Certificates of Participation, Series 2018A, with a par value of $500,000,000, a premium of $47,369,000 and a discount of $526,000. The certificates have interest rates ranging from 1.840% to 5.000% and mature in December 2037. Of the proceeds, $1,200,000 was designated for controlled maintenance projects identified in Senate Bill 17-267. The University received $628,000 for the later phases of projects to repair the campus steam branch and to replace hazardous fume hoods. The State of Colorado is responsible for making the principal and interest payments on the COP.

On June 2, 2020, the state issued State of Colorado Series 2020A certificates, with a par value of $500,000,000 and a premium of $111,009,000. The certificates have interest rates ranging from 3.000% to 5.000% and mature in December 2039. Of the proceeds, $49,000,000 was designated for controlled maintenance projects identified in House Bill 20-1408. The University received $1,291,000 for the later phases of projects to repair the campus steam branch and to upgrade fire alarm mass notification. The State of Colorado is responsible for making the principal and interest payments on the COP.

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS (CONTINUED)

Leases Payable

The University leases equipment as well as certain operating and office facilities for various terms under noncancellable lease agreements. The leases expire at various dates through Fiscal Year 2030 and provide for varying renewal options. The University has no leases with variable payments or residual value guarantees not included in the measurement of the lease liability, and there were no payments such as termination penalties not included in the lease liability.

Table 9.8, Future Minimum Lease Payments, details the future minimum lease payments.

Table 9.8 Future Minimum Lease Payments (in thousands)

Years Ending June 30,	Principal	Interest
2026	$ 272	$ 24
2027	179	18
2028	159	13
2029	164	8
2030	141	2
Total GASB 87 Lease Payments	$ 914	$ 65

Subscription-Based Technology Arrangements

The University has entered into subscription-based information technology arrangements (SBITAs) for on-demand, cloud based information and administrative software systems. The SBITA arrangements expire at various dates through Fiscal Year 2035. The University has no SBITAs with variable payments or residual value guarantees not included in the measurement of the SBITA liability, and there were no payments such as termination penalties not included in the SBITA liability.

Table 9.9, Future Minimum SBITA Payments, details the future minimum SBITA payments.

Table 9.9 Future Minimum SBITA Payments (in thousands)

Years Ending June 30,	Principal	Interest
2026	$ 3,046	$ 195
2027	2,546	144
2028	2,391	96
2029	1,114	73
2030	1,154	60
2031 to 2035	5,171	110
Total SBITA Payments	$ 15,422	$ 678

NOTE 10 LEASES RECEIVABLE

The University, acting as lessor, leases office space to several tenants in multiple buildings as well as space for cell tower use under long-term, noncancelable agreements. The lease terms for the tenants vary and extend through Fiscal Year 2048. Under GASB 87 rent revenue is recorded when certain criteria are met. The annual rent payments received for Fiscal Year 2025 and 2024 were $1,791,000 and $1,657,000, respectively.

Amounts reflected in Table 10.1 are recorded in Accounts and Loans Receivable, Net in the Statements of Net Position.

Table 10.1 Future Minimum Lease Receivables (in thousands)

Years Ending June 30,	Principal	Interest	Total
2026	$ 1,833	$ 87	$ 1,920
2027	1,814	69	1,883
2028	626	56	682
2029	256	50	306
2030	238	44	282
2031 - 2035	660	143	803
2036 - 2040	159	98	257
2041 - 2045	248	59	307
2046 - 2050	195	8	203
Total Lease Receivables	$ 6,029	$ 615	$ 6,644

The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease and is amortized on a straight-line basis over the term of the lease.

NOTE 11 OTHER LIABILITIES

Table 11.1, Other Liabilities, details other liabilities as of June 30, 2025 and 2024.

Table 11.1 Other Liabilities (in thousands)

	2025		2024	
	Total	Current Portion	Total	Current Portion
University:				
Amounts Due to the Foundation	$ 1,386	$ 4	$ 1,353	$ (17)
Funds Held for Others	327	327	254	255
Pollution Remediation	336	-	313	-
Student Deposits	609	583	642	642
Miscellaneous	281	281	641	641
Total University	$ 2,939	$ 1,195	$ 3,203	$ 1,521
Discretely Presented Component Unit:				
Colorado School of Mines	$ 39,371	$ -	$ 37,244	$ -
Other Trust Funds	738	-	682	-
Obligations Under Split-Interest Agreements	1,005	-	1,028	-
Obligations Under Gift Annuity	5,321		5,073	
Agreements	-	-		-
Refunded Advances	-	-	-	-
Other Liabilities	926	-	716	-
Total Discretely Presented Component Unit	$ 47,361	$ -	$ 44,743	$ -

Direct Lending

The University began participation in the Direct Student Loan program operated by the federal government in the spring of Fiscal Year 2010. This program enables eligible students or parents to obtain a loan to pay for the student's cost of attendance directly through the University rather than through a private lender. The University is responsible for handling the complete loan process, including funds management, as well as promissory note functions. The University is not responsible for collection of these loans or for defaults by borrowers, and therefore these loans are not recognized in the accompanying financial statements. Lending activity during the years ended June 30, 2025 and 2024 under these programs were $38,121,000 and $35,794,000, respectively.

NOTE 12 RETIREMENT PLANS

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions

The University participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan Description

Eligible employees of the University are provided with pensions through the SDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive postretirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability.

The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Provisions

Eligible employees of Colorado School of Mines and the state are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of July 1, 2023 through June 30, 2025 are summarized in the table below:

Table 12.1 Contribution Rate Requirements

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee Contribution (All Employees Except Safety Officers)	11.00 %	11.00 %	11.00 %	11.00 %

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)
Contributions Provisions (Continued)

The employer contribution requirements for all employees except Safety Officers are summarized in the table below:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employer Contribution Rate	11.40 %	11.40 %	11.40 %	11.40 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)	(1.02)	(1.02)
Amount Apportioned to the SDTF	10.38	10.38	10.38	10.38
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	5.00	5.00	5.00	5.00
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.00	5.00	5.00	5.00
Defined Contribution Supplement as Specified in C.R.S. § 24-51-415	0.17	0.21	0.21	0.23
Total Employer Contribution Rate to the SDTF	20.55 %	20.59 %	20.59 %	20.61 %

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Colorado School of Mines is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Colorado School of Mines were $16,358,000 and $16,264,000 for the years ended June 30, 2025 and 2024, respectively.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the state is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SDTF was measured as of December 31, 2024 and 2023, respectively, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 and 2022, respectively. Standard update procedures were used to roll-forward the TPL to December 31, 2024 and 2023, respectively. The Colorado School of Mines proportion of the net pension liability was based on Colorado School of Mines contributions to the SDTF for the calendar year 2024 and 2023, respectively, relative to the total contributions of participating employers and the state as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2025 and 2024, the Colorado School of Mines reported a liability of $181,175,000 and $206,418,000, respectively, for its proportionate share of the net pension liability.

At December 31, 2024, the Colorado School of Mines proportion was 1.90522308150%, which was a decrease of 0.13587170230% from its proportion measured as of December 31, 2023. At December 31, 2023, the Colorado School of Mines' proportion was 2.0410947838%, which was a decrease of 0.1649217738% from its proportion measured as of December 31, 2022.

For the years ended June 30, 2025 and 2024, the Colorado School of Mines recognized pension expense of $2,953,159 and $356,000, respectively. At June 30, 2025 and 2024, the Colorado School of Mines reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Table 12.2 Deferred Outflows and Inflows (in thousands)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Difference Between Expected and Actual Experience	$ 5,317	$ 3,374	$ -	$ 1,096
Changes of Assumptions or Other Inputs	-	-	1,405	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,991	14,992	-	-
Change in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions		-	10,489	9,473
Contributions Subsequent to the Measurement Date	8,128	8,151	-	-
Total	$ 17,436	$ 26,517	$ 11,894	$ 10,569

$8,128,000 and $8,151,000, respectively, reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the years ended June 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Table 12.3 Amortization of Deferred Outflows and Inflows (in thousands)

Years Ending June 30,	Amount
2026	$ (1,531)
2027	7,686
2028	(6,269)
2029	(2,472)
Thereafter	-
Total	$ (2,586)

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The respective actuarial valuations were determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	12/31/2023	12/31/2022
Actuarial Cost Method	Entry Age	Entry Age
Price Inflation	2.30 %	2.30 %
Real Wage Growth	0.70 %	0.70 %
Wage Inflation	3.00 %	3.00 %
Salary Increases, Including Wage Inflation	3.30% - 10.90%	3.30% - 10.90
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25 %	7.25 %
Discount Rate	7.25 %	7.25 %
Postretirement Benefit Increases:		
PERA Benefit Structure Hired Prior to 1/1/07; and DPS Benefit Structure (Compounded Anually)	1.00%*	1.00%*
PERA Benefit Structure Hired After 12/31/06[1]		

[1] Postretirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

* Financed by the Annual Increase Reserve

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the results of the 2020 experience analysis dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	2.70%-13.30%

Salary scale assumptions were altered to better reflect actual experience.
Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

Table 12.4 Long-Term Expected Rate of Return

2025

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	51.00 %	5.00 %
Fixed Income	23.00	2.60
Private Equity	10.00	7.60
Real Estate	10.00	4.10
Alternatives	6.00	5.20
Total	100.00 %	

2024

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00 %	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount Rate

The discount rate used to measure the TPL was 7.25% for both measurement periods. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Colorado School of Mines Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Table 12.5 Discount Rate Sensitivity (in thousands)

	2025		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 241,403	$ 181,175	$ 130,442
	2024		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 269,788	$ 206,418	$ 153,132

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Payables to the Pension Plan

Colorado School of Mines disbursed the final payroll of the year on the last business day of the month. Related payroll contributions are submitted to PERA within the required reporting timeframe. On June 30, 2025 and 2024, Mines reported a payable to PERA of $2,195,000 and $1,947,000, respectively, for contributions to the PERA Pension Plan.

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

Employees of the Colorado School of Mines that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an IRC Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2025 and 2024, program members contributed $1,830,000 and $1,534,000, respectively, for the Voluntary Investment Program.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description

Employees of the State of Colorado hired on or after January 1, 2006, employees of certain community colleges hired on or after January 1, 2008, and certain classified employees of state colleges and universities hired on or after January 1, 2019, have the option to participate in the SDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an IRC Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

Defined Contribution Retirement Plan (PERA DC Plan) (Continued)

Funding Policy

All participating employees in the PERA DC Plan and the Colorado School of Mines are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period from July 1, 2023 through June 30, 2025 are summarized in the tables below:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee Contribution Rates:				
Employee Contribution (All Employees Except Safety Officers)	11.00 %	11.00 %	11.00 %	11.00 %
Employer Contribution Rates:				
On Behalf of All Employees Except Safety Officers	10.15	10.15	10.15	10.15

Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Additionally, the employers are required to contribute AED and SAED to the SDTF as follows:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %	5.00 %	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00	5.00	5.00	5.00
Automatic Adjustment Provision (AAP) as Specified in C.R.S. § 24-51-413	1.00	1.00	1.00	1.00
Defined Contribution Statutory Contribution as Specified in C.R.S. § 24-51-1505	0.25	0.25	0.25	0.25
Defined Contribution Supplement as Specified in C.R.S. § 24-51-415	0.17	0.21	0.21	0.23
Total Employer Contribution Rate to the SDTF[1]	11.42 %	11.46 %	11.46 %	11.48 %

Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

Defined Contribution Retirement Plan (PERA DC Plan) (Continued)

Funding Policy (Continued)

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. For the year ended June 30, 2025, participating employees in the PERA DC plan contributed $6,000, and the Colorado School of Mines recognized pension expense and a liability of $12,000 and $15,000, respectively, for the PERA DC Plan. For the year ended June 30, 2024, participating employees in the PERA DC plan contributed $10,000, and the Colorado School of Mines recognized pension expense and a liability of $39,000 and $33,000, respectively, for the PERA DC Plan.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description

Employees of the Colorado School of Mines may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an IRC Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions and investment earnings. For the years ended June 30, 2025 and 2024, program members contributed $1,032,000 and $1,146,000, respectively, for the PERAPlus 457 Plan.

Mines Defined Contribution Plan

The Colorado School of Mines Board of Trustees approved the establishment of the Mines Defined Contribution Plan (MDCP) for all newly hired administrative and academic faculty hired on or after January 1, 2017, as allowed by Colorado Revised Statute §24-54.5-101 through 107. In addition, all current administrative and academic faculty hired prior to January 1, 2017, with at least one year of PERA service credit were given the opportunity to participate in the MDCP with a one-time irrevocable election period between January 1, 2017 and March 1, 2017. The contribution requirements of the plan members and the University are established and may be amended by the Board. Employees are immediately vested in their own contributions and investment earnings.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

Mines Defined Contribution Plan (Continued)

For the years ended June 30, 2025 and 2024, the University's contribution to the MDCP was equal to 12% of pre-tax covered payroll and the employee contribution was equal to 11% of pre-tax covered payroll. The University's contribution under the MDCP approximated $8,476,000 and $7,491,000 for Fiscal Years 2025 and 2024, respectively.

Participants in the MDCP choose to invest all contributions with the designated vendor.

University Voluntary Retirement Plan

Plan Description

The University provides a voluntary retirement plan to employees in the form of a 403(b) plan. Employee salary deferrals into the 403(b) plan are made before income tax is paid and is allowed to grow tax-deferred until the money is withdrawn from the plan. Employees can also make contributions on an after-tax basis as Roth contributions. The plan is administered by the University.

Funding Policy

Employees are immediately vested in their own contributions and investment earnings. For the years ended June 30, 2025 and 2024, plan participants contributed $2,349,000 and $2,462,000, respectively, for the voluntary 403(b) plan.

CSM Foundation Retirement Plan

The Foundation participates in a defined contribution pension plan covering substantially all of its employees. Employer's contributions begin after an employee completes one year of employment. Employer contributions are a percentage of regular salary. Contributions and costs are based on the number of years of service and a percentage of regular salary. Pension expense was $361,000 and $332,200 for Fiscal Years 2025 and 2024, respectively.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB

Colorado School of Mines participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

General Information About the OPEB Plan

Plan Description

Eligible employees of the Colorado School of Mines are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado state law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Benefits Provided (Continued)

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy.

According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Colorado School of Mines is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Colorado School of Mines were $810,000 and $806,000, respectively, for the years ended June 30, 2025 and 2024, respectively.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 and 2024, the Colorado School of Mines reported a liability of $3,049,000 and $4,894,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024 and 2023, respectively, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023 and 2022, respectively. Standard update procedures were used to roll-forward the TOL to December 31, 2024 and 2023, respectively. The Colorado School of Mines proportion of the net OPEB liability was based on Colorado School of Mines contributions to the HCTF for the calendar year 2024 and 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Colorado School of Mines proportion was 0.63768089810%, which was a decrease of 0.05% from its proportion measured as of December 31, 2023. At December 31, 2023, the Colorado School of Mines' proportion was 0.68573091770%, which was a decrease of 0.04% from its proportion measured as of December 31, 2022.

For the years ended June 30, 2025 and 2024, the Colorado School of Mines recognized a reduction of OPEB expense of $809,000 and $1,498,000, respectively. At June 30, 2025 and 2024, the Colorado School of Mines reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table 13.1 Deferred Outflows and Inflows (in thousands)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Difference Between Expected and Actual Experience	$ -	$ -	$ 673	$ 1,003
Changes of Assumptions or Other Inputs	35	58	975	519
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	10	151	-	-
Change in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	53	51	1,110	1,172
Contributions Subsequent to the Measurement Date	402	402	-	-
Total	$ 500	$ 662	$ 2,758	$ 2,694

$402,000 reported as deferred outflows of resources related to the OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2026 and 2025, respectively.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Table 13.2 Amortization of Deferred Outflows and Inflows (in thousands)

Years Ending June 30,	Amount
2026	(857)
2027	(532)
2028	(526)
2029	(363)
2030	(256)
Thereafter	(124)
Total	(2,660)

Actuarial Assumptions

The respective actuarial valuations were determined using the following actuarial cost method, actuarial assumptions and other inputs:

	12/31/2023	12/31/2022
Actuarial Cost Method	Entry Age	Entry Age
Price Inflation	2.30 %	2.30 %
Real Wage Growth	0.70 %	0.70 %
Wage Inflation	3.00 %	3.00 %
Salary Increases, Including Wage Inflation	3.30 % - 10.90 %	3.30 % - 10.90 %
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25 %	7.25 %
Discount Rate	7.25 %	7.25 %
Health Care Cost Trend Rates PERA Benefit Structure:		
Service-Based Premium Subsidy	- %	- %
PERACare Medicare Plans	16.00% in 2024, Then 6.75% in 2025 Gradually decreasing To 4.50% in 2034	7.00% in 2023, Gradually Gradually, decreasing To 4.50% in 2033
MAPD PPO #2	105% in 2024, Then 8.55% in 2025, Gradually decreasing To 4.50% in 2034	
Medicare Part A Premiums	3.50% in 2024, Gradually increasing To 4.50% in 2033	3.50% in 2023, Gradually increasing To 4.50% in 2035

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option; currently based on annual premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20 %	2.30 %
69	2.80	2.20
70	2.70	1.60
71	3.10	0.50
72	2.30	0.70
73	1.20	0.80
74	0.90	1.50
75-85	0.90	1.30
86 and Older	-	-

2025						
	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,710	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	1,921	1,589	657	544	2,130	1,763
75	2,122	1,670	726	571	2,353	1,853

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

2025

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	7,341	6,073	4,764	3,941	7,933	6,563
75	8,110	6,385	5,262	4,143	8,763	6,900

2024

	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 1,692	$ 1,406	$ 579	$ 481	$ 1,913	$ 1,589
70	1,901	1,573	650	538	2,149	1,778
75	2,100	1,653	718	566	2,374	1,869

2024

	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
Sample Age	Male	Female	Male	Female	Male	Female
65	$ 6,469	$ 5,373	$ 4,198	$ 3,487	$ 6,719	$ 5,581
70	7,266	6,011	4,715	3,900	7,546	6,243
75	8,026	6,319	5,208	4,101	8,336	6,563

The 2024 and 2023 Medicare Part A premium is $505 and $506 (actual dollars) per month, respectively.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	MAPD PPO #2	Medicare Part A Premiums
2024	16.00 %	105.00%	3.50 %
2025	6.75	8.55	3.75
2026	6.50	8.10	3.75
2027	6.25	7.65	4.00
2028	6.00	7.20	4.00
2029	5.75	6.75	4.25
2030	5.50	6.30	4.25
2031	5.25	5.85	4.25
2032	5.00	5.40	4.25
2033	4.75	4.95	4.50
2034+	4.50	4.50	4.50

Mortality assumptions used in the December 31, 2023 and 2022, valuations for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for Safety Officers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement nondisabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the respective plan year.

- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.

- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022 actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

	State Division
Salary increases, including wage inflation:	
Members other than Safety Officers	2.70%-13.30%

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$1,824	$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

2025

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	51.00 %	5.00 %
Fixed Income	23.00	2.60
Private Equity	10.00	7.60
Real Estate	10.00	4.10
Alternatives	6.00	5.20
Total	100.00 %	

2024

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00 %	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Colorado School of Mines Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	June 30, 2025		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75 %	6.75 %	7.75 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial MAPD PPO#2 trend rate	7.55	8.55	9.55
Ultimate MAPD PPO#2 trend rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.75	3.75	4.75
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 2,967	$ 3,049	$ 3,142

	June 30, 2024		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75 %	6.75 %	7.75 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.50	3.50	4.50
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 4,754	$ 4,894	$ 5,047

Discount Rate

The discount rate used to measure the TOL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate (Continued)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Colorado School of Mines Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

Table 13.3 Discount Rate Sensitivity (in thousands)

	2025		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 3,737	$ 3,049	$ 2,456

	2024		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 5,781	$ 4,894	$ 4,136

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the OPEB Plan

The University disbursed the final payroll of the year on the last business day. Related payroll contributions are submitted to PERA within the required reporting timeframe. On June 30, 2025 and 2024, Mines reported a payable to PERA of $130,000 and $63,000, respectively, for contributions to the OPEB Plan.

NOTE 14 ERROR CORRECTIONS AND CHANGES IN ACCOUNTING PRINCIPLES

Error Corrections Reported Retroactively to 2024

In a prior fiscal year, the University recorded a payroll benefits liability for $5,129,000 and the related payroll benefits expense. The payment was made for the benefits, but this payment was duplicated with a journal entry, understating Cash and Cash Equivalents and Accounts Payable and Accrued Liabilities by $5,129,000. A prior year correction to the balances for Cash and Cash Equivalents and Accounts Payable and Accrued Liabilities was included in the Fiscal Year 2024 financial statements.

NOTE 14 ERROR CORRECTIONS AND CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

Error Corrections Reported Retroactively to 2024 (Continued)

The error correction had the following effect on the financial statements for Fiscal 2024:

Table 14.1 Effect of Error Correction (in thousands)

Financial Statement Line	6/30/2024 Balance as Previously Reported	Change	6/30/2024 Restated
SNP - University			
Cash and Cash Equivalents	$99,826	$5,129	$104,955
Accounts Payable and Accrued Liabilities	47,963	5,129	53,092

As of June 30,2024, the University did not appropriately reduce Net Investment in Capital Assets (NICA) for a financed purchased liability of ($41,198,000) and for a lease liability of ($366,000). Additionally, the University erroneously reduced NICA for debt restricted for interest payments of $20,917,000 (net of unspent proceeds of $(20,039,000)), and deferred inflows of resources for leases of $5,812,000. The University did not include unspent bond proceeds of $3,612,000. These adjustments did not have an impact on total Net Position.

A prior year correction to the ending balances for NICA, Restricted for Expendable Purposes for Capital Projects, and Unrestricted Net Position was included in the Fiscal Year 2024 financial statements.

The error correction had the following effect on the financial statements for Fiscal 2024:

Table 14.2 Effect of Error Correction (in thousands)

Financial Statement Line	6/30/2024 Balance as Previously Reported	Change	6/30/2024 Restated
SNP - University			
Net Investments in Capital Assets	$270,577	($31,262)	$239,315
Restricted for Expendable Purposes - Capital Assets	616	2,796	3,412
Unrestricted Net Position	(99,698)*	28,466	(71,232)

** See GASB 101 adoption*

Changes in Accounting Principles - GASB Statement No. 101, Compensated Absences

In Fiscal Year 2025, the University adopted GASB Statement No. 101, Compensated Absences, and the statement was applied retroactively to Fiscal Year 2024. The University updated the methodology for the prior year calculation based on the statement for all changes that had a material impact on the financial statements, which resulted in an increase in change in net position of $4,000 for 2024 and an increase in beginning net position as of July 1, 2023 of approximately $1,382,000.

NOTE 14 ERROR CORRECTIONS AND CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

GASB Statement No. 101, Compensated Absences (Continued)

The change had an effect on the following financial statement lines for Fiscal Year 2024:

Table 14.3 Effect of GASB 101 (in thousands)

Financial Statement Line	6/30/2024 Balance as Previously Reported	Change	6/30/2024 Restated
SRECNP - University			
Operating Expenses - Institutional Support	$36,932	($4)	$36,928
SNP - University			
Accrued Compensated Absences - Current	972	-	972
Accrued Compensated Absences - Noncurrent	10,169	(1,386)	8,783
Unrestricted Net Position	(101,084)	1,386	(99,698)

In Fiscal Year 2025, the University adopted GASB Statement No. 102, Certain Risk Disclosures. However, based on the criteria in the statement, the University did not have any concentrations or constraints to disclose in the notes to the financial statements.

NOTE 15 DISCRETELY PRESENTED COMPONENT UNIT

Colorado School of Mines Foundation

Distributions made by the Foundation to the University during the years ended June 30, 2025 and 2024 were approximately $36,771,000 and $29,774,000, respectively. These amounts have been recorded as contributions from the Foundation and as capital grants and gifts in the accompanying financial statements. As of June 30, 2025 and 2024, the University has recorded accounts receivable from the Foundation of $3,426,000 and $3,357,000, respectively.

The University is the ultimate beneficiary of substantially all of the restricted and trust funds held by the Foundation and is the income beneficiary of the majority of endowment funds held by the Foundation. The Foundation manages a portion of the University's endowments. The University has endowments and other assets held by the Foundation approximating $39,370,000 and $37,244,000 as of June 30, 2025 and 2024, respectively.

NOTE 16 COMMITMENTS AND CONTINGENCIES

Commitments

Contracts have been entered into for the purpose of planning, acquiring, constructing and equipping certain building additions and other projects, with outstanding amounts totaling approximately $221,464,000 as of June 30, 2025. These commitments will be funded or financed by donor contributions, state appropriations, existing revenue bonds, and other campus resources.

In the normal course of its operations, the University is involved in various litigation matters. The University is presently a defendant in one litigation matter involving an employment-based claim brought by a former Mines employee. Any future liability that it may incur as a result of this matter will not have a material effect on the University's financial statements.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed. Management believes that any future liability that it may incur as a result of audits by the granting department or agency will not have a material effect on the University's financial statements.

Current Economic Uncertainties

Recent changes in federal funding priorities and policies, as well as continued inflation, are expected to impact the economy and federally funded programs for universities. Management and staff are monitoring and responding to these conditions, but the full effect on the University's financial position cannot be reasonably determined at this time.

NOTE 17 RISK MANAGEMENT

The University is subject to risks of loss from liability for accident, property damage and personal injury. To mitigate these risks the University has purchased the following insurance:

- General liability covered by Philadelphia Insurance Company for 2,000,000/$2,000,000/$1,000,000/$1,000,000/$300,000/$15,000 with $0 deductible

- Educators legal liability covered by Philadelphia Insurance Company for $4,000,000/ $4,000,000 with a $25,000 deductible

- Automobile liability covered by Philadelphia Insurance Company for $1,000,000/ $1,000,000/$1,000,000/$5,000 with $0 deductible

NOTE 17 RISK MANAGEMENT (CONTINUED)

- Fiduciary covered by Travelers Casualty and Surety for $1,000,000/$100,000/ $1,000,000/$250,000 with a $10,000 retention

  Employment practices liability covered by Philadelphia Insurance Company for $4,000,000/$4,000,000 with a $100,000 deductible

- Workers' compensation covered by Pinnacol Assurance for $500,000/$500,000/ $500,000 with a $1,000 deductible

- Crime (employee dishonesty) covered by Travelers Casualty and Surety for $1,000,000/$1,000,000/$1,000,000/$1,000,000/$1,000,000/$1,000,000/$100,000/ $1,000,000/$5,000/$1,000,000/$100,000/$100,000 with a $25,000/$1,000/$10,000/$10,000 deductible

- Property covered by Alliant Property Insurance Program (APIP) for $1,000,000,000/$1,403,030,000/$5,000,000/$5,000,000/$10,000,000/$50,000000/$2,500,000 with a $100,000/$500,000 deductible

- Inland Marine covered by the Philadelphia Insurance Company for Equipment value: $1,029,000/$3,673,859/$12,393,000/$1,000,000/$50,000/$100,000/$10,000/$750,000/$232,000/$50,000/$31,000/$15,000 with a $25,000 deductible

- Foreign covered by WorldRisk for $4,000,000 with a $0 deductible

- Other States Coverage Workers Compensation covered by Zurich for $500,000/ $500,000/$500,000

- Auto Coverage (Shuttle Vans) covered by Philadelphia Insurance Company for $1,000,000/$300,000/$300,000 with a $3,000 deductible

- Cyber Coverage covered by Beasley USA Services, Inc for $3,000,000/$3,000,000/$3,000,000/$3,000,000/$1,000,000/$1,000,000/$3,000,000/$3,000,000/$3,000,000/$3,000,000/$3,000,000//$3,000,000/$250,000/$250,000/$250,000/$50,000 with a $50,000 retention

- Pollution Coverage covered by Ascot Specialty for $10,000,000/$10,000,000/$10,000,000/$10,000,000 with a $100,000 deductible

The coverage in fiscal year 2025 is similar to coverage in fiscal year 2024. There have been no settlements exceeding coverage.

NOTE 18 LEGISLATIVE APPROPRIATIONS

The Colorado State Legislature establishes spending authority to the University in its annual Long Appropriations Bill.

For the years ended June 30, 2025 and 2024, appropriated expenses were within the authorized spending authority. For the years ended June 30, 2025 and 2024, the University had a total appropriation of $39,593,000 and $35,986,000, respectively. For years ended June 30, 2025 and 2024, the University's appropriated funds consisted of $11,238,000 and $10,635,000, respectively, received on behalf of students that qualified for stipends from the College Opportunity Fund, $25,817,000 and $22,941,000, respectively, fee-for-service contract revenue, and $2,538,000 and $2,410,000, respectively, for the operations of the Colorado Geological Survey. All other revenues and expenses reported by the University represent nonappropriated funds. Nonappropriated funds include tuition and fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues and other revenue sources.

NOTE 19 SUBSEQUENT EVENTS

On September 30, 2025, the University issued $39,660,000 of Institutional Enterprise bonds with $4,321,544 net premium. The new bonds were used to redeem the Series 2022D floating rate notes (Series 2025A, $31,640,000 par, $3,600,000 premium) and the Series 2016 bonds (Series 2025B, $8,020,000 par, $684,000 premium). In conjunction with the debt refunding, the swap associated with the Series 2022D floating rate notes was terminated.

COLORADO SCHOOL OF MINES
REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2025 AND 2024

SCHEDULE OF PROPORTIONAL SHARE OF NET PENSION LIABILITY
(IN THOUSANDS)

Calendar Year	Proportionate Percentage of the Collective Pension Liability	Proportionate Share of the Collective Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Net Pension as a Percentage of the Total Pension Liability
2024	1.90522308150 %	$ 181,175	$ 82,203	220.40 %	67.44 %
2023	2.04109478380	206,418	78,015	264.59	64.37
2022	2.20601655760	239,851	76,581	313.20	60.63
2021	2.20836396470	162,868	73,390	221.92	73.05
2020	2.28081083950	216,330	74,903	288.81	65.34
2019	2.50798074200	243,370	79,193	307.31	62.24
2018	2.57605127600	293,120	78,099	375.32	55.11
2017	2.70681341100	541,843	79,151	684.57	43.20
2016	2.89749307450	532,215	82,557	644.66	42.60
2015	2.89133496393	296,274	78,055	379.57	56.11

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
(IN THOUSANDS)

Fiscal Year	Statutorily Required Contributions	Contributions Related to the Statutorily Required Contributions	Contribution Deficiency (Excess) State Contribution	Covered Payroll	Contribution as a Percentage of Covered Payroll
2025	$ 16,358	$ 16,358	$ -	$ 82,263	19.89 %
2024	16,264	16,264	-	79,066	20.57
2023	15,814	15,814	-	77,085	20.52
2022	14,941	14,941	-	74,872	19.96
2021	14,661	14,661	-	73,656	19.90
2020	14,973	14,973	-	77,259	19.38
2019	14,990	14,990	-	78,356	19.13
2018	14,827	14,827	-	77,503	19.13
2017	15,370	15,370	-	82,283	18.68
2016	14,254	14,254	-	80,103	17.79

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (NET PENSION LIABILITY) – FISCAL YEAR 2025 CHANGES IN ACTUARIAL ASSUMPTIONS OR OTHER INPUTS

2024 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.

- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

2023 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

- Senate Bill 12-163, enacted and effective June 6, 2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purposes of determining their service retirement eligibility.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2021

- House Bill 22-1029, effective upon enactment, required the State Treasurer to issue, in addition to the regularly scheduled $225,000 direct distribution, a warrant to PERA in the amount of $380,000 with reductions to future direct distributions. The July 1, 2023 direct distribution will be reduced by $190,000 to $35,000. The July 1, 2024 direct distribution will not be reduced from $225,000 due to a negative investment return in 2022.

2021 Changes in Plan Provision, Assumptions, or Other Inputs Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision assessment, statutorily recognized July, 2021, and effective July 1, 2022
  - Member contribution rates increase by 0.50 percent.
  - Employer contribution rates increase by 0.50 percent.
  - Annual increase cap is lowered from 1.25 percent per year to 1.00 percent per year.
- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent.

2020 Changes in Plan Provision, Assumptions, or Other Inputs Since 2019

- House Bill 20-1379 enacted on June 29, 2020, suspended the $225,000 direct distribution payable on July 1, 2020 for the State's Fiscal Year 2021.
- Senate Bills 18-200 and 20-057 enacted in 2018 and 2020, respectively, expanded the definition of "State Trooper" under Colorado law as follows:
  - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII; and
  - New members hired on or after January 1, 2020 as a corrections officer classified as I through IV by a State Division employer.
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

2020 Changes in Plan Provision, Assumptions, or Other Inputs Since 2019 (Continued)

- The pre-retirement mortality assumption for Safety Officers was changed to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2018

- Senate Bill 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision. The following changes reflect the anticipated adjustments resulting from the 2018 automatic adjustment provision, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increased by 0.50 percent.
    - Employer contribution rates increased by 0.50 percent.
    - Annual increase cap is lowered from 1.50 percent per year to 1.25 percent per year.
- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

2018 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2017

- The following changes were made to the plan provision as part of Senate Bill 18-20:
    - Member contribution rates increased by 0.75 percent effective July 1, 2020, and an additional 0.50 percent effective July 1, 2021.
    - An annual direct distribution of $225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions.

2018 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2017 (Continued)

- Annual increase cap is lowered from 2.00 percent per year to 1.50 percent per year.
- Initial annual increase waiting period is extended from one year after retirement to three years after retirement.
- Annual increase payments are suspended for 2018 and 2019.
- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020 increases from three to five years for the State, School, and DPS Divisions and increases from one to three years for the Judicial Division.

- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2016

- The SEIR for the State Division was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

- The municipal bond index rate used in the determination of the SEIR for the State and Judicial Divisions changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

2016 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.

2016 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2015 (Continued)

- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.

2015 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2014

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18-month AI timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

COLORADO SCHOOL OF MINES
REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2025 AND 2024

SCHEDULE OF PROPORTIONAL SHARE OF NET OPEB LIABILITY
(IN THOUSANDS)

Calendar Year	Proportionate Percentage of the Collective OPEB Liability	Proportionate Share of the Collective OPEB Liability	Covered Payroll	Share of the Net OPEB Liability as a Percentage of Covered Payroll	Net Pension as a Percentage of the Total OPEB Liability
2024	0.6376808981 %	$ 3,049	$ 76,963	3.96 %	59.80 %
2023	0.6857309177	4,894	78,015	6.27	46.20
2022	0.7285089080	5,948	76,581	7.77	38.06
2021	0.7419451871	6,398	73,390	8.72	39.40
2020	0.7834411624	7,444	74,903	9.94	32.80
2019	0.8554911020	9,616	79,193	12.14	24.49
2018	0.8966321621	12,199	78,099	15.62	17.03
2017	0.9516781400	12,368	79,151	15.63	17.53
2016	1.0454597700	13,555	82,557	16.42	16.16

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
(IN THOUSANDS)

Fiscal Year	Statutorily Required Contributions	Related to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2025	$ 785	$ 785	$ -	$ 76,948	1.02 %
2024	806	806	-	79,066	1.02
2023	781	781	-	77,085	1.02
2022	764	764	-	74,872	1.02
2021	751	751	-	73,656	1.02
2020	788	788	-	77,259	1.02
2019	796	796	-	78,356	1.02
2018	790	790	-	77,503	1.02
2017	839	839	-	82,283	1.02
2016	817	817	-	80,103	1.02

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (OTHER POSTEMPLOYMENT BENEFITS) – FISCAL YEAR 2023 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

Significant Changes in Plan Provisions, Assumptions, Or Other Inputs Affecting Trends in Actuarial Information PERA Health Care Trust Fund:

2024 Changes in Plan Provisions, Assumptions or Other Inputs Since 2023

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

- Salary scale assumptions were altered to better reflect actual experience.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.

- Participation rates were reduced.

- MAPD premium costs are no longer age graded.

2023 Changes in Plan Provisions, Assumptions or Other Inputs Since 2022

- There were no changes made to the actuarial methods or assumptions.

2022 Changes in Plan Provisions, Assumptions or Other Inputs Since 2021

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2020

- There were no changes made to the actuarial methods or assumptions.

2020 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

2020 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2019 (Continued)

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2018

- There were no changes made to the actuarial methods or assumptions.

2018 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2017

- There were no changes made to the actuarial methods or assumptions.

2017 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2016

- There were no changes made to the actuarial methods or assumptions.

2016 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2015

- The Entry Age actuarial cost method allocation basis was changed from a level dollar amount to a level percentage of pay.
- The investment rate of return assumption decreased, the price inflation assumption decreased, and the wage inflation assumption decreased by 0.25 percent, 0.40 percent, and 0.4 percent, respectively.
- Mortality tables related to the mortality assumption for active members, post-retirement mortality assumption for healthy lives, mortality assumption for disabled retirees were changed.

2016 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2015 (Continued)

- Various other assumptions related to assumed rates, wage inflation, PERACare, initial per capita health care costs, health care cost trends, election rates, assumed age differences between future retirees and their participating spouses, and utilization rates changed.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Members of the Legislative Audit Committee
Board of Trustees of Colorado School of Mines

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auding Standards*), the financial statements of the business-type activities and discretely presented component unit of Colorado School of Mines (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 4, 2025, which contained a paragraph emphasizing a matter regarding the financial statements, an emphasis of matter paragraph regarding a change in accounting principle and an emphasis of matter paragraph regarding certain error corrections. Our report includes a reference to other auditors who audited the financial statements of the Colorado School of Mine Foundation Incorporated (the Foundation), as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Findings and Recommendations as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

The University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying Findings and Recommendations. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of This Report

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

Forvis Mazars, LLP

Denver, Colorado

December 4, 2025

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Forvis Mazars Report to the Legislative Audit Committee and the Board of Trustees of the Colorado School of Mines

The Members of the Legislative Audit Committee
and the Board of Trustees
Colorado School of Mines
June 30, 2025

Results of the 2025 Financial Statement Audit, Including Required Communications

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Scope of Our Audit

This report covers audit results related to your financial statements:

- As of and for the year ended June 30, 2025
- Conducted in accordance with our contract with the Colorado Office of the State Auditor dated May 9, 2025 and the Colorado School of Mines engagement letter with the Colorado Office of the State Auditor dated May 22, 2025

Our Responsibilities

Forvis Mazars is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Audit Scope & Inherent Limitations to Reasonable Assurance

An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion unit being audited and did not include a detailed audit of all transactions.

Extent of Our Communication

In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Your Responsibilities

Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Distribution Restriction

This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:

- Legislative Audit Committee
- Office of the State Auditor
- Board of Trustees of the Colorado School of Mines
- Management and others within the Colorado School of Mines (the University)

Government Auditing Standards

Additional GAGAS Reporting

We also provided reports as of June 30, 2025, on the following as required by GAGAS:

- Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS

Reporting Limitations

Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Group Audits

Referred-To Auditors

Our audit strategy included the use of the work of a referred-to auditor, resulting in a division of responsibility over the group financial statements and our report thereon.

We did not audit the financial statements of the Colorado School of Mines Foundation Incorporated (the Foundation), the discretely presented component unit of the Colorado School of Mines.

Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Foundation, are based solely on the report of the other auditors. We have had communications with the other auditors during planning and throughout the audit regarding their qualifications to perform the audit, including independence, and consideration of materiality as a basis for referring to their audit report. Professional standards require that we provide you with information about our responsibilities in accordance with GAAS, as well as certain information related to the planned scope and timing of our audit.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's Description of the Colorado School of Mines. Management, or those charged with governance, is responsible for preparing the Description of the Colorado School of Mines.

We were not engaged to audit the information contained in the Description of the Colorado School of Mines, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements

- Remain alert for indications that:
    - A material inconsistency exists between the other information and the auditor’s knowledge obtained in the audit, or
    - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency.
- Include the appropriate communication in our auditor’s report, disclosing the procedures performed on the Other Information, as well as the results obtained
    - No matters are reportable

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topic detailed in the following pages:

- Governmental Accounting Standards Board Statement No. 101, *Compensated Absences* (GASB 101)
- Governmental Accounting Standards Board Statement No. 102, *Certain Risk Disclosures* (GASB 102)

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Defined benefit pension plan and post-employment benefit plan assumptions and related net pension liability and postemployment benefits liability, including deferred inflows and deferred outflows of resources
- Valuation of derivatives
- Valuation of investments
- Useful lives of capital assets
- Incremental borrowing rates associated with leases and SBITAs

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Error corrections and changes in accounting principles
- Commitments and contingencies
- Subsequent events

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Adjustment to net investment in capital assets
- Adjustment to restricted net position

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Other Required Communications

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter
- Management letter dated December 4, 2025 communicating other deficiencies in internal control that are not considered material weaknesses or significant deficiencies

Forvis Mazars, LLP

Denver, Colorado

December 4, 2025

Colorado School of Mines

Period Ending: June 30, 2025

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	142,393,000	387,567	142,780,567	0.27%
Non-Current Assets & Deferred Outflows	1,195,448,000	1,473,545	1,196,921,545	0.12%
Current Liabilities	(150,711,000)	(2,451,587)	(153,162,587)	1.63%
Non-Current Liabilities & Deferred Inflows	(936,694,000)	(1,155,264)	(937,849,264)	0.12%
Current Ratio	0.945		0.932	-1.38%
Total Assets & Deferred Outflows	1,337,841,000	1,861,112	1,339,702,112	0.14%
Total Liabilities & Deferred Inflows	(1,087,405,000)	(3,606,851)	(1,091,011,851)	0.33%
Total Net Position	(250,436,000)	1,745,739	(248,690,261)	-0.70%
Operating Revenues	(440,497,000)	(387,567)	(440,884,567)	0.09%
Operating Expenses	445,465,000	19,279,490	464,744,490	4.33%
Nonoperating (Revenues) Exp	(43,009,000)		(43,009,000)	
Change in Net Position	(45,115,000)	18,891,923	(26,223,077)	-41.88%

Misstatements within Notes to the Financial Statements

1 GASB 61 paragraph 54a requires that condensed combining information be presented in the notes to the financial statements for blended component units presented in the single column of the primary government. The combining information for the CSM Building Corporation and MATTI are not presented within the footnotes. Activities represent $1.4 million in assets and $1.7 million in revenues.

Client: Colorado School of Mines

Period Ending: June 30, 2025

Major Enterprise Fund

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

			Assets & Deferred Outflows		Liabilities & Deferred Inflows						Net Effect on Following Year	
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	*Current* DR (CR)	*Noncurrent* DR (CR)	*Current* DR (CR)	*Noncurrent* DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating (Revenues) Exp DR (CR)	Net Position DR (CR)	*Change in Net Position* DR (CR)	*Net Position* DR (CR)
To post the Turnaround for prior year entry waived by CSM to adjust for the understatement of capital assets and overstatement of expenses. See details at 3550 consultation section.		F	0	0	0	0	0	17,146,184	0	(17,146,184)	0	0
	Expenses							17,146,184				
	Net Position									(17,146,184)		
To show the effect of not recording the adjustment to the FMV of the hedging derivative.		F	0	1,155,264	0	(1,155,264)	0	0	0	0	0	0
	Deferred Outflows			1,155,264								
	SWAP Liability					(1,155,264)						
To show the effect of not recording AP accruals related to FY2025.		F	387,567	318,281	(2,451,587)	0	(387,567)	2,133,306	0	0	0	0
	Accounts Payable				(2,451,587)							
	Capital Assets			318,281								
	Expense							2,133,306				
	Accounts Receivable		387,567									
	Grant Revenue						(387,567)					
Total passed adjustments			387,567	1,473,545	(2,451,587)	(1,155,264)	(387,567)	19,279,490	0	(17,146,184)	0	0

Impact on Change in Net Position	**18,891,923**
Impact on Net Position	**1,745,739**