Fort Lewis College
Durango, Colorado

Financial and Compliance Audit

Fiscal Years Ended June 30, 2025 and 2024

REPORT NUMBER 2504F-A

HINKLE & COMPANY PC
Strategic Business Advisors

Legislative Audit Committee

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Deputy State Auditor	**Marisa Edwards, CPA**
Contract Monitor	**Erica Walton, MPAcc**
Contractor	**Hinkle & Company, PC**

HINKLE & COMPANY PC
Strategic Business Advisors

The Members of the Legislative Audit Committee
and Fort Lewis College Board of Trustees

We have completed the financial statement audit of Fort Lewis College 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 the state government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

Hinkle & Company.pc

Englewood, Colorado
December 12, 2025

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FORT LEWIS COLLEGE
FINANCIAL AND COMPLIANCE AUDIT
REPORT SUMMARY
As of and for the years ended June 30, 2025 and 2024

Authority, Purpose, and Scope

The audit of Fort Lewis College was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the Office of the State Auditor of the State of Colorado to conduct audits of all state agencies and educational institutions. The Office of the State Auditor, under contract, engaged Hinkle & Company, PC, to conduct a financial and compliance audit of Fort Lewis College (College) for the year ended June 30, 2025. Hinkle & Company, PC performed this audit 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 of America. We conducted our fieldwork from June through December 2025. Further, Hinkle & Company, PC did not audit the financial statements for the year ended June 30, 2024. Those financial statements were audited by other auditors who expressed an unmodified opinion on those statements on December 6, 2024.

The purpose and scope of the audit were to:

- Express an opinion on the financial statements of the College as of and for the year ended June 30, 2025. This includes a report on internal control over financial reporting and compliance and other matters based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.
- Evaluate compliance with laws, regulations, contracts, and grants governing the expenditure of federal and state funds.
- Evaluate the progress in implementing prior audit findings and recommendations, if any.
- Review the College's exhibits required by the State Controller in support of the statewide financial statements. Also, review of all adjusting entries, posted or not, after the Colorado Operations Resource Engine's (CORE's) final year-end closing.

The College's schedule of expenditures of federal awards and applicable opinions thereon, issued by the Office of the State Auditor, State of Colorado, are included in the June 30, 2025 Statewide Single Audit Report issued under separate cover.

Audit Opinion and Reports Summary

We expressed an unmodified opinion on the College's financial statements as of and for the year ended June 30, 2025.

Audit Opinion and Reports Summary (Continued)

We issued a report on the College's compliance and internal control over financial reporting based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*. 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 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.

We noted one matter involving the College's internal control over financial reporting and its operation that we consider to be a significant deficiency.

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of the College's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

Required Auditor Communications to the Legislative Audit Committee

The auditor is required to communicate to the Legislative Audit Committee certain matters related to the conduct of the audit and to ensure that the Legislative Audit Committee receives additional information regarding the scope and results of the audit that may assist the Legislative Audit Committee in overseeing the financial reporting and disclosure process for which management is responsible. These matters have been communicated to the Legislative Audit Committee in this report and include, among other items, that there were no significant difficulties encountered in performing the audit.

Summary of Findings and Recommendations

There was one reported findings or recommendations resulting from the audit of the College for the year ended June 30, 2025, relating to the internal controls over financial reporting related to bond issuances.

Summary of Progress in Implementing Prior Audit Findings

The College's audit report for the year ended June 30, 2024 did not include any findings or recommendations that were required to be implemented during the year ended June 30, 2025.

FORT LEWIS COLLEGE

RECOMMENDATION LOCATER

As of and for the years ended June 30, 2025 and 2024

RECOMMENDATION LOCATOR All recommendations are addressed to the Fort Lewis College Fiscal Year 2025				
Rec. No.	**Page No.**	**Recommendation Summary**	**Agency Response**	**Implementation Date**
2025-001	7	Fort Lewis College (College) should improve its internal controls over financial reporting related to bond issuances by updating its policies and procedures to include the appropriate recording of journal entries related to a bond issuance and providing adequate training to accounting staff over the recording of a bond issuance.	Agree	June 2026

History

Fort Lewis College is named for Fort Lewis, a U.S. Army Post established in 1878 at Pagosa Springs, Colorado. Two years later, the military post moved to Hesperus, Colorado, a location more central to Native American settlements and pioneer communities. The U.S. government abandoned the site as a military post in 1891, and in its stead, established Fort Lewis as a school offering free education to Native American students.

By 1911, Congress had deeded the Hesperus site to the State of Colorado, which then established a high school of agriculture under the supervision of the State Board of Agriculture. The school began to offer some college-level courses in 1925, and in 1933, Fort Lewis began to offer college courses exclusively. In 1948, Fort Lewis was officially designated a junior college with its own president.

Fort Lewis moved to the Durango campus in 1956. The first baccalaureate degrees were granted in 1964. In 1986, Fort Lewis joined the Colorado State University System under the governance of the State Board of Agriculture. Colorado State University in Fort Collins and the University of Southern Colorado in Pueblo were sister institutions in the system. In 2002, the Board of Trustees for Fort Lewis College began governance of the College separate from the State Board of Agriculture.

Fort Lewis continues to honor its historic commitment to Native Americans by offering full tuition scholarships to all qualified Native Americans who meet admission requirements. It is the only college in Colorado to do so, as it has been for more than 100 years.

Fort Lewis College's statutory authority is in the Colorado Revised Statutes (CRS) Section 23-52-101.

Mission and Core Values

The following have been adopted by the Board of Trustees for Fort Lewis College:

Mission

Students are at the center of Fort Lewis College, where we create inclusive, experiential learning environments that foster innovation, growth, and community engagement.

Core Value Statements

Academic Excellence

- Honor our liberal arts roots by promoting, supporting, and inspiring students to action through interdisciplinary studies and experiential learning.
- Respond to disparities in health, wellness, education, and economic outcomes by addressing moral, historical, and ethical aspects of these issues.
- Provide a personalized education through work with high-quality faculty and staff.

- Foster students' abilities to confront scientific, social, and environmental challenges through transferable skills in critical thinking, communication, and technical knowledge.

Student-Centered Approach

- Value a diversity of cultures and perspectives as a source of intellectual strength and strive to create an inclusive, equitable environment in which students flourish and become resilient.
- Challenge each other to think critically, communicate effectively, and solve complex problems.
- Create an engaging, supportive, and inclusive environment through a culture of caring and personalization.
- Provide accessible higher education to students from a wide variety of backgrounds.

Community Engagement

- Honor our historic commitment to Native American and Alaska Native education and work towards reconciling our complicated past.
- Connect faculty, staff, and student expertise to a range of community priorities and interests.
- Build programs that respond to and serve regional and global needs.
- Collaborate across settings to support economic and workforce development.
- Learn from and engage in our diverse natural and cultural environments.

Enrollment

Enrollment data for the past three years are presented below as undergraduate student full-time equivalents (FTE). Each FTE is equal to 30 credit hours during the fiscal year.

	FY 2024-25	FY 2023-24	FY 2022-23
Resident FTE	1,252	1,332	1,219
Non-Resident FTE	1,598	1,518	1,586
Total FTE Students	2,850	2,850	2,805

Staffing

Staffing data for the past three years are presented below as employee full-time equivalents (FTE). Each faculty FTE is equal to 24 credit hours taught during the fiscal year. Each staff FTE is equal to working 2,080 hours each fiscal year.

	FY 2024-25	FY 2023-24	FY 2022-23
Faculty FTE	245	239	239
Staff FTE	348	358	362
Total FTE	593	597	601

Finding 2025-001
Internal Controls Related to 2025 Bond Issuance

The College's Accounting Department is responsible for all of its financial reporting, including ensuring accurate accounting related to a bond issuance. The College must comply with Generally Accepted Accounting Principles (GAAP), as required by state statute, Section 24-30-204, C.R.S. in preparing its financial statements. The Governmental Accounting Standards Board (GASB) established GAAP for state and local government entities through the issuance of GASB pronouncements that are included in GASB's Codification, which the College must comply with when preparing accounting transactions.

On January 30, 2025, the College issued the Series 2025 Revenue Bond for $11.8 million to purchase an apartment complex to increase capacity for student and staff housing. The College incurred $401,454 in costs associated with the issuance of the bond. The first interest payment on the bond is due and payable to the bondholders on November 1, 2025.

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

The purpose of our audit procedures was to determine whether the College's accounting of the issuance of the bond was accurate and in accordance with GASB requirements and whether the College had adequate internal controls in place during Fiscal Year 2025 related to accounting for bond issuances. We reviewed the College's recording of the Series 2025 Revenue Bond issuance, which included a review of all applicable bond documents. In addition, we asked Accounting Department staff if they had policies and procedures in place related to the issuance of bonds, including required journal entries.

How were the results of the audit work measured?

We measured the results against the following:

GASB Codification Section I30, paragraph 115, Financial Statement Presentation of Discount and Premium, requires that "Debt issuance costs…should be recognized as an expense in the period incurred."

GASB Codification Section S40, paragraph 123, Capital Improvements Financed by Special Assessment Debt—Proprietary Funds states that, "Interest income and expense should be recognized as they accrue." Therefore, the College would need to recognize in its Fiscal Year 2025 financial statements the amount of interest that accrued between January 30, 2025 and June 30, 2025 for the interest payment due on November 1, 2025.

The College's Accounting Department's policies require that someone other than the preparer review all journal entries.

What problems did the audit work identify?

We found that the College did not expense the Series 2025 Revenue Bond issuance costs as required by GASB and instead, chose to amortize (gradually write-off) the costs over the 30-year life of the bond. As a result, the College amortized $6,922 of bond costs for Fiscal Year 2025 and deferred the remaining $401,454 of bond costs to the remaining 29 years of the life of the bond. This resulted in the College understating its bond issuance costs in Fiscal Year 2025 by $394,532.

Additionally, the College did not record any accrued interest in Fiscal Year 2025 on the Series 2025 Bond, as required. The College should have accrued interest of $243,097 through June 30, 2025.

Why did these problems occur?

The problems occurred because the College's Accounting Department did not have adequate internal controls related to accounting for and reporting a new bond issuance. Specifically, the Accounting Department's staff did not have experience in this type of accounting and reporting, did not have adequate training, and the Accounting Department's policies and procedures did not include guidance on how to record journal entries related to a bond issuance.

Why do these problems matter?

The College is responsible for ensuring it has adequate internal controls over its accounting in accordance with GAAP for bond issuances. Without sufficient internal controls, the College cannot ensure that its financial information is recorded properly and it may not be able to provide accurate and complete financial reporting information to the users of its financial information. The College made an adjustment to correct the errors on its financial statements after we identified and notified them of the errors.

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

Recommendation 2025-001

Fort Lewis College should improve its internal controls over financial reporting related to bond issuances by updating its policies and procedures to include the appropriate recording of journal entries related to a bond issuance and providing adequate training to accounting staff over the recording of a bond issuance.

Response

Agree
Implementation Date: June 2026

Fort Lewis College will update its policies and procedures to include the appropriate recording of journal entries related to bond issuances and ensure all financial reporting will be in accordance with generally accepted accounting principles by providing adequate training as needed.

HINKLE & COMPANY PC
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Independent Auditor's Report

To the Members of the Legislative Audit Committee
and Fort Lewis College Board of Trustees

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component unit of the Fort Lewis College (the College), an institution of higher education, 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 College's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the 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 College, an institution of higher education, State of Colorado, 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 the Fort Lewis College Foundation (the Foundation), discretely presented component unit, discussed in Note 1 to the basic financial statements, which represents 100 percent of total assets, total revenues, and net assets of the discretely presented component unit as of and for the years ended June 30, 2025 and 2024, respectively. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose reports have been furnished to us, and our opinions, insofar as they related to the amounts included for the Foundation, are based solely on the reports of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Year Audited by Other Auditors

The financial statements of the College for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on December 6, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements of the College, an institution of higher education, State of Colorado are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the discretely presented component unit of the State of Colorado that is attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2025 and 2024, and the changes in its financial position, or, where applicable, its cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 College's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*
In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents 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 auditing standards generally accepted in the United States of America, 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.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Revenues and Expenses for Enterprise Revenue Bonds (the Schedule) for the years ended June 30, 2025 and 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplementary Information *(Continued)*
The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the History, Mission, Enrollment, and Staff of Fort Lewis College but does not include the basic financial statements and our auditor's report thereon. Our opinion 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 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 12, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Hinkle & Company, PC

Englewood, Colorado
December 12, 2025

This section of Fort Lewis College's (the College) financial report presents management's discussion and analysis for the College's financial position and results of operations as of and for the years ended June 30, 2025 and 2024, with comparative information presented for the year ended June 30, 2023. This discussion focuses on current activities and known facts, and therefore should be read in conjunction with the accompanying financial statements and notes.

The presented information relates to the financial activities of the College, a public institution dedicated to the liberal arts and professional education and focuses on the financial condition and results of operations. The financial statements for the Fort Lewis College Foundation (the Foundation), a legally separate organization whose operations benefit the College, are discretely presented within the College's financial statements. Unless otherwise noted, the information and financial data included in management's discussion and analysis relate solely to the College.

The College was established under an agreement with the federal government whereby all qualified Native American students would be admitted tuition free and on terms of equality with other students. The funding for the tuition subsidy comes from the State of Colorado. The Native American Tuition Funding, included in State and Local Grants and Contracts on the financial statements, represents reimbursement for tuition waived in the previous fiscal year. Tuition from Native American students, reimbursed by the State of Colorado, accounts for approximately 37% of the education and general budget.

Understanding the Financial Statements

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

- ***Report of Independent Auditors*** presents an unmodified opinion prepared by the College's auditors (an independent certified public accounting firm, Hinkle & Company) indicating that the College's financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the Unites States of America.

- ***Statements of Net Position*** present the assets, liabilities, and net position of the College as of June 30, 2025 and 2024. Its purpose is to present a financial snapshot of the College. The statements aid readers in determining the assets available to continue the College's operations; evaluating how much the College owes to vendors and lending institutions; and understanding the College's net position and the availability of assets for expenditure by the College.

- ***Statements of Revenues, Expenses, and Changes in Net Position*** present the total revenues earned and expenses incurred by the College for operating, non-operating, and other related activities for the years ended June 30, 2025 and 2024. The statement's purpose is to assess the College's operating results.

- ***Statements of Cash Flows*** present the College's cash receipts and payments for the years ended June 30, 2025 and 2024. The statement's purpose is to assess the College's ability to generate net cash flows and meet its payment obligations as they come due.

• ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as the Note(s). The purpose of the Notes is to clarify and expand on the information in the financial statements.

• ***Required Supplementary Information (RSI)*** presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis as well as certain RSI required by Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) including the following:

- Schedules of the College's Proportionate Share of the Net Pension Liability Colorado PERA Pension Plan
- Schedules of College Contributions to the PERA Pension Plan
- Schedules of the College's Proportionate Share of the Net Other Post-Employment Benefit Liability
- Schedules of College Contributions Colorado PERA Healthcare Trust Fund

The financial statements of the College include all integral parts of the College's operations. The College applied required criteria to determine whether any organization should be included in the College's reporting entity. Management of the College has considered the criteria described in GASB Statement No. 61, The Financial Reporting Entity: Omnibus and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, paragraph 47, and management of the College has determined that the Foundation meets the criteria to be included in the College's financial statements as a discretely presented component unit. FLC Vantage Corporation is included in the College's financial statements as a blended component unit.

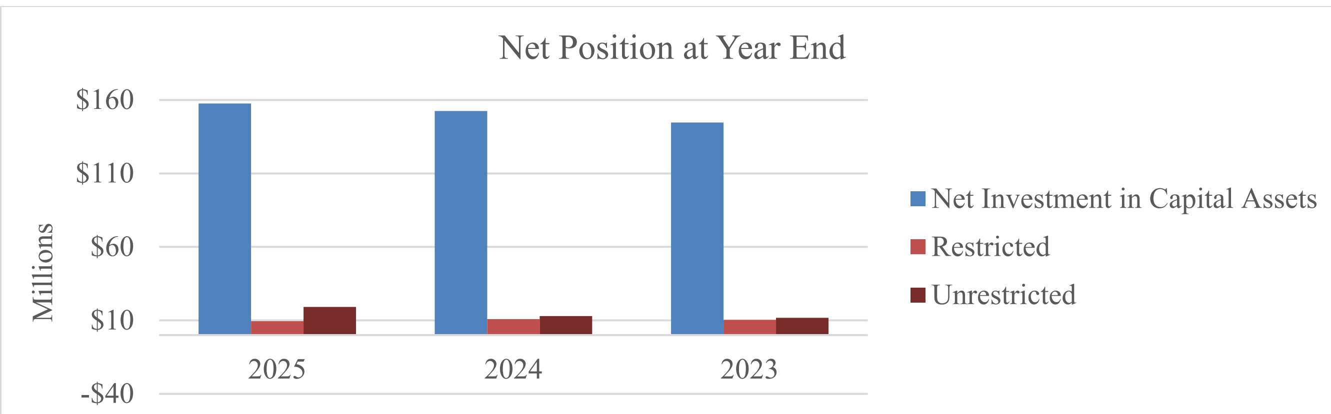
FINANCIAL HIGHLIGHTS

Year Ended June 30, 2025:

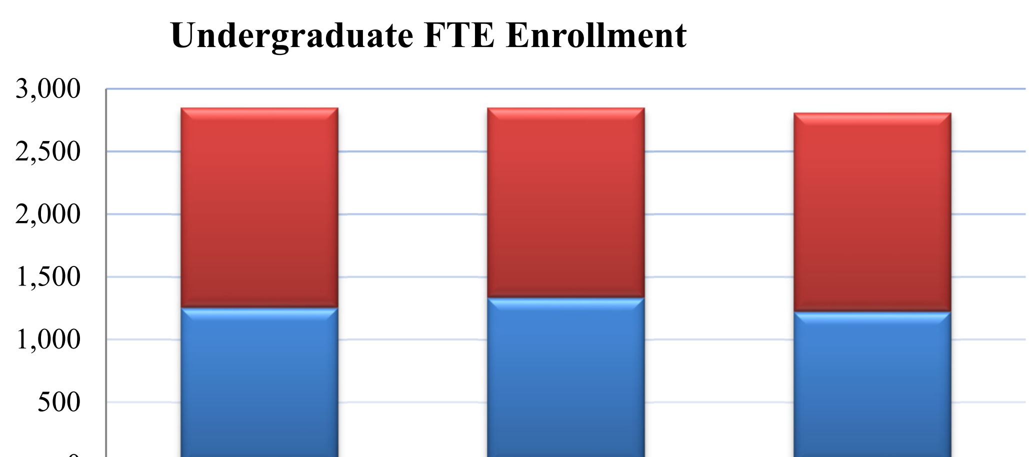
Net Position – The College's Net Position increased during the year ended June 30, 2025 by $9.3 million or 5.3%. The increase is coming from several different areas. Net Buildings and Improvements increased by $20.4 million and construction in progress decreased $5.2 million, more information about significant capital projects that were in progress at June 30, 2025 are noted below, and pension liability decreased $2.9 million, this information comes from PERA and can fluctuate significantly from year to year as annual fluctuations are based on PERA's information. Tuition and Fees decreased by $0.6 million, information about enrollment noted below, and State Fee for Service Contract revenue increased by $3.9 million, additional details below. Federal Pell grants increased by $1.3 million.

The unrestricted net position at June 30, 2025 was $18.5 million. Adjusted for the impacts of GASB 68 and GASB 75, unrestricted net position was $39.4 million at June 30, 2025. The effects on Net Position of these GASB statements are reflected in the tables below:

	Fiscal Year 2025	Fiscal Year 2024
Net Position (GAAP Basis)	$ 185,596,497	$ 176,296,369
Effects of GASB 68 - Pension	20,325,653	21,984,968
Effects of GASB 75 - OPEB	579,466	747,532
Net Position Excluding Pension and OPEB	$ 206,501,616	$ 199,028,869

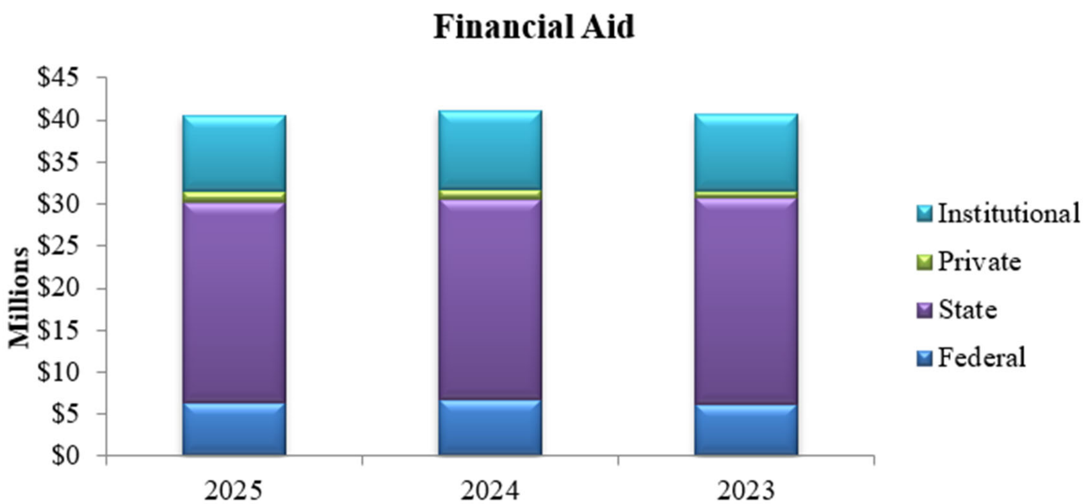


Enrollment – In fiscal year 2025, undergraduate full-time equivalent (FTE) remained flat year-over year; in-state enrollment decreased by 6.02% while out-of-state enrollment increased by 5.29%.



	FY 2024-25	FY2023-24	FY2022-23
Non-Resident FTE	1,598	1,518	1,586
Resident FTE	1,252	1,332	1,219

Scholarships – The discount rate for fiscal year 2025 (adjusted for the effect of the Native American Tuition Waiver) was 46.8%. Scholarship awards have been strategically awarded with the goal of increasing enrollment and retention. State-funded financial aid for College Opportunity Fund and Fee for Service increased by $4.1 million or 21.6% from prior year. The Native American Tuition Waiver decreased by $0.3 million, going from $22.3 million in fiscal year 2024 to $22.0 million in fiscal year 2025. This will be discussed in more detail below in the State Funding section. Financial aid awards over the past three fiscal years are depicted below.



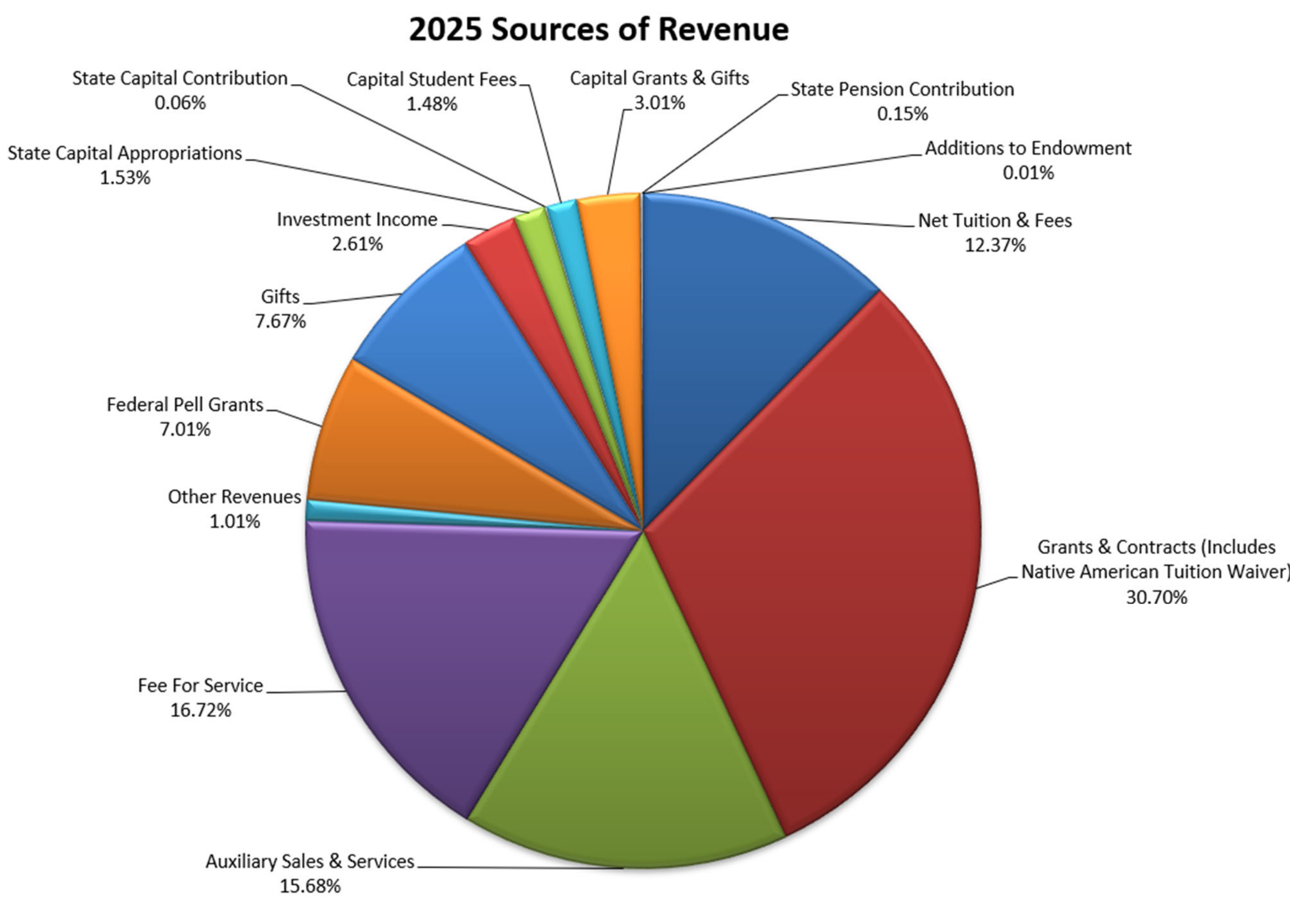
State Funding – Funding for Higher Education in the State of Colorado is allocated in two ways: College Opportunity Fund (COF) stipends and Fee for Service (FFS) contracts. The following table provides the combined COF and FFS received by the College between fiscal year 2025 and fiscal year 2024.

	2025	2024	2023
Total State Funding	$23,188,891	$19,069,629	$17,114,672
Change from Previous Year	21.6%	11.4%	

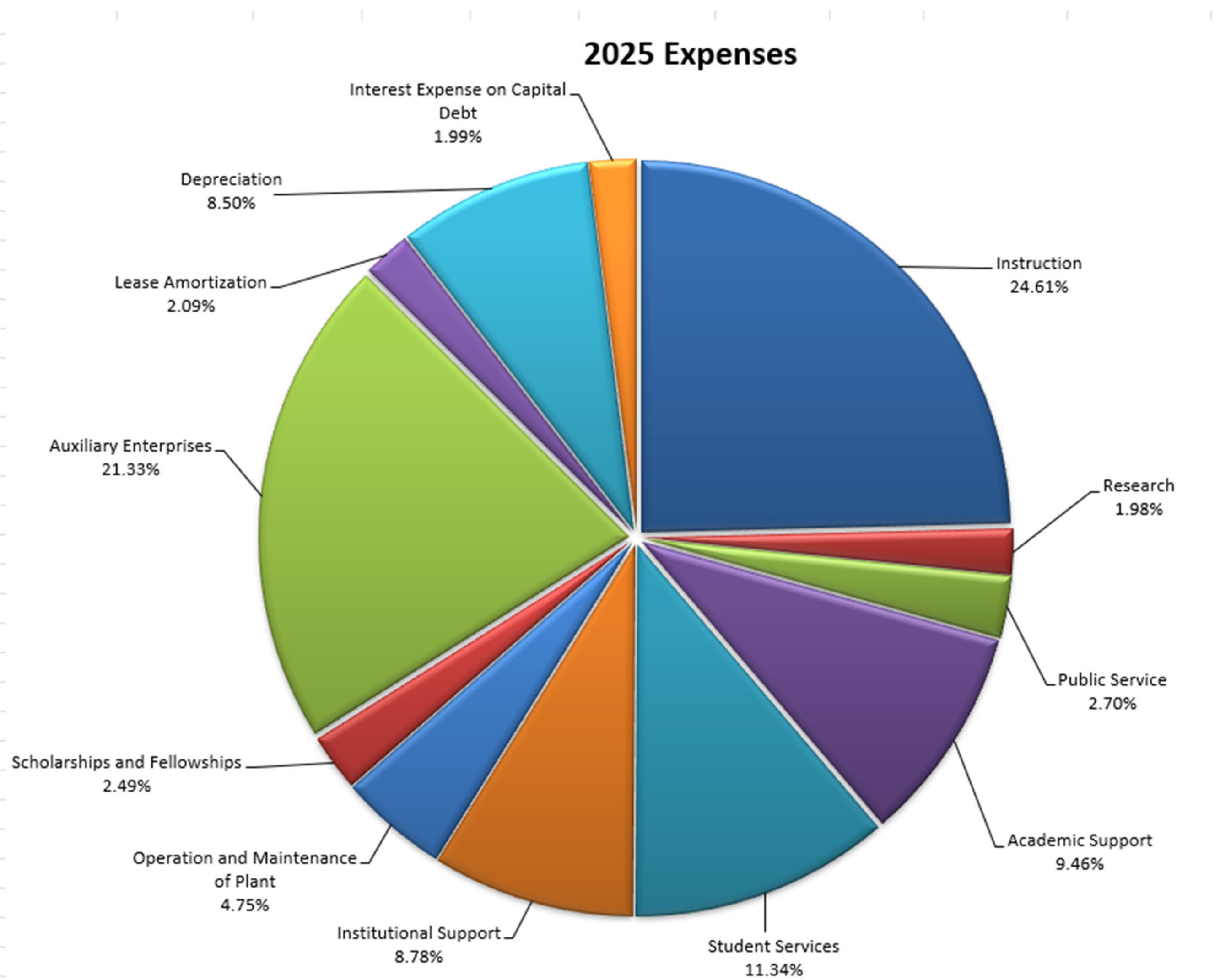
In addition to regular State funding, the College also receives reimbursement from the State for tuition waived to qualified Native American students, as a result of a 1911 Federal mandate. The reimbursement is funded one year in arrears; the tuition waived is paid in the following year. The funding received for Native American Tuition waivers is considered financial aid, as the waiver directly benefits the students and is reflected within the sources of revenue as part of grants and contracts. The College has pursued legislation that would require the Federal government to reimburse a portion of this tuition, without success to date. The following table represents the Native American tuition reimbursement received from fiscal year 2023 to fiscal year 2025.

	2025	2024	2023
Native American Tuition Reimbursement	$22,028,890	$22,264,858	$25,563,965
Change from Previous Year	(0.01%)	(12.9%)	

Total revenues received in the fiscal years 2025 and 2024 were $115.5 million and $113.2 million, respectively. Revenue remained flat year over year, with fluctuations across revenue streams. There was a $0.6 million decline in tuition and fee revenue from prior year. There was a $1.2 million decrease in auxiliary sales and services due to an increase in contra-revenue from scholarship allowance and allowance for bad debt from prior year. As noted above, Fee for Service increased by $3.9 million. Federal Pell grant revenue increased by $1.3 million. There was a $7.5 million dollar decrease in capital grants and gifts, which was offset by a $3.6 million dollar increase in non-capital gifts and donations. This is due to the College focusing more on non-capital fund raising. The total fiscal year 2025 revenues are depicted below without distinction as to whether they are classified as Operating or Nonoperating on the Statements of Revenues, Expenses, and Changes in Net Position.



Total expenses for fiscal year 2025 and 2024 were $104.0 million and $103.6 million, respectively. Total fiscal year 2025 expenses increased by approximately $0.4 million, with the increase primarily due to bond issuance costs of $0.4 million, resulting from the bonds issued in January 2025. Total fiscal year 2025 expenses are illustrated in the chart below without distinction as to whether they are classified as Operating or Nonoperating on the Statements of Revenues, Expenses and Changes in Net Position. Operating loss decreased from 2024 to 2025 by $1.5 million.



Year Ended June 30, 2024:

Net Position – The College's Net Position increased during the year ended June 30, 2024 by $9.6 million or 5.8%. The increase is coming from several different areas. Construction in progress increased $5.8 million, more information about significant capital projects that were in progress at June 30, 2024 are noted in the Capital Assets section below. Pension liability decreased $3.9 million. This information comes from PERA and can fluctuate significantly from year to year as annual fluctuations are based on PERA's information. Tuition and Fees increased by $1.8 million, information about enrollment increases is noted in the Enrollment section below. State Fee for Service Contract revenue increased by $1.2 million, additional details are noted in the State Funding section below. Capital Grants and Gifts increased by $2.5 million, with $1.6 million of the increase coming from the Foundation for the College's matching funds for the Health Sciences Center project. Gifts increased by $1.3 million. Investment income increased by $1.1 million.

The unrestricted net position at June 30, 2024 was $13.0 million. Adjusted for the impacts of GASB 68 and GASB 75, unrestricted net position was $35.7 million at June 30, 2024. The effects on Net Position of these GASB statements are reflected in the tables below:

	Fiscal Year 2024	Fiscal Year 2023
Net Position (GAAP Basis)	176,296,369	166,683,064
Effects of GASB 68 - Pension	21,984,968	23,306,133
Effects of GASB 75 - OPEB	747,532	894,527
Net Position Excluding Pension and OPEB	$ 199,028,869	$ 190,883,724

Enrollment – In fiscal year 2024, undergraduate full-time equivalent (FTE) enrollment increased by 1.6% (45 students); in-state enrollment increased by 9.27% while out-of-state enrollment decreased by 4.29%.

Scholarship: The discount rate for fiscal year 2024 (adjusted for the effect of the Native American Tuition Waiver) was 51.3%. Scholarship awards have been strategically awarded with the goal of increasing enrollment and retention. State-funded financial aid decreased by $0.45 million, or 1.8%, with the decrease primarily attributed to the Native American Tuition Waiver, which decreased from $25.6 million in fiscal year 2023 to $22.3 million in fiscal year 2024.

CONDENSED FINANCIAL STATEMENTS FOR THE COLLEGE

The financial statements and notes are presented for the reporting entity that includes the College, the Foundation (a discretely presented component unit), and FLC Vantage Corporation (a blended component unit). See Note 1 for additional information on the reporting entity. Condensed Financial Statements for the College are presented below.

The Statements of Net Position report assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources.) Condensed Statements of Net Position are shown below:

	June 30, 2025	June 30, 2024	June 30, 2023
Current Assets	$ 58,785,230	$ 55,765,093	$ 55,229,508
Noncurrent Assets	218,516,607	203,275,525	200,631,034
Total Assets	277,301,837	259,040,618	255,860,542
Deferred Outflows of Resources	5,194,018	6,587,369	8,676,965
Current Liabilities	16,512,690	15,564,502	17,895,359
Noncurrent Liabilities	78,748,885	72,265,659	79,245,247
Total Liabilities	95,261,575	87,830,161	97,140,606
Deferred Inflows of Resources	1,637,783	1,501,457	713,838
Net Position			
Net Investment in Capital Assets	157,578,668	152,426,435	144,641,397
Restricted	9,509,744	10,911,982	10,314,255
Unrestricted	18,508,085	12,957,952	11,727,411
Total Net Position	$ 185,596,497	$ 176,296,369	$ 166,683,063

The Statements of Revenues, Expenses and Changes in Net Position report the results of operating and non-operating revenues and expenses during the year, as well as the resulting increase or decrease in net position at the end of the year.

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
Operating Revenues			
Tuition and Fees, Net	$ 14,010,798	$ 14,623,307	$ 12,858,747
Grants and Contracts	34,067,255	34,285,508	35,965,369
Auxiliary Enterprises, Net	17,762,478	18,941,828	17,376,129
Other	20,087,140	16,418,716	14,478,131
Total Operating Revenues	85,927,671	84,269,359	80,678,376
Operating Expenses	101,908,053	101,728,938	98,134,837
Operating Income (Loss)	**(15,980,382)**	**(17,459,579)**	**(17,456,461)**
Non-operating Revenues (Expenses):			
Federal Pell Grants	7,938,949	6,647,877	6,311,765
Nonoperating Federal Grants and Contracts	703,930	204,962	993,870
Other Net Non-Operating Revenues (Expenses)	9,575,259	5,935,763	3,447,244
Net Non-operating Revenues	18,218,138	12,788,602	10,752,879
Income (Loss) Before Other Revenues, Expenses, or Transfers	**2,237,756**	**(4,670,977)**	**(6,703,582)**
State Capital Appropriations	1,730,132	1,664,224	2,016,990
State Capital Contribution	66,928	1,406	12,311,390
Capital Student Fees, Net	1,672,332	1,683,712	1,666,914
Capital Grants and Gifts	3,411,740	10,879,332	8,415,568
State Pension Contribution	167,184	38,557	509,822
Additions to Endowments	14,056	17,052	22,079
Increase (Decrease) in Net Position	**9,300,128**	**9,613,306**	**18,239,181**
Net Position – Beginning of Year	176,296,369	166,683,063	148,443,882
Net Position – End of Year	**$ 185,596,497**	**$ 176,296,369**	**$ 166,683,063**

CAPITAL ASSETS

At June 30, 2025, the College had approximately $216.0 million invested in capital assets, net of accumulated depreciation of $180.7 million and accumulated amortization of $6.8 million. Depreciation and amortization expense was $11.0 million for the year ended June 30, 2025. At June 30, 2024, the College had approximately $200.4 million invested in capital assets, net of accumulated depreciation of $172.1 million and accumulated amortization of $5.1 million. Depreciation and amortization expense was $11.2 million for the year ended June 30, 2024.

	June 30, 2025	June 30, 2024	June 30, 2023
Land	$ 286,301	$286,301	$286,301
Construction in Progress	7,806,538	12,972,283	7,157,260
Right to Use Assets in Process-SBITAs			2,591,855
Collections	7,224,130	7,195,307	7,158,106
Land Improvements, Net	5,096,958	5,635,124	6,219,966
Buildings and Improvements, Net	179,396,983	159,024,626	162,111,397
Equipment, Net	5,730,985	5,223,828	4,532,640
Software, Net	46,891	14,129	13,420
Leased Buildings and Vehicles, Net	900,116	111,686	129,670
Information Technology Arrangement, Net	9,069,146	9,550,044	6,937,815
Library Materials, Net	431,444	380,066	344,430
Total	$ 215,989,492	$ 200,393,394	$ 197,482,860

Major capital additions completed in fiscal year 2025 and the resources that funded their acquisition include:

Centura Sports Performance Center, funded by the College	$5,533,649
Skyhawk Hall Improvements – Nursing Program, funded by the College	$2,275,663
Aquatic Center Roof Replacement, funded by the State	$1,844,873
Replace Whalen Roof, Phase 1, funded by the State	$1,515,218
Replace Fire Alarm Equipment, Phase 1, funded by the State	$1,333,115
Replace Fire Equipment Phase 2, funded by the State	$532,689

The following significant capital projects were in progress at June 30, 2025:

Berndt Hall Remodel/Improvements, funded by the State	$4,327,333
Replace Fire Alarm Equipment, Phase 3, funded by the State	$1,231,172
Classroom Update Program, funded by the College	$651,210
Student Union Kitchen Replacement, funded by the College	$554,961
Centennial Drainage Improvements, funded by the College	$248,106

Student Union South Under Slab Piping Repairs, funded by the College	$247,698
Elevator Modernization, Concert and Noble Halls, funded by the State	$239,205

Major capital additions completed in fiscal year 2024 and the resources that funded their acquisition include:

Health Sciences Center, FLC Matching Portion, funded by the College	$1,723,988
Workday Student, funded by the State with Federal ARPA	$2,361,544
Centennial Hall Roof Replacement, funded by the College	$2,120,611
Reed Library HVAC, funded by the College	$183,911

The following significant capital projects were in progress at June 30, 2024:

Berndt Hall Remodel, funded by the State with Federal ARPA	$3,563,729
Aquatic Center Roof Replacement, funded by the State	$1,515,415
Centura Sports Performance Center, funded by the College	$1,501,763
Replace Whalen Roof, Phase 1, funded by the State with Federal ARPA	$1,361,793
Replace Fire Alarm Equipment, Phase 1, funded by the State	$1,331,838
North Campus Heating and Cooling lines phase 2, funded by the State	$776,263
Outdoor Recreation Improvements, funded by the College	$558,319
Classroom Update Program, funded by the College	$641,959
Student Union Kitchen Replacement, funded by the College	$411,672

DEBT

At June 30, 2025 and 2024, the College had approximately $53.8 and $44.3 million in long-term debt outstanding, respectively. The table below summarizes debt over the past two fiscal years.

	June 30, 2025	June 30, 2024	June 30, 2023
Auxiliary Revenue Bonds, Net	$53,832,211	$44,320,503	$47,100,539

OTHER HIGHLIGHTS

Strategic Plan – In 2024, FLC embarked on a journey to shape our future through a new strategic planning process. This effort, led by our Strategic Plan Steering Committee in collaboration with the President, Vice Presidents, and the Board of Trustees, reflects our commitment to listening to the diverse voices within our community and positioning FLC for continued success through 2025 and beyond. The Board of Regents (the Board) formally voted on the new strategic plan in December 2024, and the College has been working to advance the plan in 2025. The Board has approved five key directives to guide our community through this process: Academic Excellence, Basic Needs, Reconciliation, Student Readiness, and Community Connections.

FLC Vantage -The Board of Trustees approved the creation of the FLC Vantage Corporation, a nonprofit 501(c)3, a blended component unit on June 9, 2023. FLC Vantage is considered a blended component unit due to the control the College has over FLC Vantage, as described below. Operations began during the 2025 academic year. Fort Lewis College purchased the 1304 apartment complex in February 2025 and entered into a management agreement with FLC Vantage for the property. FLC Vantage can receive, hold, invest, and administer real and personal property for the benefit of the College. FLC Vantage will carry out its real estate investing activities through direct ownership, management, and operation of certain real estate assets. The Fort Lewis College Board of Trustees will appoint FLC Vantage's governing body, is able to impose its will on the organization and the organization provides its services entirely to the College. FLC Vantage will not issue standalone financial statements.

New Programs

In coordination with University of Colorado Anschutz, a nursing program came online in the fall of 2023. The first two years of the student's experience will be fully taught by Fort Lewis College faculty and the last two years will be taught by University of Colorado Anschutz faculty on the Fort Lewis College campus. The goal of this nursing program will be to increase indigenous nursing graduates who will have the ability to return to their communities and increase health services in those areas.

ECONOMIC OUTLOOK & FORT LEWIS COLLEGE FUTURE

Enrollment

Enrollment (headcount) decreased by 2.5% for the fall 2025 semester, though much of that decrease was due to a reduction of one class of dual enrollment students, which has a much smaller impact on total student FTE. Students of color constitute a majority of the student body, making up 55% of all students, compared to 54% in 2024. Native American students represent 36% of the student body in both fall 2025 and fall 2024. Incoming first-time undergraduate students increased 3.4% over fall 2024.

Budget

The Board of Trustees approved and set a net tuition goal for fiscal year 2025-26 as the payer mix can have a large impact on the final revenue amounts. The goal was to achieve an annual net revenue of $61.8 million. That was based on the initial fee for service increases a 4% total tuition revenue increase, 2.1% institutional scholarship increase, and slight increases based on approved student fee increases. Based on the fall 2025 enrollment mix and graduate student enrollment not declining in the manner assumed in the budget, the fall tuition estimates are slightly higher than originally estimated.

State Funding

As outlined earlier, the College receives funding from the State of Colorado for the College Opportunity Fund (COF), Fee for Service Contract (FFS) and the Native American tuition waiver reimbursement. The combination of this funding makes the College more dependent on State funding than most other colleges and universities in the State of Colorado.

This funding in the fiscal year 2026 budget initially increased by approximately 2.5%. After the federal budget passed, the state legislature entered into a special session and reduced that increase by 50%, reducing the total increase from the state to 1.25%. As a result of slight increases in Native American enrollment during the summer session in the 2025 year, the fiscal year 2026 Tuition Waiver allocation increased by 0.6% to approximately $21.6 million.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide users of our financial statements with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Fort Lewis College Accounting Office at Room 140 Berndt Hall, 1000 Rim Drive, Durango, Colorado, 81301, call (970) 247-7364, or email AskAccounting@fortlewis.edu.

Basic Financial Statements

FORT LEWIS COLLEGE

STATEMENTS OF NET POSITION
June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets:		
Cash and Cash Equivalents	$ 37,645,390	$ 34,400,384
Investments	10,739,381	9,658,574
Student Accounts Receivable, Net	2,844,964	2,986,975
Accounts Receivable - Fort Lewis College Foundation, Net	512,491	359,713
Other Accounts Receivable	5,155,986	7,720,450
Inventories	75,490	81,794
Prepaid Expense	1,811,528	557,203
Total Current Assets	58,785,230	55,765,093
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	2,527,114	2,882,128
Nondepreciable Capital Assets:		
Land and Improvements	286,301	286,301
Construction in Progress	7,806,538	12,972,283
Collections	7,224,130	7,195,307
Total Nondepreciable Capital Assets	15,316,969	20,453,891
Depreciable Capital Assets:		
Land Improvements, Net	5,096,958	5,635,124
Buildings and Improvements, Net	179,946,182	159,022,443
Equipment, Net	15,197,940	14,901,873
Library Materials, Net	431,444	380,066
Total Depreciable Capital Assets, Net	200,672,524	179,939,506
Total Noncurrent Assets	218,516,607	203,275,525
Total Assets	277,301,837	259,040,618
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	5,194,018	6,587,369

(Continued)

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE
STATEMENTS OF NET POSITION
June 30, 2025 and 2024
(Continued)

LIABILITIES	**2025**	**2024**
Current Liabilities:		
Accounts Payable	3,287,996	2,695,190
Accrued Liabilities	5,144,961	4,694,387
Unearned Revenue	3,135,694	4,107,354
Deposits Held for Others	24,286	59,530
Bonds Payable, Current Portion	2,847,724	2,722,735
Leases Payable, Current Portion	219,488	40,779
SBITA Component Liability, Current Portion	1,251,404	902,144
Compensated Absence Liabilities, Current Portion	358,037	342,383
Total Current Liabilities	16,269,590	15,564,502
Noncurrent Liabilities:		
Bonds Payable, Net	50,984,487	41,597,768
Leases Payable	735,792	103,314
SBITA Component Liability	3,670,649	3,802,617
Compensated Absence Liabilities	1,848,309	2,173,820
Pension Liability	21,156,469	24,021,490
Other Post Employment Benefits Liability	353,179	566,650
Total Noncurrent Liabilities	78,748,885	72,265,659
Total Liabilities	95,018,475	87,830,161
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	1,637,783	1,501,457
NET POSITION		
Net Investment in Capital Assets	157,578,668	152,426,435
Restricted for Nonexpendable Purposes:		
Endowment	25,000	25,000
Restricted for Expendable Purposes		
Endowment	735,699	721,642
Other	8,749,045	10,165,340
Unrestricted	18,508,085	12,957,952
Total Net Position	$ 185,596,497	$ 176,296,369

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2025 and 2024

REVENUES	2025	2024
Operating Revenues:		
Student Tuition and Fees (including pledged revenues of $12,949,254 - 2025 and $12,452,128 - 2024, net of scholarship allowances of $38,840,763.82 - 2025 and $37,411,207 - 2024, and net of bad debt of $383,632 - 2025 and ($209,021) - 2024)	$ 14,010,798	$ 14,623,307
Federal Grants and Contracts (including pledged revenues of $0 - 2025 and $5,578 - 2024)	7,826,905	6,395,135
State and Local Grants and Contracts	24,865,672	26,320,139
Non-Governmental Grants and Contracts	1,374,678	1,570,234
Auxiliary Enterprises (including pledged revenues of $15,393,083 - 2025, and $16,063,418 - 2024, net of scholarship allowances of $3,890,309 - 2025 and $3,115,539 - 2024, and net of bad debt of 712,021 - 2025 and ($389,221) - 2024)	17,762,478	18,941,828
Fee For Service Contract Revenue	18,943,407	14,995,893
Other Operating Revenues (including pledged revenues of $69,131 - 2025 and $6,613 - 2024 and bad debt of $16,499 - 2025 and ($8,770) - 2024)	1,143,733	1,422,823
Total Operating Revenues	85,927,671	84,269,359
EXPENSES		
Operating Expenses:		
Instruction	25,585,065	26,101,619
Research	2,056,745	1,506,622
Public Service	2,808,771	6,809,088
Academic Support	9,836,180	9,225,690
Student Services	11,788,571	11,524,763
Institutional Support	9,127,697	6,361,843
Operation and Maintenance of Plant	4,933,974	5,698,116
Scholarships and Fellowships	2,583,802	2,327,983
Auxiliary Enterprises	22,174,747	20,977,457
Amortization Expense RTU Assets	2,171,259	530,232
Depreciation	8,841,242	10,665,525
Total Operating Expenses	101,908,053	101,728,938
Operating Income (Loss)	(15,980,382)	(17,459,579)
NONOPERATING REVENUES (EXPENSES)		
Federal Pell Grants	7,938,949	6,647,877
Nonoperating Federal Grants and Contracts	703,930	204,962
Gifts (including pledged revenues of $656,097- 2025 and $289,631- 2024)	8,684,855	5,120,573
Investment Income (including pledged revenues of $262,830 - 2025 and $446,458 - 2024)	2,954,984	2,695,121
Interest Expense on Capital Debt	(2,064,580)	(1,879,931)
Net Nonoperating Revenues	18,218,138	12,788,602
Income (loss) before other revenues, expenses, or transfers	2,237,756	(4,670,977)
OTHER REVENUES, (EXPENSES), OR TRANSFERS		
Gain or (Loss) on Disposal of Assets		
State Capital Appropriations	1,730,132	1,664,224
State Capital Contribution	66,928	1,406
Capital Student Fees (all revenue pledged)	1,672,332	1,683,712
Capital Grants & Gifts	3,411,740	10,879,332
State Pension Contribution	167,184	38,557
Additions to Endowments	14,056	17,052
Increase (Decrease) in Net Position	9,300,128	9,613,306
NET POSITION		
Net Position - Beginning of Year	176,296,369	166,683,063
Net Position - End of Year	$ 185,596,497	$ 176,296,369

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received:		
Tuition and Fees	$ 13,867,186	$ 10,980,795
Sales of Products	420,924	306,100
Sales of Services	37,243,368	31,208,278
Grants and Contracts	38,164,525	40,738,198
Other Operating Receipts	498,607	1,462,842
Cash Payments:		
Scholarships Disbursed	(2,290,784)	(2,482,935)
Payments to Suppliers	(29,640,812)	(30,654,551)
Payments to Employees	(60,348,396)	(59,348,564)
Net Cash Provided (Used) by Operating Activities	(2,085,382)	(7,789,837)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal Pell Grants	7,938,949	6,647,877
Non-Operating Federal Grants/Contracts	703,930	204,962
Gifts for Other than Capital Purposes	8,532,077	5,121,686
Other Nonoperating Receipts/Payments	-	73,486
Agency Receipts	19,803,369	16,912,015
Agency Payments	(19,877,111)	(17,132,942)
Additions to Endowment	14,057	17,052
Net Cash Provided by Noncapital Financing Activities	17,115,271	11,844,136
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Student Fees	1,672,332	1,683,712
State Capital Contributions	1,797,060	1,665,630
Capital Gifts and Grants	-	874,515
Proceeds from Sale of Capital Assets	(121,944)	(253,423)
Bond Issuance Costs Paid	-	-
Net Proceeds from Bonds Issued/ Proceeds from Capital Debt	-	-
Acquisition and Construction of Capital Assets	(24,910,715)	(11,684,580)
Principal Paid on Capital Debt	9,285,896	(3,340,699)
Interest on Capital Debt	(1,736,703)	(1,797,587)
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,014,074)	(12,852,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	3,355,150	469,723
Purchase of Investments	(3,585,625)	(672,485)
Investment Earnings	2,104,652	1,867,633
Net Cash Provided by Investing Activities	1,874,177	1,664,871
Net Increase (Decrease) in Cash	2,889,992	(7,133,262)
Cash - Beginning of Year	37,282,512	44,415,774
Cash - End of Year	$ 40,172,504	$ 37,282,512

(Continued)

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

(Continued)

	2025	2024
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (15,980,382)	$ (17,459,579)
Adjustments to Reconcile Net Income (Loss) to Net Cash	-	-
Depreciation and Amortization	11,012,501	11,195,757
Pension Expense	1,660,196	(426,127)
Bond Issuance Costs	401,454	-
Noncash Operating Transactions	66,221	(131,316)
Change in Assets and Liabilities (Operating Portions):		
Receivables, Net	1,632,392	832,647
Prepaid Expense	(1,231,728)	(65,022)
Accounts Payable	607,520	(1,036,087)
Accrued Liabilities	1,027,964	5,923
Unearned Revenue	(971,661)	(524,336)
Compensated Absence Liability	(309,859)	(181,697)
Net Cash Provided (Used) by Operating Activities	$ (2,085,382)	$ (7,789,837)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
State-funded Acquisitions of Capital Assets	$ 1,797,060	$ 2,096,815
Non-cash Acquisitions of Capital Assets	28,823	37,202
Gain (Loss) on Capital Asset Deletions	(19,047)	(253,423)
Change in unrealized gains on investments	(269,469)	1,030,251
Amortization of bond premium	175,642	165,473

The accompanying notes are an integral part of this financial statement.

	2025	2024
Assets		
Cash, cash equivalents, and restricted cash	$ 657,668	$ 577,742
Promises to give, net	1,607,516	3,920,883
Bequest receivable	149,308	-
Prepaid expenses	1,105	-
Due from Fort Lewis College	86,691	94,509
Investments	66,977,790	58,797,644
Property and equipment, net	632,001	649,362
Beneficial interest in assets held by others	689,136	641,740
Total assets	$ 70,801,215	$ 64,681,880
Liabilities and Net Assets		
Accrued liabilities	$ 93,138	$ 54,992
Due to Fort Lewis College	630,148	477,370
Refundable advance	86,691	94,509
Total liabilities	809,977	626,871
Net Assets		
Without donor restrictions		
Undesignated	4,424,099	3,190,660
Board-designated	2,222,474	2,055,237
	6,646,573	5,245,897
With donor restrictions	63,344,665	58,809,112
Total net assets	69,991,238	64,055,009
Total liabilities and net assets	$ 70,801,215	$ 64,681,880

See Notes to Financial Statements

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions and grants	$ 360,408	$ 7,973,141	8,333,549
Net investment return	1,842,582	4,455,754	6,298,336
Change in value of beneficial interest in assets held by others	-	47,396	47,396
Rental and other revenue	99,502	-	99,502
Net assets released from restrictions	7,940,438	(7,940,438)	-
Total revenue, gains and other support	10,242,930	4,535,853	14,778,783
Expenses			
Program services	7,901,478	-	7,901,478
Support services			
Management and general	646,867	-	646,867
Fundraising	293,909	-	293,909
Total expenses before losses	8,842,254	-	8,842,254
Loss on uncollectable promises to give	-	300	300
Total expenses and losses	8,842,254	300	8,842,554
Change in Net Assets	1,400,676	4,535,553	5,936,229
Net Assets, Beginning of year	5,245,897	58,809,112	64,055,009
Net Assets, End of year	$ 6,646,573	$ 63,344,665	$ 69,991,238

See Notes to Financial Statements

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions and grants	$ 177,059	$ 18,444,987	$ 18,622,046
Net investment return	1,657,519	6,165,625	7,823,144
Change in value of beneficial interest in assets held by others	-	32,424	32,424
Rental and other revenue	98,331	-	98,331
Net assets released from restrictions	8,489,185	(8,489,185)	-
Total revenue, gains and other support	10,422,094	16,153,851	26,575,945
Expenses			
Program services	8,554,409	-	8,554,409
Support services			
Management and general	429,432	-	429,432
Fundraising	158,812	-	158,812
Total expenses before losses	9,142,653	-	9,142,653
Loss on uncollectable promises to give	-	84,000	84,000
Total expenses and losses	9,142,653	84,000	9,226,653
Change in Net Assets	1,279,441	16,069,851	17,349,292
Net Assets, Beginning of year	3,966,456	42,739,261	46,705,717
Net Assets, End of year	$ 5,245,897	$ 58,809,112	$ 64,055,009

See Notes to Financial Statements

	2025			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
FLC program support	$ 5,542,317	$ -	$ -	$ 5,542,317
FLC scholarships	2,140,239	-	-	2,140,239
Fees for FLC services	126,587	276,223	276,983	679,793
Total College expenses	7,809,143	276,223	276,983	8,362,349
Repairs and maintenance	-	150,882	-	150,882
Professional fees	57,500	54,746	-	112,246
Other	11,331	78,422	10,225	99,978
Licenses, dues and fees	-	34,531	-	34,531
Food and beverage	23,504	-	6,701	30,205
Bank and credit card fees	-	24,099	-	24,099
Depreciation	-	17,361	-	17,361
Insurance	-	10,603	-	10,603
Total expenses	$ 7,901,478	$ 646,867	$ 293,909	$ 8,842,254

	2024			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total
FLC program support	$ 7,112,091	$ -	$ -	$ 7,112,091
FLC scholarships	1,230,548	-	-	1,230,548
Fees for FLC services	126,760	252,444	140,245	519,449
Total College expenses	8,469,399	252,444	140,245	8,862,088
Professional fees	55,000	50,198	-	105,198
Other	3,733	36,657	8,095	48,485
Food and beverage	26,277	-	10,472	36,749
Licenses, dues and fees	-	34,510	-	34,510
Bank and credit card fees	-	22,059	-	22,059
Depreciation	-	17,361	-	17,361
Insurance	-	16,203	-	16,203
Total expenses	$ 8,554,409	$ 429,432	$ 158,812	$ 9,142,653

See Notes to Financial Statements

	2025	2024
Operating Activities		
Change in net assets	$ 5,936,229	$ 17,349,292
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	17,361	17,361
Contributions restricted to endowment	(1,483,672)	(12,772,857)
Contributions of investments	(114,320)	(11,374,423)
Loss on uncollectable promises to give	(300)	(84,000)
Unrealized and realized gain on investments	(4,863,626)	(6,279,617)
Change in beneficial interest in assets held by others	(47,396)	(32,424)
Changes in operating assets and liabilities		
Promises to give, net	2,254,112	369,195
Bequest receivable	(149,308)	-
Prepaid expenses	(1,105)	-
Refundable advance	(7,818)	94,509
Accrued liabilities	38,146	54,656
Due to/ from Fort Lewis College	160,596	84,174
Net Cash from (used for) Operating Activities	1,738,899	(12,574,134)
Investing Activities		
Proceeds from sales of investments	2,366,925	2,835,127
Purchases of investments	(5,569,125)	(4,680,354)
Net Cash used for Investing Activities	(3,202,200)	(1,845,227)
Financing Activities		
Collections of contributions restricted for endowment	1,543,227	13,885,025
Net Cash from Financing Activities	1,543,227	13,885,025
Net Change In Cash, Cash Equivalents, and Restricted Cash	79,926	(534,336)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	577,742	1,112,078
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 657,668	$ 577,742

See Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

Fort Lewis College (the College) is governed by the Board of Trustees for Fort Lewis College (the Board). The Board consists of nine voting and two non-voting members who are responsible for making policy for the College and overseeing its operation. One member is required to be an enrolled member of a Federally recognized Native American tribe. Voting members are appointed by the Colorado governor and require Colorado State Senate confirmation. They serve four-year terms. The two non-voting members are elected by the College's faculty and students. The faculty representative serves a two-year term. The student representative serves a one-year term.

The College President is appointed by and reports to the Board and is responsible for day-to-day management of the institution and its employees.

Reporting Entity and Component Unit

The College is a public institution of higher education of the State of Colorado. For financial reporting purposes, the College is included as part of the State of Colorado's primary government. A copy of the State Annual Comprehensive Financial Report may be obtained from the Office of the State Controller.

The College adheres to Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity,* and GASB Statement No. 34*, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* to provide additional guidance for determining whether certain organizations, such as not-for-profit foundations, should be included in the College's financial reporting entity. The College has determined that the Fort Lewis College Foundation (the Foundation) meets the GASB Statement No. 61 criteria for inclusion in the College's financial statements.

The Foundation is a legally separate, tax-exempt component unit of the College. In December 1969, the Foundation was organized and issued a Certificate of Incorporation under the Colorado Non-Profit Corporation Act. The purposes of the corporation are to "...assist in promoting, developing and enhancing the facilities and programs of Fort Lewis College...." (per Articles of Incorporation III). Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income that the Foundation holds and invests is restricted to the activities, facilities, and programs of the College by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation is a private nonprofit organization that reports under *Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)*, *Topic 958 Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial statements for these differences.

The amount transferred from the Foundation to the College, during the fiscal year ended June 30, 2025 for the purposes stated above was $10,235,302 which included $2,065,373 for scholarships, $706,443 for grant pass-through transactions, and $1,200,950 for capital gifts. The total transfer for the year ended June 30, 2024 for the purposes stated above was $6,993,950 which included $1,273,235 for scholarships, $348,776 for grant pass-through transactions, and $2,097,815 for capital gifts. Complete financial statements for the Foundation can be obtained from the Accounting Office at the College.

Blended Component Unit

FLC Vantage Corporation (FLC Vantage) was incorporated and approved by the Board in 2023. FLC Vantage's purpose is to hold, invest, and administer real and personal property for the benefit of the College. FLC Vantage will serve the real estate related interests of FLC while providing the flexibility necessary to capitalize on opportunities and maintain separation from College assets and administrative restrictions. FLC Vantage is not subject to the State of Colorado or College purchasing rules and is not subject to the Office of the State Architect or Colorado Higher Education Commission. FLC Vantage will potentially manage acquisitions and dispositions of real property, oversee development of offsite facilities, leasing on-campus and off-campus, manage easements, mineral and water rights, or rights-of-way, property management, risk reduction, and strategic planning. FLC Vantage is a nonprofit entity under Internal Revenue Code (IRC) section 501(c)(3). The College appoints FLC Vantage's governing body, is able to impose its will on the organization, and the organization provides services entirely to the College. FLC Vantage did not have any financial activity until fiscal year 2025. FLC Vantage does not issue standalone financial statements.

As defined by GASB Statement No. 61, the College is not financially accountable for any other entity, nor are there any other entities for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete.

Basis of Accounting

The College'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. All significant intra-agency transactions have been eliminated.

Any effort to reconcile this report with presentations made for other purposes, such as data submitted with the institutional budget documents, must take into consideration any differences in the basis of accounting and other requirements for the preparation of other presentations.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State of Colorado Treasurer and all highly liquid investments with an original maturity of three months or less.

Restricted Cash and Cash Equivalents

Cash balances that are externally restricted such as endowments or agency funds, or for bond reserve, replacement, or rebate funds, or to purchase capital or noncurrent assets, are classified as current or noncurrent assets on the Statements of Net Position, as appropriate.

Investments and Investment Income

Investments are carried at fair value. Fair value is determined using quoted market prices. 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.

Income Taxes

As a state institution of higher education, the income of the College 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 College is subject to federal income tax on any unrelated business taxable income. The College did not have any significant unrelated business taxable income in the years ended June 30, 2025 and 2024.

The Foundation and FLC Vantage Corporation are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the IRC.

Use of Estimates

Estimates are made to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ significantly from those estimates.

Capital Assets

Capital assets are stated at cost at the date of acquisition or at fair value at the date of donation. 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.

Intangibles and renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. For intangibles and 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 capital assets and improvements are capitalized as construction in progress throughout the building project.

All collections, such as works of art and historical artifacts, have been capitalized at cost at the date of acquisition or fair value at the date of donation. The nature of certain collections is such that the value and usefulness of the collections does not decrease over time. These collections have not been depreciated in the accompanying financial statements.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets and half of the annual depreciation is expensed in the first and last year of service, regardless of when the asset was acquired. The useful lives of assets are as follows:

Asset Class	Years
Land Improvements	10-50
Buildings and Improvements	10-50
Equipment and Software	3-10
Library Materials	10

Right-to-use assets related to leases are recorded at the present value of future minimum lease payments plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor. Right-to-use assets related to leases are amortized using the straight-line method over the shorter of the lease term or the estimated useful life. Such amortization is included as depreciation expense in the accompanying financial statements.

Right-to-use subscription assets related to subscription-based information technology arrangements (SBITAs) are recorded at the sum of: (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. SBITAs are amortized on a straight-line basis over the subscription term.

Unearned Revenue

Unearned revenues represent unearned student tuition and fees, event revenues, and advances on grants and contracts for which the College has not yet provided the associated services.

Compensated Absence Liabilities

Compensated absences are recognized based on estimated balances due to employees upon termination or retirement. The limitations on such payments are defined by the applicable handbook for Administrative Professional Staff or Classified Staff with classified rules governed by the state personnel system. Full-time administrative professional (exempt) staff accrue and vest in vacation and sick leave earnings beginning on their first hire date and Full Time Equivalent (FTE) status. Employees accrue leave at the rate of 16 hours per month with a maximum accrual of 384 hours prorated based on FTE. Payout of annual leave upon termination is capped at 192 hours of leave payout. Most part-time employees accrue leave that is pro-rated based on their hours worked. Classified staff accrual rates begin on their hire date and are based on length of service and Full Time Equivalent (FTE) status. Accrual rates and payouts upon termination for classified staff follow in the chart below.

Accrual Rates:

Years of Service	Hours Earned Per Month	Maximum Accrual
1-36 months	8	192
37-60 months	9	216
61-120 months	11	264
121-180 months	13	312
181 months or greater	16	384

All unused sick leave is forfeited upon separation, except for employees that intend to retire with no intent to work full-time for Fort Lewis College or another employer and who meet the minimum age of 50 with a minimum of 5 years of FLC service on the date of separation. Administrative Professional employees who retire from Fort Lewis College are compensated for one quarter (1⁄4) of their accrued sick leave balance up to a maximum of 120 hours. For classified staff, all unused sick leave is forfeited upon separation, except for employees meeting age and service requirements under the Public Employees' Retirement Association (PERA) defined benefit (DB) plan on the date of separation, regardless of the retirement plan they are enrolled in. Employees who meet these requirements are compensated for one quarter (1⁄4) of their accrued sick leave balance up to their maximum accrual.

The liability and expense incurred are recorded at year-end as compensated absence liabilities in the Statements of Net Position and as a component of appropriate functional expense categories in the Statements of Revenues, Expenses, and Changes in Net Position. The current portion of this liability is estimated based on historical trends.

Deferred Outflows of Resources and Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a Statement of Net Position to include:

- Assets – resources with a present service capacity under the College's control.
- Deferred Outflows of Resources – consumption of net assets by the College that is applicable to a future reporting period.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net assets by the College that is applicable to a future reporting period.

- Net Position – residual of all other elements presented in a Statement of Net Position.

See Notes 17, 19, and 20 for detail of the composition of the College's deferred outflows and deferred inflows related to pension and other post-employment benefits.

Net Position

The College has classified its net position according to the following criteria:

Net Investment in Capital Assets – This category represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but the proceeds have not yet been expended for capital assets, such amounts are not included as a component of this category.

Restricted Net Position, Nonexpendable – This category consists of endowment funds that are required to be retained in perpetuity.

Restricted Net Position, Expendable – This category includes resources for which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, including unspent debt proceeds.

Unrestricted Net Position – Unrestricted Net Position are those funds that do not meet the definition of "Restricted" or "Net Investment in Capital Assets" as described above. Generally, these resources will be derived from student tuition and fees, State appropriations, sales and services of educational activities, and sales and services of certain auxiliary and self-funded activities. This category is a deficit due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

Classification of Revenues

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

Operating revenues – Operating revenues generally result from providing goods and services for instruction, public service, or related support services to an individual or entity separate from the College.

Nonoperating revenues – Nonoperating revenues are those revenues that do not meet the definition of operating revenues. Nonoperating revenues include Federal Pell grants, nonoperating Federal grants and contracts, gifts, investment income, and other nonoperating revenue.

Other revenues, expenses, or transfers include gain or loss on the disposal of assets, state capital and controlled maintenance appropriations, capital student fees, capital grants and gifts, State pension contributions, and additions to endowment.

Scholarship Allowance

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 College 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 College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition and fees were $38.8 million and $37.4 million and scholarship allowances for auxiliary charges were $3.9 million and $3.1 million for the years ended June 30, 2025 and 2024, respectively.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources and then towards unrestricted resources, when both restricted and unrestricted resources are available to pay an expense.

Pensions

The College participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund 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 and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions.

Other Post-Employment Benefits (OPEB)

The College 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 and additions to or deductions from the fiduciary net position 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.

Fiscal Rules

Colorado State Senate Bill 10-003, enacted by the General Assembly and signed by the Governor and effective June 9, 2010, amends Section 24-30-202, C.R.S. As amended, Section 24-30-202(13)(b), C.R.S., allows a governing board of an Institution of Higher Education that have adopted Fiscal Rules and have determined that such Fiscal Rules provide adequate safeguards for the proper expenditure of the moneys of the institution to elect to exempt the institution from the Fiscal Rules promulgated by the State Controller pursuant to Section 24-30-202. Pursuant to this change, on June 3, 2011, the Board voted to opt out of the State of Colorado Fiscal Rules and establish its own set of Fiscal Rules. These rules were adopted by the Board on June 3, 2011 and became effective July 1, 2011.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

The College deposits most of its cash with the Colorado State Treasurer (the Treasurer) as allowed by Colorado Revised Statutes (C.R.S.). 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, and 2024, the College had cash on deposit with the State Treasurer of $21,998,408, net of the unrealized loss, and $29,402,742, respectively, which represented 0.14 percent and 0.17 percent of the total $15,918.2 million and $18,095.0 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2025 and 2024, the Pool's resources included $39.1 million and $38.5 million of cash on hand and $15,879.1 million and $18,056.6 million of investments.

Based on the College's participation in the Pool, the College 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 year ended June 30, 2025.

As of June 30, 2025, the carrying amount of the College's cash held locally was $18,174,096. The cash included petty cash and change funds of $5,920 and bank deposits of $18,168,176. The bank balance of deposits before reconciling items was $18,089,761. The entirety of the bank balance was covered by collateral held by the bank or its agent in the State's name.

As of June 30, 2024, the carrying amount of the College's cash held locally was $7,879,770. The cash included petty cash and change funds of $6,150 and bank deposits of $7,873,620. The bank balance of deposits before reconciling items was $9,766,357. The entirety of the bank balance was covered by collateral held by the bank or its agent in the State's name.

Investments

During the 2013 Colorado legislative session, the General Assembly passed legislation (HB 13-1297) which grants investment authority to the College. The Board exercised its investment authority during the fiscal year ended June 30, 2016. The College has authority to invest institutional funds in any investment deemed advisable by the Board per C.R.S. Section 23-52-103.

The following summarizes the College's investments by type at June 30, 2025:

	Fair Value	Cost
Cash and cash equivalents - Money Market	$ 27,407	$ 27,407
Mutual Funds - Equity	7,328,810	6,322,124
Mutual Funds - Fixed Income	3,383,164	3,396,524
Total investments	$ 10,739,381	$ 9,746,055

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position is as follows:

Total dividends and interest (net of fees of $14,723)	$ 245,176
Net realized gains/unrealized loss	850,353
State Interest Income	1,116,622
State Treasury Pool unrealized gain/losses	742,833
Total	$ 2,954,984

The following summarizes the College's investments by type at June 30, 2024:

	Fair Value	Cost
Cash and cash equivalents - Money Market	$ 27,083	$ 27,083
Mutual Funds - Equity	5,821,277	4,480,309
Mutual Funds - Fixed Income	3,810,102	3,888,366
Net accrued income	112	-
Total investments	$ 9,658,574	$ 8,395,758

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the fiscal year ended June 30, 2024 is as follows:

Total dividends and interest (net of fees of $17,523)	$ 202,763
Net accrued income	$ 41
Unrealized Gains/Losses	$ 1,345,126
Total	$ 1,547,930

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. This is measured by the assignment of a rating by a nationally recognized statistical ratings organization (NRSRO). At June 30, 2025, the College held Equity Mutual Funds rated by Morningstar as follows: 2 Stars total fair value of $1,928,714, 3 Stars total fair value of $4,870,072, and 5 Stars total fair value of $530,024. At June 30, 2025, the College held Fixed Income Mutual Funds rated by Morningstar as follows: 3 Stars total fair value of $3,383,073. At June 30, 2024, the College held Equity Mutual Funds rated by Morningstar as follows: 2 Stars total fair value of $2,022,717 and 3 Stars total fair value of $3,798,560. At June 30, 2024, the College held Fixed Income Mutual Funds rated by Morningstar as follows: 3 Stars total fair value of $3,810,102.

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 applies only to debt investments and the College does not have debt investments.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The College does not have a formal policy for custodial credit risk.

As of June 30, 2025 and 2024, no individual bonds are held in the portfolio. As the portfolio consists entirely of mutual funds and equities, which are not rated, do not have a maturity and therefore also do not have a duration.

Investments at June 30, 2025 consisted of the following:

	Fair Value
Other Investments	
Bond Mutual Funds	$ 3,383,073
Equity Mutual Funds	7,328,810
Money Market	27,407
Net Accrued Income	91
Total	**$**10,739,381

Investments at June 30, 2024 consisted of the following:

	Fair Value
Other Investments	
Bond Mutual Funds	$3,810,102
Equity Mutual Funds	5,821,277
Money Market	27,083
Net Accrued Income	112
Total	**$**9,658,574

Fair Value of Investments

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2025:

- Money Market Funds of $27,407 are valued using quoted market prices (Level 1 inputs)
- Bond Mutual Funds of $3,383,073 are valued using quoted market prices (Level 1 inputs)
- Equity Mutual Funds of $7,328,810 are valued using quoted market prices (Level 1 inputs)

The College has the following recurring fair value measurements as of June 30, 2024:

- Money Market Funds of $27,083 are valued using quoted market prices (Level 1 inputs)

- Bond Mutual Funds of $3,810,102 are valued using quoted market prices (Level 1 inputs)
- Equity Mutual Funds of $5,821,277 are valued using quoted market prices (Level 1 inputs)

NOTE 3 - FORT LEWIS COLLEGE FOUNDATION FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investment assets are classified within Level 1 because they comprise of equities or exchange-traded funds with readily determinable fair values based on daily redemption values. U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair values of beneficial interests in perpetual trust held by others are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. Preferred stock of a private company is based on an annual valuation performed. These are considered Level 3 measurements.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at June 30, 2025:

	Total	Quted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds (at cost)	$ 11,765	$ -	$ -	$ -
Mutual funds				
Domestic	19,408,455	19,408,455		
International	10,741,420	10,741,420		
Fixed Income	21,492,798	21,492,798		
U.S. Governmental securities	102		102	
Cryptocurrency	5,403,263	5,403,263		
Preferred Stock	62,130			62,130
At NAV				
Private equity funds	2,834,622			
Private credit funds	3,780,092			
Hedge funds	3,243,143			
	$ 66,977,790	$ 57,045,936	$ 102	$ 62,130
Beneficial interest in assets held by others	$ 689,136	$ -	$ -	$ 689,136

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

	Cryptocurrency	Preferred Stock	Beneficial Interest in Assets Held by Others
Balance at June 30, 2024	$ 4,760,554	$ 35,188	$ 641,740
Sales and distributions	-	-	(40,000)
Net investment return	642,709	26,942	87,396
Balance at June 30, 2025	$ 10,163,817	$ 97,318	$ 1,330,876

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at June 30, 2024:

	Total	Quted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money market funds (at cost)	$ 8,375,320	$ -	$ -	$ -
Equities and mutual funds				
Domestic	9,999,690	9,999,690		
International	6,311,690	6,311,690		
Emerging markets	3,309,220	3,309,220		
Exchange-traded funds				
Fixed income	9,920,313	9,920,313		
Master limited partnerships	842,040	842,040		
U.S. Governmental securities	7,509,550		7,509,550	
Cryptocurrency	4,760,554	4,760,554		
Preferred Stock	35,188			35,188
At NAV				
Private equity funds	2,229,840			
Private credit funds	4,032,234			
Hedge funds	2,472,005			
	$ 59,797,644	$ 35,143,507	$ 7,509,550	$ 35,188
Beneficial interest in assets held by others	$ 641,740	$ -	$ -	$ 641,740

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2024:

	Cryptocurrency	Preferred Stock	Beneficial Interest in Assets Held by Others
Balance at June 30, 2023	$ 3,828,086	$ 32,777	$ 609,316
Contributions	-	12,420	-
Sales and distributions	(2,654,104)	-	(40,000)
Net investment return	3,586,572	(10,009)	72,424
Balance at June 30, 2024	$ 4,760,554	$ 35,188	$ 641,740

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2025 and 2024:

	Number of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
At June 30, 2025					
Private equity funds	8	$ 2,834,622	$ 1,178,605	Illiquid	None
Private credit funds	4	3,780,092	-	Quarterly	30 day
Hedge funds	3	3,243,143	-	Quarterly	30 day
		$ 9,857,857	$ 1,178,605		
At June 30, 2024					
Private equity funds		$ 2,229,840	$ 1,921,093	Illiquid	None
Private credit funds		4,032,234	-	Quarterly	30 day
Hedge funds		2,472,005	-	Quarterly	30 day
		$ 8,734,079	$ 1,921,093		

Private equity funds focus on buyout, growth equity, and/or distressed debt. These investments are not readily redeemable, but a secondary market does exist. The distributions are received through the liquidation of the underlying assets in the fund. The terms of these investments range from 1 to 12 years.

Private credit funds – funds that target a range of private credit strategies with focus on current income by primarily investing in privately originated and negotiated U.S. senior secured floating rate loans.

Hedge funds – funds that can invest long and short, primarily in common stocks. Fund managers may invest in value, growth, or event-driven equity opportunities and typically are not restricted by market capitalization, industry sector, or geography. Leverage may be utilized, which can magnify changes in the values of the underlying securities.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts Receivable balances are presented net of estimated allowance for doubtful accounts in the accompanying Statements of Net Position. At June 30, 2025 and 2024, the Accounts Receivable balances are comprised of:

	2025	2024
Student Accounts Receivable	$ 4,824,968	$ 3,884,645
Less: Allowance for Doubtful Accounts	(1,980,004)	(897,670)
Student Accounts Receivable, Net	2,844,964	2,986,975
Accounts Receivable - Fort Lewis College Foundation, Net	512,491	359,713
Other Accounts Receivable		
Sponsored Programs	1,709,066	2,880,006
Conferences & Summer Programs		
Other	3,446,920	4,840,443
Total Other Accounts Receivable, Net	5,155,986	7,720,450
Total Receivables, Net	$ 8,513,441	$ 11,067,138

*Other accounts receivable includes $1,621,035 and $1,277,394 for State of Colorado Fee for Service payments at June 30, 2025 and 2024, respectively.

NOTE 5 - CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2025, was as follows:

	Balance 6/30/2024	Additions	Deletions	Transfers	Balance 6/30/2025
Land	$ 286,301	$ -	$ -	$ -	$ 286,301
Land Improvements	23,969,804		-		23,969,804
Buildings and Improvements	299,283,890	20,158,006	-	7,543,485	326,985,381
Construction in Progress	12,972,283	2,976,946	40,886	(8,101,804)	7,806,539
RTU Assets in Process-SBITAs	-			-	-
Equipment	15,848,134	875,209	255,619	558,319	17,026,043
Software	1,288,649	43,981		-	1,332,630
Library Materials	1,990,346	106,778	3,908	-	2,093,216
Capitalized Collections	7,195,307	28,823		-	7,224,130
RTU Assets-SBITAs	14,100,713	1,470,488		-	15,571,201
Leased Buildings	447,357	686,499	447,357	-	686,499
Leased Vehicles	187,334	353,679	48,519	-	492,494
Total	377,570,118	26,700,409	796,289	-	403,474,238
Less Accumulated Depreciation:					
Land Improvements	18,334,680	538,166		-	18,872,846
Buildings and Improvements	140,259,263	7,329,133		-	147,588,396
Equipment	10,624,302	907,323	236,568	-	11,295,057
Software	1,274,521	11,220		-	1,285,741
Library Materials	1,610,280	55,400	3,908	-	1,661,772
Total Accumulated Depreciation	172,103,046	8,841,242	240,476	-	180,703,812
Less Accumulated Amortization:					
RTU Assets-SBITAs	4,550,670	1,951,385	-	-	6,502,055
Leased Buildings	449,540	135,118	447,358	-	137,300
Leased Vehicles	73,465	84,756	16,645	-	141,576
Total Accumulated Amortization	5,073,675	2,171,259	464,003	-	6,780,931
Capital Assets, Net	$ 200,393,397	$ 15,687,908	$ 91,810	$ -	$ 215,989,495

The College's capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Deletions	Transfers	Balance 6/30/2024
Land	$ 286,301	$ -	$ -	$ -	$ 286,301
Land Improvements	23,922,208	18,521	-	29,075	23,969,804
Buildings and Improvements	295,289,425	2,512,779	-	1,481,686	299,283,890
Construction in Progress	7,157,260	9,170,275	1,844,491	(1,510,761)	12,972,283
RTU Assets in Process-SBITAs	2,591,855	-	-	(2,591,855)	-
Equipment	14,797,335	1,754,983	704,184	-	15,848,134
Software	1,281,230	7,419	-	-	1,288,649
Library Materials	1,928,674	96,135	34,463	-	1,990,346
Capitalized Collections	7,158,105	66,904	29,702	-	7,195,307
RTU Assets-SBITAs	9,073,737	2,435,121	-	2,591,855	14,100,713
Leased Buildings	447,357	-	-	-	447,357
Leased Vehicles	46,360	187,334	46,360	-	187,334
Total	363,979,847	16,249,471	2,659,200	-	377,570,118
Less Accumulated Depreciation:					
Land Improvements	17,702,242	632,438	-	-	18,334,680
Buildings and Improvements	133,178,028	7,081,235	-	-	140,259,263
Equipment	10,262,458	843,406	481,562	-	10,624,302
Software	1,270,048	4,473	-	-	1,274,521
Library Materials	1,584,244	60,499	34,463	-	1,610,280
Total Accumulated Depreciation	163,997,020	8,622,051	516,025	-	172,103,046
Less Accumulated Amortization:					
RTU Assets-SBITAs	2,135,922	2,414,748	-	-	4,550,670
Leased Buildings	335,518	114,022	-	-	449,540
Leased Vehicles	28,529	44,936	-	-	73,465
Total Accumulated Amortization	2,499,969	2,573,706	-	-	5,073,675
Capital Assets, Net	$ 197,482,858	$ 5,053,714	$ 2,143,175	$ -	$ 200,393,397

NOTE 6 - FORT LEWIS COLLEGE FOUNDATION PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2025 and 2024:

	2025	2024
Land and Buildings	$ 994,400	$ 994,400
Accumulated Depreciation	(345,038)	(327,677)
Total property and equipment, net	$ 649,362	$ 666,723

Property and equipment includes the President's residence, which is the only property held as of June 30, 2025 and 2024.

NOTE 7 - ACCRUED LIABILITIES

At June 30, 2025 and 2024, the types and amounts of accrued liabilities, as presented on the Statements of Net Position, are comprised of:

	2025	2024
Accrued Payroll & Benefits	$ 3,572,872	$ 3,276,959
Accrued Interest Payable	742,494	524,462
Contractor Retainage	172,707	724,323
Other Liabilities	899,988	168,643
Total	$ 5,388,061	$ 4,694,387

NOTE 8 - UNEARNED REVENUE

At June 30, 2025 and 2024, the types and amounts of unearned revenue, as presented on the Statements of Net Position, are comprised of:

	2025	2024
Tuition and Fees	$ 292,747	$ 251,733
Auxiliary Enterprises	429,758	502,404
Grants and Contracts	2,413,189	3,353,217
Total	$ 3,135,694	$ 4,107,354

NOTE 9 - LONG-TERM LIABILITIES

The College's long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Current Portion
Bonds Payable:					
Revenue Bonds	$ 42,292,626	$ 11,820,000	$ (2,722,465)	$ 51,390,161	$ 2,847,724
Bond Premium/(Discount)	2,027,877	589,815	(175,642)	2,442,050	-
Total Bonds Payable	44,320,503	12,409,815	(2,898,107)	53,832,211	2,847,724
Other Liabilities:					
Lease Liabilities	144,092	1,040,177	(228,989)	955,281	219,488
SBITA Component Liabilities	4,704,761	1,390,626	(1,173,333)	4,922,053	1,251,404
Compensated Absences	2,516,203	33,249	(343,106)	2,206,346	358,037
Total Other Liabilities	7,365,056	2,464,051	(1,745,428)	8,083,680	1,828,929
Total Long-Term Liabilities	$ 51,685,559	$ 14,873,867	$ (4,643,534)	$ 61,915,891	$ 4,676,653

The College's long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Current Portion
Bonds Payable:					
Revenue Bonds	$ 44,907,189	$ -	$ (2,614,563)	$ 42,292,626	$ 2,722,735
Bond Premium/(Discount)	2,193,350	-	(165,473)	2,027,877	-
Total Bonds Payable	47,100,539	-	(2,780,036)	44,320,503	2,722,735
Other Liabilities:					
Lease Liabilities	132,454	103,313	(91,674)	144,093	40,779
SBITA Component Liabilities	5,079,466	-	(374,705)	4,704,761	902,144
Compensated Absences	2,334,506	199,842	(18,145)	2,516,203	342,383
Total Other Liabilities	7,546,426	303,155	(484,524)	7,365,057	1,285,306
Total Long-Term Liabilities	$ 54,646,965	$ 303,155	$ (3,264,560)	$ 51,685,560	$ 4,008,041

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Current Portion
Bonds Payable:					
Revenue Bonds	$ 44,907,189	$ -	$ (2,614,563)	$ 42,292,626	$ 2,722,735
Bond Premium/(Discount)	2,193,350	-	(165,473)	2,027,877	-
Total Bonds Payable	47,100,539	-	(2,780,036)	44,320,503	2,722,735
Other Liabilities:					
Lease Liabilities	132,454	103,313	(91,674)	144,093	40,779
SBITA Component Liabilities	5,079,466	-	(374,705)	4,704,761	902,144
Compensated Absences	2,334,506	199,842	(18,145)	2,516,203	342,383
Total Other Liabilities	7,546,426	303,155	(484,524)	7,365,057	1,285,306
Total Long-Term Liabilities	$ 54,646,965	$ 303,155	$ (3,264,560)	$ 51,685,560	$ 4,008,041

NOTE 10 - BONDS PAYABLE

Revenue bond principal and interest are payable solely from net pledged revenues which consist of net revenues derived from the operation of the College's pledged operations, a portion of tuition, and pledged student fees as shown in the Schedules of Pledged Revenues and Expenses for Series 2012, 2016, 2019, 2020, and 2025 Revenue Bonds and Expenses in the Supplemental Information section of this report. Annual debt service payments are made in October and April of each year and are detailed below.

On February 28, 2012, the College issued the Series 2012 Revenue Bonds in the amount of $6,520,000 to finance various energy conservation improvements to the College campus. The 2012 Revenue Bonds bear interest at 3.8%.

On March 29, 2016, the College issued Series 2016A Enterprise Revenue Refunding Bonds to refund the Series 2007A Revenue Bonds as an in-substance defeasance. The face value of the old debt was $10,440,000 and the escrow deposit was $11,250,399. The par amount of the new debt was $10,555,000 with a premium of $792,619. The interest rate of the old debt ranged from 4.00% to 4.75% and the interest rate of the new debt ranges from 2.00% to 5.00%. The sum of the debt service of the old debt was $15,403,619 and the debt service of the new debt is $13,928,969, with a savings of $1,474,650 in cash flows. Present values of the debt service cash flow are $12,412,631 for the old debt versus $11,187,439 for the new debt, resulting in an economic gain of $1,225,192. The term of the new debt is the same as that of the remaining term of the old debt (18 years). Underwriting and other issuance costs were $97,381. Unrefunded debt for the Series 2007A Revenue Bonds amounted to $1,365,000.

On March 29, 2016, the College issued Series 2016B Enterprise Revenue Refunding Bonds to refund the Series 2007B1 Revenue Bonds as an in-substance defeasance. The face value of the old debt was $25,985,000 and the escrow deposit was $28,122,534. The par amount of the new debt was $25,400,000 and the premium was $2,957,037. The interest rate of the old debt ranged from 4.00% to 5.00% and the interest rate of the new debt ranges from 2.00% to 5.00%. The sum of the debt service of the old debt was $43,602,825 and the debt service of the new debt is $39,635,671, with a savings of $3,967,154 in cash flows. Present values of the debt service cash flow are $32,790,232 for the old debt versus $29,329,405 for the new debt, resulting in an economic gain of $3,460,827. The term of the new debt is the same as that of the remaining term of the old debt (23 years). Underwriting and other issuance costs were $234,342. Unrefunded debt for the Series 2007A Revenue Bonds amounted to $3,395,000.

On March 29, 2016, the College issued Series 2016C Drawdown Bond in the amount of $4,060,000 with the Bank of the San Juans for the final phase of the Bader/Snyder Residence Hall renovations. This bond has a fixed interest rate of 2.96% and issuance costs were $60,000.

On April 11, 2019, the College issued the Series 2019A Enterprise Revenue Refunding Bonds to refund the Series 2007A Unrefunded Revenue Bonds as a defeasance. The face value of the old debt was $1,195,000 and the face value of the new debt was $1,197,178. The par amount of the new debt was $1,215,000. The interest rate of the old debt ranged from 4.25% to 5.00% and the interest rate of the new debt is 3.41%. The sum of the debt service of the old debt was $1,637,638 and the debt service of the new debt is $1,527,825, with a savings of $109,813 in cash flows. Present values of the debt service cash flow are $1,280,585 for the old debt versus $1,195,534 for the new debt, resulting in an economic gain of $85,051. The term of the new debt is the same as that of the remaining term of the old debt (14 years). Underwriting and other issuance costs were $17,821.

On April 11, 2019, the College issued the Series 2019B Enterprise Revenue Refunding Bonds to refund the Series 2007B Unrefunded Revenue Bonds as a defeasance. The face value of the old debt was $3,250,000 and the face value of the new debt was $3,305,000. The interest rate of the old debt ranged from 4.25% to 5.00% and the interest rate of the new debt is 3.73%%. The sum of the debt service of the old debt was $4,986,366 and the debt service of the new debt is $4,691,280, with a savings of $295,086 in cash flows. Present values of the debt service cash flow are $3,594,940 for the old debt versus $3,324,466 for the new debt, resulting in an economic gain of $270,474. The term of the new debt is the same as that of the remaining term of the old debt (19 years). Underwriting and other issuance costs were $48,941.

On September 23, 2020 the Board issued its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020A-1 in the aggregate principal amount of $685,000, its Enterprise Refunding Revenue Bonds, Taxable Series 2020A-2 in the aggregate principal amount of $1,150,000, its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020B-1 in the aggregate principal amount of $535,000, and its Enterprise Refunding Revenue Bonds, Taxable Series 2020B-2 in the aggregate principal amount of $2,560,000 to (a) pay and defease certain maturities of the College's outstanding Series 2016A Bonds, Series 2016B bonds, and Series 2016C bonds, as set forth below, (b) refund other interest payable on certain of the remaining outstanding portions of the Series 2016A Bonds and Series 2016B bonds, and (c) to pay certain costs relating to the issuance of the Series 2020 bonds. Interest rates for Series 2020A-1 bonds range from 2 percent to 2.25 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020A-2 bonds range from 1.25 percent to 3 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020B-1 bonds range from 2 percent to 2.75 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2038. Interest rates for Series 2020B-2 bonds range from 1.25 percent to 3.25 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2038.

The face value of the defeased debt was $2,840,000 and the face value of the new debt is $4,930,000. The interest rate of the defeased debt ranged from 2 percent to 4 percent and the interest rate of the new debt ranges from 1.25 percent 3.25 percent. The sum of the debt service of the defeased debt was $4,743,582 and the debt service of the new debt is $6,293,282, with a loss of $1,549,700 in cash flows. Present values of the debt service cash flow resulted in an economic loss of $494,927. The difference between the present values of the old and new debt service requirements resulted in a loss of $1,891,185. Issuance costs were $119,299.

On January 30, 2025, the College issued the Series 2025A Enterprise Revenue Bonds in the amount of $11,820,000 to purchase an apartment complex to increase capacity for student and staff housing. The 2025 Enterprise Revenue Bonds bear interest at 5.0%. The premium on the bond was $589,815. Issuance costs were $401,454.

Total outstanding bonds, including premiums or discounts, are summarized below:

Issue	Date Issued	Amount Issued	2025	2024
2012 Revenue Bonds	2/28/2012	6,520,000	3,545,161	3,917,896
2016A Reveue Refunding Bonds	3/29/2016	10,555,000	5,660,000	6,245,000
2016B Revenue Refunding Bonds	3/29/2016	25,400,000	19,785,000	20,884,730
2016C Revenue Bonds	3/29/2016	4,060,000	3,065,000	3,205,000
2019A Revenue Refunding Bonds	4/11/2019	1,215,000	765,000	850,000
2019B Revenue Refunding Bonds	4/11/2019	3,305,000	2,675,000	2,830,000
2020A-1 Revenue Refunding Bonds	9/23/2020	685,000	535,000	585,000
2020B-1 Revenue Refunding Bonds	9/23/2020	535,000	460,000	485,000
2020A-2 Revenue Refunding Bonds	9/23/2020	1,150,000	895,000	980,000
2020B-2 Revenue Refunding Bonds	9/23/2020	2,560,000	2,185,000	2,310,000
2025 Revenue Bonds	1/30/2025	11,820,000	11,820,000	-
Unamortized Premium/(Discount)		-	2,442,050	2,027,877
Total		$ 67,805,000	$ 53,832,211	$ 44,320,503

Principal and interest requirements on all outstanding bonds at June 30, 2025 are summarized in the table below.

Year Ending June 30,	Principal	Interest	Total
2026	$ 2,847,724	$ 2,131,424	$ 4,979,148
2027	2,979,334	1,914,186	4,893,520
2028	3,332,642	1,776,535	5,109,177
2029	3,507,727	1,626,291	5,134,018
2030	3,664,674	1,478,543	5,143,217
2031-2035	16,578,060	5,376,208	21,954,268
2036-2040	10,210,000	2,689,119	12,899,119
2041-2045	2,105,000	1,744,250	3,849,250
2046-2050	2,710,000	1,145,125	3,855,125
2051-2055	3,455,000	404,212	3,859,212
	$ 51,390,161	$ 20,285,893	$ 71,676,054

NOTE 11 – STATE OF COLORADO CERTIFICATES OF PARTICIPATION

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 and a premium of $47,369,000 and a discount of $526,000. The certificates have interest rates ranging from 1.84% to 5% percent and mature in 2037. Annual lease payments are made by the State and are subject to annual appropriation by the Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.

The 2018 certificates are secured by buildings or equipment acquired with the proceeds and any unexpended lease proceeds. Of the 2018 COP proceeds, $1,543,434 was designated for controlled maintenance projects at the College. These controlled maintenance projects include replacing the boiler and heating system equipment at Whalen Gymnasium as well as replacing the roof at Skyhawk Station (formerly Miller Student Services) along with other improvements to Skyhawk Station. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

On June 2, 2020, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2020A, with a par value of $500,000,000 and a premium of $111,008,605 and a discount of $1,119,011. The certificates have interest rates ranging from 3% to 5% and mature in 2039. Annual lease payments are made by the State and are subject to annual appropriation by the Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.

The 2020A certificates are secured by buildings or equipment acquired with the proceeds and any unexpended lease proceeds. Of the 2020A COP proceeds, $866,335 was designated for the second phase of a controlled maintenance project to replace heating and cooling lines for the northern section of campus. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

On February 24, 2021, the State entered into a lease-purchase agreement under which the trustee Zions Bancorporation issued State of Colorado Higher Education Lease Purchase Financing Program Lease-Purchase Agreement Series 2020 Certificates of Participation with a par value of $64,250,000 and a premium of $16,799,543 and a discount of $190,309. The certificates have interest rates ranging from 4% to 5% and mature in 2041. Annual lease payments are made by the State and are subject to annual appropriation by the Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.

The 2020 certificates are secured by the College's leased properties as follows: Education/Business Hall, Pine Hall, and Skyhawk Hall which have a current replacement value of $25,867,802. Of the 2020 COP proceeds, $26,571,891 was designated for the capital construction of a new Health Science Center building, a 42,000 square-foot space that will house classrooms, labs, offices, and academic support areas. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

NOTE 12 - LEASES

The College implemented GASB 87 effective as of June 30, 2021. The College has two major types of right to use assets that have been capitalized: buildings and vehicles. The lease for Right to Use Assets - Buildings added in fiscal year ended June 30, 2021. Right to Use – Vehicles were added in fiscal year ended June 30, 2022.

The College leases office space from the Main Mall, LLC, at 835 Main Avenue, Durango, CO, capitalized as a Right to Use Assets - Building. The lease is for 5 years, and the term began on July 1, 2025 and ends on June 30, 2029. The term dates and payments are as follows:

Term Dates	Monthly Rent	Term Rent
7/1/24-6/30/25	$ 12,133	$ 145,598
7/1/25-6/30/26	12,433	149,196
7/1/26-6/30/27	12,739	152,684
7/1/27-6/30/28	13,056	156,670
7/1/28-6/30/29	13,379	160,545

The Right to Use Asset – Buildings was valued at $549,199 as of June 30, 2025.

	Balance 6/30/2025
Leased Buildings	$ 686,499
Accumulated Amortization-Leased Buildings	(137,299)
	$ 549,200

The College leases vehicles from Enterprise Fleet Management. The vehicles were capitalized as Right to Use Assets – Vehicles. Terms and payments are as follows:

Vehicle	Term Dates	Monthly Payment
Ford Transit F350	10/30/24-10/29/29	$ 1,353
Ford Transit F350	10/30/24-10/29/29	1,353
Ford Transit F350	10/30/24-10/29/29	1,353
Dodge Durango Pursuit	10/30/24-10/29/29	1,251
Nissan Frontier	10/30/24-10/29/29	860
Ford Explorer	10/30/24-10/29/29	917
John Deere Loader *	03/03/24-03/03/29	30,771
Toyota Tundra	10/30/23-10/29/26	673
Toyota Highlander	10/30/23-10/29/26	712

*Lease payment remitted annually

The two Toyotas were returned to the lessor during fiscal year 2025. The College began leasing vehicles from Enterprise to consolidate leasing from one entity. The College also leases a John Deere loader for a five-year term (* lease payment remitted annually).

The Right to Use Asset – Equipment/Vehicle(s) were valued at $350,917.28 at June 30, 2025.

	Balance 6/30/2025
RTU-Leased Equipment/Vehicles	$ 492,494
Accumulated Amortization-Leased Vehicles	(141,576)
	$ 350,918

The incremental borrowing rate at October 30, 2023 was determined to be 4.87% for three years for the newly leased Toyota Highlander and Tundra. The incremental borrowing rate at March 3, 2023 was determined to be 4.17% for five years for the newly leased John Deere loader. The incremental borrowing rate at July 1, 2024 was determined to be 4.44% for five years for the Main Mall, LLC, lease. The incremental borrowing rate at October 30, 2024 was determined to be 4.14% for five years for the Enterprise lease.

NOTE 13 – Subscription-Based Information Technology Arrangements (SBITA)

The College implemented GASB 96, *Subscription-Based Information Technology Arrangements*, effective as of June 30, 2023. A subscription-based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in exchange or exchange-like transaction. Below is a summary of the contracts that the College capitalized as a SBITA as of June 30, 2025.

Lessor	Lease Commencement/ Adoption Date	Lease Termination Date	Lessee's Incremental Borrowing Rate *	RTU Asset	Accumulated Amortization	RTU Asset, Net
Adobe	8/28/2022	8/27/2025	2.410%	281,642	(273,818)	7,824
Microsoft	7/1/2021	8/31/2023	0.197%	232,917	(232,917)	-
Instructure-Canvas	7/1/2022	6/30/2027	2.372%	312,488	(187,493)	124,995
Technolutions-Slate	7/1/2021	6/30/2024	0.287%	175,209	(175,209)	-
TouchNet	12/31/2021	12/31/2024	0.449%	473,404	(473,404)	-
Workday-Finance/HR	7/1/2022	7/29/2031	2.887%	6,948,933	(2,316,312)	4,632,621
Zoom Annual	7/1/2021	8/1/2024	0.287%	100,372	(100,372)	-
Ellucian-Student	7/1/2021	7/1/2023	0.197%	273,745	(273,745)	-
Ellucian-HR Finance	7/1/2021	7/1/2023	0.197%	275,028	(275,028)	-
CDW-G-Microsoft	8/31/2023	8/31/2026	3.138%	326,061	(208,317)	117,744
Transact Campus	9/1/2023	8/31/2028	3.587%	459,061	(168,322)	290,739
Workday-Student	7/1/2022	7/29/1931	0.000%	4,241,854	(1,590,696)	2,651,158
Technolutions-Slate	7/1/2024	6/30/2029	2.918%	236,220	(47,244)	188,976
Zoom Annual	8/17/2024	9/16/2027	2.439%	123,416	(37,710)	85,706
Hyland-Perceptive Content	10/1/2024	9/30/2027	2.797%	159,360	(39,840)	119,520
Fresh Service	12/31/2024	1/16/2029	3.018%	141,343	(20,613)	120,730
TouchNet	1/1/2025	12/31/2029	2.885%	810,148	(81,015)	729,133
*Source of Rate: State of CO Treasury				15,571,201	(6,502,055)	9,069,146

Maturity Schedules

	Year 1		Year 2		Year 3	
	7/1/2025	6/30/2026	7/1/2026	6/30/2027	7/1/2027	6/30/2028
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Adobe	71,229	286	-	-	-	-
Instructure-Canvas	62,463	1,640	63,945	126	-	-
Workday- Finance/HR	597,538	77,182	614,789	59,475	632,538	41,256
CDW-G-Microsoft	108,652	568	-	-	-	-
Transact Campus	88,523	8,284	91,698	5,052	94,988	1,704
Technolutions-Slate	44,566	4,242	45,867	2,907	47,205	1,532
Zoom Annual	40,178	1,251	41,158	253	186	-
Hyland-Perceptive Content	51,532	2,077	57,066	532	-	-
Fresh Service	33,776	2,642	34,795	1,607	35,845	541
TouchNet	152,946	16,590	157,359	12,125	161,899	7,530
	$ 1,251,403	$ 114,762	$1,106,677	$ 82,077	$ 972,661	$ 52,563

	Year 4		Year 5		Year 6-10	
	7/1/2028	6/30/2029	7/1/2029	6/30/2030	7/1/2030	6/30/2035
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Adobe	-	-	-	-	-	-
Instructure-Canvas	-	-	-	-	-	-
Workday- Finance/HR	650,800	22,511	669,588	3,226	55,773	135
CDW-G-Microsoft	-	-	-	-	-	-
Transact Campus	-	-	-	-	-	-
Technolutions-Slate	48,582	118	-	-	-	-
Zoom Annual	-	-	-	-	-	-
Hyland-Perceptive Content	-	-	-	-	-	-
Fresh Service	-	-	-	-	-	-
TouchNet	166,569	2,804	-	-	-	-
	$ 865,951	$ 25,433	$ 669,588	$ 3,226	$ 55,773	$ 135

NOTE 14 - ENCUMBRANCES

Outstanding purchase commitments not reflected in the financial statements at June 30, 2025 and 2024 are:

	2025	2024
Education and General	$ 826,974	$ 638,593
Auxiliary Enterprises	811,836	645,426
Restricted Funds	3,505,105	392,699
Plant Funds	1,103,948	7,454,999
Total	$ 6,247,863	$ 9,131,717

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Contracts have been entered into for the purpose of planning, constructing, or equipping certain building or land improvements with outstanding amounts totaling $1,103,948 and $7,454,999 as of June 30, 2025 and 2024, respectively. These improvements will be funded by appropriations from the State or internal transfers of funds.

The College receives significant amounts from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed amounts resulting from such audits could become a liability of the College. Management does not believe the ultimate resolution of these matters will have a significant adverse effect on the financial position of the College. The College has internal controls and policies in place to ensure compliance with grant agreements and makes allowable purchases and expenditures in accordance with grant agreements.

NOTE 16 - SCHOLARSHIP ALLOWANCE

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 College 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 College's financial statements. Also included in the scholarship allowance amounts are Native American Tuition Waivers, which are funded through the State. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Tuition, fees, auxiliary revenue, and the related scholarship allowances for the year ended June 30, 2025 and 2024, were as follows:

	Tuition and Fees	Auxiliary Revenue	6/30/2025 Total	6/30/2024 Total
Gross Revenue	$ 53,235,193	$ 22,364,808	$ 75,600,001	$ 73,493,638
Scholarship Allowance:				
Federal	(6,191,542)	(1,395,396)	(7,586,938)	(6,431,893)
State (Includes Native American Tuition Waiver)	(23,333,452)	(395,407)	(23,728,859)	(23,763,999)
Private	(1,590,032)	(358,347)	(1,948,379)	(1,273,848)
Institutional	(7,725,737)	(1,741,159)	(9,466,896)	(9,057,006)
Total Scholarship Allowance	(38,840,763)	(3,890,309)	(42,731,072)	(40,526,746)
Student AR Allowance Adjustment	(383,632)	(712,021)	(1,095,653)	598,242
Net Revenue	$ 14,010,798	$ 17,762,478	$ 31,773,276	$ 33,565,134

NOTE 17 - DEFERRED OUTFLOWS AND INFLOWS

The College's Deferred Outflows and Inflows as of June 30, 2025 and 2024 were as follows:

Deferred Outflows	2025	2024
Accounting Loss on Bond Refunding	$ 2,951,705	$ 3,230,272
Pension Contributions Subsequent to Measurement Date	1,092,030	934,211
Pension Investments	466,010	1,744,679
Employer PERA - Change in Employer Proportion	-	209,276
Pension Experience Gains and Losses	620,943	392,656
OPEB Changes in Assumptions or Other Inputs	4,050	6,663
OPEB Projected vs Actual Investment Earnings	1,197	17,525
OPEB Employer Contributions vs. Employer Proportionate Share	0	8
OPEB Contributions Subsequent to Measurement Date	52,005	44,125
OPEB Change in Employer Proportion	6,078	7,954
Total	$ 5,194,018	$ 6,587,369

Deferred Inflows	2025	2024
Penion Expected vs Actual Experience	$ -	$ 127,553
Pension Changes in Assumptions	164,050	-
Pension Change in Employer Proportion	1,176,006	1,113,484
Pension Employer Contributions vs. Employer Proportionate Share	8,111	3,263
OPEB Expected vs. Actual Experience	77,905	116,141
OPEB Changes in Assumptions or Other Inputs	112,894	60,084
OPEB Change in Employer Proportion	98,169	80,405
OPEB Employer Contributions vs. Employer Proportionate Share	649	527
Total	$ 1,637,783	$ 1,501,457

Additional information on Long-Term Liabilities and Bonds Payable can be found in Notes 9 and 10. Additional information on the Pension and OPEB Deferred Inflows and Outflows can be found in Notes 19 and 20.

NOTE 18 - SPENDING LIMITATIONS

In November 1992, Colorado voters passed Section 20 Article X of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to all local governments and the State of Colorado, including the College. During the year ended June 2004, the Colorado State Legislature determined that in Section 23-5-101.7 of the Colorado Revised Statutes, an institution of higher education may be designated as an enterprise for the purposes of TABOR so long as the institution's governing board retains authority to issue revenue bonds on its behalf and the institution receives less than ten percent of its total annual revenues in grants from all Colorado State and local governments combined. Further, so long as it is so designated as an enterprise, the institution shall not be subject to any of the provisions of TABOR. In February 2005, the Board designated the College as a TABOR enterprise pursuant to the statute and in fiscal year 2006 the College began reporting its activity to the State as an enterprise. Designation is reviewed at the end of each year to determine if the College continues to meet TABOR-exempt criteria.

The table below shows the College's TABOR Enterprise state support calculation for the years ended June 30, 2025 and 2024:

	2025	2024
State Support:		
Capital Appropriations/Contributions	$ 1,797,060	$ 1,404,046
State/Local Grants (non-financial aid)	423,366	1,853,218
Institutional Share of COP Debt Payments	1,957,091	1,957,092
Institutional Share of PERA Direct Distribution	167,184	38,557.00
Total State Support	$ 4,344,701	$ 5,252,913
Total Revenues (gross operating, nonoperating, and other revenues)	$ 111,039,811	$ 114,903,154
Ratio of State Support to Total Revenues	3.91%	4.57%

The Colorado State Legislature establishes spending authority to the College in its annual Long Appropriations Bill. The Long Bill appropriated funds include an amount from the State of Colorado's College Opportunity Fund and Fee for Service. The Native American Tuition Waiver is not included in these amounts.

For the years ended June 30, 2025 and 2024, appropriated expenses were within the authorized spending authority. For the year ended June 30, 2025, the College had a total long bill appropriation of $23,188,891. For the year ended June 30, 2024, the College had a total long bill appropriation of $19,069,629. All other revenues and expenses reported by the College represent non-appropriated funds and are excluded from the annual appropriations bill. Non-appropriated funds include tuition and fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues, and other revenue sources. These appropriations are not considered in the State support calculation for TABOR purposes.

NOTE 19 - EMPLOYMENT BENEFITS

Employees of the College participate in one of three retirement plans. Eligible student employees participate in a student retirement plan that is funded solely by contributions from the student employees. All other eligible employees of the College participate in either the Public Employees' Retirement Association of Colorado (PERA) plan or other defined contribution plans.

The College's total payroll for the fiscal years ended June 30, 2025 and 2024 was $46,390,741 and $46,221,132, respectively. The total payroll for employees covered by the PERA plan, the optional defined contribution plan, and the student retirement plan was $10,433,071, $31,139,688, and $968,110 respectively for June 30, 2025 and $9,414,960, $29,899,307, and $624,084 for June 30, 2024. The remaining employees were not eligible for participation in any of the College's plans.

<u>Defined Benefit Pension Plan</u>

Summary of Significant Accounting Policies

Pensions. The College 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. 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 Fort Lewis College 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/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024. 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.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement 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. For Safety Officers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. 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 as of June 30, 2025: Eligible employees of Fort Lewis College 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, 2024, through June 30, 2025 are summarized in the following table:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee contribution (all employees other than Safety Officers)	11.00%	11.00%
Safety Officers	13.00%	13.00%

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

The employer contribution requirements for all employees other than Safety Officers are summarized in the following table:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employer contribution rate	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%)
Amount apportioned to the SDTF	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.21%	0.23%
Total employer contribution rate to the SDTF	**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).

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

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employer contribution rate	14.10%	14.10%
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%)
Amount apportioned to the SDTF	13.08%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.21%	0.23%
Total employer contribution rate to the SDTF	**23.29%**	**23.31%**

**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 College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the College were $2,238,308 and $1,895,661for 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.

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 the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Fort Lewis College proportion of the net pension liability was based on Fort Lewis College contributions to the SDTF for the calendar year 2024 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, Fort Lewis College reported a liability of $21,156,469 for its proportionate share of the net pension liability. At December 31, 2024, the Fort Lewis College proportion was 0.2224795634%, which was a decrease of 0.015049055% from its proportion measured as of December 31, 2023.

At June 30, 2024, the College reported a liability of $24,021,490 for its proportionate share of the net pension liability. At December 31, 2023, the Fort Lewis College proportion was 0.2375286184%, which was a decrease of 0.00019636% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2025, and 2024, the College recognized pension expense of $578,993 and $574,496. At June 30, 2025, and 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Fiscal Year 2025		Fiscal Year 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$620,943	-	$392,656	$127,553
Changes of assumptions or other inputs	-	164,050	-	-
Net difference between projected and actual earnings on pension plan investments	466,010	-	1,744,679	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	1,184,117	209,276	1,116,747
Contributions subsequent to the measurement date	1,092,030	-	934,211	-
Total	$2,178,983	$1,348,167	$3,280,822	$1,244,300

$1,092,030 and $934,211 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date for fiscal year 2025 and 2024, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2026	($153,400)
2027	913,223
2028	(732,423)
2029	(288,614)
2030	-
Thereafter	-

Actuarial assumptions. The December 31, 2023, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than Safety Officers	3.30%-10.90%
Safety Officers	3.20%-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

[1] Post-retirement 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.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuations were based on 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%
Safety Officers	3.20%-16.30%

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%.

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
Safety Officers	PubS-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
Safety Officers	PubS-2010 Healthy Retiree	N/A

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
Safety Officers	PubS-2010 Disabled Retiree	N/A

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 PERA 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:

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%**	

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%. 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:

- 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, 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.

Based on the above assumptions and methods, the SDTF's FNP 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 TPL. 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 Fort Lewis College 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability – 2025	$28,189,484	$21,156,469	$15,232,130
Proportionate share of the net pension liability – 2024	$31,396,065	$24,021,490	$17,820,478

Pension plan fiduciary net position. Detailed information about the SDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the College that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code 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 on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The College does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings. For the years ended June 30, 2025 and 2024, program members contributed $101,728 and $91,257. The College does not contribute to the PERAPlus 401(k) Plan.

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 Internal Revenue Code 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 DC Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy – All participating employees in the PERA DC Plan and the College 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 July 1, 2024, through June 30, 2025 are summarized in the tables below:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee Contribution Rates:		
All employees other than Safety Officers	11.00%	11.00%
Safety Officers	13.00%	13.00%
Employer Contribution Rates:		
On behalf of all employees other than Safety Officers	10.15%	10.15%
Safety Officers	12.85%	12.85%

**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, SAED, and other statutory amounts, as follows:

	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	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413	1.00%	1.00%
Additional statutory contribution as specified in C.R.S. § 24-51-401 and § 24-51-1505	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.21%	0.23%
Total employer contribution rate to the SDTF	**11.46%**	**11.48%**

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

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. As of June 30, 2025, participating employees in the PERA DC Plan contributed $1,015,986 and the College recognized pension expense and a liability of $578,993 and $21,156,469, respectively, for the PERA DC Plan. As of June 30, 2024 participating employees in the PERA DC Plan contributed $942,567 and the College recognized pension expense and a liability of $574,496 and $24,021,490, respectively, for the PERA DC Plan.

Non-PERA Defined Contribution Plan

Certain full-time faculty and professional staff of the College are required to participate in a defined contribution plan as an alternative to PERA. Two vendor choices are offered through the defined contribution plan: Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Company (VALIC). The College's aggregate contribution to the above two vendors was equal to 11.4% percent of covered payroll or $3,549,924 for the fiscal year ended June 30, 2025, and $3,408,521 for the fiscal year ended June 30, 2024. The employee aggregate contribution to the above two vendors was equal to 8.0 percent of covered payroll or $2,491,175 for the fiscal year ended June 30, 2025, and $2,391,945 for the fiscal year ended June 30, 2024.

Student Employee Retirement Program

Eligible student employees contribute 7.5% of covered payroll to the student retirement program. All contributions are invested with one vendor, Teachers Insurance Annuity Association – College Retirement Equities Fund (TIAA-CREF). The contributions by student employees for the fiscal years ended June 30, 2025 and 2024 were $72,608 and $46,806, respectively. The College is not liable for any matching contributions to the student retirement program.

Health Insurance Programs

The College's contributions to the various health insurance programs for the fiscal years ended June 30, 2025 and 2024 were $6,683,912 and $6,259,089, respectively.

NOTE 20 - OTHER POSTEMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

OPEB. The College 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.

General Information about the OPEB Plan

Plan description. Eligible employees of the College 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/forms-resources/financial-reports-and-studies.

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.

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 College is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the College were $98,808 and $88,096 for the years ended June 30, 2025 and 2024.

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

At June 30, 2025 and 2024, the College reported a liability of $353,179 and $566,650, 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 the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The College proportion of the net OPEB liability was based on College contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the College proportion was 0.0738610346%, which was a decrease of - 0.0055321641% from its proportion measured as of December 31, 2023.

At December 31, 2023, the College proportion was 0.0793931987%, which was a decrease of 0.000056704881% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2025 and 2024, the College recognized OPEB expense of ($168,066) and ($146,997) respectively. At June 30, 2025 and 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Fiscal Year 2025		Fiscal Year 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 77,905	$ -	$ 116,141
Changes of assumptions or other inputs	4,050	112,894	6,663	60,084
Net difference between projected and actual earnings on OPEB plan investments	1,197	-	17,525	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,078	98,818	7,962	80,932
Contributions subsequent to the measurement date	52,005		44,125	
Total	$ 63,330	$ 289,617	$ 76,275	$ 257,157

$52,005 and $44,125 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date for the years ended June 30, 2025 and 2024, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	($77,790)
2027	(52,309)
2028	(59,530)
2029	(43,283)
2030	(30,810)
2031	(14,568)
Thereafter	-

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age			
Price inflation	2.30%			
Real wage growth	0.70%			
Wage inflation	3.00%			
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%			
Discount rate	7.25%			
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% 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			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

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. As of the December 31, 2023, actuarial valuation, costs are based on 2024 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 were 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.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	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	
	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

Sample Age	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	
	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

The 2024 Medicare Part A premium is \$505 per month.

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

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.

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 following table:

Year	PERACare Medicare Plans[1]	MAPD PPO #21	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%

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median 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**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older

Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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 December 31, 2023, 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 were updated to reflect costs for the 2024 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 actuarial assumptions used in the December 31, 2023, 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.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

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.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median 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
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

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
Safety Officers	PubS-2010 Disabled Retiree	N/A

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.

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 PERA Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the PERA 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:

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%**	

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%.

Sensitivity of the Fort Lewis College proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following table 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$343,664	$353,179	$363,948

[1]For the January 1, 2025, plan year.

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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 December 31, 2024, 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.
- 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.
- 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 did 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 Fort Lewis College proportionate share of the net OPEB liability to changes in the discount rate. The following table 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 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability - 2025	$432,826	$353,179	$284,513
Proportionate share of the net OPEB liability - 2024	$669,285	$566,650	$478,846

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/forms-resources/financial-reports-and-studies.

NOTE 21 - RISK FINANCING AND INSURANCE-RELATED ACTIVITIES

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

Coverage	Company	Limit ($)	Deductible ($)
Property	Philadelphia Insurance Co.	Blanket limit	25,000
Property	Philadelphia Insurance Co.	23,877,015	25,000
Inland Marine	Hanover Group	17,543,678	1,000
Crime	Hanover Group	1,000,000	10,000
General Liability	Philadelphia Insurance Co.	2,000,000	-
Sexual Misconduct or Molestation	Philadelphia Insurance Co.	10,000,000	-
School Educators Legal Liability	Philadelphia Insurance Co.	11,000,000	25,000
Employee Benefits Liability	Philadelphia Insurance Co.	10,000,000	1,000
Law Enforcement Pro Liability	Philadelphia Insurance Co.	1,000,000	25,000
Employment Practices Liability	Philadelphia Insurance Co.	1,000,000	25,000
Fine Arts	Philadelphia Insurance Co.	-	2,500
Commercial Auto	Philadelphia Insurance Co.	1,000,000	1,000
Rafting	Markel Insurance	2,000,000	-
Workers' Compensation	Pinnacol Assurance	500,000	5,000
Multi-States Workers' Compensation	Zurich	500,000	5,000
Tenant Liability	Philadelphia Insurance Co.	2,000,000	-
Foreign General Liability	AIG	6,000,000	500
Cyber Security	Houston Casualty	1,000,000	25,000
Flood	Philadelphia Insurance Co.	5,000,000	25,000
Earthquake	Philadelphia Insurance Co.	5,000,000	25,000

The College is fully insured for worker’s compensation. The College is insured for everything above its deductible. The coverage for buildings, computers, equipment, and personal property was revised to a blanket limit coverage for property values of approximately $674 million. There have been no significant settlements exceeding coverages.

Buildings and personal property coverage is included in the coverage for property. The inland marine policy includes coverage for Fine Arts, computer, scheduled equipment, equipment at Old Fort, leased, rented, and miscellaneous equipment. Data breach coverage is included with cyber security coverage.

Required Supplementary Information

Pensions and Other Post Employment Benefits

These schedules are presented to illustrate the requirements to show information for ten years. However, until a full 10-year trend is compiled, the College will present information for those years for which information is available.

FORT LEWIS COLLEGE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COLORADO PERA PENSION PLAN
For the Fiscal Years Ended June 30, *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion of the net pension liability	0.2224795634%	0.2375286184%	0.2571646493%	0.2478471152%	0.2487401832%	0.2535170882%	0.2583978495%	0.27443561%	0.29202833%	0.31475950%
College's proportionate share of the net pension liability	$ 21,156,469	$ 24,021,490	$ 27,960,422	$ 18,278,821	$ 23,592,491	$ 24,600,801	$ 29,402,246	$ 54,936,471	$ 53,640,145	$ 33,147,427
College's covered payroll	9,679,041	9,473,103	$ 9,202,406	$ 8,395,100	$ 8,298,745	$ 8,040,433	$ 7,839,644	$ 8,052,222	$ 8,352,504	$ 8,716,807
College's proportionate share of the net pension liability as a percentage of its covered payroll	219%	254%	304%	218%	284%	306%	375%	682%	642%	395%
Plan fiduciary net position as a percentage of the total pension liability	67.4%	64.4%	60.6%	73.0%	65.3%	62.2%	55.1%	76.1%	42.6%	56.1%
PERA State Division Total Pension Liability (thousands)	$ 29,205,940	$ 28,382,741	$ 27,616,860	$ 27,360,605	$ 27,364,740	$ 25,696,667	$ 25,345,094	$ 20,017,982	$ 31,994,311	$ 23,991,569
PERA State Division Fiduciary Net Position (thousands)	$ 19,696,541	$ 18,269,648	$ 16,744,284	$ 19,985,566	$ 17,879,947	$ 15,992,863	$ 13,966,421	$ 15,233,702	$ 13,626,180	$ 13,460,536
PERA State Division Net Pension Liability (thousands)	$ 9,509,399	$ 10,113,093	$ 10,872,576	$ 7,375,039	$ 9,484,793	$ 9,703,804	$ 11,378,673	$ 4,784,280	$ 18,368,131	$ 10,531,033

FORT LEWIS COLLEGE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF COLLEGE'S CONTRIBUTIONS
TO THE PERA PENSION PLAN
For the Fiscal Years Ended June 30, *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,238,308	$ 1,895,661	$ 2,400,740	$ 1,705,350	$ 1,544,945	$ 1,661,255	$ 1,676,192	$ 1,522,138	$ 1,540,109	$ 1,490,576
Contributions in relation to the contractually required contribution	2,238,308	1,895,661	2,400,740	1,705,350	1,544,945	1,661,255	1,676,192	1,522,138	1,540,109	1,490,576
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 10,433,071	$ 9,414,960	$ 9,559,155	$ 8,760,788	$ 7,916,344	$ 8,572,008	$ 7,701,933	$ 7,956,811	$ 8,378,468	$ 8,384,596
Contributions as a percentage of covered payroll	21.45%	20.13%	25.11%	19.47%	19.52%	19.38%	21.76%	19.13%	18.38%	17.78%

FORT LEWIS COLLEGE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE COLLEGE'S PROPORTIONATE
SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY
For the Fiscal Years Ended June 30, *

	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability	0.0738610346%	0.0793931987%	0.0850636868%	0.0840438072%	0.0865953152%	0.0879703920%	0.0910488941%	0.0989885924%	0.1051789869%
College's proportionate share of the net OPEB liability	353,179	566,650	$ 694,527	$ 724,714	$ 822,850	$ 988,786	$ 1,238,758	$ 1,286,456	$ 1,363,681
College's covered payroll	$ 8,914,491	$ 8,773,327	$ 8,631,966	$ 8,044,537	$ 8,019,156	$ 7,939,902	$ 7,700,623	$ 8,036,356	$ 8,304,929
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	4%	6%	8%	9%	10%	12%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%
PERA Health Care Trust Fund Total OPEB Liability (thousands)	$ 1,190,476	$ 1,325,637	$ 1,329,183	$ 1,423,054	$ 1,413,526	$ 1,488,508	$ 1,639,734	$ 1,575,822	$ 1,556,762
Health Care Trust Fund Fiduciary Net Position (thousands)	$ 712,309	$ 611,911	$ 512,704	$ 560,749	$ 463,301	$ 364,510	$ 279,192	$ 276,222	$ 260,228
PERA Health Care Trust Fund Net OPEB Liability (thousands)	$ 478,167	$ 713,726	$ 816,479	$ 862,305	$ 950,225	$ 1,123,998	$ 1,360,542	$ 1,299,600	$ 1,296,534

FORT LEWIS COLLEGE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF COLLEGE'S CONTRIBUTIONS
TO THE PERA HEALTHCARE TRUST FUND
For the Fiscal Years Ended June 30, *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 98,808	$ 88,096	$ 90,588	$ 84,961	$ 77,567	$ 86,120	$ 77,472	$ 80,293	$ 86,399	$ 85,609
Contributions in relation to the contractually required contribution	98,808	88,096	90,588	84,961	77,567	86,120	77,472	80,293	86,399	85,609
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 9,687,049	$ 8,636,867	$ 8,881,193	$ 8,329,510	$ 7,604,627	$ 8,443,137	$ 7,595,246	$ 7,871,863	$ 8,470,490	$ 8,393,039
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1 – NET PENSION LIABILITY

Changes in benefit terms and actuarial assumptions are as follows for the measurement periods ended December 31:

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

- 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.

Changes in assumptions or other inputs effective for the December 31, 2023 measurement period are as follows:

- Senate Bill 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill 20-1379, but not fully repaid through the provisions within House Bill 22-1029. Pursuant to Senate Bill 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in Section 24-51-116 C.R.S., plus $10,000 from the General Fund, totaling $14,561.
- 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 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 receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Changes in assumptions or other inputs effective for the December 31, 2022 measurement period are as follows:

- 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.

Changes in assumptions or other inputs effective for the December 31, 2021 measurement period are as follows:

- 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.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- 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.
- 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.

Changes in assumptions or other inputs effective for the December 31, 2019 measurement period are as follows:

- 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.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- 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.
  - Annual increase cap is lowered from 2.00 percent per year to 1.50 percent per year.
  - Initial annual increases in 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.

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- 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.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- 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.
- 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.

Changes in assumptions or other inputs effective for the December 31, 2015 measurement period are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer matches 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.

NOTE 2 – OTHER POST-EMPLOYMENT BENEFITS LIABILITY

Changes in plan provisions affecting trends in actuarial information effective for the December 31, 2024 measurement period are as follows:

- 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.

Changes in benefit terms and actuarial assumptions are as follows for the measurement periods ended December 31:

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

- 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.

There were no changes made to actuarial methods or assumptions for the December 31, 2023 measurement period.

Changes in assumptions or other inputs effective for the December 31, 2022 measurement period are as follows:

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

There were no changes made to actuarial methods or assumptions for the December 31, 2021 measurement period.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- 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.

- 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.

There were no changes made to actuarial methods or assumptions for the December 31, 2019 measurement period.

There were no changes made to actuarial methods or assumptions for the December 31, 2018 measurement period.

There were no changes made to actuarial methods or assumptions for the December 31, 2017 measurement period.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- 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.

- 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.

Changes in assumptions or other inputs effective for the December 31, 2015 measurement period are as follows:

- Methodology changes included rates of morbidity and the timing of the normal cost and unfunded actuarial accrued liability payment calculations.
- Changes to actuarial assumptions included PERACare enrollee percentages, initial per capita health care costs, and health care cost trend rates for Medicare Part A premiums.

Changes in assumptions or other inputs effective for the December 31, 2014 measurement period are as follows:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are not expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2015 plan year.

Supplemental Information

FORT LEWIS COLLEGE

Auxiliary Facilities System - Enterprise Revenue Bonds
Schedule of Revenues and Expenses
For Year Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Residence Halls and Apartments	$ 11,078,273	$ 10,895,972
Campus Food Service	6,671,255	6,640,436
Bookstore	66,259	43,453
Student Union	1,905,719	1,973,901
Campus Parking	487,291	435,477
Child Development Center	234,379	262,730
Central Services	241,865	431,371
Recreation Center	1,668,371	1,544,419
Student Activities	635,212	659,498
Conferences & Summer Programs	250,117	253,467
Health and Counseling Center	1,523,493	1,044,537
100% Student Tuition	12,949,254	12,452,128
Scholarship Allowance	(6,708,762)	(5,689,851)
Indirect Cost Recovery	858,742	953,338
Total Revenues	31,861,468	31,900,876
OPERATING EXPENDITURES		
Residence Halls and Apartments	6,695,784	6,149,231
Campus Food Service	5,047,282	5,095,682
Student Union	1,289,036	1,167,078
Campus Parking	184,441	179,573
Child Development Center	353,351	316,070
Central Services	1,275,617	1,382,058
Recreation Center	2,075,469	1,948,425
Student Activities	686,811	755,789
Conferences & Summer Programs	120,714	149,438
Health and Counseling Center	1,455,995	1,767,846
Total Operating Expenditures	19,184,500	18,911,190
Net Revenue before Transfers	12,676,968	12,989,686
TRANSFERS		
Mandatory transfers	4,862,416	3,984,298
Net Non-mandatory Transfers	2,881,886	3,564,962
Total Transfers	7,744,302	7,549,260
Increase (Decrease) in fund balance	$ 4,932,666	$ 5,440,426
Net operating revenue	$ 12,676,968	$ 12,989,686
Bond Principal and Interest	4,283,611	4,270,801
Excess of net operating revenues over debt service	$ 8,393,357	$ 8,718,885
Debt service coverage ratio	296%	304%

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Legislative Audit Committee
and Fort Lewis College Board of Trustees

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Fort Lewis College (the College), 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 College's basic financial statements, and have issued our report thereon dated December 12, 2025. Our report includes a reference to other auditors who audited the financial statements of Fort Lewis College Foundation, discretely presented component unit of the College, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that were reported on separately by those auditors. The financial statements of the discretely presented component units, Fort Lewis College Foundation, were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the 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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

Internal Control over Financial Reporting (Continued)
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. We identified certain deficiencies in internal control, described in the accompanying Auditor's Findings and Recommendations section as items 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the College'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*.

College's Response to the Recommendation
Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the finding identified in our audit and described in the findings and recommendation section of this report. The College'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.

Hinkle & Company, pc

Englewood, Colorado
December 12, 2025

Legislative Audit Committee Communications

HINKLE & COMPANY PC
Strategic Business Advisors

Legislative Audit Committee Communications

The Members of the Legislative Audit Committee
Fort Lewis College Board of Trustees

We have audited the financial statements of the business-type activities of Fort Lewis College (the College), an institution of higher education of the State of Colorado, for the year ended June 30, 2025, and have issued our report thereon dated December 12, 2025. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the Fort Lewis College Foundation (the Foundation), a discretely presented component units of the College, and the Foundation's financial statements were not audited in accordance with Government Auditing Standards. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated May 5, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

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The most sensitive estimates affecting the College's financial statements were:

- Management's estimate of the net pension liability is based on the estimate of the College's proportionate share of the net pension liability as of December 31, 2024 and 2023 of the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA), as described in Note 19 to the College's financial statements. The College's proportion of the SDTF's net pension liability was based on the College's contributions to the SDTF for the calendar years ending December 31, 2024 and 2023 relative to the total contributions made to the SDTF by participating employers for the calendar years ending December 31, 2024 and 2023.
- Management's estimate of the net Other Post-Employment Benefits (OPEB) liability is based on the estimate of the College's proportionate share of the net OPEB liability as of December 31, 2024 and 2023 of the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA, as described in Note 20 to the College's financial statements. The College's proportion of the HCTF's net OPEB liability was based on the College's contributions to the HCTF for the calendar years ending December 31, 2024 and 2023 relative to the total contributions made to the HCTF by participating employers for the calendar years ending December 31, 2024 and 2023.
- Management's estimate of the collectability of student accounts receivable and student loans is based on historical analysis. We evaluated the key factors and assumptions used to develop the allowance for bad debts in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of depreciation expense is based on their evaluation of the useful lives of property and equipment. We evaluated the key factors and assumptions used to determine the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no proposed adjustments not made due to their materiality.

Corrected Misstatements
In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were two corrected adjustments identified as a result of our audit procedures.

1. Correction of accrued interest of the 2025 Bond issuance as of June 30, 2025.
2. Adjustment to expense bond issuance costs on the 2025 Bond issuance.

The full adjustments are shown on the attached schedule of corrected misstatements.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 12, 2025.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters
We applied certain limited procedures to the management's discussion and analysis, the Schedules of the College's Proportionate Share of the Net Pension Liability Colorado PERA Pension Plan, the Schedules of College Contributions to the PERA Pension Plan, the Schedule of the College's Proportionate Share of the Net Other Post-Employment Benefit Liability and the Schedule of College Contributions to the PERA Healthcare Trust Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Enterprise Revenue Bonds Schedules of Revenues and Expenditures which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use
This information is intended solely for the use of the Legislative Audit Committee, Office of the State Auditor of the State of Colorado, Board of Trustees, and management of the College and is not intended to be, and should not be, used by anyone other than these specified parties. However, the report is a matter of public record upon release by the Legislative Audit Committee.

Hinkle & Company, PC

Englewood, Colorado
December 12, 2025

Fort Lewis College
Schedule of Corrected Misstatements
For the Year Ended June 30, 2025

Account	Description	Debit	Credit
AJE #101	To adjust accrued interest on 2025 Bond Issuance at June 30, 2025		
6720	Bond/Note/Certificate of Participation Interest	243,097	
2420	Accrued Interest Payable		243,097
		243,097	243,097
AJE #102	To record Bond Issuance Costs as expense and to eliminate the related amortization recorded.		
6730	Cost of Issuance - Governmental Funds	401,454	
2801	Capital Unamortized Premium/Discount - Noncurrent		401,454
2801	Capital Unamortized Premium/Discount - Noncurrent	6,922	
3000	Bond/Note/Certificates of Participation Premium Amortization		6,922
		408,376	408,376
	Total effect on Ending Net Position - Debit (Credit)	$ -	
	Total effect on Change in Net Position - Debit (Credit)	$ 637,629	