Colorado School of Mines
Financial Statements and Independent Auditor's Reports

Financial Audit
Years Ended June 30, 2024 and 2023

Compliance Audit
Year Ended June 30, 2024

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REPORT NUMBER 2403F

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

We have completed the financial statement audit of the Colorado School of Mines as of and for the year ended June 30, 2024. 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 Audited Standards*, issued by the Comptroller General of the United States.

We are 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. We also conducted the testing on the University's state funded student financial aid program, as required by Section 23-3.3-102(8), C.R.S. The reports which have been issued as a result of this engagement are set forth in the table of contents which follows.

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024

TABLE OF CONTENTS

Colorado School of Mines

Report Summary

Year Ended June 30, 2024

Purpose and Scope

The Office of the State Auditor of the State of Colorado engaged CliftonLarsonAllen, LLP to conduct a financial and compliance audit of the Colorado School of Mines (the University) for the year ended June 30, 2024. CliftonLarsonAllen 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. We conducted the related fieldwork from June 2024 to December 2024.

The purpose and scope of our audit were to:

- Express opinions on the financial statements of the University as of and for the years ended June 30, 2024 and 2023. 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.
- Issue a report on the University's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters based on our audits of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2024.
- Perform a financial and compliance audit of the Statement of Appropriations, Expenditures, Transfers, and Reversions of the University's State-Funded Student Financial Assistance Programs, including a review of the related internal control structure as required by generally accepted auditing standards and Government Auditing Standards for fiscal year 2024.
- Evaluate progress in implementing prior audit findings and recommendations.

The University'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, 2024 Statewide Single Audit Report issued under separate cover.

Audit Opinions and Reports

We expressed unmodified opinions on the University's financial statements as of and for the years ended June 30, 2024 and 2023.

We issued a report on the University'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 no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted one instance of internal control over financial reporting during our audit procedures that we consider to be a significant deficiency.

Colorado School of Mines
Report Summary
Year Ended June 30, 2024

Audit Adjustments

No reportable matters.

Summary of Audit Findings and Recommendations

There was one finding and recommendation that related to internal control over financial reporting for the year ended June 30, 2024.

Summary of Progress in Implementing Prior Year Audit Recommendations

A summary of the findings and recommendations reported for the year ended June 30, 2023 is included on page 4.

Auditor's Communication to Legislative Audit Committee

The auditor's communication to the Legislative Audit Committee describes the auditor's responsibility under auditing standards generally accepted in the United States of America and significant management judgments and estimates. This communication is located on page 100.

Colorado School of Mines

Recommendation Locator

Year Ended June 30, 2024

Recommendation Locator	Page Number	Recommendation Summary	University Response	Implementation Date
1	6	The Colorado School of Mines (the University) should ensure that it has adequate internal controls over its accounting for capital asset expenditures to ensure that such activity is recorded in accordance with generally accepted accounting principles and the University's accounting policies, and that the controls are being followed consistently so that in the event of staff turnover, the controls will continue to operate as designed. Specifically, University staff should follow the University's accounting policies that require a documented formal review and approval of capital asset expenditures to ensure they are properly recorded; this review should be performed periodically throughout the year and during each of the University's fiscal year-end close periods with evidence of the review documented contemporaneously and maintained.	Agree	January 2025

Colorado School of Mines

Disposition of Prior Audit Recommendations

Year Ended June 30, 2024

Recommendation Locator	Fiscal Year 2023 Recommendation Summary	Status
1	Colorado School of Mines should ensure it has adequate internal controls over the preparation of its financial statements to ensure they are drafted completely and accurately before they are provided to external parties. This should include taking steps to incorporate check figures throughout the financial statements and footnotes to ensure that information agrees throughout the document and implementing a process whereby at least one individual is responsible for preparing the financial statements and another individual is responsible for review of the entire financial statement package. Evidence of such review should be documented and maintained.	Implemented

DESCRIPTION OF THE COLORADO SCHOOL OF MINES (UNAUDITED)
YEAR ENDED JUNE 30, 2024

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

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

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

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

Fiscal Year	Resident	Nonresident	Total
2024	4,044	3,085	7,129
2023	3,960	2,986	6,946
2022	3,884	2,991	6,875

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

Fiscal Year	Faculty	Staff	Total
2024	586	864	1,450
2023	547	782	1,329
2022	535	722	1,257

Internal Controls Over Financial Reporting

Finding 2024-001
Capital Asset Expenditures

The University's accounting department is responsible for its financial reporting, including the accurate recording of capital assets and expenditures in the University's accounting system, Workday. The University must prepare financial information in accordance with generally accepted accounting principles (GAAP), the University's accounting policies, and the Office of the State Controller's (OSC) Fiscal Procedures Manual (Manual). The Governmental Accounting Standards Board (GASB) establishes GAAP for state and local government entities through the issuance of GASB statements and authoritative guidance. The University's financial reporting must comply with GAAP, as required by state statute [Section 24-30-204(1), C.R.S.].

The University's capital assets consist of land and land improvements, works of art, buildings and improvements, software, equipment, library materials, right to use, construction in progress, and intangible assets. Intangible assets are those that lack physical substance, such as software. Other than land, all capital assets are depreciated using the straight-line method over the estimated useful life of each asset.

The University uses the Fixed Asset Module within Workday to track its capital assets. As new assets are acquired, University staff will enter information about the cost, type of capital asset, and useful life into Workday. According to the University's accounting policies, capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation, if acquired by gift. 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. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. For renovations and improvements, the capitalization policy includes items with a value of $50,000 or more. Routine repairs and maintenance are charged to operating expenses, as required by GASB. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

The University's accounting policies require accounting staff to perform a reconciliation of capital assets monthly, as well as at fiscal year-end to ensure that the capital asset balances and depreciation are recorded correctly in the accounting system. In addition, the University policy requires staff to meet quarterly with the construction accounting team to review invoices for reasonableness and accuracy of the financial reporting of the activity.

As of June 30, 2024, the University had capital assets, net of depreciation and amortization, totaling approximately $704.4 million, including $145.7 million of capital asset additions that were made during the fiscal year. The University recorded $25.5 million in depreciation expense related to capital assets for Fiscal Year 2024.

What was the purpose of our audit work and what work was performed?
The purpose of the audit work was to determine the adequacy and effectiveness of the University's internal controls over capital assets and the recording of capital asset-related expenditures. This included determining whether capital asset expenditures were properly capitalized or expensed in accordance with generally accepted accounting principles and the University's accounting policies.

Our testwork included a review of the University's processes to ensure capital assets are properly recorded, which included analyzing capital asset-related expense groupings for individually significant variances that did not meet our audit expectation. We also discussed identified variances with management and obtained and reviewed supporting documentation to corroborate management's explanations. This also included reviewing transactions the University recorded as an expense rather than as a capital asset, in order to determine whether the transactions met GASB's requirements. In addition, we reviewed seven construction-related invoices, totaling $125.5 million (or 86 percent), of the University's Fiscal Year 2024 capital asset additions, to test the accuracy and existence of such additions.

How were the results of the audit work measured?

We measured the results against the following:

State Fiscal Rule 1-2, Rule 3.5, requires that institutions of higher education shall "implement internal accounting and administrative controls that reasonably ensure that financial transactions are accurate, reliable, conform to the Fiscal Rules, and reflect the underlying realities of the accounting transaction (substance rather than form)." In addition, the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government (Green Book), which has been established by the OSC as the internal control framework to be used by state agencies and institutions of higher education, notes that management is responsible for designing, implementing, and maintaining effective internal controls over financial reporting. As such, management of the University is responsible for the proper treatment and recording of capital asset expenditures and designing and maintaining internal controls to ensure the same.

The OSC's Manual requires all State departments and institutions of higher education to maintain a detailed record of all capital assets (Chapter 4, Section 2.2). In addition, they are required to review all capital construction projects to identify projects completed and closed during the year (Chapter 4, Section 1.9). The intent of this review is to ensure that all costs of the closed project(s) meeting the capitalization criteria are recorded in a fixed asset account. This includes the reclassification of amounts previously recorded in construction in progress and current year expenditures recorded in various expenditure accounts.

The dollar amount of the purchase and the estimated useful life of the asset are the primary criteria the State uses to determine what assets should be capitalized. The Manual provides dollar thresholds that departments and institutions of higher education should use in order to determine if a particular asset should be capitalized (Chapter 4, Section 2.4). Purchases of assets that meet the dollar thresholds outlined in the Manual and have an estimated useful life of more than one year should be capitalized. The University's capitalization thresholds meet the Manual's requirements.

What problems did the audit work identify?

During our review of the University's Fiscal Year 2024 capital asset-related expenses, we identified approximately $12.1 million of capital asset expenditures that should have been capitalized as assets as of fiscal year-end. These errors were primarily related to construction-related invoices received near fiscal year-end for projects that were in-process during Fiscal Year 2024. These errors resulted in capital assets being understated by $12.1 million and expenditures being overstated by $12.1 million on the University's Fiscal Year 2024 financial statements. The Department passed on recording an adjustment to correct the error because they determined it was immaterial to the University's financial statements.

Why did these problems occur?
The University did not have sufficient internal control processes in place during Fiscal Year 2024 to ensure that all of the University's capital asset expenditures were properly capitalized at year-end. The University's accounting policy outlines an adequate review process over the recording of capital assets, including a documented formal review and approval of capital asset expenditures performed throughout the year and during the year-end close period. However, the University experienced turnover in its accounting department near year-end, which led to the existing review process not being followed at year-end.

Why do these problems matter?
The University is responsible for designing and maintaining internal controls over capital assets and the proper treatment and recording of capital assets and capital asset-related expenditures. The University has a significant amount of capital assets and plans for upcoming construction of more capital assets in the future. Therefore, it is important that the University has adequate internal controls over its accounting for capital asset expenditures to ensure that such activity is recorded in accordance with generally accepted accounting principles and the University's accounting policies.

Without sufficient internal controls over capital assets in place, the University cannot ensure that its financial information is recorded properly and it may not be able to provide accurate and complete financial reporting information to users of its financial information.

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

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

Management's Response:
Agree

Implementation Date: January 2025

Colorado School of Mines agrees with the recommendation to ensure it has adequate controls over its accounting for capital asset expenditures to ensure that such activity is recorded in accordance with generally accepted accounting principles and the University's accounting policies, and that the controls are being followed consistently regardless of staff turnover so that controls will operate as designed. The University will review capital expenditure controls and ensure that documentation is aligned with the Workday configuration. Additionally, the University will conduct training with all staff and backup staff involved in the accounting for capital asset expenditures to ensure policies, procedures, and controls are understood and followed as specified in the policy, checklist, or training documentation. Finally, the Controller or Associate Controllers will review the capital assets schedules and reconciliations on a timely basis to ensure compliance with these policies, procedures, and controls.

Independent Auditors' Report

Members of the Legislative Audit Committee and 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 Colorado School of Mines (the University), an institution of higher education of the State of Colorado, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditor, 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 Colorado School of Mines as of June 30, 2024 and 2023, 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 United States of America.

We did not audit the financial statements of the Colorado School of Mines Foundation, Inc. (the Foundation), which represents 100% of the assets, net position and revenues of the discretely presented component unit, discussed in Note 1 to the financial statements, for the years ended June 30, 2024 and 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards.*

Emphasis of Matter

Colorado School of Mines – a portion of the business-type activities of the State of Colorado

As discussed in Note 1, the financial statements of the University, an institution of higher education of the State of Colorado, are intended to present the financial position, the changes in financial position, and where applicable, cash flows of 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 University. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are 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.

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

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

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the description of the Colorado School of Mines but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024

Management is pleased to present this financial discussion and analysis of the Colorado School of Mines (University). It is intended to make the University's financial statements easier to understand and communicate the University's financial situation in an open and accountable manner. It provides an objective analysis of the University's financial position (statements of net position) and results of operations (statements of revenues, expenses, and changes in net position) as of and for the years ended June 30, 2024 and 2023 (fiscal years 2024 and 2023, respectively) with comparative information for fiscal year 2022. University management is responsible for the completeness and fairness of this discussion and analysis and the financial statements, as well as the underlying system of internal controls.

UNDERSTANDING THE FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL HIGHLIGHTS

Selected financial highlights for fiscal year 2024 include:

- Total University assets increased by 39.5%, total University liabilities increased by 44.3% and total net position increased by 4.8%. The increase in net position is primarily the result of net increases in capital assets and increases in the University's restricted expendable net position primarily related to an increase in research.
- Operating revenues increased by 11.9% while operating expenses increased by 11.4%. The increase in operating revenue is primarily attributed to increases in tuition and fee revenue, room and board, grants and contracts, and Fee for Service. Operating expenses increased primarily due to increases in academic support, operation and maintenance of plant and auxiliary activities. The following sections provide further explanations of the University's financial health.
- During Fiscal Year 2024, as part of the strategic plan, the University issued bonds to fund an expansion of student housing. Primarily due to the new bond issuance, the University increased its debt liabilities, leases and SBITAs by 78.3% from the prior fiscal year. This new debt service is expected to be funded from future increases in room rental revenue.
- In Fiscal Year 2024 the University implemented GASB Statement No. 100 Accounting Changes and Error Corrections, however GASB Statement No. 100 did not have a material impact on the financial statements.

STATEMENTS OF NET POSITION

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

Table 1
Condensed Statements of Net Position
June 30, 2024, 2023, and 2022
(in thousands)
(restated)

	2024	2023	2022	2024 vs 2023 Amount	2024 vs 2023 Percent	2023 vs 2022 Amount	2023 vs 2022 Percent
ASSETS							
Cash and Restricted Cash	$ 452,409	$ 249,672	$ 161,688	$ 202,737	81.2 %	$ 87,984	54.4 %
Other Noncapital Assets	100,492	87,797	86,704	12,695	14.5	1,093	1.3
Net Capital Assets	704,369	563,600	529,235	140,769	25.0	34,365	6.5
Total Assets	1,257,270	901,069	777,627	356,201	39.5	123,442	15.9
DEFERRED OUTFLOWS OF RESOURCES	30,678	47,313	23,276	(16,635)	(35.2)	24,037	103.3
LIABILITIES							
Nondebt Liabilities	289,932	303,423	218,334	(13,491)	(4.4)	85,089	39.0
Debt Liabilities, Leases and SBITA's	774,628	434,527	319,723	340,101	78.3	114,804	35.9
Total Liabilities	1,064,560	737,950	538,057	326,610	44.3	199,893	37.2
DEFERRED INFLOWS OF RESOURCES	19,453	15,800	79,482	3,653	23.1	(63,682)	(80.1)
NET POSITION							
Net Investment in Capital Assets	270,577	252,593	228,507	17,984	7.1	24,086	10.5
Restricted:							
Nonexpendable Purposes	8,449	8,011	7,861	438	5.5	150	1.9
Expendable Purposes	25,993	21,905	21,899	4,088	18.7	6	0.0
Unrestricted	(101,084)	(87,877)	(74,903)	(13,207)	15.0	(12,974)	17.3
Total Net Position	$ 203,935	$ 194,632	$ 183,364	$ 9,303	4.8	$ 11,268	6.1

Assets

Cash and restricted cash comprised approximately 81.8% and 74.0% of the University’s total noncapital assets as of June 30, 2024 and 2023, respectively. Restricted cash of $352,583,000 and $131,054,000, as of June 30, 2024 and 2023, respectively, primarily consists of unspent revenue bond proceeds that will be used for capital related activity as well as funds that have been received but not yet spent for restricted grants, gifts, and contracts. Total cash and restricted cash increased during fiscal year 2024 primarily due to bond proceeds for current capital construction projects. The statements of cash flows provide additional information on where cash is received and how it is used by the University.

Nondebt Liabilities

The University’s nondebt related liabilities totaling $289,932,000 and $303,423,000 as of June 30, 2024 and 2023, respectively, comprise 27.2% and 41.1%, respectively, of the total liabilities.

The net pension liability comprises 71.2% and 79.0%, respectively, of total nondebt related liabilities. Each year, the University records its share of the statewide net pension liability. The University’s net pension liability decreased 13.9% from 2023 to 2024 and increased 47.3% from 2022 to 2023. The decrease in fiscal year 2024 is primarily attributed to PERA’s collective net pension liability decrease from fiscal year 2023. PERA operates on a calendar year, PERA’s net pension liability for the years ending December 31, 2023 and 2022 was $10,113,093,000 and $10,872,576,000, respectively. The University’s portion of PERA’s liability for the fiscal years ending June 30, 2024 and 2023 was $206,418,000 and $239,851,000, respectively.

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

Governmental Accounting Standards Board Statement No. 75, *Reporting for Other Postemployment Benefits Other Than Pensions (OPEB)*, requires the University record a liability for its proportionate share of the PERA retiree healthcare costs. PERA subsidizes a portion of a PERA retiree's healthcare costs, and it is this subsidy that is categorized as an OPEB liability. Colorado PERA's unfunded liability for OPEB as of December 31, 2023 and 2022 was $713,726,000 and $816,479,000, respectively, and the University share of that liability is $4,894,000 and $5,948,000 as of June 30, 2024 and 2023, respectively. See Note 13 of the accompanying financial statements for more information related to the OPEB liability.

As a result of implementing Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations (ARO)*, in fiscal year 2019, the University recorded a liability and a deferred outflow, net of amortization expense, for the future costs associated with the disposal of assets requiring remediation. The University has a recorded liability of $313,000 and $280,000 as of June 30, 2024 and 2023, respectively. As of June 30, 2024, there remains a deferred outflow of $238,000.

Net Position

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

- The largest category of net position relates to the University's net investment in capital assets. This consists of the University's capital assets less accumulated depreciation and related debt issued to fund the purchase or construction of those assets. This amount represents the University's investments in campus facilities and equipment that is necessary to carry out the teaching, research, and student-centered mission of the University. The increase in fiscal year 2024 occurred due to the University's commitment to improving the student on campus experience through new and renovated student and academic facilities along with various infrastructure improvements. Additional discussion on the University's capital activity is included in the Capital Assets and Debt Management section of this discussion and analysis.

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

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

Table 2
Unrestricted Net Position
(in thousands)

	2024	2023
Unrestricted Net Position with Pension and OPEB Impact	$ (101,084)	$ (87,877)
Cumulative Effect on Unrestricted Net Position Associated with the Net Pension Liability and OPEB	197,396	215,132
Unrestricted Net Position without Pension and OPEB	$ 96,312	$ 127,255

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

COLORADO SCHOOL OF MINES
MANAGEMENT DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023
(UNAUDITED)

Table 3
Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024, 2023, and 2022
(in thousands)
(restated)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
OPERATING REVENUES	$ 369,867	$ 330,407	$ 305,550	$ 39,460	11.9 %	$ 24,857	8.1 %
OPERATING EXPENSES	400,950	359,864	292,710	41,086	11.4	67,154	22.9
OPERATING INCOME (LOSS)	(31,083)	(29,457)	12,840	(1,626)	5.5	(42,297)	(329.4)
NET NONOPERATING REVENUES	34,430	34,696	14,796	(266)	(0.8)	19,900	134.5
INCOME BEFORE OTHER REVENUES	3,347	5,239	27,636	(1,892)	(36.1)	(22,397)	(81.0)
OTHER REVENUES	5,956	6,029	13,791	(73)	(1.2)	(7,762)	(56.3)
INCREASE IN NET POSITION	9,303	11,268	41,427	(1,965)	(17.4)	(30,159)	(72.8)
NET POSITION - BEGINNING OF YEAR	194,632	183,364	142,835	11,268	6.1	40,529	28.4
ADJUSTMENT FOR CHANGE IN ACCOUNTING PRINCIPLE	-	-	(898)	-	-	898	(100.0)
NET POSITION - END OF YEAR	$ 203,935	$ 194,632	$ 183,364	$ 9,303	4.8	$ 11,268	6.1

Table 4 – Operating and Nonoperating Revenues provides gross operating and nonoperating (noncapital) revenues by major sources. As Table 4 shows, the University's total operating revenues increased 11.9% and 8.1% for fiscal years 2024 and 2023, respectively, and total revenues increased 10.7% in fiscal year 2024 over fiscal year 2023 and 14.0% from fiscal year 2022 to 2023.

Table 4
Operating and Nonoperating Revenues
Years Ended June 30, 2024, 2023, and 2022
(in thousands)
(restated)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
OPERATING REVENUES							
Student Tuition and Fees, Net	$ 175,834	$ 162,083	$ 153,487	$ 13,751	8.5 %	$ 8,596	5.6 %
Grants and Contracts	123,638	99,244	88,113	24,394	24.6	11,131	12.6
Fee for Service	22,941	20,697	19,429	2,244	10.8	1,268	6.5
Auxiliary Enterprises, Net	41,821	42,847	37,727	(1,026)	(2.4)	5,120	13.6
Other Operating	5,633	5,536	6,794	97	1.8	(1,258)	(18.5)
Total Operating Revenues	369,867	330,407	305,550	39,460	11.9	24,857	8.1
NONOPERATING REVENUES							
State Appropriations	3,907	4,996	3,380	(1,089)	(21.8)	1,616	47.8
State Support for Pensions	331	4,373	1,694	(4,042)	(92.4)	2,679	158.1
Contributions	32,017	27,759	24,580	4,258	15.3	3,179	12.9
Investment Income, Net	21,664	7,645	(12,692)	14,019	183.4	20,337	(160.2)
Federal Nonoperating	5,351	4,674	9,734	677	14.5	(5,060)	(52.0)
Interest on Long-Term Debt	(24,841)	(14,563)	(13,112)	(10,278)	70.6	(1,451)	11.1
Other Nonoperating, Net	(3,999)	(188)	1,212	(3,811)	2027.1	(1,400)	(115.5)
Total Nonoperating Revenues	34,430	34,696	14,796	(266)	(0.8)	19,900	134.5
Total Revenues (Noncapital)	$ 404,297	$ 365,103	$ 320,346	$ 39,194	10.7	$ 44,757	14.0

The University has experienced increases in most sources of operating revenue in fiscal year 2024 and 2023. Student Tuition and Fees (net of scholarship allowance) increased 8.5% from fiscal year 2023 due to an increase in tuition revenue and increase in state support through the Colorado Opportunity Fund (COF), the per credit hour rate was increased to $116 from $104 in fiscal year 2024. The majority of the University's financial aid resources are applied to the students' accounts, and is recorded as a scholarship allowance, net of tuition and fee revenue. The University's total financial aid resources benefiting students were $59,260,000, $53,631,000, and $50,124,000, in fiscal years 2024, 2023, and 2022, respectively. Comparatively, gross tuition increased by $18,862,000, $12,169,000, and $17,473,000 in fiscal years 2024, 2023, and 2022, respectively.

Grants and Contracts revenue for fiscal year 2024 increased 24.6% over fiscal year 2023. The University remains committed to increasing its focus and national role as a research institution. In 2022 the University reached R1 research status as defined by the Carnegie Classification of Institutions of Higher Education. In fiscal year 2024, the University secured restricted research awards and other sponsored programs of $106,107,000, compared to $95,789,000 in fiscal year 2023 and $101,417,000 in fiscal year 2022. In fiscal year 2024, Mines received an additional award in the amount of $187,750,000 from the federal government pursuant to a Cooperative Agreement with the United States Geologic Survey (USGS). The University and the USGS entered into a ground lease for the term of 99 years whereby the University leased approximately six acres of land to the USGS and the USGS contracted (through a Cooperative Agreement) with the University and will fund the University to build an Energy and Minerals Research Facility. The Facility will be primarily occupied by the USGS and the University will occupy approximately 24% of the Facility pursuant to an occupancy lease with a term of 99 years. The University continues to focus on securing funding from both federal and private industry sources as additional resources are focused on research and other sponsored programs. Revenue from the federal government represents approximately 76.1% and 76.2% of total grants and contracts revenue for fiscal years 2024 and 2023, respectively. Grants and contracts generally allow for reimbursement of a portion of any related administrative and facility overhead costs; in fiscal years 2024 and 2023, the University received reimbursements of approximately $20,436,000 and $18,343,000, respectively.

The University receives funding from the State of Colorado in two ways; (1) fee-for-service contracts with the Colorado Department of Higher Education and (2) stipends to qualified resident undergraduate students used to pay a portion of tuition. The University's fee-for-service contract increased by $2,244,000 and $1,268,000 in fiscal years 2024 and 2023, respectively.

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

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

Table 5
College Opportunity Fund – Undergraduate Student Stipends

	2024	2023	2022
Student Stipends	$ 10,635,000	$ 9,378,000	$ 8,148,000
Stipend Allotment	116/Hour	104/Hour	94/Hour
Stipend Eligible Hours	91,681	90,173	86,695

Nonoperating revenues fluctuate from year to year due to the type of revenues being recognized. Contribution revenues, received primarily from the Foundation, increased 15.3% in fiscal year 2024, compared to 12.9% in fiscal year 2023. The University has experienced fluctuations in investment income over the last three fiscal years due to continued volatility in the financial markets that impact the fair market value of the University's investments held by the Foundation and amounts held by the State Treasurer. The University experienced unrealized gains and (losses) in fiscal years 2024, 2023, and 2022 of $8,466,000, $1,031,000, and ($14,343,000), respectively. The realized investment income was $13,706,000, $7,102,000, and $2,132,000, respectively, for the same periods. Federal nonoperating revenues consist of interest subsidies received for taxable Build America Bonds (BAB) issued by the University, and financial aid received under the Pell program. The University received $884,000, $884,000, and $884,000 in federal interest subsidies in fiscal years 2024, 2023, and 2022, respectively. The amount of federal subsidies received is tied to the interest payments being made on the bonds. The flat revenue during the past three years reflects the consistent interest payments being made on the bonds. Revenues from the Pell program for fiscal years 2024, 2023, and 2022 were $4,467,000, $3,791,000, and $3,416,000, respectively. Revenues fluctuate based on student activity in the Pell program.

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

Table 6
Operating Expenses by Function and Natural Classifications
Years Ended June 30, 2024, 2023, and 2022
(in thousands)
(restated)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
BY FUNCTIONAL EXPENSE							
Education and General:							
Instruction	$ 97,880	$ 97,088	$ 76,929	$ 792	0.8 %	$ 20,159	26.2 %
Research	67,580	64,722	55,216	2,858	4.4	9,506	17.2
Public Service	2,187	1,018	1,048	1,169	114.8	(30)	(2.9)
Academic Support	29,377	24,225	20,202	5,152	21.3	4,023	19.9
Student Services	14,302	13,424	12,975	878	6.5	449	3.5
Institutional Support	36,932	39,038	27,300	(2,106)	(5.4)	11,738	43.0
Operation and Maintenance of Plant	65,982	40,434	29,146	25,548	63.2	11,288	38.7
Scholarships and Fellowships	11,142	9,515	7,764	1,627	17.1	1,751	22.6
Total Education and General	325,382	289,464	230,580	35,918	12.4	58,884	25.5
Auxiliary Enterprises	46,866	42,187	35,005	4,679	11.1	7,182	20.5
Depreciation and Amortization	28,702	28,213	27,125	489	1.7	1,088	4.0
Total Operating Expenses	$ 400,950	$ 359,864	$ 292,710	$ 41,086	11.4	$ 67,154	22.9
BY NATURAL CLASSIFICATION							
Salaries and Benefits	$ 228,504	$ 216,750	$ 166,684	$ 11,754	5.4	$ 50,066	30.0
Operating Expenses	143,744	114,901	98,901	28,843	25.1	16,000	16.2
Depreciation	28,702	28,213	27,125	489	1.7	1,088	4.0
Total Operating Expenses	$ 400,950	$ 359,864	$ 292,710	$ 41,086	11.4	$ 67,154	22.9

Total operating expenses increased 11.4% from fiscal year 2023 to 2024 and 22.9% from fiscal year 2022 to 2023. The increase in fiscal year 2024 is due to increases in all areas of operations, the largest single increase occurred in Operation and Maintenance of Plant. The prior year's increase is due to increases in all areas of operations, the largest single increase occurred in Institutional Support.

The University reported total pension and OPEB expenses of (17,405,000) for fiscal year 2024 compared to ($7,481,000) for fiscal year 2023. These pension and OPEB related expenses impact most of the functional expense categories. Excluding the impact of recording pension and OPEB expenses related to the net pension and OPEB liabilities described above, total operating expenses increased by 13.9% from fiscal year 2023 to fiscal year 2024 and 11.2% from fiscal year 2022 to fiscal year 2023. Increases in construction related expenses, salaries and wages, and benefits expense from fiscal year 2023 to fiscal year 2024 are the primary contributors to the increase in operating expense.

Construction expenses within Operation and Maintenance paid by the University on behalf of USGS increased by $15,653,000 related to the construction of the Energy and Minerals Research Facility (EMRF). In fiscal year 2022, the University restored wage increases for all classes of employees and continued this support in fiscal year 2023 and fiscal year 2024. The increase of $11,754,000 reported for salaries and benefits reflect the University resources dedicated to supporting employees.

CAPITAL ASSETS AND DEBT MANAGEMENT

As indicated in Table 7 – Capital Asset Categories, the University's capital assets consist of land, works of art, construction in progress, land improvements, buildings and improvements, software, equipment, library materials, right to use, and intangible assets with a gross book value of $1,067,454,000, $902,628,000, and $852,703,000 at June 30, 2024, 2023, and 2022, respectively. Accumulated depreciation and accumulated amortization on depreciable assets totaled $363,085,000, $339,028,000, and $323,468,000, at June 30, 2024, 2023, and 2022, respectively. The University continues to invest in academic, research and auxiliary facilities to enhance the educational and campus experience for students. During the construction of a project, costs are accumulated in construction in progress. Upon completion of the project, the costs are moved from construction in progress into the appropriate asset classification.

Table 7
Capital Assets Categories (Before Depreciation)
June 30, 2024, 2023, and 2022
(in thousands)
(restated)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Land	$ 25,231	$ 23,675	$ 16,222	$ 1,556	6.6 %	$ 7,453	45.9 %
Works of Art	235	234	234	1	0.4	-	-
Construction In Progress	148,202	60,731	19,717	87,471	144.0	41,014	208.0
Land Improvements	36,521	36,354	36,133	167	0.5	221	0.6
Buildings and Improvements	715,743	660,804	660,185	54,939	8.3	619	0.1
Software	2,116	2,248	2,345	(132)	(5.9)	(97)	(4.1)
Equipment	112,466	105,037	99,368	7,429	7.1	5,669	5.7
Library Materials	2,475	2,302	13,531	173	7.5	(11,229)	(83.0)
Right-to-Use Leases	1,216	1,345	1,208	(129)	(9.6)	137	11.3
Right-to-Use Subscriptions	21,615	5,438	3,160	16,177	297.5	2,278	72.1
Right-to-Use Work in Progress	1,034	3,860	-	(2,826)	(73.2)	3,860	100.0
Intangible	600	600	600	-	-	-	-
Total Capital Assets	1,067,454	902,628	852,703	164,826	18.3	49,925	5.9
Accumulated Depreciation	355,962	335,528	323,318	20,434	6.1	12,210	3.8
Amortization of Right-to-Use	7,123	3,500	150	3,623	103.5	3,350	2233.3
Net Capital Assets	$ 704,369	$ 563,600	$ 529,235	$ 140,769	25.0	$ 34,365	6.5

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

Completed Projects

- **Labriola Innovation Complex.** This $25,000,000, 32,000 sq. foot Innovation Complex provides state-of-the-art maker spaces and hands-on learning spaces where students will cultivate teamwork, innovation and successful engineering outcomes through spaces built for education, design, prototype building and testing. The Labriola Innovation Complex opened in February 2024.
- **Beck Venture Center.** This $24,700,000 project creates new space that fosters entrepreneurial and innovative ideas to grow. This building will connect all academic departments at the University and entrepreneurs with the infrastructure, resources and funding needed to achieve their goals of developing sustainable and successful commercial entities based on either Mines-derived or individual-derived technologies in a nearly 21,000 sq. foot building. The Beck Venture Center opened in April 2024.

Active Projects

- **Parking Garage and Classroom Building** – To accommodate growth and construction projects on existing surface lots, Mines is building a parking garage on campus with approximately 870 spaces. The garage will be wrapped with a classroom building providing 51,000 gross sq. feet of classroom and faculty space. Total project cost is approximately $79,600,000. The Parking Garage and Classroom Building project is expected to be completed in the spring of 2025.
- **Early Childhood Education Center** – Mines is constructing a 11,500 sq. foot childcare center on the western edge of campus to accommodate the needs of faculty, staff and students and their families. The center will serve approximately 100 children ranging in age from infant to pre-kindergarten. Total project cost is approximately $10,100,000. The Early Childhood Education Center project was completed in September 2024.
- **Mines Park Redevelopment – Phase I** – Part of a two-phase project to redevelop Mines Park, an apartment-style housing complex primarily for upper-class and graduate students. The first phase consists of the renovation of 400 existing beds. The cost of the renovation is approximately $13,100,000. The Mines Park Redevelopment – Phase I project was completed in July 2024.
- **Mines Park Redevelopment – Phase II** – Phase II of this housing redevelopment project involves the demolition of six existing residential buildings at Mines Park and the construction of approximately 558 new apartment-style beds. The redeveloped complex will also include a new shared community center with a café space and fitness center. The cost of the redevelopment is approximately $138,975,000. The Mines Park Redevelopment – Phase II project is expected to be completed in August of 2025.
- **Utilities Infrastructure Project** – A $22,700,000 project to expand campus utilities in the south side of campus to accommodate the new Energy and Minerals Research Facility to be built by the United States Geological Survey (USGS). Mines will share research and office space with USGS in the new facility. The Utilities Infrastructure project is expected to be completed in early 2027.
- **1600 Jackson Street Renovation –** This $3,700,000 renovation will upgrade mechanical and electrical systems including replacing large HVAC air handlers, temperature controls and electrical distribution. Also included is the replacement of windows, changes to the 2nd floor offices and break room, and the addition of modular workstations. The 1600 Jackson Street Renovation project was completed in September 2024.
- **New Sophomore Housing Facility** – The University is planning a $200,000,000 project to build a new sophomore residential facility south of 19th street on campus with approximately 800 new beds. This project is in the conceptual design phase and is expected to begin in early 2024 and open prior to Fall 2026.

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

Table 8
Current Capital Construction Projects
(in thousands)

Project Description	Financing Sources	Budget
New Sophomore Housing - Residence Hall VII	University Resources	$ 200,000
Mines Park Redevelopment - Phase II	University Resources	138,975
Campus Utilities Project	University Resources	22,700
Parking Garage and Classroom Wrap	University Resources	79,600
Early Childhood Education Center	University Resources	10,100
Mines Park Redevelopment - Phase I	University Resources	13,100
1600 Jackson Street Renovation	University Resources	3,700

In addition to operating and nonoperating revenues, the University received capital revenues in the amount shown in Table 9 – Capital Revenues. Year to year Capital Appropriations from the State are varied as they are based on the level of approved funding by the State for a respective project. In fiscal year 2024, the state supported the start of University's Emergency Maintenance project to replace Engineering Hall transformer. Within Capital Grants and Gifts, in fiscal years 2022, 2023, and 2024 the University received gifts provided by donations to fund the Labriola Innovation Complex, The Beck Venture Center, and various Athletics projects. The University received an addition to Permanent Endowments for the Grandey First-Year Honors program.

Table 9
Capital Revenues
Years Ended June 30, 2024, 2023, and 2022
(in thousands)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Revenue Classification:							
Capital Appropriations and Contributions from the State	$ 20	$ 2,304	$ (1,068)	$ (2,284)	(99.1)%	$ 3,372	(315.7)%
Capital Grants and Gifts	4,933	3,725	13,895	1,208	32.4	(10,170)	(73.2)
Addition to Permanent Endowments	1,003	-	964	1,003	-	(964)	(100.0)
Total Capital Revenues	$ 5,956	$ 6,029	$ 13,791	$ (73)	(1.2)	$ (6,798)	(49.3)

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

Table 10
Deferred Outflows and Deferred Inflows of Resources
June 30, 2024, 2023, and 2022
(in thousands)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
Type	2024	2023	2022	Amount	Percent	Amount	Percent
Loss on Bond Refunding	$ 2,173	$ 6,195	$ 8,020	$ (4,022)	(64.9)%	$ (1,825)	(22.8)%
Components of Pension Liability	26,517	38,412	14,514	(11,895)	(31.0)	23,898	164.7
Components of OPEB	662	909	583	(247)	(27.2)	326	55.9
SWAP Valuation	1,088	1,573	-	(485)	(30.8)	1,573	100.0
Components of ARO	238	224	159	14	6.3	65	40.9
Total Deferred Outflows of Resources	$ 30,678	$ 47,313	$ 23,276	$ (16,635)	(35.2)	$ 24,037	103.3
Gain on Bond Refunding	$ 379	$ 450	$ -	$ (71)	(15.8)%	$ 450	100.0 %
Components of Pension Liability	10,569	5,270	68,740	5,299	100.6	(63,470)	(92.3)
Components of OPEB	2,694	3,384	4,071	(690)	(20.4)	(687)	(16.9)
Components of Right-to-Use Assets	5,811	6,696	6,347	(885)	(13.2)	349	5.5
SWAP Valuation	-	-	324	-	-	(324)	(100.0)
Total Deferred Inflows of Resources	$ 19,453	$ 15,800	$ 79,482	$ 3,653	23.1	$ (63,682)	(80.1)

In accordance with accounting standards, the University is required to separately disclose the change in the fair market value of the interest rate swap. As of June 30, 2024, 2023, and 2022, the outstanding swap had a fair market value of ($1,088,000), ($4,836,000), and ($4,525,000), respectively.

The University's long-term obligations, both current and noncurrent portions, as shown in Table 11 – Long-Term Debt Categories, are comprised principally of various revenue bonds issued to finance construction of the capital assets discussed above, as well as financed purchase liabilities, leases and Subscription Based Information Technology Agreements (SBITA's). As of June 30, 2024, 2023, and 2022, bonds and leases payable of $759,505,000, $416,977,000, and $305,289,000, respectively, were outstanding.

Table 11
Long-Term Debt Categories
June 30, 2024, 2023, and 2022
(in thousands)

				Increase (Decrease)			
				2024 vs 2023		2023 vs 2022	
	2024	2023	2022	Amount	Percent	Amount	Percent
Debt Type:							
Revenue Bonds	$ 711,410	$ 374,498	$ 261,148	$ 336,912	90.0 %	$ 113,350	43.4 %
Financed Purchase	40,345	41,198	42,013	(853)	(2.1)	(815)	(1.9)
Leases and SBITA's	7,750	1,281	2,128	6,469	505.0	(847)	(39.8)
Total Long-Term Debt	$ 759,505	$ 416,977	$ 305,289	$ 342,528	82.1	$ 111,688	36.6

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

FACTORS IMPACTING FUTURE PERIODS

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

Additionally, the University's master plan calls for an expansion of student housing to address demand, increase connectiveness on campus and improve the student experience. Two major housing projects are anticipated to open within the next two years and will include 800 new residence hall beds for sophomores and 558 new apartment style beds for upper-class and graduate students and their families. The University's operating revenues and debt service are expected to increase accordingly. Note 9, Table 9.5 Revenue Bonds Future Minimum Payments shows the impact of the financing of these projects on future debt service.

The flexibility to continue investments in strategic priorities is impacted by many factors, principally by student enrollment and the resulting tuition and fees revenue, research volume, the level of state support, and the University's largest expense, compensation costs.

The University is focused on moderating tuition increases compared to the prior year as inflationary pressures begin to stabilize. In Academic Year 2025 the Board of Trustees approved tuition rate increases of 2.9% for resident undergraduates and 3.0% for nonresidents. In Academic Year 2024, the University determined the need for increases of 5.0% for both resident and non-resident undergraduate tuition rates. In Academic Year 2023, tuition rates increased 2.0% for resident undergraduates and 3.0% for non-resident tuition rates. Table 12 – Full Time Tuition and Room and Board Charges per Year provides a trend of charges for the academic years 2022 to 2025.

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

	Annual Full-Time Undergraduate Tuition Rates		Annual Room and Board (avg.)		
Academic Year	Residents*	Nonresidents	Double	Single	Meal Plan
2025	$ 18,930	$ 42,840	$ 10,295	$ 12,774	$ 7,236
2024	18,390	41,580	9,994	12,402	6,690
2023	17,520	39,600	9,610	11,924	6,500
2022	17,160	38,460	9,196	11,411	6,220

Academic Year 2025 fall total enrollment increased 6% from Academic Year 2024 fall enrollment. This increase was primarily due to our strong retention rate and new enrollment primarily in undergraduate degree programs.

Table 13
Fall Enrollment Trends – Headcount

	Undergraduate Students			Graduate Students			Total		
Academic Year	Residents	Nonresidents	Total	Residents	Nonresidents	Total	Residents	Nonresidents	Total
2025	3,379	2,825	6,204	1,020	834	1,854	4,399	3,659	8,058
2024	3,188	2,664	5,852	958	798	1,756	4,146	3,462	7,608
2023	3,159	2,574	5,733	912	763	1,675	4,071	3,337	7,408

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

Table 14
Fall Semester Undergraduate Admissions Trends

Fall of Year	Number of Applicants	Number Accepted	Percent Accepted	Number Committed	Percent Committed
2024	11,969	7,221	60.3 %	1,759	24.4 %
2023	10,381	6,150	59.2	1,591	25.9
2022	11,357	6,537	57.6	1,659	25.4

For fiscal year 2025, the University's allocation of the higher education budget is $3,481,000 higher than the prior year's allocation. Table 15 – State Operating Support shows the trend in State Support for the fiscal years 2023 to 2025.

Table 15
State Operating Support
(in thousands)

Fiscal Year	State Support*	Total Operating Revenues**	Percent of Total State Operating Support to Total Operating Revenues
2025	$ 37,055	$ 390,326	9.5 %
2024	33,576	369,867	9.1
2023	30,075	330,407	9.1

*State support includes student stipends, and a fee-for-service contract funded from the College Opportunity Fund.
**Fiscal Year 2025 Amount of State Support is based on Amounts included in the State's Long Appropriation Act (Long Bill). Total Operating Revenues is based on the University's Fiscal Year 2025 projected revenues.

The State is currently in their budget process for fiscal year 2026 and at this time it is unknown what funding will be allocated to Higher Education and specifically the University.

FINANCIAL SUSTAINABILITY

In 2016, the University developed a strategic plan, Mines@150, which charts out a path to enhance the University's distinction and excellence. The plan focuses on a signature experience for our students, entrepreneurship and innovation, growing the scale and impact of our research, and attracting private partners. Calendar year 2024 marks the 150-year anniversary for the University and final year for the strategic plan. We continued to make progress with many of the initiatives outlined. Specifically, in fiscal year 2024 the University opened the Beck Venture Center, designed to foster entrepreneurial private partnerships and the Labriola Innovation Complex, adding 32,000 sq ft of state-of-the-art maker spaces to enhance our student experience.

During Fiscal Year 2024, as part of the strategic plan, the University issued bonds to fund an expansion of student housing. Following the issuance, the University increased its debt obligations by approximately 78.3% from the prior fiscal year. This new debt service is expected to be funded from future increases in room rental revenue as demand for on-campus housing remains strong. Notably, as of June 30, 2024, the University's long-term credit rating was A1 from Moody's and A+ by Standard & Poor's, unchanged from the prior fiscal year.

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

As the University looks forward, it must ensure that the human capital, physical infrastructure, and financial aid resources accommodates student academic and social needs and expectations, optimizes the professional opportunities for its faculty, fosters growth in research, and enhances business process, all with a single focus of being a world-class institution. The University's fiscal year 2025 budget was developed to devote resources to all of these strategic areas. The University will continue to invest in technology, expand student housing, and support research initiatives for Colorado.

FUTURE CAPITAL PROJECTS

Due to growth in undergraduate enrollment, research and entrepreneurship and innovation initiatives, our planning efforts on multiple projects that will either be fully or primarily funded by existing student fees, external gifts and or grants, and state appropriations. Continuation of these critical projects will improve the University's infrastructure and enhance the student experience in alignment with our strategic plan, Mines@150. The planning projects that we are moving forward with are:

Quantum Commons – On August 20, 2024, the University acquired a 70-acre parcel of land located approximately 10 miles north of campus for $14,000,000. The school plans to develop this land into a research park focused on quantum information technology. The site will be developed in conjunction with the Elevate Quantum consortium, which is leading the Quantum Tech Hub, as designated by the U.S. Department of Commerce Economic Development Administration. The University utilized its own funds for the transaction and plans to seek funding from the State of Colorado to further develop the site. The project is still in the planning phase.

Steam Infrastructure – This project replaces critical boiler infrastructure which is needed to serve current and future buildings. This replacement boiler is necessary to provide more capacity and stability to campus, is required to service USGS' Energy and Mineral Research Facility and will extend the steam piping for future capital development. The total cost of the project is estimated at $9,300,000. University cash will be used to fund the project and state funds have been requested. The project is expected to be completed in Fiscal Year 2026.

Chilled Water and Electrical Utilities Infrastructure – This project replaces critical infrastructure which is needed to serve current and future buildings on campus. Projects will increase chilled water and electrical capacity and help to ensure critical reliability of systems. The project's budget is approximately $26,500,000. The University has requested state funding for the project. The project's timeline has not yet been determined.

ECONOMIC OUTLOOK

The University believes it is well-positioned financially. Enrollment remains strong and is growing among both the undergraduate and graduate student populations. The University has increased total enrollment from Academic Year 2023 Fall to Academic Year 2025 Fall by 8.8%. We are also experiencing continued growth in sponsored research from federal and industry sponsors. Lastly, philanthropic support remained robust as we are fully engaged in the Campaign for Mines@150.

REQUESTS FOR INFORMATION

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

COLORADO SCHOOL OF MINES
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023
(IN THOUSANDS)

	2024		2023	
	University	Component Unit	University	Component Unit
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 99,826	$ 2,972	$ 118,618	$ 8,436
Accounts and Loans Receivable, Net	53,445	7,303	41,049	4,271
Other Assets	3,038	-	4,074	-
Total Current Assets	156,309	10,275	163,741	12,707
Noncurrent Assets:				
Restricted Cash and Cash Equivalents	352,583	-	131,054	-
Investments	37,516	470,434	35,272	426,003
Accounts and Loans Receivable, Net	1,652	11,223	1,703	7,529
Other Assets	4,841	1,003	5,699	417
Capital Assets, Net	704,369	-	563,600	-
Total Noncurrent Assets	1,100,961	482,660	737,328	433,949
Total Assets	1,257,270	492,935	901,069	446,656
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Bond Refundings	2,173	-	6,195	-
SWAP Valuation	1,088	-	1,573	-
Pension Related	26,517	-	38,412	-
OPEB Related	662	-	909	-
Asset Retirement Obligation	238	-	224	-
Total Deferred Outflows of Resources	30,678	-	47,313	-
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	47,963	4,046	25,765	3,912
Accrued Compensated Absences	972	-	905	-
Unearned Revenue	16,312	-	17,674	-
Bonds and Notes Payable	11,283	-	10,810	-
Leases and SBITA Liability	2,752	-	1,904	-
Other Liabilities	1,521	-	1,875	-
Total Current Liabilities	80,803	4,046	58,933	3,912
Noncurrent Liabilities:				
Accrued Compensated Absences	10,169	-	9,737	-
Bonds and Notes Payable	751,755	-	415,696	-
Leases and SBITA Liability	7,750	-	1,281	-
Interest Rate Swap Agreement	1,088	-	4,836	-
Net Pension Liability	206,418	-	239,851	-
Net OPEB Liability	4,894	-	5,948	-
Other Liabilities	1,683	44,743	1,668	40,015
Total Noncurrent Liabilities	983,757	44,743	679,017	40,015
Total Liabilities	1,064,560	48,789	737,950	43,927
DEFERRED INFLOWS OF RESOURCES				
Leases	5,811	-	6,696	-
Gain on Refunding	379	-	450	-
Pension Related	10,569	-	5,270	-
OPEB Related	2,694	-	3,384	-
Total Deferred Inflows of Resources	19,453	-	15,800	-
NET POSITION				
Net Investment in Capital Assets	270,577	-	252,593	-
Restricted for Nonexpendable Purposes:				
Instruction	3,010	-	3,360	-
Scholarships and Fellowships	2,051	136,633	2,051	122,847
Other	3,388	122,033	2,600	110,258
Total Restricted for Nonexpendable Purposes	8,449	258,666	8,011	233,105
Restricted for Expendable Purposes:				
Scholarships and Fellowships	5,987	85,416	5,612	80,859
Loans	1,210	1,392	1,215	1,352
Research	13,680	3,027	8,060	2,405
Capital Projects	616	2,401	3,472	4,645
Other	4,500	56,712	3,546	47,646
Total Restricted for Expendable Purposes	25,993	148,948	21,905	136,907
Unrestricted	(101,084)	36,532	(87,877)	32,717
Total Net Position	$ 203,935	$ 444,146	$ 194,632	$ 402,729

See accompanying Notes to Financial Statements.

COLORADO SCHOOL OF MINES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023
(IN THOUSANDS)

	2024		2023	
	University	Component Unit	University	Component Unit
OPERATING REVENUES				
Tuition and Fees (Net of Scholarship Allowance of $57,410 in 2024 and $52,299 in 2023)	$ 175,834	$ -	$ 162,083	$ -
Fee-for-Service	22,941	-	20,697	-
Federal Grants and Contracts	94,109	-	75,662	-
State Grant and Contracts	6,378	-	5,190	-
Nongovernmental Grants and Contracts	23,151	-	18,392	-
Auxiliary Enterprises (Net of Scholarship Allowance of $1,850 in 2024 and $1,332 in 2023)	41,821	-	42,847	-
Contributions	-	38,828	-	30,344
Other Operating Revenues	5,633	598	5,536	579
Total Operating Revenues	369,867	39,426	330,407	30,923
OPERATING EXPENSES				
Education and General:				
Instruction	97,880	-	97,088	-
Research	67,580	-	64,722	-
Public Service	2,187	-	1,018	-
Academic Support	29,377	-	24,225	-
Student Services	14,302	-	13,424	-
Institutional Support	36,932	40,366	39,038	35,359
Operation and Maintenance of Plant	65,982	-	40,434	-
Scholarships and Fellowships	11,142	-	9,515	-
Total Education and General	325,382	40,366	289,464	35,359
Auxiliary Enterprises	46,866	-	42,187	-
Depreciation and Amortization	28,702	-	28,213	-
Total Operating Expenses	400,950	40,366	359,864	35,359
OPERATING LOSS	(31,083)	(940)	(29,457)	(4,436)
NONOPERATING REVENUES (EXPENSES)				
State Appropriations, Noncapital	3,907	-	4,996	-
State Support for Pensions	331	-	4,373	-
Contributions from the Foundation	24,974	-	21,898	-
Contributions	7,043	-	5,861	-
Investment Income, Net	21,664	42,357	7,645	30,149
Interest on Debt	(24,841)	-	(14,563)	-
Federal Nonoperating Revenue	5,351	-	4,674	-
Other Nonoperating Expenses	(4,217)	-	(1,029)	-
Other Nonoperating Revenue	218	-	841	-
Total Nonoperating Revenues, Net	34,430	42,357	34,696	30,149
INCOME BEFORE OTHER REVENUES	3,347	41,417	5,239	25,713
OTHER REVENUES				
Capital Appropriations and Contributions from State	20	-	2,304	-
Capital Grants and Gifts	4,933	-	3,725	-
Additions to Permanent Endowments	1,003	-	-	-
Total Other Revenues	5,956	-	6,029	-
CHANGE IN NET POSITION	9,303	41,417	11,268	25,713
Net Position - Beginning of Year	194,632	402,729	183,364	377,016
NET POSITION - END OF YEAR	$ 203,935	$ 444,146	$ 194,632	$ 402,729

See accompanying Notes to Financial Statements.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 171,319	$ 157,562
Grants and Contracts	131,088	116,848
Sales of Services from Auxiliary Enterprises	42,210	42,782
Collection of Loans to Students	537	934
Receipts from the Foundation	929	790
Other Operating Receipts	5,248	4,084
Payments to Employees	(170,458)	(156,037)
Payments for Employee Benefits	(75,211)	(70,175)
Payments to Suppliers	(124,008)	(102,102)
Direct Lending Receipts	35,774	34,901
Direct Lending Disbursements	(35,794)	(34,860)
Developmental Services Fees	(2,600)	(2,365)
Scholarships Disbursed	(11,142)	(9,417)
Loans Issued to Students	(390)	(659)
Net Cash Used by Operating Activities	(32,498)	(17,714)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from the Foundation	25,490	21,127
State Appropriations, Noncapital	3,833	4,101
Gifts and Grants for Other than Capital Purposes	8,922	7,097
Additions to Permanent Endowments	1,003	-
Funds Invested with the Foundation	(1,022)	-
Federal Nonoperating Revenue	4,467	3,791
Agency Inflows	13,278	16,336
Agency Outflows	(13,278)	(16,336)
Net Cash Provided by Noncapital Financing Activities	42,693	36,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Appropriations, Capital	-	2,304
Capital Gifts	3,695	8,369
Academic Facility Fees	4,909	4,533
Receipts as Lessor	1,577	1,905
Bond Proceeds	348,089	124,362
Bond Issuance and Other Loan Costs	(1,038)	(615)
Acquisition and Construction of Capital Assets	(145,346)	(52,168)
Principal Payments on Capital Debt	(10,810)	(8,284)
Interest Payments on Capital Debt	(24,628)	(14,826)
Payments as Lessee and SBITA's	(3,199)	(2,035)
Federal Nonoperating Revenue	884	884
Net Cash Provided by Capital and Related Financing Activities	174,133	64,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends on Investments	18,409	5,153
Net Cash Provided by Investing Activities	18,409	5,153
NET CHANGE IN CASH AND CASH EQUIVALENTS	202,737	87,984
Cash and Cash Equivalents - Beginning of Year	249,672	161,688
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 452,409	$ 249,672

See accompanying Notes to Financial Statements.

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

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (31,083)	$ (29,457)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	28,702	28,213
Noncash Operating Expenses	6,764	732
Receipts of Items Classified as Nonoperating Revenues	1,403	5,364
Academic Construction Fee Split Out of Tuition to Capital Financing	(4,909)	(4,533)
Operating Activity from SRECNA Shown with Capital Financing (Leases)	(1,339)	(1,619)
Changes in Assets and Liabilities:		
Accounts and Loans Receivable	(12,740)	(4,451)
Other Assets	1,036	(844)
Loans to Students	142	302
Accounts Payable and Accrued Liabilities	(1,630)	(3,647)
Unearned Revenue	(1,362)	1,294
Accrued Compensated Absences	500	2,107
Other Liabilities	(34,720)	77,271
Changes in Deferred Outflows and Inflows:		
Deferred Outflows - Pension	11,895	(23,898)
Deferred Outflows - OPEB	247	(326)
Deferred Outflows - Other	(13)	(65)
Deferred Inflows - Pension	5,299	(63,470)
Deferred Inflows - OPEB	(690)	(687)
Net Cash Used by Operating Activities	$ (32,498)	$ (17,714)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital Assets Acquired by Donations, State funded, and Payable Increases	$ 35,167	$ 13,064
Fair Value Change in Interest Rate Swap	(3,748)	311
Realized (Unrealized) Gains on Investments	3,600	2,687
Administrative Fees on Investments	506	487
Accretion of Interest on Deep Discount Debt	234	288
Amortization of Premiums (Discounts)	(2,004)	(1,722)
Amortization of Deferred Losses and Swap Termination	688	166
Loss on Disposal of Assets	(2,243)	(221)
Construction in Progress Adjustments and Deductions	(6,694)	296
State Support for Pensions	331	4,373
Bond Underwriter Costs	1,022	411
Capital Asset acquired by new lease/financed purchase	10,476	1,463

See accompanying Notes to Financial Statements.

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

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

Financial Reporting Entity and Basis of Presentation

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

Colorado School of Mines Building Corporation

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

Mines Applied Technology Transfer Inc. (MATTI)

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

Discretely Presented Component Unit

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

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

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

Discretely Presented Component Unit (Continued)

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

Relationship to State of Colorado

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

Basis of Accounting and Presentation

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

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

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

Significant Accounting Policies

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

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

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

Investments and Investment Income

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

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

Accounts and Loans Receivable

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

Inventories

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

Bond Issuance Costs

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

Capital Assets

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

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

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

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

Capital Assets (Continued)

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

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

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

Compensated Absences

University policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time-off or, in limited circumstances, as a cash payment. Expense and the related liabilities that are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time-off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time-off are recognized as expense when the time-off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect as of June 30 plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue – Tuition, Fees and Grants

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

Bonds

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

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

Deferred Outflows (Inflows) of Resources

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

For current refunding and advance refunding resulting in defeasance of debt, the difference between the re-acquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The University recognized a deferred outflow in fiscal years 2024 and 2023 for the mark to market valuation of the SWAP agreement.

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

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

The Right-to-Use Software agreements include the future payments for use of software where Mines has a level of control over the access and right to use the assets. These agreements exceed a 12-month period.

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

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

Classification of Revenues

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

Operating Revenues

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

Nonoperating Revenues

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

Scholarship Discounts and Allowances

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

Donor-Restricted Endowments

Disbursements of the net appreciation (realized and unrealized) of investments of endowment gifts are permitted by state law, except where a donor has specified otherwise. The amount of earnings and net appreciation available for spending by the University and the Foundation is based on a spending rate set by the Foundation board on an annual basis. For the years ended June 30, 2024 and 2023, the authorized spending rate was equal to the 4.25% of the rolling 36-month average market value of the endowment investments. Earnings net of fees in excess of the amount authorized for spending are available in future years and are included in the value of the related investment.

Application of Restricted and Unrestricted Resources

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

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

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal and state income taxes under Section 115(a) of the IRC and a similar provision of state law. However, the University is subject to federal and state income tax on any unrelated business taxable income. No tax liability has been determined related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2024, and Mines paid $-0- and $-0- for the liability in fiscal years 2024 and 2023, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform with the 2024 presentation.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS

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

Table 2.1 Cash and Cash Equivalents (in thousands)

	2024	2023
University:		
Cash on Hand	$ 17	$ 13
Cash with U.S. Financial Institutions	64,675	63,203
Bond Proceeds in Highly Liquid Investments	334,350	64,718
Cash with State Treasurer	53,367	121,738
Total University	$ 452,409	$ 249,672
Discretely Presented Component Unit:		
Cash with U.S. Financial Institutions	$ 2,972	$ 8,436
Total Discretely Presented Component Unit	$ 2,972	$ 8,436

Deposits

The University deposits cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in the Treasury are invested until the cash is needed.

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

Deposits (Continued)

Colorado School of Mines deposits cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2024, the University had cash on deposit with the State Treasurer of $53,367,000 which represented approximately .29% of the total $18,095.0 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2024, the Pool's resources included $38.5 million of cash on hand and $18,056.6 million of investments. As of June 30, 2023, the University had cash on deposit with the State Treasurer of $121,737,000 which represented approximately .60% of the total $18,810.9 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2024, the Pool's resources included $35.0 million of cash on hand and $18,775.8 million of investments. On the basis of Colorado School of Mines' participation in the Pool, the University reports as an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year. Additional information on investments of the State Treasurer's Pool may be obtained in the State's Annual Comprehensive Financial Report for the year ended June 30, 2024.

Deposits not with the Treasury are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance (FDIC) and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (the Public Deposit Protection Act) or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor – government's name. Accordingly, none of the University's deposits as of June 30, 2024 and 2023 are deemed to be exposed to custodial credit risk. As of June 30, 2024 and 2023, the DPCU maintained balances in various operating accounts in excess of federally insured limits totaling approximately $2,972,000 and $8,000,000, respectively.

Colorado School of Mines issues bonds to fund capital projects. The University seeks to invest those funds during the period of construction. These investments are highly liquid to ensure funds can be drawn upon as needed. On June 30, 2023 the University had $64,718,000 of bond proceeds invested in a Guaranteed Investment Contract. Following the issuance of new bonds in Fiscal Year 2024, the University had $334,350,000 of bond proceeds invested in Guaranteed Investment Contracts, Money Market Funds, and State and Local Government Securities issued by the US Treasury.

Investments

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

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

Investments (Continued)

Credit Quality Risk

Credit quality risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk only applies to debt investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The University does not have a investment policy that would further limit its investment choices beyond those allowed by State statute. The corporate bond funds shown in table 2.2 are mutual funds and therefore are not rated.

Interest Rate Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. At June 30, 2024 and 2023, no single investment of the University's exceeded 5% of the total investments.

Most of the University's investments are managed by the Foundation, on behalf of the University and are reflected in the Foundation's Long-term Investment Pool (LTIP). The University's investments represent a proportionate share of the Foundation's LTIP and therefore, the University does not own any specific investments. As such the fair value measurement for the University's investments are reported as Level 1 and 3 investments as described below. The University investments are under the Foundation's LTIP policy. This policy requires funds to be managed in a diversified manner to reduce risks with the goal of providing a steady stream of funding for the University. The LTIP must be over a broad investment spectrum in order to create a mix of potential returns that, in the aggregate, would achieve the overall portfolio objectives. This diversification is to ensure that adverse or unexpected developments arising in one security or asset class will not have a significant detrimental impact on the entire portfolio. This policy minimizes concentration credit risk.

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

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

Investments (Continued)

The fair value measurement of investments as of June 30, 2024 and 2023 are shown in Table 2.2 Fair Value Measurements.

Table 2.2 Fair Value Measurements (in thousands)

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

	2023				
	Level 1	Level 2	Level 3	NAV	Total
University:					
Corporate Equity Securities	$ 266	$ -	$ -	$ -	$ 266
Investments with Foundation	-	-	35,006	-	35,006
Total University	$ 266	$ -	$ 35,006	$ -	$ 35,272
Liabilities - University:					
Interest Rate Swap Agreement	$ -	$ 4,836	$ -	$ -	$ 4,836
Total Liabilities - University	$ -	$ 4,836	$ -	$ -	$ 4,836
Discretely Presented Component Unit (DPCU):					
Cash Equivalents	$ 52,719	$ -	$ -	$ -	$ 52,719
Corporate Equity Securities	56,254	-	-	125,114	181,368
Hedge Funds	-	-	-	38,320	38,320
Private Equity	-	-	-	104,640	104,640
Corporate Bond Funds	27,079	-	-	-	27,079
Real Assets	-	-	-	-	-
Split-Interest Agreements	3,105	-	-	-	3,105
Gift Annuity Agreements	2,690	56	-	-	2,746
Beneficial Interest Investments	-	-	16,026	-	16,026
Total DPCU	$ 141,847	$ 56	$ 16,026	$ 268,074	$ 426,003

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

Investments (Continued)

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

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

	June 30, 2024 Fair Value	June 30, 2023 Fair Value	Unfunded Commitments	June 30, 2024 Redemption Frequency	Redemption Notice Period
Investments - DPCU:					
Global Equity	$ 118,641	$ 118,667	$ -	Daily to 5 Years	On Demand to 90 Days
Hedge Funds	37,842	44,767	-	Monthly to 7 Years	30 to 90 Days
Private Equity Funds	106,587	104,640	45,985	N/A	N/A
Real Assets	8,512	-	-	Daily to Quarterly	On Demand to 30 Days
Fixed Income	19,628	-	-	Daily to Annual	On Demand to 90 Days
Total Investments - DPCU	$ 291,210	$ 268,074	$ 45,985		

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

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

Fiscal Year Ending June 30,	Amount
2020	$ 550,064
2021	657,963
2022	603,527
2023	719,383
2024	963,331

NOTE 3 ACCOUNTS AND LOANS RECEIVABLE

Table 3.1, Accounts Receivable, segregates receivables as of June 30, 2024 and 2023, by type.

Table 3.1 Accounts Receivable (in thousands)

	2024			
	Gross Receivable	Allowance	Net Receivable	Net Current Position
University:				
Student Accounts	$ 4,864	$ 761	$ 4,103	$ 4,103
Student Loans	2,042	30	2,012	360
Federal Government	28,481	-	28,481	28,481
Private Sponsors	8,169	-	8,169	8,169
Discretely Presented Component Unit	3,357	-	3,357	3,357
Other	8,986	11	8,975	8,975
Total University	$ 55,899	$ 802	$ 55,097	$ 53,445
Discretely Presented Component Unit (DPCU):				
Contributions*	$ 19,504	$ 2,370	$ 17,134	$ 7,303
Due from University	1,392	-	1,392	-
Total DPCU	$ 20,896	$ 2,370	$ 18,526	$ 7,303

	2023			
	Gross Receivable	Allowance	Net Receivable	Net Current Position
University:				
Student Accounts	$ 5,180	$ 847	$ 4,333	$ 4,333
Student Loans	2,173	19	2,116	413
Federal Government	21,692	-	21,692	21,692
Private Sponsors	7,572	-	7,572	7,572
Discretely Presented Component Unit	3,764	-	3,764	3,764
Other	3,286	11	3,275	3,275
Total University	$ 43,667	$ 877	$ 42,752	$ 41,049
Discretely Presented Component Unit (DPCU):				
Contributions*	$ 11,592	$ 1,144	$ 10,448	$ 4,271
Due from University	1,352	-	1,352	-
Total DPCU	$ 12,944	$ 1,144	$ 11,800	$ 4,271

*The allowance on the contributions receivable is comprised of uncollectible and unamortized discounts of $757 and $1,613, respectively, as of June 30, 2024 and $391 and $753, respectively, for June 30, 2023

NOTE 4 CAPITAL ASSETS

In fiscal year 2023, the University adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The University retroactively applied this statement to fiscal year 2022 and restated June 30, 2022 balances to reflect impact of the new standard. The University has several of these types of agreements.

In fiscal year 2022, the University implemented GASB 87, *Leases*, requiring the recognition of certain lease assets and liabilities for leases previously classified as operating leases and now classified as right to use assets (RTU). The University leases various buildings and equipment some of which remain current year expense based on certain criteria under GASB 87.

NOTE 4 CAPITAL ASSETS (CONTINUED)

Table 4.1, Capital Assets, presents the changes in capital assets, accumulated depreciation, and accumulated amortization by major asset category, including RTU and SBITA assets, for the years ended June 30, 2024 and 2023.

Table 4.1 Capital Assets (in thousands)

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

Table 4.1 Capital Assets (in thousands) (continued)

	2023				
	Balance Beginning of Year	Additions	Deletions	Transfers	Balance End of Year
Capital Assets Not Being Depreciated:					
Land	$ 16,222	$ 3,026	$ -	$ 4,427	$ 23,675
Works of Art	234	-	-	-	234
Construction in Progress	19,717	45,414	-	(4,400)	60,731
Total Capital Assets Not Being Depreciated	36,173	48,440	-	27	84,640
Capital Assets Being Depreciated:					
Land Improvements	36,133	-	-	221	36,354
Buildings and Improvements	660,185	3,645	-	(3,026)	660,804
Software	2,345	27	124	-	2,248
Equipment	99,368	7,551	2,779	897	105,037
Library Materials	13,531	183	11,412	-	2,302
Intangible Assets	600	-	-	-	600
Total Capital Assets Being Depreciated	812,162	11,406	14,315	(1,908)	807,345
Less Accumulated Depreciation:					
Land Improvements	17,327	1,498	-	-	18,825
Buildings	225,959	17,214	-	-	243,173
Software	2,250	54	124	-	2,180
Equipment	64,843	6,847	2,103	-	69,587
Library Materials	12,506	203	11,412	-	1,297
Intangible Assets	433	33	-	-	466
Total Accumulated Depreciation	323,318	25,849	13,639	-	335,528
Total Capital Assets Being Depreciated, Net	488,844	(14,443)	676	(1,908)	471,817
Right-to-Use Assets:					
Right-to-Use Buildings	635	234	120	3	752
Right-to-Use Equipment	573	20	-	-	593
Right-to-Use SBITA	3,160	2,278	-	-	5,438
Work in Progress - Right-to-Use Assets	-	2,274	-	1,586	3,860
Total Right-to-Use Assets	4,368	4,806	120	1,589	10,643
Total Accumulated Amortization	150	3,350	-	-	3,500
Total Capital Assets, Net	$ 529,235	$ 35,453	$ 796	$ (292)	$ 563,600

The interest expense related to capital asset debt incurred by the University during the years ended June 20, 2024 and 2023, was $24,841,000 and $14,563,000, respectively.

NOTE 5 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Table 5.1, Deferred Outflows and Inflows of Resources details the types and amounts of deferred outflows and inflows of resources as of June 30, 2024 and 2023.

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

	2024	2023
Deferred Outflows:		
Loss on Bond Refundings	$ 2,173	$ 6,195
SWAP Valuation	1,088	1,573
Pension Related	26,517	38,412
OPEB Related	662	909
Asset Retirement Obligation	238	224
Total Deferred Outflows of Resources	$ 30,678	$ 47,313
Deferred Inflows:		
Leases	$ 5,811	$ 6,696
Gain on Bond Refundings	379	450
Pension Related	10,569	5,270
OPEB Related	2,694	3,384
Total Deferred Inflows of Resources	$ 19,453	$ 15,800

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Table 6.1, Accounts Payable and Accrued Liabilities, details the accounts payable and accrued expenses as of June 30, 2024 and 2023.

Table 6.1 Accounts Payable and Accrued Liabilities (in thousands)

	2024	2023
Accounts Payable - Vendors	$ 41,819	$ 20,542
Accrued Salaries and Benefits	3,023	3,516
Accrued Interest Payable	3,121	1,707
Total Accounts Payable and Accrued Liabilities	$ 47,963	$ 25,765

NOTE 7 COMPENSATED ABSENCES

Table 7.1, Compensated Absences, presents the changes in compensated absences for the years ended June 30, 2024 and 2023.

Table 7.1 Compensated Absences (in thousands)

	2024	2023
Beginning of the Year	$ 10,642	$ 8,534
Increases (Decreases) Sick Lease	(221)	99
Increases Annual Leave	720	2,009
End of the Year	$ 11,141	$ 10,642
Current Portion	$ 972	$ 905

NOTE 8 UNEARNED REVENUE

Table 8.1, Unearned Revenue, details the types and amounts of unearned revenue as of June 30, 2024 and 2023.

Table 8.1 Unearned Revenue (in thousands)

	2024	2023
Tuition and Fees	$ 5,755	$ 5,587
Grants and Contracts	8,904	10,823
Miscellaneous	1,653	1,264
Total Unearned Revenue	$ 16,312	$ 17,674

NOTE 9 BONDS, FINANCED PURCHASES, LEASES AND SBITAS

As of June 30, 2024 and 2023, the categories of long-term obligations are detailed in Table 9.2, Bonds and Financed Purchases Payable. Table 9.3, Changes in Bonds and Financed Purchases Payable, presents the changes in bonds and financed purchases payable for the years ended June 30, 2024 and 2023.

Revenue Bonds

A general description of each revenue bond issue, original issuance amount, and the amount outstanding as of June 30, 2024 and 2023 is detailed in Table 9.4, Revenue Bond Detail.

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

The revenue bonds are secured by a pledge of all net revenues as defined by the bond documents. As of June 30, 2024 and 2023, net auxiliary pledged revenues, total net pledged revenues, and the associated debt service coverage are shown in Table 9.1, Net Pledged Revenues. The University's net pledged revenues will continue to be pledged for the life of the associated revenue bonds as detailed in Table 9.2, Bonds and Financed Purchases Payable. The outstanding principal and interest of the related pledged debt is detailed in Table 9.5, Revenue Bonds Future Minimum Payments. The University believes it is in compliance with all existing pledged revenue requirements of its outstanding bonds.

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

Revenue Bonds (Continued)

Table 9.1 Net Pledged Revenues (in thousands)

	2024	2023
Prior Bond Obligation:		
Auxiliary Gross Revenues:		
Facilities	$ 41,914	$ 41,496
Student Services Fee Revenue	3,816	3,536
Auxiliary Renewal and Replacement Fund	883	972
Total Auxiliary Revenues	46,613	46,004
Total Auxiliary Operating Expenses	(24,556)	(22,506)
Net Auxiliary Revenues	$ 22,057	$ 23,498
Total Prior Obligations Debt Service	1,380	1,385
Prior Obligations Debt Service Coverage	16.0	17.0
Parity Bond Obligations:		
Institution Enterprise Revenues:		
Student Tuition	$ 150,503	$ 138,828
Indirect Cost Recoveries	20,206	18,343
Academic Facility Fees	4,974	4,533
Federal Interest Subsidy	884	884
Total Institution Enterprise Revenues	$ 176,567	$ 162,588
Net Pledged Revenues for Parity Debt	$ 197,244	$ 184,701
Total Parity Debt Service	31,363	19,509
Parity Debt Service Coverage	6.3	9.5
Total Debt Service Coverage	6.1	8.9

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

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

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

Revenue Bonds (Continued)

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

The Series 2009B qualify as Build America Bonds for purposes of the American Recovery and Reinvestment Act of 2009 (ARRA) signed into law on February 17, 2009. Pursuant to ARRA, for the Series 2009B the University expects to receive a cash subsidy payment from the United States Treasury, referred to as Federal Direct Payments, equal to 35% of the interest payable on the bonds on or around each interest payment date. Due to federal budget cuts that started during fiscal year 2013, the University received approximately 5.7% less in payments under this program for both fiscal years 2024 and 2023. Pursuant to the Colorado Recovery Act, the Board may pledge any Federal Direct Payments received to the payments of the bonds. The Board has pledged such payments to the payment of all bonds. In fiscal years 2024 and 2023, the University received $884,000 and $884,000, respectively, in Federal Direct Payments.

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

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

Revenue Bonds (Continued)

The following table provides a summary of the University's long-term debt obligations as of June 30, 2024 and 2023 (in thousands):

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

	Interest Rates	Final Maturity	Balance 2024	Balance 2023
Auxiliary Facilities Enterprise				
Revenue Bonds	5.14% - 5.40%	2028	$ 3,945	$ 5,091
Institutional Enterprise Revenue Bonds:				
Floating Rate Note Bonds	4.76%*	2025	33,435	34,410
Fixed Rate Bonds	2.00% - 6.29%	2052	633,940	293,133
Fixed Rate Bonds (Direct Placement)	2.02% - 5.14%	2053	50,520	51,860
Total Bonds Payable			721,840	384,494
Financed Purchase	4.51%	2050	41,198	42,012
Leases Payable	0.44% - 2.96%	2029	366	631
SBITA's Payable	0.18% - 2.74%	2028	10,136	2,554
Total Bonds and Other Long-Term Debt Obligations			$ 773,540	$ 429,691

* Floating Rate Note Bonds are set at an adjustable rate as discussed below. The rates reflected in the table are as of June 26, 2024, the last reset date prior to June 30, 2024, and include the spread.

In December 2022, the University refunded the 2018A floating rate note (FRN) bonds with the issuance of the 2022D FRN institutional enterprise revenue bonds. The interest rate on the Series 2022D bonds is calculated as the SIFMA Index rate plus an 87-basis point spread. The interest rate on the Series 2022D as of June 30, 2024 and June 30, 2023 (including spread) was 4.759% and 4.889%, respectively.

Table 9.3, Changes in Bonds and Other Long-Term Obligations presents the changes in bonds and financed purchases for the years ended June 30, 2024 and 2023.

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

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

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

Revenue Bonds (Continued)

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

	2023				
	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Current Portion
Revenue Bonds Payable	$ 249,933	$ 157,028	$ 45,845	$ 361,116	$ 9,995
Plus: Unamortized Premiums	18,724	6,903	2,245	23,382	-
Less: Unamortized Discounts	4	-	-	4	-
Total Bonds Payable	268,653	163,931	48,090	384,494	9,995
Financed Purchase	42,792	-	780	42,012	815
Leases Payable	660	326	355	631	265
SBITA's Payable	3,093	1,138	1,677	2,554	1,639
Total Bonds and Leases Payable	$ 315,198	$ 165,395	$ 50,902	$ 429,691	$ 12,714

Table 9.4, Revenue Bond Detail presents a summary description of the University's outstanding revenue bonds for the years ended June 30, 2024 and 2023.

Table 9.4 Revenue Bond Details (in thousands)

Description	Original Issuance Amount	Outstanding Balance 2024	Outstanding Balance 2023
Auxiliary Facilities Enterprise Revenue Bonds:			
Capital Appreciation, Series 1999 Used to fund capital improvements for residence halls, residential housing, student center and fraternity housing facilities.	$ 7,794	$ 3,945	$ 5,091
Total Auxiliary Facilities Enterprise Revenue Bonds	7,794	3,945	5,091
Institutional Enterprise Revenue Bonds:			
Series 2009B Taxable Direct Payment Build America Bonds, used to fund construction or renovation of certain campus capital projects including a new residence hall, Weaver Towers, wellness center and other capital improvements.	42,860	42,850	42,860
Series 2016 Used to fund construction, improvements, and equipping of CoorsTek Center; advance refunding portion of the Series 2009A bonds and Series 2009C bonds.	34,690	12,850	14,830
Series 2017A Used to fund construction and improvements to campus-wide generators, a chiller plant, the Green Center roof and a new operations building.	27,675	26,245	26,970
Series 2017B Used to fund construction of a new residence hall, parking garage, innovative learning space and improvements to campus utilities.	71,880	68,650	70,095
Series 2017C Used to advanced refund a portion of the Institutional Enterprise Revenue Bonds, Series 2012B.	35,030	31,915	32,990

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

Revenue Bonds (Continued)

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

Description	Original Issuance Amount	Outstanding Balance 2024	Outstanding Balance 2023
Series 2022A Used to fund construction of Beck Venture Center, Early Childhood Education Center, Labriola Innovation Complex and a new classroom wrap for the garage funded by the Series 2022B and 2022C bonds.	$ 46,405	$ 45,340	$ 46,405
Series 2022B Used to fund construction of a new parking garage. Repayment begins in 2048.	20,345	20,345	20,345
Series 2022C Used to fund construction of a new parking garage. Repayment begins in 2028.	15,260	15,260	15,260
Series 2022D Used to refund all of the floating rate notes Institutional Enterprise Revenue Bonds, Series 2018A.	34,410	33,435	34,410
Series 2023C Used to fund new construction at Mines Park Repayment begins in 2026	132,485	132,485	-
Series 2024A Used to fund new construction of new apartment style housing Repayment begins in 2026	199,195	199,195	-
Total Institutional Enterprise Revenue Bonds	660,235	628,570	304,165
Direct Placement Institutional Enterprise Revenue Bonds:			
Series 2020 Used to refund all of the Series 2010B Taxable Direct Payment Build America Bonds and the remaining balance of the Series 2012B Institutional Enterprise Revenue Bonds.	15,675	15,355	15,575
Series 2023A Used to renovate Mines Park.	13,450	12,740	13,450
Series 2023B Used to expand campus utilities infrastructure.	22,835	22,425	22,835
Total Direct Placement Institutional Enterprise Revenue Bonds	51,960	50,520	51,860
Subordinate Institutional Enterprise Revenue Bonds, Direct Placement:			
Total Revenue Bonds	$ 719,989	683,035	361,116
Plus: Premiums		38,807	23,382
Less: Discounts		2	4
Total Revenue Bonds		$ 721,840	$ 384,494

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

Revenue and Refunding Bond Activity

In December 2020 the University issued the 2020 Institutional Enterprise Revenue Refunding Bonds of $15,675,000 directly to JPMorgan Chase. The 2020 bond was issued as a drawdown bond with two draws occurring at the time the refunded bonds can be redeemed. The first draw of $11,645,000, occurring in December 2020, was used to refund the Series 2010B Taxable Direct Payment Build Americas Bonds. The second draw of $4,030,000 occurred in December 2022 and current refunded and redeemed the remaining balance on the 2012B institutional revenue bonds.

In December 2022 the University issued Series 2022 A-D Institutional Enterprise Revenue Bonds in the total amount of $116,420,000 to construct new facilities and refund existing variable rate debt. The Series 2022B tax exempt bonds, $20,345,000, and the 2022C taxable bonds, $15,260,000, will be used the construct a second parking garage on campus. The Series 2022A Green Bonds, $46,405,000, will be used to construct the Beck Venture Center, the Labriola Innovation Complex, the Early Childhood Education Center, and a classroom wrap for the new garage. The Series 2022D Institutional Enterprise Revenue Refunding Bonds, $34,410,000, were used to refund the balance on Series 2018A floating rate note Institutional Enterprise Revenue Bonds.

In June 2023 the University issued Series 2023A Institutional Enterprise Revenue Bonds in the amount of $13,450,000 and the Series 2023B Institutional Enterprise Revenue Bonds in the amount of $22,835,000 directly to JPMorgan Chase. The 2023A tax exempt bonds will be used to renovate the Mines Park housing complex (Phase I of the Mines Park Improvement Project). The 2023B taxable bonds will be used to expand and improve the campus utility system and related infrastructure.

In November 2023 the University issued Series 2023C Institutional Enterprise Revenue Bonds in the amount of $132,485,000. The 2023C tax exempt bonds will be used to redevelop a portion Mines Park complex (Phase II of the Mines Park Improvement Project). The redevelopment will replace several existing buildings with new units providing an additional 520 beds compared to the prior configuration.

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

Unused Lines of Credit

The University does not have any outstanding unused lines of credit as of June 30, 2024 and 2023.

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

Debt Service Requirements on Revenue Bonds

The future minimum revenue bonds debt service requirements as of June 30, 2024 are shown in Table 9.5, Revenue Bonds Future Minimum Payments.

Table 9.5 Revenue Bonds Future Minimum Payments (in thousands)

	Nondirect Borrowings			Direct Borrowings		
Years Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2025	$ 9,160	$ 31,116	$ 40,276	$ 1,270	$ 1,929	$ 3,199
2026	41,560	29,826	71,386	1,325	1,878	3,203
2027	9,955	28,781	38,736	1,370	1,826	3,196
2028	25,830	27,945	53,775	1,425	1,772	3,197
2029	11,065	27,029	38,094	1,485	1,715	3,200
2030-2034	67,365	125,539	192,904	21,235	6,688	27,923
2035-2039	90,775	105,952	196,727	7,555	4,588	12,143
2040-2044	101,680	79,871	181,551	4,135	3,308	7,443
2045-2049	126,700	52,557	179,257	5,335	2,098	7,433
2050-2054	132,675	21,195	153,870	5,385	571	5,956
2055-2059	16,065	402	16,467	-	-	-
Subtotal	632,830	530,213	1,163,043	50,520	26,373	76,893
Unaccreted Interest -1999 Bonds	(315)	-	(315)	-	-	-
Total Debt Service	$ 632,515	$ 530,213	$ 1,162,728	$ 50,520	$ 26,373	$ 76,893

Interest Rate Swap Agreement

In fiscal year 2008, the University entered into a floating to fixed interest rate swap agreement (Swap Agreement) in connection with the 2008A issuance. The Swap Agreement was entered into with the objective of protecting against the potential of rising interest rates. The 2008A issuance was refunded with the Series 2010A issuance. The Series 2010A was refunded with the issuance of the Series 2018A Refunding Bonds, and the Series 2018A was refunded with the issuance of the Series 2022D Refunding Bonds. The original Swap Agreement has been cancelled, but the economic terms have been transferred and modified in association with the Series 2022D issuance. The Swap Agreement has a notional amount of $33,435,000 and $34,410,000 and a fair value of $(1,088,000) and ($4,836,000) at June 30, 2024 and 2023, respectively. The Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate payable by the University and a variable rate payable by Morgan Stanley. For the Series 2022D bonds the Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate of 3.907% payable by the University and the SIFMA Municipal Swap Index; the SIFMA rate was 3.88% at June 26, 2024 which was the last change date for FY2024. On December 1, 2025 the fixed rate for the swap agreement resets to 3.59% for the remainder of the agreement. The fair value of the swap is classified as a noncurrent liability and the change in fair value of the swap is classified as a deferred outflow at June 30, 2024 and June 30, 2023.

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

Interest Rate Swap Agreement (Continued)

Morgan Stanley, counterparty to the Swap Agreement, determined the fair value as of June 30, 2024 and 2023, using a discounted forecasted cash flows; however, the actual method and significant assumptions used are proprietary. The Swap Agreement has an effective date of December 15, 2022 and a termination date of December 1, 2037.

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

Termination Risk

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

Credit Risk

The risk that the counterparty will not fulfill its obligations. The University considers the Swap Agreement counterparty's (Morgan Stanley) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2024, Morgan Stanley's long term credit rating is A1 by Moody's and A- by Standards & Poor's.

For the outstanding Swap Agreement, the University has a maximum possible loss equivalent to the swap's fair value at June 30, 2024 and 2023 related to the credit risk. However, the University was not exposed to this loss because of the negative fair value of the swaps as of June 30, 2024 and 2023. In addition, these agreements required no collateral and no initial net cash receipt or payment by the University.

Basis Index Risk

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

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

Interest Rate Swap Agreement (Continued)

As of June 30, 2024, the aggregate debt service payments and net swap cash payments, assuming current interest rates remain the same, for their term are reflected in Table 9.6, Future Revenue Bonds and Net Swap Minimum Payments.

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

Years Ending June 30,	Principal	Bond Interest	SWAP Interest, Net	Total Debt Service	Support Fee
2025	$ 1,000	$ 1,268	$ 305	$ 2,573	$ 289
2026	32,435	521	125	33,081	119
Total Debt Service	$ 33,435	$ 1,789	$ 430	$ 35,654	$ 408

Extinguishment of Debt

The University does not have an escrow balance for defeasance as of June 30, 2024 and 2023.

Financed Purchase

The University entered a 30-year, $44,250,000 contract on July, 1, 2020 with a third-party developer for the Residence Hall at 1750 Jackson Street. The University had an outstanding liability for financed purchases of $41,198,000 and $42,012,000 as of June 30, 2024 and 2023, respectively, with underlying gross capitalized asset cost approximating $44,249,000. The total interest expense related to the financed purchase incurred by the University was $1,880,000 and $1,916,000 as of June 30, 2024 and 2023, respectively.

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

Table 9.7 Future Financed Purchase Payments (in thousands)

Years Ending June 30,	Principal	Interest	Total
2025	$ 853	$ 1,842	$ 2,695
2026	892	1,803	2,695
2027	933	1,762	2,695
2028	976	1,719	2,695
2029	1,021	1,674	2,695
2030-2034	5,856	7,619	13,475
2035-2039	7,336	6,139	13,475
2040-2044	9,190	4,285	13,475
2045-2049	11,512	1,963	13,475
2050-2054	2,629	65	2,694
Total Financed Purchase Payments	$ 41,198	$ 28,871	$ 70,069

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

State of Colorado Certificates of Participation

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

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

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

Leases Payable

The University leases equipment as well as certain operating and office facilities for various terms under long-term, noncancellable lease agreements. The leases expire at various dates through 2027 and provide for varying renewal options.

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

Table 9.8 Future Minimum Lease Payments (in thousands)

Years Ending June 30,	Minimum Lease Payments
2025	$ 224
2026	118
2027	24
2028	-
2029	-
Total Operating Lease Payments	$ 366

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

Subscription-Based Information Technology Arrangements

The University has entered into subscription-based information technology arrangements (SBITAs) for on-demand cloud-based information and administrative software systems. The SBITA arrangements expire at various dates through 2034 and provide for renewal options.

As of June 30, 2024 SBITA assets and the related accumulated amortization totaled $22,649,000 and $6,257,000, respectively.

As of June 30, 2023 SBITA assets and the related accumulated amortization totaled $8,781,000 and $2,766,000, respectively.

Table 9.8 Future Minimum SBITA Payments (in thousands)

	Minimum SBITA Payment	
Years Ending June 30,	Principal	Interest
2025	$ 2,655	$ 126
2026	1,676	93
2027	1,075	74
2028	1,048	57
2029	738	45
2030 to 2034	2,944	96
Total Operating SBITA Payments	$ 10,136	$ 491

NOTE 10 LEASES RECEIVABLE

The University, acting as lessor, leases office space to several tenants in multiple buildings and cell tower use, under long-term, noncancelable agreements. The lease terms for the tenants vary and extend through fiscal year 2029. Under GASB 87 rent revenue is recorded when certain criteria are met.

Table 10.1 Future Minimum Lease Receivables (in thousands)

Years Ending June 30,	Principal	Interest	Total
2025	$ 1,655	$ 32	$ 1,687
2026	1,624	20	1,644
2027	1,600	9	1,609
2028	410	1	411
2029	26	-	26
2030	-	-	-
Total Lease Receivables	$ 5,315	$ 62	$ 5,377

The annual lease payments for fiscal year 2024 and 2023 were $1,657,000 and $1,590,000, respectively. The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease and is amortized on a straight-line basis over the term of the lease.

NOTE 11 OTHER LIABILITIES

Table 11.1, Other Liabilities, details other liabilities as of June 30, 2024 and 2023.

Table 11.1 Other Liabilities (in thousands)

	2024		2023	
	Total	Current Portion	Total	Current Portion
University:				
Amounts Due to the Foundation	$ 1,353	$ (17)	$ 1,458	$ 125
Funds Held for Others	255	255	392	392
Pollution Remediation	313	-	653	373
Student Deposits	642	642	629	629
Miscellaneous	641	641	411	356
Total University	$ 3,204	$ 1,521	$ 3,543	$ 1,875
Discretely Presented Component Unit:				
Colorado School of Mines	$ 37,244	$ -	$ 35,007	$ -
Other Trust Funds	682	-	642	-
Obligations Under Split-Interest Agreements	1,028	-	1,165	-
Obligations Under Gift Annuity	5,073			
Agreements	-	-	2,569	-
Refunded Advances	-	-	-	-
Other Liabilities	716	-	632	-
Total Discretely Presented Component Unit	$ 44,743	$ -	$ 40,015	$ -

Direct Lending

The University began participation in the Direct Student Loan program operated by the Federal Government in the spring of fiscal year 2010. This program enables eligible students or parents to obtain a loan to pay for the student's cost of attendance directly through the University rather than through a private lender. The University is responsible for handling the complete loan process, including funds management, as well as promissory note functions. The University is not responsible for collection of these loans or for defaults by borrowers, and therefore these loans are not recognized as receivables in the accompanying financial statements. Lending activity during the years ended June 30, 2024 and 2023 under these programs were $35,794,000 and $34,860,000, respectively.

NOTE 12 RETIREMENT PLANS

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions

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

Benefits Provided as of December 31, 2023

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.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Benefits Provided as of December 31, 2023 (Continued)

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 postretirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, and all eligible benefit recipients of the DPS benefit structure 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, 2024

Eligible employees of Colorado School of Mines and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of July 1, 2023 through June 30, 2024 are summarized in the table below:

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Contributions Provisions as of June 30, 2023 (Continued)

Table 12.1 Contribution Rate Requirements

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Employee Contribution (All Employees Except State Troopers)	11.00 %	11.00 %	11.00 %	11.00 %

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

The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Employer Contribution Rate	11.40 %	11.40 %	11.40 %	11.40 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)	(1.02)	(1.02)	(1.02)
Amount Apportioned to the SDTF	10.38	10.38	10.38	10.38
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	5.00	5.00	5.00	5.00
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.00	5.00	5.00	5.00
Defined Contribution Supplement as Specified in C.R.S. § 24-51-415	0.10	0.17	0.17	0.21
Total Employer Contribution Rate to the SDTF	20.48 %	20.55 %	20.55 %	20.59 %

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Colorado School of Mines is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Colorado School of Mines were $16,264,000 and $15,814,000, respectively, for the years ended June 30, 2024 and June 30, 2023.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Contributions Provisions as of June 30, 2023 (Continued)

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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) provided compensatory payment of $14.561 million for 2023 only.

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, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The Colorado School of Mines proportion of the net pension liability was based on Colorado School of Mines contributions to the SDTF for the calendar year 2023 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, 2024 and June 30, 2023, the Colorado School of Mines reported a liability of $206,418,000 and $239,851,000, respectively, for its proportionate share of the net pension liability.

At December 31, 2023, the Colorado School of Mines' proportion was 2.0410947838%, which was a decrease of .1649217738% from its proportion measured as of December 31, 2022. At December 31, 2022, the Colorado School of Mines' proportion was 2.2060165576%, which was a decrease of .0023474071% from its proportion measured as of December 31, 2022.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2024, the Colorado School of Mines recognized pension expense of $356,000, and revenue of $331,000 for support from the State as a nonemployer contributing entity. For the year ended June 30, 2023, the Colorado School of Mines recognized pension expense of $9,802,000, and revenue of $4,373,000 for support from the State as a nonemployer contributing entity. At June 30, 2024 and 2023, the Colorado School of Mines reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 12.2 Deferred Outflows and Inflows (in thousands)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2024	2023	2024	2023
Difference Between Expected and Actual Experience	$ 3,374	$ -	$ 1,096	$ 3,215
Changes of Assumptions or Other Inputs	-	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,992	30,493	-	-
Change in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	-	-	9,473	2,055
Contributions Subsequent to the Measurement Date	8,151	7,919	-	-
Total	$ 26,517	$ 38,412	$ 10,569	$ 5,270

The University reported $8,151,000 and $7,919,000 reported as deferred outflows of resources related to pensions as of June 30, 2024 and 2023, respectively, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the years ended June 30, 2025 and June 30, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Years Ending June 30,	Amount
2025	$ (5,254)
2026	4,520
2027	12,603
2028	(4,072)
Thereafter	-
Total	$ 7,797

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions

The TPL in the December 31, 2022 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	3.30% - 10.90%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25 %
Discount Rate	7.25 %
Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to 1/1/07; and DPS Benefit Structure (Compounded Anually)	1.00% Compounded Annually
PERA Benefit Structure Hired After 12/31/06[1]	Financed by the Annual Increase Reserve

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

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

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

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

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

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

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions (Continued)

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions (Continued)

Table 12.4 Long-Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the TPL was 7.25%. 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.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

Discount Rate (Continued)

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

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

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

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

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

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

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (Continued)

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

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

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

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

Table 12.5 Discount Rate Sensitivity (in thousands)

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

	2023		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 306,619	$ 239,851	$ 183,684

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

Colorado School of Mines disbursed the final payroll of the year on the last business day of the month. Related payroll contributions are submitted to PERA within the required reporting timeframe. On June 30, 2024 and 2023, Mines reported a payable to PERA of $1,947,000 and $169,000, respectively, for contributions to the PERA Pension Plan.

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPLUS 401(k) Plan)

Plan Description

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

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended June 30, 2024 and 2023, program members contributed $1,534,000 and $1,555,000, respectively, for the Voluntary Investment Program.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description

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

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

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

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

Funding Policy

All participating employees in the PERA DC Plan and the Colorado School of Mines are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period from July 1, 2022 through June 30, 2024 are summarized in the tables below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Employee Contribution Rates:				
Employee Contribution (All Employees Except Safety Officers)	11.00 %	11.00 %	11.00 %	11.00 %
Employer Contribution Rates:				
On Behalf of All Employees Except Safety Officers	10.15	10.15	10.15	10.15

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

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

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %	5.00 %	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00	5.00	5.00	5.00
Automatic Adjustment Provision (AAP) as Specified in C.R.S. § 24-51-413	1.00	1.00	1.00	1.00
Additional StatutoryCcontribution as Specified in C.R.S § 24-51-401 and § 24-51-1505	0.25	0.25	0.25	0.25
Defined Contribution Supplement as Specified in C.R.S. § 24-51-415	0.10	0.17	0.17	0.21
Total Employer Contribution Rate to the SDTF[1]	11.35 %	11.42 %	11.42 %	11.46 %

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

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

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

Funding Policy (Continued)

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. For the year ended June 30, 2024, participating employees in the PERA DC plan contributed $9,908, and the Colorado School of Mines recognized pension expense and a liability of $38,888 and $33,167 respectively, for the PERA DC Plan. For the year ended June 30, 2023, participating employees in the PERA DC plan contributed $9,592, and the Colorado School of Mines recognized pension expense and a liability of $18,779 and $-0- respectively, for the PERA DC Plan.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description

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

Funding Policy

The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2024 and 2023, program members contributed $1,146,000 and $1,049,000, respectively, for the PERAPlus 457 Plan.

Mines Defined Contribution Plan

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

NOTE 12 RETIREMENT PLANS (CONTINUED)

Defined Contribution Pension Plans (Continued)

Mines Defined Contribution Plan (Continued)

For the years ended June 30, 2024 and 2023, the University's contribution to the MDCP was equal to 12% of pre-tax covered payroll and the employee contribution was equal to 11% of pre-tax covered payroll. The University's contribution under the MDCP approximated $7,491,000 and $6,282,000 for fiscal years 2024 and 2023, respectively.

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

CSM Foundation Retirement Plan

The Foundation participates in a defined contribution pension plan covering substantially all of its employees. Employer's contributions begin after an employee completes one year of employment. Employer contributions are a percentage of regular salary. Contributions and costs are based on the number of years of service and a percentage of regular salary. Pension expense was $332,000 and $298,000 for fiscal years 2024 and 2023, respectively.

NOTE 13 DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB

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

General Information About the OPEB Plan

Plan Description

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

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

General Information About the OPEB Plan (Continued)

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.

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

General Information About the OPEB Plan (Continued)

PERA Benefit Structure (Continued)

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.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees 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 retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Colorado School of Mines is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Colorado School of Mines were $806,000 and $781,000 for the years ended June 30, 2024 and 2023, respectively.

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

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

At June 30, 2024 and 2023, the Colorado School of Mines reported a liability of $4,894,000 and $5,948,000, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The Colorado School of Mines proportion of the net OPEB liability was based on Colorado School of Mines contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Colorado School of Mines' proportion was 0.68573091770%, which was a decrease of 0.04% from its proportion measured as of December 31, 2022. At December 31, 2022, the Colorado School of Mines' proportion was 0.7285089080%, which was a decrease of 0.01% from its proportion measured as of December 31, 2021.

For the years ended June 30, 2024 and 2023, the Colorado School of Mines recognized OPEB expense of ($1,498,000) and ($1,459,000), respectively. At June 30, 2024, the Colorado School of Mines reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table 13.1 Deferred Outflows and Inflows (in thousands)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2024	2023	2024	2023
Difference Between Expected and Actual Experience	$ -	$ 1	$ 1,003	$ 1,438
Changes of Assumptions or Other Inputs	58	96	519	656
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	151	363	-	-
Change in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	51	56	1,172	1,290
Contributions Subsequent to the Measurement Date	402	393	-	-
Total	$ 662	$ 909	$ 2,694	$ 3,384

The University reported $402,000 and $393,000, respectively, as deferred outflows of resources related to the OPEB as of June 30, 2024 and 2023, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2025 and 2024, respectively.

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

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

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

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

Years Ending June 30,	Amount
2025	$ (1,009)
2026	(641)
2027	(302)
2028	(304)
2029	(130)
Thereafter	(48)
Total	$ (2,434)

Actuarial Assumptions

The TOL in the December 31, 2022 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	3.30 % - 10.90 %
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	- %
PERACare Medicare Plans	7.00% in 2023, Gradually Decreasing to 4.50% in 2033
Medicare Part A Premiums	3.50% in 2023, Gradually Increasing to 4.50% in 2035
DPS Benefit Structure:	
Service-Based Premium Subsidy	0.0%
PERACare Medicare Plans	N/A
Medicare Part A Premiums	N/A

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

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

Actuarial Assumptions (Continued)

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

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

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

The 2023 Medicare Part A premium is $506 (actual dollars) per month.

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

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

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

Actuarial Assumptions (Continued)

Health care cost trend rates 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. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00 %	3.50 %
2024	6.75	3.50
2025	6.50	3.75
2026	6.25	3.75
2027	6.00	4.00
2028	5.75	4.00
2029	5.50	4.00
2030	5.25	4.25
2031	5.00	4.25
2032	4.75	4.25
2033	4.50	4.25
2034	4.50	4.25
2035+	4.50	4.50

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

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

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

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

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

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

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

- Per capita health care costs in effect as of December 31, 2022 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

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

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

Actuarial Assumptions (Continued)

- The health care cost trend rates applicable to health care for premiums were revised to reflect the then-current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation 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.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

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

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

Actuarial Assumptions (Continued)

As of the 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	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00 %	

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

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

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

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

	June 30, 2023		
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.25 %	6.25 %	7.25 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	3.00	4.00	5.00
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 5,779	$ 5,948	$ 6,131

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

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

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

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

Summary of Significant Accounting Policies (Continued)

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

Discount Rate (Continued)

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

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

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

Table 13.3 Discount Rate Sensitivity (in thousands)

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

	2023		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 6,896	$ 5,948	$ 5,138

OPEB Plan Fiduciary Net Position

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

Payables to the OPEB Plan

The University disbursed the final payroll of the year on the last business day. Related payroll contributions are submitted to PERA within the required reporting timeframe. On June 30, 2024 and 2023, Mines reported a payable to PERA of $63,000 and $115,000, respectively for contributions to the OPEB Plan.

NOTE 14 DISCRETELY PRESENTED COMPONENT UNIT

Colorado School of Mines Foundation

Distributions made by the Foundation to the University during the years ended June 30, 2024 and 2023 were approximately $29,774,000 and $25,200,000, respectively. These amounts have been recorded as contributions from the Foundation and as capital grants and gifts in the accompanying financial statements. As of June 30, 2024 and 2023, the University has recorded accounts receivable from the Foundation of $3,357,000 and $3,764,000, respectively.

The University is the ultimate beneficiary of substantially all of the restricted and trust funds held by the Foundation and is the income beneficiary of the majority of endowment funds held by the Foundation. The Foundation manages a portion of the University's endowments. The University has endowments and other assets held by the Foundation approximating $37,244,000 and $35,006,000 as of June 30, 2024 and 2023, respectively.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Commitments

Contracts have been entered into for the purpose of planning, acquiring, constructing and equipping certain building additions and other projects, with outstanding amounts totaling approximately $1,551,000 as of June 30, 2024. These commitments will be funded or financed by donor contributions, state appropriations, existing revenue bonds, and other campus resources.

In the normal course of its operations, the University is involved in various litigation matters. The University is presently a defendant in two litigation matters, including an employment-based claim brought by a former Mines exempt employee, and an employment-based claim brought by a former Mines Graduate Student. Management believes any future liability that it may incur as a result of these matters will not have a material effect on the University's financial statements.

Government Grants

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

NOTE 16 RISK MANAGEMENT

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

- General liability covered by Philadelphia Insurance Company for $2,000,000/$2,000,000/ $1,000,000/$1,000,000/$100,000/$5,000 with $0 deductible
- Educators legal liability covered by Philadelphia Insurance Company for $4,000,000/ $4,000,000 with a $25,000 deductible
- Automobile liability covered by Philadelphia Insurance Company for $1,000,000/ $1,000,000/$1,000,000/$5,000 with $500/$1,000 deductible
- Fiduciary covered by Travelers Casualty and Surety for $1,000,000/$100,000/ $1,000,000/$250,000 with a $10,000 deductible
- Employment practices liability covered by Philadelphia Insurance Company for $4,000,000/$4,000,000 with a $100,000 deductible
- Workers' compensation covered by Pinnacol Assurance for $500,000/$500,000/ $500,000 with a $1,000 deductible
- Umbrella liability covered by Philadelphia Insurance Company for $3,000,000/ $3,000,000 with a self-insured retention of $10,000
- Crime (employee dishonesty) covered by Travelers Casualty and Surety for $1,000,000/$1,000,000/$1,000,000/$1,000,000/$1,000,000/$1,000,000/$100,000/ $1,000,000/ $5,000/$1,000,000/$100,000/$100,000 with a $10,000/$1,000/$25,000 deductible
- Property covered by American Home Assurance Company, American International Group, Inc. for $1,329,632,189/$25,000,000 with a $100,000 deductible and 5% wind/hail $250,000 min, $500,000 water damage, $1,000,000 flood high hazard and $500,000 flood medium hazard deductible
- Inland Marine covered by the Philadelphia Insurance Company for Equipment value: $1,001,735/$3,173,859/$12,393,248/$1,000,000/$50,000/$100,000/$10,000/$750,000/$232,254/$50,000 with a $5,000/5% sign deductible
- Aviation covered by Old Republic Insurance Company for $1,000,000 with a 5% of insured value deductible
- Foreign covered by WorldRisk for $4,000,000 with a $-0- deductible
- Other States Coverage Workers Compensation covered by Zurich for $500,000/ $500,000/$500,000 with a $1,000 deductible

NOTE 16 RISK MANAGEMENT (CONTINUED)

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

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

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

The coverage in fiscal year 2024 is similar to coverage in fiscal year 2023. The University did not have cyber insurance coverage for fiscal year 2023. Autonomous Vehicles were reintroduced in fiscal year 2024. There have been no settlements exceeding coverage.

NOTE 17 LEGISLATIVE APPROPRIATIONS

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

For the years ended June 30, 2024 and 2023, appropriated expenses were within the authorized spending authority. For the years ended June 30, 2024 and 2023, the University had a total appropriation of $35,986,000 and $32,370,000, respectively. For years ended June 30, 2024 and 2023, the University's appropriated funds consisted of $10,635,000 and $9,378,000, respectively, received on behalf of students that qualified for stipends from the College Opportunity Fund, $22,941,000 and $20,697,000, respectively, fee-for-service contract revenue, and $2,410,000 and $2,295,000, respectively, for the operations of the Colorado Geological Survey. All other revenues and expenses reported by the University represent nonappropriated funds. Nonappropriated funds include tuition and fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues and other revenue sources.

NOTE 18 SCHOLARSHIP ALLOWANCE

Tuition and auxiliary revenues and the related scholarship allowances for the year ended June 30, 2024 and 2023 were are follows:

June 30, 2024

	Tuition and Fees	Auxiliary Revenues	Total
Gross Revenue	$ 233,244	$ 43,671	$ 276,915
Scholarship Allowances;			
Federal	5,353	173	5,526
State	2,714	1,590	4,304
Institutional	49,343	87	49,430
Total allowances	57,410	1,850	59,260
Net Revenue	$ 175,834	$ 41,821	$ 217,655

June 30, 2023

	Tuition and Fees	Auxiliary Revenues	Total
Gross Revenue	$ 214,382	$ 44,179	$ 258,561
Scholarship Allowances;			
Federal	3,426	87	3,513
State	2,377	61	2,438
Institutional	46,496	1,184	47,680
Total allowances	52,299	1,332	53,631
Net Revenue	$ 162,083	$ 42,847	$ 204,930

NOTE 19 SUBSEQUENT EVENTS

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

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

Calendar Year	Proportionate Percentage of the Collective Pension Liability	Proportionate Share of the Collective Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Net Pension as a Percentage of the Total Pension Liability
2023	2.04109478380 %	$ 206,418	$ 78,015	264.59 %	64.37 %
2022	2.20601655760	239,851	76,581	313.20	60.63
2021	2.20836396470	162,868	73,390	221.92	73.05
2020	2.28081083950	216,330	74,903	288.81	65.34
2019	2.50798074200	243,370	79,193	307.31	62.24
2018	2.57605127600	293,120	78,099	375.32	55.11
2017	2.70681341100	541,843	79,151	684.57	43.20
2016	2.89749307450	532,215	82,557	644.66	42.60
2015	2.89133496393	296,274	78,055	379.57	56.11
2014	2.74781597720	258,747	74,014	349.59	59.84

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
(IN THOUSANDS)

Fiscal Year	Statutorily Required Contributions	Contributions Related to the Statutorily Required Contributions	Contribution Deficiency (Excess) State Contribution	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	$ 16,264	$ 16,595	$ (331)	$ 79,066	20.99 %
2023	15,814	15,814	-	77,085	20.52
2022	14,941	14,941	-	74,872	19.96
2021	14,661	14,661	-	73,656	19.90
2020	14,973	14,973	-	77,259	19.38
2019	14,990	14,990	-	78,356	19.13
2018	14,827	14,827	-	77,503	19.13
2017	15,370	15,370	-	82,283	18.68
2016	14,254	14,254	-	80,103	17.79
2015	12,885	12,885	-	76,271	16.89

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (NET PENSION LIABILITY) – FISCAL YEAR 2024 CHANGES IN ACTUARIAL ASSUMPTIONS OR OTHER INPUTS

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

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-116, plus $10 million from the General Fund, totaling $14.561 million.

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

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

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

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

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

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

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

- House Bill 20-1379 enacted on June 29, 2020, suspended the $225,000 direct distribution payable on July 1, 2020 for the State's Fiscal Year 2021.
- Senate Bills 18-200 and 20-057 enacted in 2018 and 2020, respectively, expanded the definition of "State Trooper" under Colorado law as follows:
  - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII; and
  - New members hired on or after January 1, 2020 as a corrections officer classified as I through IV by a State Division employer.
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for Safety Officers was changed to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

- The following changes were made to the plan provision as part of Senate Bill 18-20:
  - Member contribution rates increased by 0.75 percent effective July 1, 2020, and an additional 0.50 percent effective July 1, 2021.
  - An annual direct distribution of $225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions.
  - Annual increase cap is lowered from 2.00 percent per year to 1.50 percent per year.
  - Initial annual increase waiting period is extended from one year after retirement to three years after retirement.
  - Annual increase payments are suspended for 2018 and 2019.
  - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020 increases from three to five years for the State, School, and DPS Divisions and increases from one to three years for the Judicial Division.
- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

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

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

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

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

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

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.

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

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

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

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

COLORADO SCHOOL OF MINES
REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2024 AND 2023

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

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

SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
(IN THOUSANDS)

Fiscal Year	Statutorily Required Contributions	Contributions Related to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2024	$ 806	$ 806	$ -	$ 79,066	1.02 %
2023	781	786	(5)	77,085	1.02
2022	764	764	-	74,872	1.02
2021	751	751	-	73,656	1.02
2020	788	788	-	77,259	1.02
2019	796	796	-	78,356	1.02
2018	790	790	-	77,503	1.02
2017	839	839	-	82,283	1.02
2016	817	817	-	80,103	1.02
2015	778	778	-	76,271	1.02

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (OTHER POSTEMPLOYMENT BENEFITS) – FISCAL YEAR 2024 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

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

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

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

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

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

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

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

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

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

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

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

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

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

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

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

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

- 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.

2014 Changes in Plan Provisions, Assumptions, or Other Inputs Since 2013

- 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.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Legislative Audit Committee and 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 the discretely presented component unit of Colorado School of Mines (the University), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Colorado School of Mines Foundation, Inc., as described in our report on the University's financial statements. The financial statements of the Colorado School of Mines Foundation, Inc. were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Colorado School of Mines Foundation, Inc.

Report on Internal Control over Financial Reporting

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

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 University's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying findings and recommendations section of our report as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Colorado School of Mines' Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, upon release by the Legislative Audit Committee this report is a public document.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024

CliftonLarsonAllen LLP
CLAconnect.com

Members of the Legislative Audit Committee and Board of Trustees
Colorado School of Mines
Denver, Colorado

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Colorado School of Mines (the University), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 5, 2024. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Colorado School of Mines Foundation, Inc. (the Foundation) a discretely presented component unit, the Foundation's financial statements were not audited in accordance with *Government Auditing Standards*. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated April 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2024.

We noted no transactions entered into by the University 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

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures to correct.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2024.

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 University's financial statements or a determination of the type of auditors' 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.

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- During the audit we identified the following significant risks of material misstatement that have not previously been communicated to you:
    - Management override of controls
    - Improper revenue recognition

We have provided a separate communication to management dated December 5, 2024, communicating internal control related matters identified during the audit.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditors' work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the description of the Colorado School of Mines. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. 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. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the State of Colorado Legislative Audit Committee, the Office of the State Auditor, the Board of Trustees, management of the University, and others within the University, and is not intended to be, and should not be, used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Colorado School of Mines
Year Ended June 30, 2024

UNCORRECTED MISSTATEMENTS OF AMOUNTS — **Effect of misstatements on:**

Description	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Beginning Net Position	Net Revenue, Expense and Change in Net Position
To pass on increasing cash (via an elimination of a bank reconciliation outstanding disbursement) and accrued benefit liabilities to record accrued benefits as a liability as opposed to a reduction of cash via a bank reconciliation item. The difference is due to an erroneous journal entry made related to a fiscal year 2023 passed audit adjustment as a result of the University's general ledger system conversion.	$ 5,128,480	$ -	$ (5,128,480)	$ -	$ -	$ -
To pass on increasing capital assets and decreasing expenses related to invoices improperly expensed in fiscal year 2024 that should have been capitalized.	12,098,044	-	-	-	-	(12,098,044)
To pass on increasing the Institutional Support expense operating expense category by $3,775,321 within the Statement of Revenues, Expenses, and Changes in Net Position and decreasing the Operation and Maintenance of Plant category by the same amount. The difference is due to an erroneous journal entry made when reclassing expenses between operating categories.	-	-	-	-	-	-
To pass on increasing beginning net assets related to a change in revenue recognition on fixed billed contracts during fiscal year 2024 that should have been recognized as revenue in 2023 when revenue was earned.	-	-	-	-	(6,364,616)	6,364,616
Subtotals	17,226,524	-	(5,128,480)	-	(6,364,616)	(5,733,428)
Income tax effect			-			
Net current year misstatements	17,226,524	-	(5,128,480)	-	(6,364,616)	(5,733,428)
Net prior year misstatements	-	-	-	-	-	-
Combined current and prior year misstatements	$ 17,226,524	$ -	$ (5,128,480)	$ -	$ (6,364,616)	$ (5,733,428)
Financial statement totals	$ 1,257,270,000	$ 30,678,000	$ 1,064,560,000	$ 19,453,000	$ 194,632,000	$ 9,303,000
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	1.37%		-0.48%		-3.27%	-61.63%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	1.37%		-0.48%		-3.27%	-61.63%

INADEQUATE DISCLOSURES OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

Description	Amount (If Applicable)
None Noted	

Introduction

The Colorado School of Mines (the University) is a state-supported institution of higher education located in Golden, Colorado.

The financial and compliance examination of the various state-funded student financial assistance programs at the University for the year ended June 30, 2024 was directed toward the objectives and criteria set forth in the Colorado Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education issued by the Colorado Department of Higher Education (CDHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University.

Description of State-Funded Student Financial Assistance Programs

The University's various state-funded student financial assistance programs include the following:

- Colorado Need-Based Grants
- Colorado Graduate Grants
- Colorado Work-Study

The total state-funded student financial assistance programs expenditures made by the University were approximately $3.8 million during the year ended June 30, 2024.

The Director of Financial Aid is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the University in federal and state-funded student financial aid programs. The University's controller's office is responsible for the programs' financial management, general ledger accounting, payments, and collections.

Authorizations and expenditures for state-funded student financial programs assistance are detailed by program in the accompanying statement of appropriations, expenditures, transfers, and reversions for the year ended June 30, 2024. The University also obtained authorizations for federal student financial aid funds as follows:

Pell Grants	$ 4,446,874
Direct Loan	34,068,628
Supplemental Educational Opportunity Grant	183,804
College Work-Study	379,919

Academic year 2017-2018 was the last year in which new Perkins loans were allowed to be disbursed to students, as the U.S. Congress did not renew the program. No new loans were allowed to be disbursed to students after June 30, 2018. Institutions of higher education have been given the option of assigning existing Perkins loans back to the federal government or continuing to collect on these loans while returning the Federal Capital Contributions (FCC) portion as loans are repaid. The University has elected to continue to collect on Perkins loans and return the FCC portion as the loans are collected. The University collected, assigned and cancelled $175,148 of Perkins loans during the year-end June 30, 2024. The balance of Perkins loans outstanding as of June 30, 2024 was $580,879.

Colorado School of Mines
State-Funded Student Financial Assistance Programs
Report Summary
Year Ended June 30, 2024

Purpose and Scope

Our audit of the state-funded student assistance programs was performed in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. The purpose of the audit was to formulate an opinion on the State Funded Student Financial Assistance Programs Statement of Appropriations, Expenditures, Transfers, and Reversions for the fiscal year ended June 30, 2024 and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and Governing Board directives which were set forth in the Colorado-Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education.

Our audit included:

- Expressing an opinion on the Colorado School of Mines state-funded student assistance programs statement of appropriations, expenditures, transfers and reversions.
- Evaluation of the policies, procedures, and practices used to administer these programs.
- Determination of compliance with applicable sections of Colorado Revised Statues 23-3.3 et. seq. and approved Governing Board policies.

Summary of Current Year Comments

There were no findings or recommendations to be reported for the fiscal year ended June 30, 2024.

Summary of Progress in Implementing Prior Year Audit Recommendations

There were no findings or recommendations to be reported for the fiscal year ended June 30, 2022, the most recent audit of the University's state-funded student assistance programs.

INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS OF THE STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS

Members of the Legislative Audit Committee and Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of appropriations, expenditures, transfers, and reversions of the state-funded student financial assistance programs (the Statement) of Colorado School of Mines (the University), an institution of higher education of the State of Colorado, for the year ended June 30, 2024, and the related notes to the Statement.

In our opinion, the Statement referred to above presents fairly, in all material respects, the respective appropriations, expenditures, transfers, and reversions of the State-Funded Student Financial Assistance Programs of the University for the year ended June 30, 2024, in accordance with the *Colorado-Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education* issued by the Colorado Department of Higher Education (CDHE), and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University described in Note 1 to the Statement.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 2 to the Statement, the Statement prepared by the University was prepared in accordance with the *Colorado-Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education* issued by the CDHE, and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the University. As described in Note 2 to the Statement, the Statement is a summary of cash activity of the state-funded student financial assistance programs with the exception of the Colorado Work-Study programs, and does not present certain transactions that would be included in the statement of state-funded student assistance programs if it was presented on the accrual basis of accounting, as prescribed by generally accepted accounting principles in the United States of America. In addition, the accompanying Statement is not intended to, and does not present the financial position, changes in financial position, or cash flows of the University 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 Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with the format as set forth in the *Colorado-Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education* issued by the Department of Higher Education (CDHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the governing board of the University; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Statement.

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

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

- Identify and assess the risks of material misstatement of the Statement, 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 Statement.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of the Legislative Audit Committee, the Board of Trustees, and management of the University, the Colorado Department of Education (CDHE) and Colorado Commission on Higher Education (CCHE), and the Office of the State Auditor 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.

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024

COLORADO SCHOOL OF MINES
STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS
STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS
Year Ended June 30, 2024

	Colorado Need-Based Grant Program	Colorado Graduate Grant Program	Colorado Work-Study Program	Total State-Funded Student Assistance
Appropriations				
Original official allocation notice	$ 2,654,711	$ 776,911	$ 504,062	$ 3,935,684
Additional Funds Reallocated by CCHE				
Funds Released to CCHE	-	(142,081)	-	(142,081)
Total appropriations	2,654,711	634,830	504,062	3,793,603
Expenditures	2,654,711	636,391	504,968	3,796,070
Reversions to State General Fund	$ -	$ (1,561)	$ (906)	$ (2,467)

See accompanying notes to statement of appropriations, expenditures, transfers, and reversions.

(1) Basis of Presentation

The University's accounting system is structured and administered in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board.

The accompanying statement of appropriations, expenditures, transfers, and reversions of state-funded student financial assistance programs (the Statement) has been prepared in accordance with the format as set forth in the *Colorado- Funded Student Aid 2023-2024 Audit Guide for State and Private Non-Profit Institutions of Higher Education* issued by the Colorado Department of Higher Education (CDHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of Colorado School of Mines. The purpose of the Statement is to present, in summary form, the state-funded student financial assistance activities of the University for the year ended June 30, 2024.

Because the Statement presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position or changes in financial position of the University in conformity with U.S. generally accepted accounting principles.

(2) Basis of Accounting

All state-funded student financial assistance is expensed on a cash basis, except for the Colorado Work-Study program. Colorado Work-Study wages are recorded on the accrual basis recognizing expenses when the services are performed.

The University's various state-funded student financial assistance programs include the following: the Colorado Need-Based Grant, the Colorado Graduate Grant and Colorado Work-Study.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS OF THE STATE OF COLORADO STATE FUNDED STUDENT ASSISTANCE PROGRAMS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Legislative Audit Committee and 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 statement of appropriations, expenditures, transfers, and reversions of the State-Funded Student Assistance Programs (the Statement) of Colorado School of Mines (the University), an institution of higher education of the State of Colorado, for the year ended June 30, 2024, and the related notes to the Statement, and have issued our report thereon dated December 5, 2024.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's Statement 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's Statement is 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 Statement. 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*.

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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, the report is a matter of public record upon release by the Legislative Audit Committee.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 5, 2024