Colorado Mesa University
Grand Junction, Colorado

Financial and Compliance Audit

Fiscal Years ended June 30, 2023 and 2022

HINKLE & COMPANY PC
Strategic Business Advisors

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Report Number 2312F

HINKLE & COMPANY PC
Strategic Business Advisors

The Members of the Legislative Audit Committee
Colorado Mesa University Board of Trustees

We have completed the financial statement audit of Colorado Mesa University as of and for the year ended June 30, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Hinkle & Company, PC

Englewood, Colorado
December 15, 2023

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COLORADO MESA UNIVERSITY
FINANCIAL AND COMPLIANCE AUDIT
REPORT SUMMARY
As of and for the years ended June 30, 2023 and 2022

Authority, Purpose, and Scope

The Office of the State Auditor of the State of Colorado engaged Hinkle & Company, PC to conduct a financial and compliance audit of Colorado Mesa University (the University) for the year ended June 30, 2023. Hinkle & Company, PC performed this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. We conducted our fieldwork from June through December 2023. Hinkle & Company, PC did not audit the financial statements for the year ended June 30, 2022. Those financial statements were audited by other auditors who expressed an unmodified opinion on those statements on December 12, 2022.

The purpose and scope of the audit were to:

- Express an opinion on the financial statements of the University as of and for the year ended June 30, 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*.
- 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*.
- Evaluate compliance with laws, regulations, contracts, and grants governing the expenditure of federal and state funds.
- Evaluate the progress in implementing prior audit findings and recommendations, if any.

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, 2023 Statewide Single Audit Report issued under separate cover.

Audit Opinion and Report Summary

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

Audit Opinion and Report Summary (Continued)

We noted no matters involving the University's internal control over financial reporting and its operation that we consider to be material weaknesses.

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of the University's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Summary of Findings and Recommendations

There were no reported findings or recommendations resulting from the audit of the University for the year ended June 30, 2023.

Summary of Progress in Implementing Prior Audit Findings

The University's audit report for the year ended June 30, 2022 did not include any findings or recommendations that were required to be implemented during the year ended June 30, 2023.

Description of Colorado Mesa University

The University is a liberal arts university with graduate programs in teacher education, business, nursing, and art. Section 23-53-101, of the Colorado Revised Statutes (C.R.S.), provides that the University shall be a general baccalaureate institution with selective admission standards. The University is a regional educational provider approved to offer limited professional programs. The University shall also maintain a community college role and mission, including career and technical education programs.

Through June 30, 2003, the University was a member of the State Colleges in Colorado and, as such, was governed by the Board of Trustees of the Office of State Colleges. Effective July 1, 2003, the State Colleges in Colorado were dissolved in accordance with House Bill 03-1093 and each member became an independent entity. Also effective on July 1, 2003, Colorado Revised Statute (C.R.S.) 23-53-102 established the composition of the Board of Trustees (Board) of the University to serve as the University's governing board.

The Board has oversight and responsibility in the areas of finance, resources, academic programs, admissions, role and mission and personnel policies. The Board consists of eleven voting and two non-voting members. The voting members are appointed by the Governor, confirmed by the Colorado State Senate and serve four-year terms. The University faculty and student body each elect one non-voting member to serve two-year and one-year terms, respectively. The University president is appointed by the Board and is responsible for day-to-day management of the institution and its employees. The Board conducts its business at regular monthly meetings and special meetings, all of which are open to the public. The Colorado Commission on Higher Education is the policy and coordinating board for the state's higher education system, including the University.

Full-time equivalent (FTE) student, faculty, and staff reported by the University for the last three fiscal years were as follows:

	2021	2022	2023
In-State Students	6,255	6,180	6,268
Out-of-State Students	1,180	1,227	1,181
Total FTE Students	7,435	7,407	7,449
Undergraduate Students	7,256	7,189	7,183
Graduate Students	179	218	266
Total FTE Students	7,435	7,407	7,449
Total Staff and Faculty FTEs[(1)]	823	830	863

(1) For the year ended June 30, 2022, the University began reporting staff and faculty full-time-equivalents (FTEs) using a methodology prescribed by the Integrated Postsecondary Education Data System (IPEDS). Doing so improved operational efficiencies by eliminating duplicate calculations and provides consistency between the information reported herein and the National Center for Education Statistics (NCES) data. A full-time-equivalent is calculated by summing the total number of full-time staff and adding one-third of the total number of part-time staff as of November 1 each year. Years ending June 30, 2021 were restated using the new methodology prescribed above

Description of Colorado Mesa University Foundation

The Colorado Mesa University Foundation (the Foundation) was incorporated under the laws of the State of Colorado in August 1961. The Foundation is a separate non-profit 501(c)(3) corporation formed to provide financial assistance to University students and to otherwise assist the University in serving educational needs.

Description of Colorado Mesa University Real Estate Foundation

The Colorado Mesa University Real Estate Foundation (CMUREF) was incorporated under the laws of the State of Colorado in May 2006. The CMUREF is a separate non-profit 501(c)(3) corporation. The CMUREF's purpose is to receive, hold, invest, and administer real and personal property, borrow money, and to make expenditures to or for the benefit of the University.

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Members of the Legislative Audit Committee
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activity, and the aggregate discretely presented component units of the Colorado Mesa University (the University), an institution of higher education, State of Colorado, as of and for the year ended June 30, 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 other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activity, and the aggregate discretely presented component units of the University, an institution of higher education, State of Colorado, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Colorado Mesa University Foundation and the Colorado Mesa University Real Estate Foundation (the Foundations), discretely presented component units, discussed in Note 1 to the basic financial statements, which represents 100 percent of total assets, total revenues, and net assets of the aggregate discretely presented component units as of and for the years ended June 30, 2023 and 2022, respectively. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose reports have been furnished to us, and our opinions, insofar as they related to the amounts included for the Foundations, are based solely on the reports of the other auditors. The financial statements of the Foundations were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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

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Prior Year Audited by Other Auditors

The financial statements of the University for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on December 12, 2022.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University, an institution of higher education, State of Colorado are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the aggregate discretely presented component units of the State 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, 2023 and 2022, and the changes in its financial position, or, where applicable, its cash flows for the years ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the University has adopted and implemented GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)* in Fiscal Year 2023. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Enterprise Revenue Bonds Schedules of Revenues and Expenditures (the Schedules) for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2023, 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.

Hinkle & Company, pc

Englewood, Colorado
December 15, 2023

This section of Colorado Mesa University's (the University) annual financial report presents management's discussion and analysis of the University's financial position and changes in its financial position as of and for the years ended June 30, 2023 and 2022 (restated) with comparative information presented as of and for the year ended June 30, 2021. It is intended to make the University's financial statements easier to understand and communicate financial position and changes in its financial position in an open and accountable manner. This discussion focuses on current activities and known facts and therefore should be read in conjunction with the financial statements and accompanying notes (Notes) to the financial statements. University management is responsible for the completeness and fairness of this discussion and analysis, as well as the underlying systems of internal controls.

In accordance with GASB guidance, the University implemented GASB Statement No. 96, Subscription-Based Information Technology Agreements (SBITA), in Fiscal Year 2023 requiring the restatement of the University's financial position and changes in its financial position as of and for the year ended June 30, 2022.

Understanding the Financial Statements

Financial highlights are presented in this discussion and analysis to help in readers' assessments of the University's financial activities. Because the information is reported in a summarized form, it should be read in conjunction with the financial statements, which include:

- **Statements of Net Position** report the University's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2023 and 2022 (restated). The purpose is to present a financial snapshot of the University and assist readers in determining the assets available for operations, amounts owed to employees, vendors and other creditors and the net position available for future on-going concerns of the University.
- **Statements of Revenues, Expenses and Changes in Net Position** present total revenues earned and expenses incurred for operating, non-operating, other and capital-related purposes during the years ended June 30, 2023 and 2022 (restated). The purpose is to help readers assess the University's operating and non-operating activities.
- **Statements of Cash Flows** report the University's cash receipts and cash disbursements during the years ended June 30, 2023 and 2022 (restated). The purpose is to help readers assess the University's ability to generate cash flows sufficient to meet obligations as they become due.
- **Notes to the Financial Statements** present additional information to support the financial statements. The purpose is to clarify and further explain information in the financial statements.

The University has two discretely presented component units included in its financial statements, which is a required presentation in accordance with generally accepted accounting principles (GAAP). The Colorado Mesa University Foundation (Foundation) is a separate non-profit 501(c)(3) corporation formed to provide financial assistance to University students and to otherwise assist the University in serving educational needs. The Foundation engages in activities that may be beyond the scope of the University Board of Trustees (the Board). The Foundation's records are maintained separately from the University. The Colorado Mesa University Real Estate Foundation (CMUREF) is a separate non-profit 501(c)(3) corporation formed to acquire, manage and dispose of properties in order to provide financial assistance to the University. CMUREF engages in activities that may be beyond the scope and control of the Board and its financial records are maintained separately from the University.

Required Supplementary Information (RSI)

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

- Schedule of the University's Proportionate Share of the Net Pension Liability of the State Division Trust Fund (SDTF) – A Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Administered by the Colorado Public Employees' Retirement Association (PERA)
- Schedule of University Contributions to the SDTF – A Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Administered by PERA
- Schedule of the University's Proportionate Share of the Net Other Post-Employment Benefit Liability
- Schedule of University Contributions to PERA Defined Other Post-Employment Benefit Plan (OPEB)

The financial statements of the University include all of the integral parts of the University's operations. The University applied the required criteria to determine whether an organization should be included in the University's reporting entity. Management of the University has considered the criteria described in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* paragraph 47 and has determined that the Foundation and the CMUREF have both met the criteria to be included in the University's financial statements as discretely presented component units. The Foundation was incorporated on August 22, 1961 under the laws of the State of Colorado (the State). The purpose of the Foundation is to aid, directly or indirectly, the University in fulfilling its educational purposes. The Foundation is supported primarily through donor contributions. The CMUREF was incorporated in May 2006 under the laws of the State. The purpose of the CMUREF is to acquire, manage and dispose of properties in order to provide financial assistance to the University. A full copy of the Foundation's and CMUREF's financial statements may be obtained from the Colorado Mesa University Foundation and Colorado Mesa University Real Estate Foundation, 1100 North Avenue, Grand Junction, CO 81501.

Financial Highlights
In Fiscal Year 2023, the University's net position increased by $32.4 million, to $321.7 million. The 2022 to 2023 increase included a net operating gain of $1.6 million, further increased by net non-operating revenues of $19.8 million and other net revenues gain of $11.1 million. The largest components of non-operating revenues include Federal Pell and other grants of $15.8 million, investment and interest income gain of $4.0 million, capital fees, net of scholarship allowances of $1.5 million and non-operating contributions of $7.9 million. Net non-operating revenues were reduced by interest expense on capital debt of $9.0 million and a loss on disposal of assets of $1.4 million. Other revenues included state capital appropriations of $7.4 million, federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding of $5.9 million, and state emergency maintenance funding of $30 thousand, which were offset by $2.3 million of transfers to other institutions.

In Fiscal Year 2022 (restated), the University's net position increased by $36.9 million, to $289.2 million. The 2021 to 2022 increase included a net operating loss of $9.6 million, which was countered by net non-operating revenues of $33.2 million and other net revenues gain of $13.3 million. The largest components of non-operating revenues include Federal Pell and other grants of $39.1 million, investment and interest income loss of $7.4 million, capital fees, net of scholarship allowances of $1.6 million and non-operating contributions of $7.8 million. Net non-operating revenues were reduced by interest expense on capital debt of $8.4 million and a loss on disposal of assets of $3 thousand. Other revenues included state capital appropriations of $13.1 million, state emergency maintenance funding of $150 thousand, capital contributions from the State of $570 thousand, and capital donations of $332 thousand, which were offset by $884 thousand of transfers to other institutions.

Excluding the effects of GASB Statement Nos. 68 and 75, the University's net position continued to increase over the past three years, which is an indication of financial health. The University's increase in net position was $32.3 million (2023), $32.3 million (2022, restated), and $16.0 million (2021) before considering the effects of GASB Statement Nos. 68 and 75.

Throughout the University's growth – capital assets before depreciation and amortization increased from $654.7 million at June 30, 2022 (restated) to $691.1 million at June 30, 2023 – the University has maintained current ratios of 3.97 (2023), 4.54 (2022, restated), and 4.22 (2021). The current ratio (current assets/current liabilities adjusted for current liabilities paid by restricted (non-current) cash) demonstrates the liquidity of assets and the relative availability of working capital to fund current operations. The increase in the current ratio from Fiscal Year 2021 to Fiscal Year 2022 was driven by stronger revenue activity leading to an increase in net position and improved cash flow, and ultimately to higher cash and cash equivalents at year end. The decrease in the current ratio from Fiscal Year 2022 to Fiscal Year 2023 was driven by increased capital construction, leading to higher accounts payable at year end.

Net tuition and fees, Fee-For-Service (FFS) and auxiliary enterprises revenues, combined, increased by $10.9 million for the year ended June 30, 2022 to the year ended June 30, 2023, and increased by $27.2 million for the year ended June 30, 2021 to the year ended June 30, 2022. Undergraduate enrollments on a student FTE basis at the University decreased from 7,256.4 in the year ended June 30, 2021 to 7,189.4 in the year ended June 30, 2022 (-0.9%) to 7,182.6 in the year ended June 30, 2023 (-0.1%). Graduate enrollment increased from 178.8 in the year ended June 30, 2021 to 217.4 in the year ended June 30, 2022 (+21.5%) to 266.4 in the year ended June 30, 2023 (+22.5%). Overall enrollments decreased from 7,435.2 in the year ended June 30, 2021 to 7,406.8 in the year ended June 30, 2022 (-0.4%) and then increased to 7,449.0 in the year ended June 30, 2023 (+0.6%). Tuition revenue increased during Fiscal Year 2023 due to an increase in the College Opportunity Fund (COF) stipend amount to $104 per credit hour, up from $94 per credit hour in Fiscal Year 2022, increased tuition rates, and the ratio of graduate to undergraduate enrollments.

Statements of Net Position

The condensed statements of net position show the University has grown over the years. Increases or decreases in net position are one indicator of the University's financial health when considered in conjunction with non-financial facts such as student enrollment and the condition of facilities. Analyses of the University's capital assets and the University's debt are discussed below, while this section provides an analysis of the University's non-capital assets and non-debt liabilities.

Condensed Statements of Net Position as of June 30, 2023, 2022 (restated), and 2021 *(in thousands)*

		Restated		Increase (Decrease) 2023 vs. 2022 (restated)	
	2023	**2022**	**2021**	**Amount**	**Percent**
Assets					
Current assets	$ 126,020	$ 106,872	$ 95,450	$ 19,148	17.9%
Other non-capital assets	11,526	1,562	4,630	9,964	637.9%
Net capital assets	483,993	464,169	438,573	19,824	4.3%
Total Assets	**621,539**	**572,603**	**538,653**	**48,936**	**8.5%**
Total Deferred Outflows	**13,868**	**9,422**	**11,874**	**4,446**	**47.2%**
Liabilities					
Non-debt liabilities	23,965	16,634	17,915	7,331	44.1%
Net pension and OPEB liabilities	52,578	36,656	46,813	15,922	43.4%
Debt liabilities	230,931	221,636	218,420	9,295	4.2%
Total Liabilities	**307,474**	**274,926**	**283,148**	**32,548**	**11.8%**
Total Deferred Inflows	**6,268**	**17,882**	**15,085**	**(11,614)**	**-64.9%**
Net Position					
Invested in capital assets	259,268	242,085	221,783	17,183	7.1%
Restricted for other purposes	28,127	5,456	8,611	22,671	415.5%

Unrestricted net position (deficit)	34,270	41,676	21,900	(7,406)	-17.8%
Total Net Position	**$ 321,665**	**$ 289,217**	**$ 252,294**	**$ 32,448**	**11.2%**

Unrestricted cash and investments of $109.9 million (2023), $91.5 million (2022), and $80.0 million (2021) and restricted cash of $10.5 million (2023), $0 (2022), and $2.5 million (2021) make up 87.5%, 84.0%, and 83.7% of the University's total non-capital assets as of June 30, 2023, 2022, and 2021, respectively. Restricted cash of $10.5 million (2023) represents bond proceeds to construct the Wingate Apartments ($10.1 million) and for paying bond interest while this student housing project is being constructed ($385 thousand). Restricted cash of $2.5 million (2021) represents bond proceeds to be used for capital construction activity ($1.6 million) and for paying bond interest while the project is being constructed ($850 thousand).

The University's non-debt liabilities include the following.

Non-debt Liabilities as of June 30, 2023, 2022, and 2021 *(in thousands)*

				Increase (Decrease) 2023 vs. 2022	
	2022	2022	2021	Amount	Percent
Payroll liabilities	$ 4,214	$ 4,789	$ 5,129	$ (575)	-12.0%
Other accrued liabilities	2,895	2,127	1,893	768	36.1%
Accounts payable	10,319	3,070	4,132	7,249	236.1%
Unearned revenues	2,141	2,036	1,872	105	5.2%
Deposits	929	1,199	924	(270)	-22.5%
Compensated absences	3,467	3,413	3,965	54	1.6%
Total Non-debt Liabilities	**$ 23,965**	**$ 16,634**	**$ 17,915**	**$ 7,331**	**44.1%**

The increase in Accounts Payable from Fiscal Year 2022 to Fiscal Year 2023 is due to higher construction invoice amounts outstanding at June 30, 2023.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* defines certain elements of the financial statements previously reported as assets or liabilities as deferred outflows or deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the entity that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets by the entity that is applicable to a future reporting period. Deferred outflows of resources represent unamortized book losses on certain bond refinancing transactions and certain defined benefit pension and OPEB related amounts recognized in accordance with GASB Statement Nos. 68 and 75. Deferred inflows of resources represent lease amounts where the University is the lessor and certain defined benefit pension and OPEB related amounts recognized in accordance with GASB Statement Nos. 68 and 75. See Notes 1, 10 and 11 to the financial statements for detailed information on the composition of the University's deferred outflows and deferred inflows.

Defined pension and OPEB benefit deferred outflows were $8.5 million (2023), $3.6 million (2022), and $6.4 million (2021). The increase in pension and OPEB benefit deferred outflows from Fiscal Year 2022 to Fiscal Year 2023 of $4.9 million is primarily due to PERA changes in assumptions and other inputs. Defined pension and OPEB benefits deferred inflows were $1.6 million (2023), $12.8 million (2022), and $10.4 million (2021). The decrease in defined pension benefit deferred inflow from Fiscal Year 2022 to Fiscal Year 2023 of $11.2 million is also primarily due to PERA changes in assumptions and other inputs (see Note 10 and Note 11).

As described in Note 10, GASB Statement No. 68 requires the University to report its proportionate share of the unfunded pension liability of $51.3 million (2023), $35.3 million (2022), and $45.3 million (2021), respectively, of the net pension liability of the SDTF. The SDTF's net pension liability was measured as of December 31, 2022, 2021, and 2020 and the SDTF's total pension liability used to calculate the SDTF's net pension liability was determined by an actuarial valuation as of December 31, 2021, 2020, and 2019. Standard update procedures were used to roll forward the SDTF's total pension liability to December 31, 2022, 2021, and 2020. The University's proportion of the SDTF's net pension liability was based on the University's contributions to the SDTF for the calendar years 2022, 2021, and 2020 relative to the total contributions of participating employers to the SDTF.

As described in Note 11, GASB Statement No. 75 requires the University to report its proportionate share of the unfunded OPEB liability of $1.2 million (2023), $1.3 million (2022), and $1.5 million (2021). The OPEB liability was measured as of December 31, 2022, 2021, and 2020 and the total OPEB liability was determined by actuarial valuations as December 31, 2021, 2020, and 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022, 2021, and 2020. The University's proportion of the OPEB liability was based on the University's contributions to PERA's Health Care Trust Fund (HCTF) for the calendar year 2022, 2021, and 2020 relative to the total contributions of participating employees to the HCTF.

On June 30, 2023, the University's total net position was $321.7 million compared to $289.2 million and $252.3 million on June 30, 2022 (restated) and 2021, respectively. The University's net position is shown in three categories on the statement of net position.

- Net investment in capital assets, which consists of amounts issued to fund the acquisition and construction of those assets and is the largest net position category with balances of $259.3 million (2023), $242.1 million (2022, restated), and $221.8 million (2021). This category comprises 80.6%, 83.7%, and 87.9% of total net position as of June 30, 2023, 2022 (restated), and 2021, respectively and represents investments in campus facilities and equipment, net of related debt and accumulated depreciation.
- Restricted net position includes restrictions of $28.1 million (2023), $5.5 million (2022), and $8.6 million (2021) for capital projects, loans, and other purposes. This category of net position represents amounts externally restricted for specific purposes and allows the University to fully expend those funds in accordance with the purposes identified by the entities providing the funds. Of this overall increase, $10.5 million is primarily due to the increase in unspent bond funds to be used for the construction of Wingate Apartments, and $12.5 million is due to a change in the calculation of funds restricted for auxiliary bonds. All of the University's restricted net position is expendable.
- Unrestricted net position was $34.3 million (2023), $41.7 million (2022), and $21.9 million (2021) and represents the amount available for spending for any lawful purpose, at management's discretion. In some instances, the Board has placed internal designations on the use of these funds.
- The University does not expect to need to fund its share of the unfunded pension liability leaving the University with an unrestricted net position excluding pension and OPEB related amounts recognized under GASB Statement Nos. 68 and 75 of $80.0 million (2023), $87.6 million (2022), and $72.8 million (2021), which is available for any lawful purposes under management's discretion.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position reports the results of operations for the year. Activities are reported as operating, non-operating, or other. Operating revenues and expenses generally result from providing goods and services for instruction, research, public service, and related support services to an individual or entity separate from the University. Non-operating revenues and expenses are those other than operating and include, but are not limited to, non-operating grants and contracts, investment income and expenses, and interest expense on capital debt. Other revenues, expenditures, gains, losses, and transfers to other governing boards or institutions include state capital construction and controlled maintenance appropriations, transfers between funds and other organizations and agencies, and gains or losses from the disposal of assets.

Condensed Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30, 2023, 2022 (restated), and 2021 *(in thousands)*

			Restated				Increase (Decrease) 2023 vs. 2022 (restated)		
		2023		2022		2021		Amount	Percent
Operating revenues	$	165,559	$	148,204	$	117,690	$	17,355	11.7%
Operating expenses		164,003		157,815		134,362		6,188	3.9%
Operating Income (Loss)		**1,556**		**(9,611)**		**(16,672)**		**11,167**	**-116.2%**
Net non-operating revenues		19,838		33,226		46,432		(13,388)	-40.3%
Income before Other Revenues or Expenses		**21,394**		**23,615**		**29,760**		**(2,221)**	**-9.4%**
Other revenues, expenditures, gains, losses, and transfers		11,054		13,308		(205)		(2,254)	-16.9%
Increase (Decrease) in Net Position		**32,448**		**36,923**		**29,555**		**(4,475)**	**-12.1%**
Beginning net position		289,217		252,294		222,739		36,923	14.6%
Ending Net Position	**$**	**321,665**	**$**	**289,217**	**$**	**252,294**	**$**	**32,448**	**11.2%**

The University's operating revenues increased by $17.4 million from $148.2 million (2022) to $165.6 million (2023) and net non-operating revenues decreased by $13.4 million from $33.2 million (2022) to $19.8 million (2023).

Operating and Net Non-operating Revenues for the Years Ended June 30, 2023, 2022, and 2021 *(in thousands)*

							Increase (Decrease) 2023 vs. 2022		
		2023		2022		2021		Amount	Percent
Operating Revenues									
Tuition and fees (net)	$	76,607	$	70,517	$	61,353	$	6,090	8.6%
Fee-for-service revenue		21,952		19,638		6,658		2,314	11.8%
Federal, state, private grants and contracts		20,117		13,809		11,994		6,308	45.7%
Auxiliary enterprise revenue (net)		44,137		41,605		36,508		2,532	6.1%
Other operating revenues		2,746		2,635		1,177		111	4.2%
Total Operating Revenues	**$**	**165,559**	**$**	**148,204**	**$**	**117,690**	**$**	**17,355**	**11.7%**
Net Non-operating Revenues									
Non-operating grants	$	15,838	$	39,094	$	42,749	$	(23,256)	-59.5%
State support for pensions		936		367		-		569	155.0%
Contributions		7,868		7,798		6,532		70	0.9%
Capital fees (net)		1,473		1,592		1,297		(119)	-7.5%
Investment income (loss)		3,999		(7,405)		4,373		11,404	-154.0%
Interest expense, capital debt		(8,985)		(8,358)		(9,553)		(627)	7.5%
Other net non-operating revenues		119		141		1,037		(22)	-15.6%
Loss on disposal of assets		(1,410)		(3)		(3)		(1,407)	46,900.0%
Non-operating Revenues	**$**	**19,838**	**$**	**33,226**	**$**	**46,432**	**$**	**(13,388)**	**-40.3%**

Operating Revenues

For the years ended June 30, tuition and fee revenues are reported net of scholarship allowances of $19.2 million (2023), $21.4 million (2022), and $20.4 million (2021) and auxiliary enterprise revenues are reported net of scholarship allowances of $60 thousand (2023), $125 thousand (2022), and $171 thousand (2021). Scholarship allowances are defined as the financial aid awarded to students by the University to pay for University charges. Tuition revenue increased during Fiscal Year 2023 due to an increase in the College Opportunity Fund (COF) stipend amount to $104 per credit hour, up from $94 per credit hour in Fiscal Year 2022, increased tuition rates, and the ratio of undergraduate to graduate enrollments.

The University received total COF funding of $18.3 million (2023), $16.3 million (2022), and $7.0 million (2021). The increase in FFS Revenue is a result of Fiscal Year 2022 legislative operating appropriations compared to Fiscal Year 2021.

The increase in auxiliary enterprise revenues is due to increased food service and bookstore sales, higher summer sports camp activity, lower bad debt charges, and stronger demand at the Hotel Maverick. The Hotel Maverick generated $6.2 million (2023), $5.7 million (2022), and $3.8 million (2021) of Auxiliary enterprise revenues. The Hotel Maverick is a 60-room boutique hotel built on campus to serve hospitality and culinary students as a learning laboratory, providing hands on mentoring, training and support from experienced professional staff.

Net non-operating Revenues
For the years ended June 30, Federal Pell grant revenues were $11.7 million (2023), $12.1 million (2022), and $11.9 million (2021). For the years ended June 30, other non-operating grants were $4.1 million (2023), $27.0 million (2022), and $30.8 million (2021) and were primarily comprised of direct federal CARES Act, Coronavirus Response and Relief Appropriations Act (CRRSA), and American Rescue Plan (ARP) funding and Build America Bond interest subsidies of $1.2 million in each of the 2023, 2022, and 2021 fiscal years. The University also received $700 thousand (2023), $700 thousand (2022), and $500 thousand (2021) of local government grants to help fund the construction and debt service of building an academic classroom building on campus. The City of Grand Junction, Colorado and Mesa County, Colorado committed support in a combined amount of $700 thousand per year beginning in Fiscal Year 2013.

For the years ended June 30, investment and income (loss) was $4.0 million (2023), ($7.4) million (2022), and $4.4 million (2021). The decrease from Fiscal Year 2021 to Fiscal Year 2022 is largely due to unrealized investment losses in University investments and cash held by the State Treasury. The increase from Fiscal Year 2022 to Fiscal Year 2023 is largely due to a recovery in University investments.

Operating Expenses
Operating expenses totaled $164.0 million (2023), $157.8 million (2022, restated), and $134.4 million (2021). The breakdown of expenses by reporting category is as follows.

Operating Expenses for Fiscal Years 2023, 2022 (restated), and 2021 *(in thousands)*

		Restated		**Increase (Decrease) 2023 vs. 2022 (restated)**	
	2023	**2022**	**2021**	**Amount**	**Percent**
Instruction	$ 48,991	$ 44,208	$ 36,219	$ 4,783	10.8%
Research	677	778	476	(101)	-13.0%
Public service	39	44	52	(5)	-11.4%
Academic support	5,473	4,673	4,415	800	17.1%
Student services	16,184	23,723	12,483	(7,539)	-31.8%
Institutional support	8,604	6,622	9,920	1,982	29.9%
Operation and maintenance of plant	13,131	12,616	14,009	515	4.1%
Net scholarships and fellowships	22,637	19,361	17,270	3,276	16.9%
Auxiliary enterprises	29,149	27,439	23,325	1,710	6.2%
Lease component interest	307	167	35	140	83.8%
Depreciation	18,811	18,184	16,158	627	3.4%
Total Operating Expenses	**$ 164,003**	**$ 157,815**	**$ 134,362**	**$ 6,188**	**3.9%**

Operating expenses before considering net pension and OPEB expenses were $163.2 million in Fiscal Year 2023 and $162.4 million in Fiscal Year 2022 (restated), an increase of $831 thousand (+0.5%).

- The increase in Instruction expenses from Fiscal Year 2022 to Fiscal Year 2023 is largely due to increases in wages both from an increase in the wage rate and an increase in the number of instructional positions.
- The decrease in Student Services expenses from Fiscal Year 2022 to Fiscal Year 2023 is largely due to CARES Act microgrants and financial hardship payments made to students in the prior year, not replicated in the current year.
- The increase in Net Scholarships and Fellowships expenses from Fiscal Year 2022 to Fiscal Year 2023 is largely due to increased need-based grants and a lower financial aid scholarship allowance, refer to Note 13.
- Changes in PERA pension and OPEB funding assumptions largely accounted for the $5.4 million increased expense offsets in Fiscal Year 2023 compared to Fiscal Year 2022. For more information, refer to Notes 10 and 11.

Scholarship expenses are reported net of total scholarship allowances of $19.7 million (2023), $22.0 million (2022), and $20.9 million (2021); gross scholarship expense was $48.3 million (2023), $47.2 million (2022), and $42.8 million (2021). Note 13 to the financial statements reports non-work-study scholarships from institutional sources totaled $20.0 million (2023), $20.3 million (2022), and $17.1 million (2021) and overall non-loan student assistance from institutional sources was $24.5 million (2023), $24.7 million (2022), and $21.1 million (2021). See Note 13 to the financial statements for detailed non-loan student financial assistance information.

Capital Assets

On June 30, 2023, the University had $691.1 million invested in capital assets before total accumulated depreciation of $207.1 million. The projects completed during Fiscal Year 2023 and projects in progress on June 30, 2023 are reported below. Fiscal Year 2023 property acquisitions include $3.3 million in land and building contributions from the University's foundations.

Capital Asset Categories (before depreciation) as of June 30, 2023, 2022 (restated), and 2021 *(in thousands)*					
		Restated		**Increase (Decrease) 2023 vs. 2022 (restated)**	
	2023	**2022**	**2021**	**Amount**	**Percent**
Description					
Land	$ 48,554	$ 45,665	$ 45,038	$ 2,889	6.3%
Construction in progress	53,777	38,762	7,790	15,015	38.7%
Land and leasehold improvements	50,865	45,410	45,118	5,455	12.0%
Buildings	486,146	471,582	471,117	14,564	3.1%
Equipment, vehicles, and instructional aircraft	21,068	23,757	21,880	(2,689)	-11.3%
Library materials	17,130	16,470	15,827	660	4.0%
Right to use asset-lease	13,525	13,093	4,430	432	3.3%
Total Gross Capital Assets	**$ 691,065**	**$ 654,739**	**$ 611,200**	**$ 36,326**	**5.5%**

Significant capital additions (over $1 million) completed in Fiscal Year 2023 and the resources funding the acquisitions includes the following.

Project Description *(in thousands)*	**Amount**
St. Mary's SCL Health Medical Education Center, University-funded	$ 12,416
Baseball Clubhouse, University-funded	1,766
UC Dining Hall Refresh, University-funded	1,068
Total	**$ 15,250**

There were no significant capital additions (over $1 million) completed in Fiscal Year 2022.

The following significant projects (over $1 million) were in progress on June 30, 2023.

Project Description *(in thousands)*		**Amount**
Kinesiology Renovation and Expansion, State-funded	$	22,996
Baseball Complex, University-funded		11,009
Performing Arts Center, State-funded		9,273
Wingate Apartments, University-funded		8,925
Total	**$**	**52,203**

The following significant projects (over $1 million) were in progress on June 30, 2022.

Project Description *(in thousands)*		**Amount**
Baseball Complex and Clubhouse, University-funded	$	11,901
St. Mary's SCL Health Medical Education Center, University-funded		12,371
Kinesiology Renovation and Expansion, State-funded		11,333
UC Dining Hall Refresh, University-funded		1,056
Total	**$**	**36,661**

In addition to the operating and non-operating revenues discussed above, the University received capital revenues in the amounts shown below. Capital donations in Fiscal Years 2022, and 2021 are primarily cash and in-kind contributions from the University's foundations.

Capital Revenues for Fiscal Years 2023, 2022, and 2021 *(in thousands)*								
							Increase (Decrease) 2023 vs. 2022	
		2023		**2022**		**2021**	**Amount**	**Percent**
Capital Revenues								
State appropriation, capital	$	7,403	$	13,140	$	-	$ (5,737)	-43.7%
State appropriation, federal SLFRF[1] funds		5,940					5,940	N/A
State emergency maintenance funds		30		150		-	(120)	-80.0%
State capital contributions		-		570		286	(570)	-100.0%
Capital donations		-		332		270	(332)	-100.0%
Total Capital Revenues	**$**	**13,373**	**$**	**14,192**	**$**	**556**	**$ (819)**	**-5.8%**

[1] – (Coronavirus) State and Local Fiscal Recovery Funds

Debt

The University had debt of $230.9 million (2023), $221.6 million (2022, restated), and $218.4 million (2021). See Note 8 to the financial statements for detailed descriptions of the University's debt. In January 2020, the University issued Enterprise Refunding Bonds Series 2020A, which partially refunded Series 2012A and Series 2012B. In November 2021, the University received a $5 million interest free loan from The Colorado Health Foundation to fund the University's physician assistant building. In March 2022, the University issued Enterprise Refunding Bonds Series 2022ABC, which partially refunded Series 2012A, Series 2012B, Series 2013, and Series 2016. In December 2022, the University issued Enterprise Revenue Bonds Series 2022D to fund a student housing project.

Capital Debt Categories as of June 30, 2023, 2022 (restated), and 2021 (in thousands)

	2023	Restated 2022	2021	Increase (Decrease) 2023 vs. 2022 (restated) Amount	Percent
Bonds payable	$ 223,717	$ 212,041	$ 215,308	$ 11,676	5.5%
Leases	7,178	9,547	3,052	(2,369)	-24.8%
Notes payable	36	48	60	(12)	-25.0%
Total Capital Debt	**$ 230,931**	**$ 221,636**	**$ 218,420**	**$ 9,295**	**4.2%**

Economic Outlook
The University continues to be attentive to the current economic climate as it relates to potential obstacles or barriers to current and future student enrollment, especially among low-income and first-generation students. Inflationary pressures on students, their families, and funding agencies, will require the University to carefully consider future investments in student education and enrichment.

COVID-19 Funding: In response to the effects of the Coronavirus pandemic, the University received amounts to support response to and recovery from this public health emergency.

American Rescue Plan Act:
- Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

State Legislation	Description	Fiscal Year 2023	Fiscal Year 2022
HB21-1330	Colorado Opportunity Scholarship-Finish What you started	$ 706	$ 706
SB21-137	Behavioral Health Workforce Development Program	221	-
SB22-226	Healthcare Workforce: In-Demand Short Term Credentials	1,376	-
HB22-1220	Removing Barriers to Educator Preparation	725	-
HB22-1329-CAPX	Mesa Replace Roof, Wubben/Science Building - 2019-098M22	13	-
HB22-1329-CAPX	Mesa Replace HVAC, Fine Arts Building - 2023-082M22	52	-
HB22-1329-CAPX	Mesa Robinson Theater Replacement - 2023-026P22	5,874	-
		$ 8,967	$ 706

- Grants To States - Funding For Libraries in the amount of $6 thousand and $0 for the years ended June 30, 2023 and 2022.

CARES Act:
- Higher Education Emergency Relief Fund – Student funding of $540 thousand and $12.7 million for the years ended June 30, 2023 and 2022.

- HEERF: Strengthening Institutions Program funding of $917 thousand and $28 thousand for the years ended June 30, 2023 and 2022.

State Operating Funding: Long-bill appropriated state support for COF and FFS for Fiscal Year 2023 was $42.1 million. This compares to $36.6 million of state support actually received in Fiscal Year 2022 and $14.6 million of state support actually received in Fiscal Year 2021.

The University's Fiscal Year 2024 state operating appropriation is $46.8 million, including $20.2 million for COF, $24.5 million in FFS revenues, plus an additional $365 thousand in special purpose FFS revenues, and an estimated $1.8 million for limited gaming tax revenues pursuant to Colorado Revised Statutes (C.R.S) Section 44-30-702 (3)(c)(I). These funds are a $5.7 million or 13.9% increase from Fiscal Year 2023 state operating appropriations of $41.1 million (see Note 14).

Capital Projects: The University continues to invest in facilities to expand programs in order to attract and retain students. Current projects include:

- Kinesiology Renovation and Expansion Project: This project encompasses 63,106 square feet of kinesiology instructional and physical education space, 46,206 of which will be new space added to an existing hard structure, which will need to be slightly renovated to incorporate a track connection to the Maverick Recreation Center. As a regional hub for athletics and community events, the University's campus regularly hosts youth sporting tournaments, community gatherings, including the Colorado Special Olympics summer games each summer. Constructing this facility will enhance the University's ability to educate students, engage stakeholders from numerous backgrounds and solidify the University's role as a regional hub gathering place. Funding for the project is from the State's capital construction fund with a 25% University match. This project will be completed in fiscal 2024.

- Bus Bergman Sports Complex: In an effort to strengthen student athletic experiences, this sports complex began design and construction in fiscal year 2020. This project encompasses not only a baseball stadium, but the adjoining track and field facility, softball stadium and football practice field. The baseball stadium seats 1,100, with room to expand to about 2,500 down the right-field and left-field lines. The renovation project is paid for entirely by University funds. This project will be completed in fiscal 2024.

- Wingate Apartments: Limited student housing is a barrier to accessing a college education. Recruitment of students has become increasingly more difficult as the cost of rental housing available in Grand Junction area, that would normally offset the number of beds CMU has available, has gotten far more expensive and much more difficult to find. Both trends that show no signs of slowing in the near term. For this reason the University is building and funding additional student housing to meet these demands. These on-campus apartments are scheduled to open in December 2023 and are funded with the $18.9 million 2022D bond issuance.

- Performing Arts Center: The project constructs a new 51,000 square foot, 865 seat theater to replace the existing 600-seat Robinson Theater within the Moss Performing Arts Center. The new theater will serve as the performing arts epicenter for western Colorado. The current construction phase is state funded. The targeted completion date is August 2024.

Debt Management: The University continues to look for opportunities to manage debt as the campus expands. In December 2022 the University issued tax-exempt Series 2022D bonds to construct and equip a new residence hall and certain other campus improvements.

Institutional Mission and Values
Committed to a personal approach, the University is a dynamic learning environment that offers abundant opportunities for students and the larger community to grow intellectually, professionally, and personally. By celebrating exceptional teaching, academic excellence, scholarly and creative activities, and by encouraging diversity, critical thinking, and social responsibility, the University advances the common good of Colorado and beyond. At Colorado Mesa, we take great pride in providing educational opportunities and tools that help students succeed in today's complex and interconnected world. Our focus is on providing quality academic programs, built on a strong liberal arts core that support students' interests and regional employment needs, as well as technical programs that respond to vocational workforce demands.

Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the University Controller at Colorado Mesa University, 1100 North Avenue, Grand Junction, CO 81501.

Basic Financial Statements

COLORADO MESA UNIVERSITY
Statements of Net Position
As of June 30, 2023 and 2022 *(in thousands)*

	2023	Restated 2022
Assets		
Current Assets		
Cash and cash equivalents	**$ 76,408**	$ 61,261
Investments	**33,491**	30,194
Student accounts receivable, net	**4,323**	5,613
Other accounts receivable, net	**9,682**	7,820
Lease receivable, current	**305**	285
Inventories	**1,148**	1,020
Prepaid expenses	**663**	679
Total Current Assets	**126,020**	106,872
Non-current Assets		
Non-capital non-current assets		
Restricted cash and cash equivalents	**10,461**	-
Student loans, net	**-**	325
Lease receivable, non-current	**695**	952
Other non-current assets	**370**	285
Total Non-capital Non-current Assets	**11,526**	1,562
Non-depreciable capital assets, net		
Land and improvements	**48,554**	45,665
Construction in progress	**53,777**	38,762
Total Non-depreciable Capital Assets	**102,331**	84,427
Depreciable capital assets, net		
Land and leasehold improvements	**26,173**	22,882
Buildings	**338,156**	335,744
Equipment, vehicles, and instructional aircraft	**4,909**	6,618
Library materials	**5,300**	5,086
Right to use assets - leases, net	**7,124**	9,412
Total Depreciable Capital Assets, Net	**381,662**	379,742
Total Non-current Assets	**495,519**	465,731
Total Assets	**$ 621,539**	$ 572,603
Deferred Outflows		
Loss on bond refunding, net	**$ 5,411**	$ 5,867
Pension related	**8,271**	3,436
Other post-employment benefits related	**186**	119
Total Deferred Outflows	**$ 13,868**	$ 9,422

See Notes to the Financial Statements.

COLORADO MESA UNIVERSITY
Statements of Net Position
As of June 30, 2023 and 2022 *(in thousands)*

	2023	Restated 2022
Liabilities		
Current Liabilities		
Accounts payable	**$ 10,319**	$ 3,070
Accrued liabilities	**7,109**	6,916
Unearned revenues	**2,141**	2,036
Deposits held for others	**579**	854
Student deposits	**350**	345
Bonds payable, current portion	**8,045**	7,000
Leases payable, current portion	**2,677**	2,801
Notes payable, current portion	**14**	13
Compensated absence liability, current portion	**498**	498
Total Current Liabilities	**31,732**	23,533
Non-current Liabilities		
Bonds payable	**215,672**	205,041
Leases payable	**4,501**	6,746
Notes payable	**22**	35
Compensated absence liability	**2,969**	2,915
Net pension liability	**51,346**	35,316
Net other post-employment benefit liability	**1,232**	1,340
Total Non-current Liabilities	**275,742**	251,393
Total Liabilities	**$ 307,474**	$ 274,926
Deferred Inflows		
Lease related	**$ 4,632**	$ 5,057
Pension related	**1,080**	12,246
Other post-employment benefits related	**556**	579
Total Deferred Inflows	**$ 6,268**	$ 17,882
Net Position		
Net investment in capital assets	**$ 259,268**	$ 242,085
Restricted for:		
Loans	**49**	365
Capital projects	**10,461**	-
Other purposes	**17,617**	5,091
Unrestricted net position	**34,270**	41,676
Total Net Position	**$ 321,665**	$ 289,217

See Notes to the Financial Statements.

COLORADO MESA UNIVERSITY
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022 *(in thousands)*

	2023	Restated 2022
Operating Revenues		
Tuition and fees (fully pledged for bonds (2023 and 2022), net of scholarship allowances of $19,232 (2023) and $21,357 (2022))	**$ 76,607**	$ 70,517
Fee for service revenue	**21,952**	19,638
Federal, state, and private grants and contracts	**20,117**	13,809
Auxiliary enterprise revenue (including $42,201 (2023) and $39,968 (2022) pledged for bonds, net of scholarship allowances of $60 (2023) and $125 (2022))	**44,137**	41,605
Contributions (including $798 (2023) and $810 (2022) pledged for bonds)	**1,262**	1,382
Other operating revenues (including $520 (2023) and $2,328 (2022) pledged for bonds)	**1,484**	1,253
Total Operating Revenues	**165,559**	148,204
Operating Expenses		
Instruction (including $334 (2023) and ($2,631) (2022) of PERA non-cash retirement and OPEB expenses)	**48,991**	44,208
Research (including $1 (2023) and ($18) (2022) of PERA non-cash retirement and OPEB expenses)	**677**	778
Public service (including $0 (2023) and $0 (2022) of PERA non-cash retirement and OPEB expenses)	**39**	44
Academic support (including $61 (2023) and ($307) (2022) of PERA non-cash retirement and OPEB expenses)	**5,473**	4,673
Student services (including $122 (2023) and ($513) (2022) and of PERA non-cash retirement and OPEB expenses)	**16,184**	23,723
Institutional support (including $38 (2023) and ($219) (2022) of PERA non-cash retirement and OPEB expenses)	**8,604**	6,622
Operation and maintenance of plant (including $131 (2023) and ($446) (2022) of PERA non-cash retirement and OPEB expenses)	**13,131**	12,616
Net scholarships and fellowships	**22,637**	19,361
Auxiliary enterprises (including $81 (2023) and ($455) (2022) of PERA non-cash retirement and OPEB expenses)	**29,149**	27,439
Lease component interest	**307**	167
Depreciation and amortization	**18,811**	18,184
Total Operating Expenses (including $768 (2023) and ($4,589) (2022) of PERA non-cash retirement and OPEB expenses)	**164,003**	157,815
Operating Income (Loss)	**1,556**	(9,611)
Non-operating Revenues and Expenses		
Federal Pell and other non-operating grants	**15,838**	39,094
State support for pensions	**936**	367
Contributions	**7,868**	7,798
Capital fees, net of scholarship allowances of $403 (2023) and $527 (2022)	**1,473**	1,592
Investment income (loss), net (including $681 (2023) and $268 (2022) pledged for bonds)	**3,999**	(7,405)
Interest expense on capital debt	**(8,985)**	(8,358)
Other net non-operating revenues (expenses)	**119**	141
Loss on disposal of assets	**(1,410)**	(3)
Net Non-operating Revenues	**19,838**	33,226
Income Before Other Revenues and Expenses	**21,394**	23,615
Other Revenues, Expenses, Gains, Losses, and Transfers		
State appropriations, capital	**7,403**	13,140
State appropriations, SLFRF	**5,940**	-
Capital contributions from the State	**30**	720
Capital donations	**-**	332
Transfers to governing boards or other institutions	**(2,319)**	(884)
Total Other Revenues, Expenses, Gains, Losses, and Transfers	**11,054**	13,308
Increase in Net Position	**32,448**	36,923
Net Position - Beginning of Year	**289,217**	252,294
Net Position - End of Year	**$ 321,665**	**$ 289,217**

See Notes to the Financial Statements.

COLORADO MESA UNIVERSITY
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022 *(in thousands)*

	2023	Restated 2022
Cash Flows from Operating Activities		
Tuition and fees	**$ 97,452**	$ 92,250
Sales of services	**48,021**	41,483
Sales of product	**18,046**	19,760
Grants, contracts and gifts	**21,379**	15,191
Student loans collected	**325**	138
Other operating receipts (disbursements)	**(463)**	1,992
Payments to or for employees	**(75,904)**	(72,426)
Payments to suppliers	**(44,848)**	(55,117)
Scholarships disbursed	**(42,131)**	(41,245)
Net Cash Provided by (Used for) Operating Activities	**21,877**	2,026
Cash Flows from Non-capital Financing Activities		
Gifts and grants for other than capital purposes	**23,706**	43,109
Other agency inflows	**71,290**	70,561
Other agency outflows	**(71,308)**	(71,056)
Transfers to other campuses, board, or institution	**(2,318)**	-
Net Cash Provided by Non-capital Financing Activities	**21,370**	42,614
Cash Flows from Capital and Related Financing Activities		
State appropriations, capital	**13,343**	13,140
Capital grants, contracts and gifts	**30**	4,570
Capital student fees	**1,473**	2,119
Acquisition and construction of capital assets	**(35,780)**	(35,652)
Proceeds from capital debt	**18,935**	35,678
Bond issuance costs paid	**(126)**	(98)
Proceeds from sale of capital assets	**28**	533
Principal paid on capital debt	**(7,455)**	(39,372)
Interest on capital debt	**(8,788)**	(9,144)
Net Cash Used for Capital and Related Financing Activities	**(18,340)**	(28,226)
Cash Flows from Investing Activities		
Investment earnings (interest/dividends)	**701**	(2,200)
Purchase of investments	**-**	-
Net Cash (Used for) Investing Activities	**701**	(2,200)
Net Increase (Decrease) in Cash & Cash Equivalents	**25,608**	14,214
Cash and Cash Equivalents - Beginning of the Year	**61,261**	47,047
Cash and Cash Equivalents - End of the Year	**$ 86,869**	$ 61,261

See Notes to the Financial Statements.

COLORADO MESA UNIVERSITY
Statements of Cash Flows (continued)
For the Years Ended June 30, 2023 and 2022 *(in thousands)*

	2023	2022
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	**$ 1,556**	$ (9,611)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Non-cash pension expense	**767**	367
Non-cash compensated absence liability	**56**	-
Non-cash lease & software agreement (revenue) and expense	**(2,517)**	(1,937)
Depreciation and amortization expense	**18,811**	18,184
Provision for uncollectible accounts	**(842)**	(1,456)
Increase in assets - operating portions	**401**	5,378
Increase in liabilities - operating portions	**3,645**	(8,899)
Net Cash Provided by (Used for) Operating Activities	**$ 21,877**	$ 2,026
Supplemental Disclosure of Noncash Investing and Financing Activities		
Additions to construction in progress included in accounts payable and accrued liabilities	**$ 3,834**	$ 2,421

See accompanying notes.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 3,717,031
Investments	13,215,911
Unconditional Promise to Give	1,598,273
Accounts Receivable	34,755
Mineral Interest	1,325,802
Inventory-Land	40,000
Prepaid Expenses	64,249
Property Subject to Life Estate	508,000
Total Current Assets	20,504,021
LONG-TERM:	
Unconditional Promise to Give	852,876
Restricted:	
Investments-for future projects and scholarships	36,630,124
Total Assets	$ 57,987,021
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	$ 172,581
Total Current Liabilities	172,581
Total Liabilities	172,581
NET ASSETS	
Without Donor Restrictions	1,359,431
With Donor Restrictions	56,455,009
Total Net Assets	57,814,440
Total Liabilities and Net Assets	$ 57,987,021

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 5,163,351
Investments	10,443,047
Unconditional Promise to Give	712,226
Accounts Receivable	2,554
Inventory-Land	40,000
Property Subject to Life Estate	508,000
Total Current Assets	16,869,178
LONG-TERM:	
Unconditional Promise to Give	2,208,690
Restricted:	
Investments-for future projects and scholarships	32,455,220
Total Assets	$ 51,533,088
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	$ 412,351
Total Current Liabilities	412,351
Total Liabilities	412,351
NET ASSETS	
Without Donor Restrictions	1,271,775
With Donor Restrictions	49,848,962
Total Net Assets	51,120,737
Total Liabilities and Net Assets	$ 51,533,088

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 168,485	$ 6,374,324	$ 6,542,809
Support from CMU	324,691	39,075	363,766
Special Events	-	346,645	346,645
Less: Cost of Direct Benefits to Donors	-	(418,000)	(418,000)
Investment Income (net of fees)	41,933	887,002	928,935
Realized Gain (Loss) on Investment	(4,951)	(224,597)	(229,548)
Unrealized Gain (Loss) on Investments	88,212	4,001,994	4,090,206
Royalties	-	241,130	241,130
CMU Department and Club Collections	-	5,474,225	5,474,225
Other	2,900	575	3,475
Net Assets Released from Restrictions	10,116,326	(10,116,326)	-
Total Revenue and Support	10,737,596	6,606,047	17,343,643
EXPENSES			
Program Expenses			
Scholarships	4,017,795	-	4,017,795
CMU Building Projects and Expense	869,448	-	869,448
CMU Department and /Club Transfers	4,605,428	-	4,605,428
Other Support of CMU	819,451	-	819,451
Total Program Expenses	10,312,122	-	10,312,122
Supporting Services			
Management and General	45,661	-	45,661
Fund Raising	292,157	-	292,157
Total Supporting Expenses	337,818	-	337,818
Total Expenses	10,649,940	-	10,649,940
INCREASE (DECREASE) IN NET ASSETS	87,656	6,606,047	6,693,703
Net Assets-Beginning	1,271,775	49,848,962	51,120,737
Net Assets-Ending	$ 1,359,431	$ 56,455,009	$ 57,814,440

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 43,322	$ 4,647,622	$ 4,690,944
Support from CMU	309,691	39,075	348,766
Special Events		290,655	290,655
Less: Cost of Direct Benefits to Donors		(224,491)	(224,491)
Investment Income (net of fees)	17,230	644,364	661,594
Realized Gain (Loss) on Investment	52,984	2,104,199	2,157,183
Unrealized Gain (Loss) on Investments	(227,164)	(9,489,589)	(9,716,753)
CMU Department and Club Collections	-	4,216,821	4,216,821
Other	25	-	25
Net Assets Released from Restrictions	9,245,120	(9,245,120)	-
Total Revenue and Support	9,441,208	(7,016,464)	2,424,744
EXPENSES			
Program Expenses			
Scholarships	4,115,930	-	4,115,930
CMU Building Projects and Expense	1,957,592	-	1,957,592
CMU Department and /Club Transfers	2,580,578	-	2,580,578
Other Support of CMU	664,964	-	664,964
Total Program Expenses	9,319,064	-	9,319,064
Supporting Services			
Management and General	35,068	-	35,068
Fund Raising	223,709	-	223,709
Total Supporting Expenses	258,777	-	258,777
Total Expenses	9,577,841	-	9,577,841
INCREASE (DECREASE) IN NET ASSETS	(136,633)	(7,016,464)	(7,153,097)
Net Assets-Beginning	1,408,408	56,865,426	58,273,834
Net Assets-Ending	$ 1,271,775	$ 49,848,962	$ 51,120,737

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	Program Services					Supporting Services		
	Scholarships	CMU Building Projects and Expansion	CMU Department & Club Transfers	Other Support of CMU	Total Program Services	Management & General	Fund Raising	Total
CMU Building Projects	$ -	$ 869,448	$ -	$ -	$ 869,448	$ -	$ -	$ 869,448
CMU Student Scholarships	3,996,175	-	-	-	3,996,175	-	-	3,996,175
Other Scholarships	7,010	-	-	-	7,010	-	-	7,010
CMU- Transfers & Expenses for Departments & Clubs	-		4,440,189		4,440,189	-	-	4,440,189
Compute Maintenance & Supplies	14,610	-	-	-	14,610	13,128	114,095	141,833
Donor Cultivation, Promotion, Hospitality, & Marketing	-	-	-	-	-	-	154,367	154,367
Insurance	-	-	-	-	-	11,410	-	11,410
In-Kind Transfers to CMU	-	-	165,239	-	165,239	-	-	165,239
Other	-	-	-	410,848	410,848	3,855	8,593	423,296
Professional Fees	-	-	-	13,858	13,858	9,658	7,755	31,271
Supplies	-	-	-	-	-	1,975	4,085	6,060
Travel	-	-	-	-	-	5,635	3,262	8,897
Workforce Development & Applied Research	-	-	-	69,423	69,423	-	-	69,423
Depletion	-	-	-	356,130	356,130	-	-	356,130
Bad Debt Expense	-	-	-	(30,808)	(30,808)	-	-	(30,808)
Total Expenses	$ 4,017,795	$ 869,448	$ 4,605,428	$ 819,451	$ 10,312,122	$ 45,661	$ 292,157	$ 10,649,940

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Program Services					Supporting Services		
	Scholarships	CMU Building Projects and Expansion	CMU Department & Club Transfers	Other Support of CMU	Total Program Services	Management & General	Fund Raising	Total
CMU Building Projects	$ -	$ 1,957,592	$ -	$ -	$ 1,957,592	$ -	$ -	$ 1,957,592
CMU Student Scholarships	4,097,652	-	-	-	4,097,652	-	-	4,097,652
Other Scholarships	4,320	-	-	-	4,320	-	-	4,320
CMU- Transfers & Expenses for Departments & Clubs	-		2,580,578		2,580,578	-	-	2,580,578
Compute Maintenance & Supplies	13,958	-	-	-	13,958	11,591	76,249	101,798
Donor Cultivation, Promotion, Hospitality, & Marketing	-	-	-	-	-	-	135,754	135,754
Insurance	-	-	-	-	-	12,391	-	12,391
In-Kind Transfers to CMU	-	-	-	375,410	375,410	-	-	375,410
Other	-	-	-	170,992	170,992	944	5,562	177,498
Professional Fees	-	-	-	12,898	12,898	8,240	3,946	25,084
Supplies	-	-	-	-	-	1,782	2,090	3,872
Travel	-	-	-	-		120	2,115	2,235
Workforce Development & Applied Research	-	-	-	219,627	219,627	-	-	219,627
Bad Debt Expense	-	-	-	(64,254)	(64,254)	-	-	(64,254)
Total Expenses	$4,115,930	$ 1,957,592	$ 2,580,578	$ 714,674	$ 9,368,773	$ 35,068	$ 225,715	$ 9,629,557

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	$ 6,693,703
Adjustment to Reconcile Increase (Decrease) in Net Assets	
to Net Cash Provided by:	
Operating Activities:	
Non-cash Donations included in Contributions	(2,033,816)
Depletion	356,130
Unrealized (Gains) Losses on Investments	(4,090,206)
Loss on disposal of Property and Equipment	-
(Increase) Decrease in Operating Activities	
Unconditional Promises to Give	469,766
Accounts Receivable	(32,201)
Prepaid Program Expenses	(64,249)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(239,770)
Accrued Liabilities	-
Contributions Restricted for Long-Term Purpose:	
Scholarships	(4,092,568)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,033,211)
CASH FLOWS FROM INVESTING ACTIVITIES:	
In-Kind Donations	165,239
Net sale of Property held for Investment	-
Proceeds from Sale of Long-Term Investments	235,637
Purchase of Long-term Investments	(2,906,553)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,505,677)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Collections of contributions Restricted for Long-Term Purposes:	
Scholarships	4,092,568
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	4,092,568
Net Increase (Decrease) in Cash and Cash Equivalents	(1,446,320)
Beginning Cash	5,163,351
Ending Cash	$ 3,717,031
SUPPLEMENTAL DISCLOSURES	
Noncash Investing and Financing Activities:	
Contribution of Equipment	$ 165,239

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	$ (7,153,097)
Adjustment to Reconcile Increase (Decrease) in Net Assets	
to Net Cash Provided by:	
Operating Activities:	
Non-cash Donations included in Contributions	(375,410)
Unrealized (Gains) Losses on Investments	9,716,753
Loss on disposal of Property and Equipment	-
(Increase) Decrease in Operating Activities	
Unconditional Promises to Give	1,369,916
Accounts Receivable	126,341
Prepaid Program Expenses	-
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	279,179
Accrued Liabilities	7,687
Contributions Restricted for Long-Term Purpose:	-
Scholarships	(1,244,157)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,727,212
CASH FLOWS FROM INVESTING ACTIVITIES:	
Equipment Contributed to CMU	375,410
Net sale of Property held for Investment	-
Proceeds from Sale of Long-Term Investments	2,104,199
Purchase of Long-term Investments	(5,897,729)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(3,418,120)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Collections of contributions Restricted for Long-Term Purposes:	
Scholarships	1,244,157
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	1,244,157
Net Increase (Decrease) in Cash and Cash Equivalents	553,249
Beginning Cash	4,610,102
Ending Cash	$ 5,163,351
SUPPLEMENTAL DISCLOSURES	
Noncash Investing and Financing Activities:	
Contribution of Equipment	$ 375,410

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY REAL ESTATE FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30,2023 with Comparative Year June 30, 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 504,785	$ 682,568
Accounts Receivable - CMU	22,270	-
Accounts Receivable (Net of Allowance of $21,613 and $15,761, respectively)	26,140	40,684
Total Current Assets	553,195	723,252
OTHER ASSETS		
Property Held for CMU	6,342,538	4,597,325
Land held for Investment	880,393	880,393
Total Long-Term Investment	7,222,931	5,477,718
Total Assets	$ 7,776,126	$ 6,200,970
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 897	$ -
Security Deposit	1,757	1,757
Note Payable- CMU Support	6,342,538	4,597,325
Total Current Liabilities	6,345,192	4,599,082
NON-CURRENT LIABILITIES		
Tenant Deposits	32,367	27,085
Total Non-Current Liabilities	32,367	27,085
Total Liabilities	6,377,559	4,626,167
NET ASSETS		
Without Donor Restrictions	1,398,567	1,574,803
With Donor Restrictions	-	-
Total Net Assets	1,398,567	1,574,803
Total Liabilities and Net Assets	$ 7,776,126	$ 6,200,970

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY REAL ESTATE FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023 with Comparative Totals for the year ended June 30, 2022

	2023	2022
WITHOUT DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Real Estate Rental Income, CMU Share,CAM, Insurance	$ 460,239	$ 315,867
Management Fee	126,712	201,139
Total Revenue and Support	586,951	517,006
EXPENSES		
Program Expenses		
Support Colorado Mesa University		
Real Estate Management Expense	182,222	68,245
Supporting Services		
Management and General	85,072	46,557
Total Expenses	267,294	114,802
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	319,657	402,204
WITH DONOR RESTRICTIONS		
REVENUE AND SUPPORT		
Support from Colorado Mesa University	5,619,634	1,905,982
Total Revenue and Support	5,619,634	1,905,982
EXPENSES		
Program Expenses		
Support Colorado Mesa University		
Real Estate Rental Share	495,894	315,867
Purchase of Real Estate	5,619,634	1,906,031
Total Program Expenses	6,115,528	2,221,898
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(495,894)	(315,916)
INCREASE (DECREASE) IN NET ASSETS	(176,237)	86,288
Net Assets-Beginning	1,574,804	1,488,516
Net Assets-Ending	$ 1,398,567	$ 1,574,804

The Notes to these financials are an integral part of this statement.

COLORADO MESA UNIVERSITY REAL ESTATE FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023 with Comparative Totals for the year ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ (176,237)	$ 86,288
Adjustment to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease in Operating Activities		
Accounts Receivable	(7,726)	(35,951)
Property Held for CMU	(1,745,213)	(1,422,208)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	897	-
Note Payable-CMU Support	1,745,213	1,422,208
Tenant Deposits	5,283	255
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(177,783)	50,592
Net Increase (Decrease) in Cash and Cash Equivalents	(177,783)	50,592
Beginning Cash	682,568	631,976
Ending Cash	$ 504,785	$ 682,568
Cash Detail:		
Without Donor Restrictions	$ 504,785	$ 682,568
With Donor Restrictions	-	-
	$ 504,785	$ 682,568
SUPPLEMENTAL DISCLOSURES		
Noncash Investing and Financing Transactions:		
Property and Equipment Transferred to Colorado Mesa University	$ 5,619,634	$ 1,905,982
Total Transfer of Property	$ 5,619,634	$ 1,905,982

The Notes to these financials are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

Colorado Revised Statutes (C.R.S.) Section 23-53-102 established the Board of Trustees (the Board) for Colorado Mesa University (the University) to serve as the University's governing board. Eleven of the thirteen trustees are appointed by the Governor with the consent of the Senate. The remaining two members include a student representative elected by the student body and a faculty member elected by other members of the faculty. Both of these members are non-voting members. The Board has full authority and responsibility for control and governance of the University, including such areas as finance, resource management, academic programs, admissions, role and mission, personnel policies, etc. To assist them in meeting their responsibilities, the Board delegates authority to interpret and administer its policies in all areas of operation to the President of the University.

Reporting Entity

The accompanying financial statements reflect the financial activities of the University for the Fiscal Years ended June 30, 2023 and 2022 (restated). The University is a State of Colorado (the State) institution of higher education. For financial reporting purposes, the University is included as part of the State's primary government. A copy of the State's Annual Comprehensive Financial Report may be obtained from the Office of the State Controller, Department of Personnel and Administration, Denver, Colorado.

The financial statements of the University include all of the integral parts of the University's operations. The University applied required criteria to determine whether any organization should be included in the University's reporting entity. Management of the University has considered the criteria described in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* paragraph 47. Management of the University has determined that the Colorado Mesa University Foundation (the Foundation) and the Colorado Mesa University Real Estate Foundation (CMUREF) meet the criteria to be included in the University's financial statements as discretely presented component units.

Applying GASB Statement No. 61 criteria, the University has identified the Foundation and CMUREF as component units (see Note 12). Since the component units use a different reporting model (Financial Accounting Standards Board (FASB) Non-Profit), the required financial data is discretely presented on separate pages as allowed by GASB Statement No. 61. The Foundation is a separate non-profit corporation under Internal Revenue Code Section 501(c)(3) formed to provide financial assistance to University students and to otherwise assist the University in serving educational needs. The Foundation engages in activities that may be beyond the scope of the Board and its financial records are maintained separately from the University. CMUREF is a separate non-profit corporation under Internal Revenue Code Section 501(c)(3) formed to acquire, manage, and dispose of properties in order to provide financial assistance to the University. CMUREF engages in activities that may be beyond the scope of the Board and its financial records are maintained separately from the University.

Adoption of Accounting Pronouncements

Per GASB guidance, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)*, in Fiscal Year 2023. GASB Statement No. 96 defines a SBITA as a contract that conveys control of the right to use (RTU) another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. GASB Statement No. 96 increases the usefulness of governmental financial statements by requiring recognition of a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. As required by GASB Statement No. 96, the University applied the provisions retrospectively to Fiscal Year 2022 in the University's financial statements. See Notes 5, 8, and 18 for further information and disclosures.

Basis of Accounting
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 presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation is incurred. All significant intra-agency transactions have been eliminated.

In accordance with GASB Statement No. 61 and GASB Statement No. 39, the discrete presentation of the Foundation's and CMUREF's financial statements appear on separate pages from the University. The Foundation and CMUREF warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the University. Please refer to Note 12 for additional discussion.

The financial statements of the Foundation and CMUREF are prepared on the accrual basis and follow FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

The Foundation and CMUREF use different generally accepted accounting principles (GAAP) reporting models and, following the GASB Statement No. 39 recommendation, their financial information is presented discretely after the University's financial statements. The separate financials include the statements of financial position, the statements of activities, the statements of functional expenses, and the statements of cash flows.

Cash and Cash Equivalents
For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the Colorado State Treasurer, including unrealized gains and losses, and all highly liquid investments with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash balances.

Investments
Investments are stated at fair value, which, except for bonds, is determined based on quoted market prices. Unrealized gains and losses on the carrying value of investments are reported as a component of investment income in the Statements of Revenues, Expenses, and Changes in Net Position. The University had investments of $33.5 million and $30.2 million, including an unrealized gain of $1.4 million and an unrealized loss of $2.6 million, at June 30, 2023 and 2022, respectively.

Lease Receivable
In accordance with GASB Statement No. 87, a lessor recognizes a lease receivable at the commencement of the lease term measured at the present value of lease payments expected to be received during the lease term. Payments received by the University, less implicit interest revenue, reduces the lease receivable over the term of the lease. Lease receivable amounts are segregated between current and noncurrent. See Note 4.

Right to Use Asset
In accordance with GASB Statement No. 87, a lessee recognizes an intangible asset known as an RTU, at the commencement of the lease term measured at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The University amortizes the

right to use asset over the shorter of the lease term or the useful life of the underlying asset. Such amortization expense is included with depreciation and amortization expense in the accompanying financial statements.

In accordance with GASB Statement No. 96, an intangible right-to-use asset is recognized at the commencement of the subscription term of the SBITA. The SBITA is measured as the present value of subscription payments expected to be made during the subscription term plus payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term and the capitalization of initial implementation costs less any SBITA vendor incentives. The University amortizes the SBITA over the shorter of the subscription term or useful life of the underlying IT assets.

Inventories
Inventories are stated at the lower of cost or market. The bookstore inventory includes instructional materials and soft goods held for resale. It is valued using the first-in-first-out method.

Capital Assets
Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. A physical inventory of all plant assets is updated annually with appropriate adjustments made to the financial records. Annual revisions of the statement of values are performed for insurance purposes.

The University uses a capitalization threshold of $50 thousand for buildings and improvements other than buildings and $5 thousand for all other capital assets. Depreciation is computed using the straight-line method over the estimated useful lives of assets with a half-year convention for asset additions. Estimated useful lives range from 25-40 years for buildings, 10-20 years for improvements other than buildings, and 3-20 years for equipment, vehicles, instructional aircraft, collections, and library materials.

Deferred Outflows of Resources and Deferred Inflows of Resources
GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, defines the five elements that make up a statement of financial position to include the following.

- Assets – resources with a present service capacity under University control.
- Deferred Outflows of Resources – consumption of net assets by the University that is applicable to a future reporting period.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net assets by the University applicable to a future reporting period.
- Net Position – residual of all other elements presented in a statement of financial position.

Effective June 30, 2018, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The University changed its accounting policies with the implementation of this new accounting standard. Changes in accounting policies for other post-employment benefits (OPEB) are designed to improve information provided by state and local governments about financial support for OPEB that is provided by other entities. GASB Statement No. 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This accounting policy change does not impact the University's funding requirements for OPEB.

See Notes 10 and 11 for detail of the composition of the University's pension and OPEB related deferred outflows and deferred inflows.

GASB Statement No. 87 became effective for reporting periods beginning after June 15, 2021. The University changed its accounting policies with the implementation of this new accounting standard. As required by GASB Statement No. 87, for leases in which the University is the lessor, the University records a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. The University recognizes rental income, and a reduction of deferred inflows in equal amounts over the term of the lease. See Note 4.

Unearned Revenues
Unearned revenues include student tuition and fees and advances on grants and contracts for which the University has not yet provided the associated services.

Lease Liabilities
In accordance with GASB Statement No. 87, for leases in which the University is a lessee, the University recognizes a lease liability at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The University reduces the lease liability as payments are made less explicit or implicit interest expense in accordance with the agreement. Leases payable amounts are segregated between current and noncurrent. See Note 8.

In accordance with GASB Statement No. 96, when a subscription-based information technology arrangement (SBITA) commences, the University recognizes a right-to-use subscription asset and a corresponding subscription liability. The subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the University's incremental borrowing rate. The amortization of the discount on the subscription liability is recognized as an outflow of resources in subsequent financial reporting periods.

Classification of Revenues and Expenses
The University has classified its revenues and expenses as operating, non-operating, or other, according to the following criteria.

- Operating revenues and expenses are from activities associated with providing goods and services for instruction, public service, or related support services to an individual or entity separate from the University.
- Non-operating revenues and expenditures do not meet the definition of operating revenues or operating expenses. Non-operating revenues include state operating appropriations, federal Pell grants, and other non-operating grants, gifts, investment income, interest expense, and insurance reimbursements. Non-operating expenses include interest expense on capital debt, bond issue cost expenses, gains and losses from disposal of assets, and certain other expenses that do not meet the definition of current expenses.
- Other revenues, expenses, gains, losses, and transfers include state capital and controlled maintenance appropriations, capital contributions and donations, and transfers between governing boards and other institutions.

Scholarship 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 non-operating 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. The scholarship allowances on tuition and fees were $19.2 million and $21.4 million, scholarship allowances for auxiliary charges were $60 thousand and $125 thousand and scholarship allowances for capital student fees were $403 thousand and $527 thousand for the years ended June 30, 2023 and 2022, respectively.

Application of Restricted and Unrestricted Resources
The University's policy is to first apply an expense against restricted resources then towards unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

Financial Statement Presentation - Net Position
The University's net position is classified as net investment in capital assets, unrestricted net position, and restricted net position.

- Net investment in capital assets represents the University's total investment in capital assets, net of related outstanding debt obligations.
- Unrestricted net position is not subject to externally imposed stipulations, although these resources may be designated for specific purposes by the University's management or Board.
- Restricted net position is classified as expendable for loans, capital projects, and other purposes. Section 23-5-103, C.R.S. specifically restricts the residual funds of the bonded auxiliaries, in excess of those required for operations and current year debt service, for the direct benefit of the bonded auxiliaries. As of June 30, 2023 and 2022, the University had $10.5 million and $0, respectively, in non-expendable investment in restricted net position.

The restricted net position of the bonded auxiliary operations was $15.3 million and $4.8 million at June 30, 2023 and 2022, respectively. Restricted net position also includes the net position of the Federal Perkins Loan (FPL) program and the University's sponsored program activities. FPL guidelines require that net program resources fund new loans, are written off in accordance with program guidelines or are refunded to the federal government. At June 30, 2023 and 2022, the restricted net position related to the FPL program totaled $49 thousand and $365 thousand, respectively. The sponsored programs' net position was $2.3 million and $275 thousand at June 30, 2023 and 2022, respectively.

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 Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income. The University did not have any significant unrelated business taxable income in the years ended June 30, 2023 and 2022.

The Foundation and CMUREF are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than private foundations.

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, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents
The University deposits its cash with the Colorado State Treasurer (the Treasurer). The Treasurer pools these deposits and invests them in securities authorized by C.R.S. Section 24-75-601.1. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Moneys deposited in the Treasury are invested until the cash is needed. The University had $59.9 million and $54.1 million, including unrealized gains (losses) of ($4.5) million and ($2.8) million, on deposit with the Treasurer as of June 30, 2023 and 2022, which represented approximately 0.32% of the total $18,810.9 million (2023) and 0.26% of the total $21,060.9 million (2022) fair value of investments in the State Treasurer's Pool (the Pool). As of June 30, 2023, the Pool's resources included $35.0 million of cash on hand and $18,775.8 million of investments. As of June 30, 2022, the Pool's resources included $47.2 million of cash on hand and $21,013.7 million of investments. The University's June 30, 2023 balance with the Treasurer included $10.5 million of bond proceeds and June 30, 2022 balance included no bond proceeds, leaving $53.9 million and $57.0 million available for operations as of June 30, 2023 and 2022, respectively.

On the basis of the University's participation in the Pool, the University reports an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The 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 Pool may be obtained in the State's Annual Comprehensive Financial Report for the years ended June 30, 2023 and 2022.

The Colorado Public Deposit Protection Act (PDPA) requires all units of state and local government to deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The Pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

As of June 30, the carrying amount of the University's cash on deposit with banks was $26.9 million (2023) and $7.0 million (2022) and the bank balance was $28.4 million (2023) and $8.0 million (2022). The difference between the University's amount reported by the various banks and the carrying amount was $1.5 million (2023) and $1.0 million (2022) in the form of net outstanding checks and deposits in transit. All deposits were covered by federal depository insurance and balances in excess of federal insurance levels were collateralized by PDPA as described above.

Investments
C.R.S. Section 23-53-103.3 authorized the Board to hold investments, unless externally restricted, in one or more consolidated funds in which the participation trusts or accounts have undivided interests. In accordance with the legislation, the Board approved the Colorado Mesa University Investment Policy and established an Investment Advisory Committee (IAC). The IAC is responsible for developing investment guidelines in support of the 'prudent investor' standard, providing liquidity, safety, and yield. In formulating investment guidelines, the IAC takes into account institutional cash flow analysis, diversification of investments, appropriate time horizons, and credit quality of investments to establish return benchmarks at acceptable levels of risk. Liquidity of assets invested shall at all times remain at a level sufficient to pay for all budgeted outstanding operational obligations and expenses occurring within any fiscal year.

The University's investments were $33.5 million (2023) and $30.2 million (2022), including unrealized gains of $1.4 million (2023) and unrealized losses of $2.6 million (2022). The University's investments included debt and equity securities, fixed income investments, short-term money market funds, and an alternative investment fund (2023 and 2022). All of the University's investments are registered in the University's name. The fair value of all investments, except for bonds, are based on the quoted market prices as of June 30, 2023 and 2022. The fair value of individual bond pricing was provided via Interactive Data Corporation fair value information services.

The fair values of investments by value level at year ended at June 30, 2023 are as follows *(in thousands)*.

	Quoted Prices in Active Markets for Identical Assets Level 1	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**	**Fair Value Total**
U.S. Agency securities (not explicitly guaranteed)	$ -	$ -	$ -	$ -
U.S. Treasury notes/bonds	20			20
Corporate bonds	-	-	-	-
Money market mutual funds	1,451	-	-	1,451
Bond mutual funds	7,152	-	-	7,152
Asset-backed securities	-	-	-	-
Mortgage-backed securities	-	-	-	-
Corporate equities	8,814	-	-	8,814
Equity mutual funds	7,922	-	-	7,922
Other - equity exchange traded funds	396	-	-	396
Other - international equity mutual funds	6,918	-	-	6,918
Other - international equity exchange traded funds	-	-	-	-
Other - bond exchange traded funds	802	-	-	802
Other - accrued income	16			16
Other - net due to broker for pending trades	-	-	-	-
	$ 33,491	**$ -**	**$ -**	**$ 33,491**

The fair values of investments by value level at year ended at June 30, 2022 are as follows *(in thousands)*.

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Fair Value Total
U.S. Agency securities (not explicitly guaranteed)	$ -	$ -	$ -	$ -
Corporate bonds	-	-	-	-
Money market mutual funds	1,544	-	-	1,544
Bond mutual funds	7,117	-	-	7,117
Asset-backed securities	-	-	-	-
Mortgage-backed securities	-	-	-	-
Corporate equities	7,503	-	-	7,503
Equity mutual funds	9,218	-	-	9,218
Other - equity exchange traded funds	324	-	-	324
Other - international equity mutual funds	4,556	-	-	4,556
Other - international equity exchange traded funds	-	-	-	-
Other - bond exchange traded funds	682	-	-	682
Other - accrued income	13			13
Other - net due to broker for pending trades	(763)	-	-	(763)
	$ 30,194	**$ -**	**$ -**	**$ 30,194**

Credit quality risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical ratings organization (NRSRO). To manage credit risk, the University's investment policy specifies investments of a single issuer, with the exception of the U.S. government and its agencies, may not exceed 5% of the total portfolio and no more than 10% of the portfolio may be invested in corporate debt securities rated below investment grade.

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. To mitigate interest rate risk, the investment portfolio should have an average duration of less than seven years and the University does not invest in instruments with a maturity date longer than fifteen years.

The change in the investment balance during the year ended at June 30, 2023 consisted of the following components *(in thousands)*.

Investments - cost	$ 32,751
Additional contributions	-
Net interest revenue	-
Dividend income	669
Net realized gain (loss)	(1,224)
Change in accrued income	3
Misc. disbursements	-
Investment fees	(72)
Investments - cost	$ 32,127
Unrealized gain (loss)	1,364
Investments - market	$ 33,491

The change in the investment balance during the year ended at June 30, 2022 consisted of the following components *(in thousands)*.

Investments - cost	$	31,637
Additional contributions		-
Net interest revenue		-
Dividend income		563
Net realized gain (loss)		628
Change in accrued income		3
Misc. disbursements		-
Investment fees		(80)
Investments - cost	$	32,751
Unrealized gain (loss)		(2,557)
Investments - market	$	30,194

As of June 30, 2023, no individual bonds are held in the portfolio. As the portfolio now consists entirely of mutual funds and equities, which are not rated, do not have a maturity, and therefore also do not have a duration. The return on investments for the year ended June 30, 2023 was 11.18% gross of fees and 10.93% net of fees. The return on investments for the year ended June 30, 2022 was (14.54)% gross of fees and (14.75)% net of fees.

NOTE 3 - ACCOUNTS AND LOANS RECEIVABLE

The following schedule shows the status of accounts and loans receivable and related allowance for doubtful accounts at June 30, 2023 and 2022 *(in thousands)*.

	June 30, 2023		June 30, 2022	
Total Accounts and Loans Receivable	$	18,684	$	18,553
Less: Allowance for Doubtful Accounts		(4,679)		(4,795)
Net Accounts and Loans Receivable	**$**	**14,005**	**$**	**13,758**

Receivables reported on the Statements of Net Position may be aggregations of various components, such as balances from students, vendors, other governments, and employees.

NOTE 4 - LEASE RECEIVABLE AND LEASE RELATED DEFERRED INFLOWS

In accordance with GASB Statement No. 87, for leases in which the University is the lessor, the University recognizes a lease receivable at the commencement of the lease term measured at the present value of lease payments expected to be received during the lease term. Payments received by the University, less implicit interest revenue, reduces the lease receivable over the term of the lease.

Changes in lease receivables for the year ended June 30, 2023 were as follows (*in thousands*).

Assets Leased to Others	Balance June 30, 2022	Additions	Principal Payments	Balance June 30, 2023	Current Portion	Non-current Portion	Interest Revenue
Building space	$ 580	$ -	$ (137)	$ 443	$ 148	$ 295	$ 26
Land	657	-	(100)	557	157	400	35
Total	**$ 1,237**	**$ -**	**$ (237)**	**$ 1,000**	**$ 305**	**$ 695**	**$ 61**

Lessor arrangements at June 30, 2023 meeting the reporting requirements of GASB Statement No. 87 include:

- Medical office space with payments received monthly through August 2026, increasing 3% annually.
- Restaurant space with payments received monthly through October 2025, increasing 2% annually.
- Land allowing cellular technology companies to place and operate equipment.
    - Agreement 1 with payments received annually through February 2024, with option to renew.
    - Agreement 2 with payments received annually through March 2025, with option to renew.
    - Agreement 3 with payments received annually through May 2026, with option to renew.
    - Agreement 4 with payments received monthly through December 2030, with option to renew.

Changes in lease receivables for the year ended June 30, 2022 were as follows (*in thousands*).

Assets Leased to Others	Balance June 30, 2021	Additions	Principal Payments	Balance June 30, 2022	Current Portion	Non-current Portion	Interest Revenue
Building space	$ 709	$ -	$ (129)	$ 580	$ 137	$ 443	$ 30
Land	812	-	(155)	657	148	519	39
Total	**$ 1,521**	**$ -**	**$ (284)**	**$ 1,237**	**$ 285**	**$ 952**	**$ 69**

Lessor arrangements at June 30, 2022 meeting the reporting requirements of GASB Statement No. 87 include:

- Medical office space with payments received monthly through August 2026, increasing 3% annually.
- Restaurant space with payments received monthly through October 2025, increasing 2% annually.
- Land allowing cellular technology companies to place and operate equipment.
    - Agreement 1 with payments received annually through February 2023, with option to renew.
    - Agreement 2 with payments received annually through March 2025, with option to renew.
    - Agreement 3 with payments received annually through May 2026, with option to renew.
    - Agreement 4 with payments received monthly through December 2030, with option to renew.

In Fiscal Year 2018, the University and EUREKA! McConnell Science Museum (EMSM), a separate 501(c)(3) organization, entered into an agreement where EMSM is prepaying the cost of constructing the museum of $4.4 million over five years. In return, EMSM will have use of the facility for thirty years and the University will recognize revenue over the same period. Amounts collected from the EMSM were to be reported as unearned revenues as they were received, and the University would recognize facilities rental income on a straight-line basis over the term of the agreement. However, with the implementation of GASB Statement No. 87 these EMSM unearned revenue amounts were reclassified to deferred inflows.

Changes in deferred inflows related to leases ended June 30, 2023 are as follows (*in thousands*).

Assets Leased to Others	**Balance June 30, 2022**	**Additions**	**Rental Income**	**Balance June 30, 2023**
Building space	$ 553	$ -	$ (146)	$ 407
Land	700	-	(133)	567
EMSM	3,804	-	(146)	3,658
Total	**$ 5,057**	**$ -**	**$ (425)**	**$ 4,632**

Changes in deferred inflows related to leases ended June 30, 2022 are as follows (*in thousands*).

Assets Leased to Others	**Balance June 30, 2021**	**Additions**	**Rental Income**	**Balance June 30, 2022**
Building space	$ 700	$ -	$ (147)	$ 553
Land	874	-	(174)	700
EMSM	3,085	865	(146)	3,804
Total	**$ 4,659**	**$ 865**	**$ (467)**	**$ 5,057**

NOTE 5 - RIGHT TO USE ASSET

In accordance with GASB Statement No. 87, for leases in which the University is a lessee, the University recognizes an intangible asset known as right to use, at the commencement of the lease term measured at the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The University amortizes the right to use asset over the shorter of the lease term or the useful life of the underlying asset.

Likewise, in accordance with GASB Statement No. 96, a SBITA recognizes a right-to-use subscription asset and a corresponding subscription liability. The subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the University's incremental borrowing rate. The amortization of the discount on the SBITA is recognized as an outflow of resources in subsequent financial reporting periods.

Changes in right to use assets for the year ended June 30, 2023 were as follows *(in thousands)*.

Asset Leased from Others	**Balance June 30, 2022 (restated)**	**Additions**	**Amortization**	**Balance June 30, 2023**
Classroom and laboratory space	$ 2,069	$ -	$ (376)	$ 1,693
Building space	312	-	(112)	200
Office equipment	135	-	(60)	75
SBITAs	6,896	432	(2,172)	5,156
Total	**$ 9,412**	**$ 432**	**$ (2,720)**	**$ 7,124**

Lessee arrangements at June 30, 2023 meeting the reporting requirements of GASB Statement No. 87 include:

- Classroom and laboratory space with payments made annually through May 2027.
- Building space with payments made monthly through September 2024, with an option to renew.
- Building space with payments made annually through July 2024, with an option to renew.
- Office technology equipment with payments made quarterly through July 2024.

Subscription asset arrangements at June 30, 2023 meeting the reporting requirements of GASB Statement No. 96 include:

- An enterprise resource planning system that is under contract through June 2027.
- An online learning classroom software that is under contract until Fiscal Year 2024.
- A procurement software that is under agreement until Fiscal Year 2025.
- A communication services software that is under contract until Fiscal Year 2024.
- An admissions customer relationship management software package that is under contract until Fiscal Year 2026.
- A communications software that is under contract until Fiscal Year 2024.
- A curricular management software that is under contract until Fiscal Year 2026.
- A library network software that is under contract until Fiscal Year 2027.
- A document management software that is under contract until Fiscal Year 2024.
- The University has sixteen other less significant subscription asset arrangements under contract until Fiscal Year 2027.

Changes in right to use assets for the year ended June 30, 2022 (restated) were as follows *(in thousands)*.

Asset Leased from Others	Balance June 30, 2021	Additions	Amortization	Balance June 30, 2022 (restated)
Classroom and laboratory space	$ 2,160	$ -	$ (91)	$ 2,069
Building space	424	-	(112)	312
Office equipment	196	-	(61)	135
SBITAs	-	8,663	(1767)	6,896
Total	**$ 2,780**	**$ 8,663**	**$ (2,031)**	**$ 9,412**

Lessee arrangements at June 30, 2022 meeting the reporting requirements of GASB Statement No. 87 include:

- Classroom and laboratory space with payments made annually through May 2027.
- Building space with payments made monthly through September 2024, with an option to renew.
- Building space with payments made annually through July 2024, with an option to renew.
- Office technology equipment with payments made quarterly through July 2024.

Subscription asset arrangements at June 30, 2022 meeting the reporting requirements of GASB Statement No. 96 include:

- An enterprise resource planning system that is under contract through June 2027.
- An online learning classroom software that is under contract until Fiscal Year 2024.
- A procurement software that is under agreement until Fiscal Year 2025.
- A communication services software that is under contract until Fiscal Year 2024.
- An admissions customer relationship management software package that is under contract until Fiscal Year 2026.
- A communications software that is under contract until Fiscal Year 2024.
- A curricular management software that is under contract until Fiscal Year 2026.
- The University has fifteen other less significant subscription asset arrangements under contract until Fiscal Year 2027.

NOTE 6 - CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation/amortization for the year ended June 30, 2023 *(in thousands)*.

	Balance June 30, 2022 (restated)	Additions	Transfers	Disposals	Balance June 30, 2023
Non-depreciable capital assets					
Land and improvements	$ 45,665	$ 2,889	$ -	$ -	$ 48,554
Construction in progress	38,762	32,337	(17,322)	-	53,777
Total Non-depreciable Capital Assets	**84,427**	**35,226**	**(17,322)**	**-**	**102,331**
Depreciable capital assets					
Leasehold and land improvements	45,410	2,285	3,170	-	50,865
Buildings	471,582	412	14,152	-	486,146
Equipment, vehicles, and instructional aircraft	23,757	1,031	-	(3,720)	21,068
Library materials	16,470	681	-	(21)	17,130
Right to use asset-lease	13,093	432	-	-	13,525
Total Depreciable Capital Assets	**570,312**	**4,841**	**17,322**	**(3,741)**	**588,734**
Less: accumulated depreciation/amortization					
Leasehold and land improvements	(22,528)	(2,164)	-	-	(24,692)
Buildings	(135,838)	(12,152)	-	-	(147,990)
Equipment, vehicles, and instructional aircraft	(17,139)	(1,329)	-	2,309	(16,159)
Library materials	(11,384)	(446)	-	-	(11,830)
Right to use asset-lease	(3,681)	(2,720)	-	-	(6,401)
Total Accumulated Depreciation/Amortization	**(190,570)**	**(18,811)**	**-**	**2,309**	**(207,072)**
Net Depreciable Capital Assets	**379,742**	**(13,970)**	**17,322**	**(1,432)**	**381,662**
Capital Assets, Net	**$ 464,169**	**$ 21,256**	**$ -**	**$ (1,432)**	**$ 483,993**

The following presents changes in capital assets and accumulated depreciation/amortization for the year ended June 30, 2022 (restated) *(in thousands)*.

	Balance June 30, 2021	Additions	Transfers	Disposals	Balance June 30, 2022 (restated)
Non-depreciable capital assets					
Land and improvements	$ 45,038	$ 627	$ -	$ -	$ 45,665
Construction in progress	7,790	30,972	-	-	38,762
Total Non-depreciable Capital Assets	**52,828**	**31,599**	**-**	**-**	**84,427**
Depreciable capital assets					
Leasehold and land improvements	45,118	292	-	-	45,410
Buildings	471,117	465	-	-	471,582
Equipment, vehicles, and instructional aircraft	21,880	2,121	-	(244)	23,757
Library materials	15,827	658	-	(15)	16,470
Right to use asset-lease	4,430	8,663	-	-	13,093
Total Depreciable Capital Assets	**558,372**	**12,199**	**-**	**(259)**	**570,312**
Less: accumulated depreciation/amortization					
Leasehold and land improvements	(20,516)	(2,012)	-	-	(22,528)
Buildings	(123,630)	(12,208)	-	-	(135,838)
Equipment, vehicles, and instructional aircraft	(15,875)	(1,505)	-	241	(17,139)
Library materials	(10,956)	(428)	-	-	(11,384)
Right to use asset-lease	(1,650)	(2,031)	-	-	(3,681)
Total Accumulated Depreciation/Amortization	**(172,627)**	**(18,184)**	**-**	**241**	**(190,570)**
Net Depreciable Capital Assets	**385,745**	**(5,985)**	**-**	**(18)**	**379,742**
Capital Assets, Net	**$ 438,573**	**$ 25,614**	**$ -**	**$ (18)**	**$ 464,169**

NOTE 7 - SHORT-TERM LIABILITIES

Year-end payables were as follows *(in thousands)*.

	June 30, 2023	June 30, 2022 (restated)
Accounts payable, vendors	$ 10,319	$ 3,070
Salaries and benefits payable	4,263	5,195
Leases payable, current portion	2,677	2,801
Bonds payable, current portion	8,045	7,000
Notes payable, current portion	14	13
Compensated absences, current portion	498	498
Construction contracts retainage payable	1,816	639
Accrued interest payable	1,030	1,082
Total Payables	**$ 28,662**	**$ 20,298**

Unearned Revenues

Unearned revenues include unearned student tuition and fees *(in thousands)*.

	June 30, 2023	June 30, 2022
Tuition and fees	$ 2,141	$ 2,036
Total unearned revenues	**$ 2,141**	**$ 2,036**

NOTE 8 - LONG-TERM LIABILITIES

In Fiscal Year 2019, the University adopted GASB Statement No. 88, *Certain Disclosures Related to Debt*, including direct borrowings and direct placements. GASB Statement No. 88 increased disclosure requirements related to debt, especially direct borrowings and placements. The disclosures presented here conform to these requirements. Direct borrowings are loans with a lender for funding and direct placements are debt securities issued directly to an investor. Changes in long-term debt for the year ended June 30, 2023 were as follows *(in thousands)*.

	Balance June 30, 2022 (restated)	Additions	Reductions	Balance June 30, 2023	Current Portion	Non-current Portion
Revenue bonds	$ 207,315	$ 18,935	$ (7,000)	$ 219,250	$ 8,045	$ 211,205
Unamortized bond premiums/ discounts	4,726	-	(259)	4,467	-	4,467
Total revenue bonds	212,041	18,935	(7,259)	223,717	8,045	215,672
Leases, existing	2,000	-	(443)	1,557	472	1,085
Leases, GASB 87 and 96	7,547	432	(2,358)	5,621	2,205	3,416
Total leases	9,547	432	(2,801)	7,178	2,677	4,501
Notes payable	48	-	(12)	36	14	22
Total Bonds, Notes, and Leases Payable	**$ 221,636**	**$ 19,367**	**$ (10,072)**	**$ 230,931**	**$ 10,736**	**$ 220,195**

Changes in long-term debt for the year ended June 30, 2022 (restated) were as follows *(in thousands)*.

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion	Non-current Portion
Revenue bonds	$ 207,930	$ 38,330	$ (38,945)	$ 207,315	$ 7,000	$ 200,315
Unamortized bond premiums/ discounts	7,378	(1,389)	(1,263)	4,726	-	4,726
Total revenue bonds	215,308	36,941	(40,208)	212,041	7,000	205,041
Leases, existing	2,415	-	(415)	2,000	443	1,557
Leases, GASB 87 and 96	637	8,662	(1,752)	7,547	2,358	5,189
Total leases	3,052	8,662	(2,167)	9,547	2,801	6,746
Notes payable	60	-	(12)	48	13	35
Total Bonds, Notes, and Leases Payable	**$ 218,420**	**$ 45,603**	**$ (42,387)**	**$ 221,636**	**$ 9,814**	**$ 211,822**

Revenue Bonds Payable

Revenue bonds are secured by a pledge of all net revenues as defined by the bond documents. For the years ended June 30, 2023 and 2022, net pledged revenues and debt service coverage are shown on the Enterprise Revenue Bonds Schedules of Revenues and Expenditures. Annual debt service payments are made in November and May of each year and are detailed below. Net pledged revenues will continue to be pledged for the life of the associated revenue bonds.

Upon the occurrence of an Event of Default, the Trustee may enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding or enforce any of the obligations of the Board and the University by any available remedy by suit at law or in equity. Should an Event of Default occur and should the Registered Owners of an aggregate of 25% of the principal amount of Bonds then Outstanding so request and indemnify the Trustee, the Trustee is obligated to exercise such one or more of the rights and powers conferred by the Bond Resolution, as the Trustee, being advised by counsel, will deem most expedient in the interest of the Bondholders. Such remedies will include acceleration of the principal amount of the Bonds either at the direction of the Bond Insurer or with the prior written consent of the Bond Insurer. Upon the occurrence of an Event of Default, the Board will immediately transfer all Net Revenues to the Trustee for so long as such Event of Default will continue. This is discussed more on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website (https://emma.msrb.org/#).

Series 2009B and Series 2010B qualify as Build America Bonds under the American Recovery and Reinvestment Act of 2009. The University expects to receive interest payment credits of 35%, referred to as Federal Direct Payments. Due to federal budget sequestrations in place since 2013, the University received 5.7% less in Fiscal Year 2023 and 2022. During the years ended June 30, 2023 and 2022 the University had credits of $1.2 million and $1.2 million, respectively, in Federal Direct Payments.

Revenue Bond Detail *(in thousands)*

Issuance Description	Original Issuance Amount	Outstanding Balance 2023	Outstanding Balance 2022
Series 2022D (Direct Placement) Issued tax-exempt Series 2022D bonds to construct and equip a new residence hall and certain other campus improvements as are deemed necessary or desirable by the Board; pay capitalized interest on the Series 2022D bonds through May 15, 2023; and pay the costs of issuance related to the Series 2022D Bonds. The bond was issued with interest fixed for 15 years at 4.07%. Debt service payments are made in May and November of each year and the University will make interest-only payments until the first principal payment is due in May 2024. Final payment is in May 2037.	$ 18,935	$ 18,935	N/A
Series 2022ABC (Direct Placement) Issued tax-exempt Series 2022A bonds to refund certain outstanding bonds by placing the bond proceeds and the Series 2012A and 2012B debt service reserve in an irrevocable trust to provide for future debt service payments on the Series 2012A and Series 2012B bonds. Issued taxable convertible to tax-exempt Series 2022B bonds to refund certain outstanding bonds by placing the bond proceeds and the Series 2013 debt service reserve in an irrevocable trust to provide for future debt service payments on the Series 2013 bonds. Issued taxable convertible to tax-exempt Series 2022C bonds to refund certain outstanding bonds by placing the bond proceeds and the Series 2016 debt service reserve in an irrevocable trust to provide for future debt service payments on the Series 2016 bonds. As such, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. The defeasance resulted in an economic gain of $4.9 million and a book loss of $1.7 million that	33,330	31,860	33,330

Revenue Bond Detail *(in thousands)*			
Issuance Description	**Original Issuance Amount**	**Outstanding Balance 2023**	**Outstanding Balance 2022**
is being amortized as an adjustment to interest expense over the life of the Series 2022ABC bonds. The 2022C bonds have not yet been converted to tax exempt. Interest rates range from 1.60% to 3.28%. Debt service payments are made in May and November of each year and the first principal payment is due in May 2023. The final payment is due in May 2045.			
2021 Bond with The Colorado Health Foundation The University received a $5 million interest free loan from The Colorado Health Foundation to fund the University's physician assistant building. Interest was therefore imputed, resulting in a contribution of $1.4 million during fiscal 2022. Debt service payments do not begin until January 2028 and then made annually with the final payment due November 2038.	5,000	5,000	5,000
Series 2020A (Direct Placement) Issued taxable convertible to tax-exempt Series 2020A bonds (Cinderella Bonds) to refund certain outstanding bonds by placing the bond proceeds and the Series 2012A and 2012B debt service reserve in an irrevocable trust to provide for future debt service payments on the Series 2012A and Series 2012B bonds. As such, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. The defeasance resulted in an economic gain of $1.0 million and a book loss of $1.0 million that is being amortized as an adjustment to interest expense over the life of the Series 2020A bonds. The annual interest rate was 3.03% and converted to 2.38% on 2/15/2021. Debt service payments are made in May and November of each year and the first principal payment is due in May 2020. The final payment is due in May 2034.	11,250	11,130	11,185
Series 2019B (Non-Direct Placement) Issued tax-exempt Series 2019B bonds to construct and equip a new residence hall and certain other campus improvements as are deemed necessary or desirable by the Board; pay capitalized interest on the Series 2019B bonds through May 15, 2022; and pay the costs of issuance related to the Series 2019B Bonds. The bond was issued with a $3.5 million premium and interest is fixed at 5.00%, effecting a net interest rate of 3.50%. Debt service payments are made in May and November of each year and the University will make interest-only payments until the first principal payment is due in May 2020. Final payment is in May 2049.	17,000	16,140	16,440
Series 2019A (Direct Placement) Issued tax-exempt Series 2019A bonds to advance refund all of the Series 2009A bonds by placing the bond proceeds and the Series 2009A debt service reserve in an irrevocable trust to provide for future debt service payments on the Series 2009A bonds. As such, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. The defeasance resulted in an economic gain of $1.9 million and a book loss of $2.9 million that is being amortized as an adjustment to interest expense over the life of the Series 2019A bonds. Coupon rates are between 4.00% and 5.00%, effecting a net interest rate of 3.57%. Debt service payments are made in May and November of each year and the first principal payment is due in May 2020. The final payment is due in May 2033.	24,485	19,305	20,835
Series 2017A (Direct Placement) Issued tax-exempt Series 2017A bonds to construct and equip a new Engineering Building and the John McConnell Math and Science Center and certain other campus improvements as are deemed necessary or desirable by the Board; and pay the costs of issuance related to the Series 2017A bonds. The interest rate for the Series 2017A was initially set at 2.3%. Beginning in 2027, on each May 15, the	15,000	11,400	12,000

Revenue Bond Detail *(in thousands)*			
Issuance Description	**Original Issuance Amount**	**Outstanding Balance 2023**	**Outstanding Balance 2022**
bond will adjust to an annual rate of the then-effective LIBOR rate plus 1.75%. The net effective interest rate shall not exceed 6% if issued as a fixed-rate obligation and shall not exceed 18% if issued as a variable rate obligation. Series 2017A bond proceeds were distributed to the University in predetermined amounts through February 2018. Principal and interest payments are made in May and November of each year and the final payment is due in May 2042.			
Series 2016 (Non-Direct Placement) Issued tax-exempt Series 2016 bonds to construct and equip a new residence hall on the University campus, expand, renovate, and equip the Maverick Center located on the University campus and construct a portion of a new Engineering facility; pay capitalized interest; and pay the costs of issuance related to the Series 2016 bonds. Coupon rates are between 3.00% and 5.00%, effecting a net interest rate of 3.55%. Debt service payments are made in May and November of each year and the University will pay interest only until principal payments begin in May 2025. Final payment is in May 2045.	26,575	19,350	19,350
Series 2014C (Direct Placement) Issued tax-exempt Series 2014C bond to renovate and expand Tomlinson Library. Series 2014C is a non-bank qualified, drawdown, tax-exempt term loan in an amount not to exceed $5.0 million with a 10-year maturity. The interest rate for the Series 2014C is 2.37%. Principal and interest payments are made in May and November of each year and the final payment is due in May 2024.	5,000	570	1,125
Series 2014B (Direct Placement) Issued tax-exempt Series 2014B bond to advance refund all of the College Enterprise Revenue Bonds, Series 2007 by placing the bond proceeds in an irrevocable trust to provide for future debt payments on the Series 2007 bonds. As such, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. The Series 2007 bonds were paid in full in May 2017. The defeasance resulted in an economic gain of $2.8 million and a book loss of $1.8 million that is being amortized as an adjustment to interest expense over the life of the 2014B bond. The Series 2014B bond carries an interest rate of 2.96%. Principal and interest payments are made in May and November of each year and the final payment is due in May 2037. Series 2014B bond has a mandatory purchase date of May 15, 2024 making it subject to market interest rates at settlement if not paid-in-full.	19,005	16,925	17,740
Series 2014A (Direct Placement) Issued tax-exempt Series 2014A bonds to construct and equip new housing facilities and make such additional capital improvements to the campus as may be designated by the Board; pay capitalized interest; and pay the costs of issuance related to the Series 2014A bonds. Interest is fixed at 2.73%. Principal and interest payments are made in May and November of each year and the final payment is due in May 2039. Series 2014A bond has a mandatory purchase date of May 15, 2029 making it subject to market interest rates at settlement if not paid-in-full.	14,000	10,195	10,695
Series 2013 (Non-Direct Placement) Issued tax-exempt Series 2013 bonds to construct and equip a new academic classroom building on campus, renovate and equip the campus library, and make such additional capital improvements to the campus as may be designated by the Board; pay capitalized interest; and pay the costs of issuance related to the Series 2013 bonds. Coupon rates are 4.00%. Principal and interest payments are made in May and November of each year and the final payment is due in May 2025.	19,900	1,500	2,205

Revenue Bond Detail *(in thousands)*			
Issuance Description	**Original Issuance Amount**	**Outstanding Balance 2023**	**Outstanding Balance 2022**
Series 2010B (Non-Direct Placement) Issued taxable (Build America Bonds – Direct Payment to Board) Series 2010B bonds to finance the costs of construction, acquisition, renovation, and equipping of certain housing, classroom and other University facilities; and to fund a deposit to the Series 2010 Capitalized Interest Fund to pay a portion of the interest on the Series 2010 bonds through May 2011. Coupon rates are between 5.581% and 6.746%. Principal and interest payments are made in May and November of each year and the final payment is due in May 2042.	30,670	26,940	27,410
Series 2009B (Non-Direct Placement) Issued taxable Series 2009B bonds to finance the costs of construction, acquisition, renovation, and equipping of certain housing, University Center, parking, and other University facilities; and to fund a deposit to the Series 2009 Capitalized Interest Fund to pay a portion of the interest on the Series 2009 bonds through November 2010. Interest is fixed at 5.8% Principal and interest payments are made in May and November of each year and the final payment is due in May 2040.	30,000	30,000	30,000
Total Amount of Revenue Bond Issuances	**$270,150**		
Revenue Bonds Outstanding		**$ 219,250**	**$ 207,315**
Plus: net bond premiums and discounts		4,466	4,726
Revenue Bonds Outstanding Net of Premiums and Discounts		**$ 223,716**	**$ 212,041**

The following is a schedule of future minimum bond payments as of June 30 *(in thousands)*.

Year Ending	***Non-Direct Placements***		***Direct Placements***		
June 30	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2024	$ 1,535	$ 5,083	$ 6,510	$ 3,724	$ 16,852
2025	2,180	5,010	5,735	3,521	16,446
2026	1,475	4,912	6,715	3,325	16,427
2027	1,545	4,838	6,935	3,075	16,393
2028	1,860	4,754	7,145	2,866	16,625
2029-2033	11,365	22,411	38,230	10,783	82,789
2034-2038	30,945	17,995	38,880	5,120	92,940
2039-2043	38,950	7,898	6,485	961	54,294
2044-2048	8,005	1,157	3,685	140	12,987
2049-2053	1,070	54	-	-	1,124
Total Future Minimum Payments	$ 98,930	$ 74,112	$ 120,320	$ 33,515	$ 326,877

Reserve Fund Requirements

A Reserve Fund requirement was met for all bonds by participating in the State Intercept Program, which was enacted for bonds issued by state-supported institutions of higher education on or after June 4, 2008. Under C.R.S. Section 23-5-139, as amended, if the University cannot meet a scheduled payment of principal and interest, the Treasurer is required to forward the amount necessary to make the payment to the paying agent and will recover such amounts by withholding funds from the University's Fee-For-Service (FFS) contract with the Department of Higher Education.

Leases

In accordance with GASB Statement No. 87, for leases in which the University is the lessee, the University recognizes a lease liability at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced as payments are made and recognizes interest expense on the liability.

Likewise, in accordance with GASB Statement No. 96, when a subscription-based information technology arrangement (SBITA) commences, the University recognizes a right-to-use subscription asset and a corresponding subscription liability.. The subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the University's incremental borrowing rate. The amortization of the discount on the subscription liability is recognized as an outflow of resources in subsequent financial reporting periods.

Changes in lease liabilities for the year ended June 30, 2023 were as follows *(in thousands)*.

Asset Leased from Others	Balance June 30, 2022 (restated)	Additions	Principal Payments	Balance June 30, 2023	Current Portion	Non-current Portion
Wubben Hall expansion	$ 1,518	$ -	$ (220)	$ 1,298	$ 232	$ 1,066
Energy equipment	482	-	(223)	259	240	19
Building space	331	-	(113)	218	120	98
Office equipment	143	-	(61)	82	64	18
SBITAs	7,073	432	(2,184)	5,321	2,021	3,300
	$ 9,547	**$ 432**	**$ (2,801)**	**$ 7,178**	**$ 2,677**	**$ 4,501**

Changes in lease liabilities for the year ended June 30, 2022 (restated) were as follows *(in thousands)*.

Asset Leased from Others	Balance June 30, 2021	Additions	Principal Payments	Balance June 30, 2022 (restated)	Current Portion	Non-current Portion
Wubben Hall expansion	$ 1,725	$ -	$ (207)	$ 1,518	$ 220	$ 1,298
Energy equipment	690	-	(208)	482	223	259
Building space	436	-	(105)	331	113	218
Office equipment	201	-	(58)	143	61	82
SBITAs	-	8,662	(1,589)	7,073	2,184	4,889
	$ 3,052	**$ 8,662**	**$ (2,167)**	**$ 9,547**	**$ 2,801**	**$ 6,746**

The following shows a summary of future principal and interest requirements at June 30 *(in thousands)*.

Years ending June 30	Principal	Interest	Total
2024	$ 2,677	$ 303	$ 2,980
2025	1,664	192	1,856
2026	1,292	122	1,414
2027	1,256	65	1,321
2028	289	9	298
2029-2033	-	-	-
Total Future Minimum Payments	**$ 7,178**	**$ 691**	**$ 7,869**

Wubben Hall Expansion: State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation, Series 2008: On November 6, 2008, the Treasurer entered a lease-purchase agreement under which a Trustee issued $230.8 million of State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation, Series 2008 (Certificates). The Certificates were issued at a net premium of $181 thousand and were a combination of serial and term maturities with the final maturity in November 2027. The Certificates carry coupon rates ranging from 3.00% to 5.50% with a total interest cost of 5.38%.

The Certificates' proceeds were used to fund renovations, additions, and new construction at twelve state institutions of higher education and are collateralized with existing properties at eleven of the twelve institutions. Legislation enacted in the 2008 session of the General Assembly authorized the lease purchase and limited the lease payments to an average of $16.2 million for the first ten years and $16.8 million for the second ten years.

The legislation envisioned annual appropriations of Federal Mineral Lease Program (FML) revenues to fund the semi-annual lease payments required. Total lease payments anticipated from the FML source are $325.5 million, and three institutions will make $42.8 million of lease payments over the life of the Certificates to fund the portion of their required project match that they elected to finance through the Certificates.

Proceeds from the issuance of $18.4 million were allocated to renovate and expand the Wubben Hall science building. Of that, $3.7 million was financed by the University through a sublease with the Treasurer. The University was scheduled to make rental payments from April 2009 through October 2027 totaling $5.9 million including interest of $2.2 million. This sublease was evaluated against the criteria of GASB Statement No. 87, and it was determined that the sublease qualifies as a lease under GASB Statement No. 87 and is included in the disclosures in the Leases section above. The University pledged the Fine Arts Building and the Tomlinson Library as collateral for the project.

Energy Equipment Lease: During the year ended June 30, 2008, the University entered into a $2.2 million lease purchase contract with an interest rate of 4.32% for the acquisition of equipment that will result in energy cost savings guarantees. Payments began in September 2009 and continue through August 2024. The contract provides that any commitments beyond the current year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available. It is reasonably assured that sufficient funds will be available for the full term of the contract and, therefore, are treated as non-cancelable for financial reporting purposes.

Building Space Lease: During the year ended June 30, 2001, the University agreed to lease property from the City of Montrose, Colorado. The University entered into first, second, third, and fourth amendments to the lease on June 30, 2004, June 25, 2009, May 12, 2010, and May 12, 2015 respectively, with the term of the fourth amendment ending on June 30, 2020. On August 6, 2020, the University agreed to a fifth amendment to the lease for an additional five-year renewal term ending June 30, 2025.

Building Space Lease: During 2014 the University agreed to lease gallery space through August 2019, with payments made monthly. The University renewed its lease in 2019 for another five years.

Building Equipment Lease: On September 18, 2020, the University entered into an agreement to provide lease copier equipment for the next four years with the term ending on October 1, 2024.

Subscription based assets leased from others include the following liability balance as of June 30, 2023:

- An enterprise resource planning system that is under contract through June 2027 and has a liability balance of $3.7 million.
- An online learning classroom software that is under contract until Fiscal Year 2024 and has a liability balance of $228 thousand.
- A procurement software that is under agreement until Fiscal Year 2025 and has a liability balance of $292 thousand.
- A communication services software that is under contract until Fiscal Year 2024 and has a liability balance of $132 thousand.
- An admissions customer relationship management software package that is under contract until Fiscal Year 2026 and has a liability balance of $208 thousand.
- A communications software that is under contract until Fiscal Year 2024 and has a liability balance of $54 thousand.
- A curricular management software that is under contract until Fiscal Year 2026 and has a liability balance of $76 thousand.
- A library resource software package under contract until Fiscal Year 2026 and has a liability balance of $151 thousand.
- A document management software is under contract until Fiscal Year 2024 and has a liability balance of $158 thousand.
- The University has fifteen other SBITAs under contract until Fiscal Year 2027. These have a liability balance of $409 thousand.

Subscription based assets leased from others include the following liability balance as of June 30, 2022:

- An enterprise resource planning system that is under contract through June 2027 and has a liability balance of $4.8 million.
- An online learning classroom software that is under contract until Fiscal Year 2024 and has a liability balance of $443 thousand.
- A procurement software that is under agreement until Fiscal Year 2025 and has a liability balance of $414 thousand.
- A communication services software that is under contract until Fiscal Year 2024 and has a liability balance of $251 thousand.
- An admissions customer relationship management software package that is under contract until Fiscal Year 2026 and has a liability balance of $272 thousand.
- A communications software that is under contract until Fiscal Year 2024 and has a liability balance of $106 thousand.
- A curricular management software that is under contract until Fiscal Year 2026 and has a liability balance of $110 thousand.
- The University has fifteen other SBITAs under contract until Fiscal Year 2027. These have a liability balance of $659 thousand.

Notes Payable (all notes are Direct Borrowings)
As part of its campus expansion program, in Fiscal Year 2006 the University acquired property by issuing a 20-year note payable. The principal balance was $190 thousand, payable in semi-annual payments at 5% interest. The property is collateral for the debt and should the University default, the property would return to the noteholders.

The following is a schedule of payments of notes payable as of June 30 *(in thousands)*.

Years Ending June 30	Total Payments	
2024	$	16
2025		15
2026		7
2027		-
Total Principal and Interest Payments		38
Less: interest included above		(2)
Total Principal Outstanding		36
Less: current portion of notes payable		(14)
Net Long-term Notes Payable	$	22

Compensated Absences

Employees accrue annual and sick leave based on the length of service and are subject to certain limitations on amounts paid upon termination and/or retirement. The changes in compensated absences balances are presented below *(in thousands)*.

Compensated Absences	June 30, 2023		June 30, 2022	
Beginning of the year	$	3,413	$	3,965
Additions/adjustments/reductions		54		(552)
End of the year	**$**	**3,467**	**$**	**3,413**
Current portion	**$**	**498**	**$**	**498**

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

Amounts expended under the terms of certain grants and contracts are subject to audit and possible adjustment by governmental agencies. In management's opinion, adjustments, if required, will not have a material impact on the accompanying financial statements.

The University, in the course of conducting business, is a party to various litigation and other claims. Although the final outcome of these legal actions cannot be determined at this time, management does not believe the ultimate resolution of these matters will have a significant adverse effect on the financial position of the University.

NOTE 10 - PENSION PLAN OBLIGATIONS

A. Colorado Public Employees Retirement Association (PERA) Defined Benefit Pension Plan

1. Summary of Significant Accounting Policies

The University participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by PERA. The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Plan Description
Eligible employees of the University are provided with pensions through the SDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in C.R.S. Section 24-51, 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

3. Benefits Provided as of December 31, 2022
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. Section 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 also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

4. Contributions
Eligible employees of the University 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. Section 24-51-401, et seq. and Section 24-51-413. Employee contribution rates are summarized below.

	Fiscal Year 2023		Fiscal Year 2022	
	7-1-22 to 12-31-22	1-1-23 to 6-30-23	7-1-21 to 12-31-21	1-1-22 to 6-30-22
Employee contribution rate	11.00%	11.00%	10.50%	10.50%

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

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

	Fiscal Year 2023		Fiscal Year 2022	
	7-1-22 to 12-31-22	1-1-23 to 6-30-23	7-1-21 to 12-31-21	1-1-22 to 6-30-22
Employer contribution rate	11.40%	11.40%	10.90%	10.90%
Amount of employer contribution apportioned to the Heath Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%	-1.02%
Amount apportioned to the SDTF	10.38%	10.38%	9.88%	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	5.00%	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	5.00%	5.00%	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. Section 24-51-415	0.10%	0.17%	0.05%	0.10%
Total employer contribution rate to the SDTF	20.48%	20.55%	19.93%	19.98%

Contributions rates are expressed as a percentage of salary as defined in C.R.S. Section 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 University is statutorily committed to pay the contributions to the SDTF. For the years ended June 30, employer contributions recognized by the SDTF from the University were $4.3 million (2023) and $3.6 million (2022), respectively.

For purposes of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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. Section 24-51-414, the State is required to contribute $225.0 million (actual dollars) 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. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380.0 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190.0 million (actual dollars) to $35.0 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires the State to make an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed on July 1, 2023.

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

The net pension liability was measured as of December 31, 2022 and 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 and 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2022 and 2021. The University's proportion of the net pension liability was based on the University's contributions to the SDTF for the calendar years 2022 and 2021 relative to the total contributions of participating employers and the State as a non-employer contributing entity for participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2023 and 2022, the University reported a liability of $51.3 million and $35.3 million for its proportionate share of the net pension liability. At December 31, 2022, the University's proportion of the net pension liability was 0.4723%, which was a decrease of 0.0066% compared to its proportion of 0.4789% measured as of December 31, 2021.

The University recognized net pension expense of $4.3 million in Fiscal Year 2023 compared to a net pension expense of negative $1.1 million in Fiscal Year 2022.

The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30, 2023 and 2022 *(in thousands)*.

	Fiscal Year 2023		Fiscal Year 2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Difference between expected and actual experience	$ -	$ 688	$ 241	$ 49
Changes of assumptions or other inputs	-	-	1,259	-
Net difference between projected and actual earnings on pension plan investments	6,527	-	-	12,153
Change in proportionate share	-	-	21	44
Difference in total employer contribution and proportionate share	51	392	256	-
Contributions subsequent to the measurement date	1,693	-	1,659	-
Total	**$ 8,271**	**$ 1,080**	**$ 3,436**	**$ 12,246**

The $1.7 million (2023) and $1.7 million (2022) reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows *(in thousands)*.

Years Ended June 30	
2024	$ (1,340)
2025	573
2026	2,408
2027	3,858
2028	-
Thereafter	-

6. Actuarial Assumptions
The total pension liability 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%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 (compounded annually)	1.00%
PERA Benefit Structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve

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

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

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

Post-retirement non-disabled mortality assumptions for 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.

Post-retirement non-disabled 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 State Troopers 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, 2021 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every 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.

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%**	

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%.

7. Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, 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.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225.0 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380.0 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190.0 million (actual dollars) to $35.0 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225.0 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF's 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 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.

8. Sensitivity of the University's 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 one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate *(in thousands)*.

Proportionate Share of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2023	$ 65,640	$ 51,346	$ 39,322
2022	49,812	35,316	23,129

9. Pension Plan Fiduciary Net Position

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

B. 401(k) Defined Contribution Pension Plans

1. Plan Description

Employees of the University that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) Defined Contribution Plan administered by PERA. C.R.S. Section 24-51-14, as amended, assigns the authority to establish the Plan provisions to the PERA Board.

PERA issues a publicly available Annual Comprehensive Financial Report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

2. Funding Policy
The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under C.R.S. Section 24-51-1402, as amended. Employees are immediately vested in their contributions.

C. Defined Contribution Retirement Plan (PERA DC Plan)

1. Plan Description
Employees of the State of Colorado that were hired on or after January 1, 2006, and employees of certain community colleges that were 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 PERA DC Plan.

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing DC plan. C.R.S. Section 24-51-15, as amended, assigns the authority to establish Plan provisions to the PERA Board. The PERA DC Plan is also included in PERA's Annual Comprehensive Financial Report as referred to above.

2. Funding Policy
All participating employees in the PERA DC Plan are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates are summarized below.

	Fiscal Year 2023		**Fiscal Year 2022**	
	7-1-22 to 12-31-22	1-1-23 to 6-30-23	7-1-21 to 12-31-21	1-1-22 to 6-30-22
Employee contribution rates	11.00%	11.00%	10.50%	10.50%
Employer contribution rates	10.15%	10.15%	10.15%	10.15%
Total contributions	21.15%	21.15%	20.65%	20.65%

Additionally, the State of Colorado is required to contribute AED and SAED to the SDTF as follows.

	Fiscal Year 2023		**Fiscal Year 2022**	
	7-1-22 to 12-31-22	1-1-23 to 6-30-23	7-1-21 to 12-31-21	1-1-22 to 6-30-22
AED as specified in C.R.S. Section 24-51-411[1]	5.00%	5.00%	5.00%	5.00%
SAED as specified in C.R.S. Section 24-51-411[1]	5.00%	5.00%	5.00%	5.00%
AAP, as specified in C.R.S. Section 24-51-413[1]	1.00%	1.00%	0.50%	0.50%
Defined Contribution statutory contribution as specified in C.R.S. Section 24-51-1505[1]	0.25%	0.25%	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. Section 24-51-411[1]	0.10%	0.17%	0.05%	0.10%
Total employer contribution rate to the SDTF[1]	11.35%	11.42%	10.80%	10.85%

[1]Rates are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Contribution requirements are established under C.R.S. Section 24-51-1505, 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 16.08 as adopted by the PERA Board in accordance with C.R.S. Section 24-51-204. As a result, forfeitures do not reduce pension expenses.

D. Deferred Compensation Plan (PERAPlus 457 Plan)

1. Plan Description
Employees of the University may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. C.R.S. Section 24-51-16, 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.

2. Funding Policy
The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established C.R.S. Section 24-51-1603, as amended. For the years ended June 30, program members contributed $141 thousand (2023) and $103 thousand (2022).

E. Student Employee's Defined Contribution Pension Plan
Beginning in Fiscal Year 1993, in accordance with the provisions of C.R.S. Section 24-54.6 and as provided in Section 403(b) of the Internal Revenue Code, the State of Colorado Department of Higher Education established the Colorado Student Employees Defined Contribution Pension Plan. Student employees not currently attending classes are required to participate. The plan requires a 7.5% contribution on the employee's part with no employer contribution. Total payroll covered by the plan for the Fiscal Year ended June 30, 2023 and June 30, 2022, was $629 thousand and $569 thousand, respectively, and employee contributions were $47 thousand and $43 thousand, respectively, or 7.5% of covered payroll.

F. Defined Contribution Pension Plan (DCPP)
The University offers a DCPP to its employees who may not be eligible to enroll in PERA or for employees who wish to make an irrevocable choice to enroll in the DCPP. When enrolled in the DCPP, the employee's retirement benefit is based on the total amount of the contributions made to his/her account and the return on investments of those contributions.

Employees enrolled in the DCPP are required to contribute 8% of their covered earnings to their DCPP account on a tax-deferred basis. The University currently contributes an amount equal to 11.4% of participating employees' covered earnings to their DCPP account.

Through February 2019, the DCPP was administered by three vendors, Fidelity Investments, TIAA-CREF, and VALIC. In Fiscal Year 2019, the University contracted with TIAA-CREF to be the sole record keeper in order to align with best practices and simplify retirement options, reduce investment and recordkeeping service fees paid by employees, provide better advising to employees, and to improve plan performance monitoring and oversight.

The University's contributions to the DCPP for Fiscal Years ending June 30, 2023 and 2022 were $4.3 million and $4.1 million, respectively. These contributions were equal to the required contributions for each year. All DCPP contributions are immediately invested in the employee's account. Benefits available to the employee at retirement are not guaranteed and are determined by contributions and the decisions made by participants for their investment accounts.

NOTE 11 - DEFINED BENEFIT OPEB PLAN

1. Summary of Significant Accounting Policies

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

2. Plan Description

Eligible employees of the University are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under C.R.S. Section 24-51-12, 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 that can be obtained at www.copera.org/investments/pera-financial-reports.

3. 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. Section 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 in the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

4. 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. Section 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

5. Contributions

Pursuant to C.R.S. Section 24-51-208(1)(f), 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 University is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the University were $158 thousand and $146 thousand for the years ended June 30, 2023 and 2022, respectively.

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

At June 30, 2023 and 2022, the University reported a liability of $1.2 million and $1.3 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 and 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022 and 2021. The University's proportion of the net OPEB liability was based on the University's contributions to the HCTF for the calendar years 2022 and 2021, relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the University's proportion was 0.1509%, which was a decrease of 0.0045%, compared to its share of 0.1553% measured as of December 31, 2021.

For the year ended June 30, 2023 and 2022, the University recognized a net OPEB expense of negative $40 thousand and negative $27 thousand.

The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30, 2023 and 2022 *(in thousands)*.

	Fiscal Year 2023		Fiscal Year 2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Difference between expected and actual experience	$ -	$ 298	$ 2	$ 317
Changes of assumptions or other inputs	20	136	28	73
Net difference between projected and actual earnings on OPEB plan investments	75	-	-	83
Change in proportionate share	-	-	-	-
Difference in total employer contribution and proportionate share	12	122	18	106
Contributions subsequent to the measurement date	79	-	71	-
Total	**$ 186**	**$ 556**	**$ 119**	**$ 579**

The $79 thousand (2023) and $71 thousand (2022) reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows *(in thousands)*.

Years Ending June 30	Total
2024	$ (159)
2025	(144)
2026	(69)
2027	(25)
2028	(43)
2029	(10)
Thereafter	-

1. Actuarial Assumptions

The total OPEB liability in the December 31, 2021 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 (in aggregate)	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	0.00%
PERACare Medicare plans	6.50% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029

DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of Fiscal Year 2022, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 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)**
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	**MAPD PPO #1 with Medicare Part A Retiree/Spouse**		**MAPD PPO #2 with Medicare Part A Retiree/Spouse**		**MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse**	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	1,976	1,561	676	534	2,229	1,761
75	2,128	1,681	728	575	2,401	1,896

Sample Age	**MAPD PPO #1 without Medicare Part A Retiree/Spouse**		**MAPD PPO #2 without Medicare Part A Retiree/Spouse**		**MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse**	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
65	$ 6,514	$ 5,542	$ 4,227	$ 3,596	$ 6,752	$ 5,739
70	7,553	5,966	4,901	3,872	7,826	6,185
75	8,134	6,425	5,278	4,169	8,433	6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

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 and Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, 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 total OPEB liability are summarized in the table below.

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions use in the December 31, 2021 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 total OPEB liability 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 the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled 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.

Post-retirement non-disabled 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 State Troopers 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 following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF.

- Per capita health care costs in effect as of the December 31, 2021, 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 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every 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.

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%**	

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 rate of return assumption of 7.25%.

2. Sensitivity of the 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 *(in thousands)*.

	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%
Net OPEB Liability	**$ 1,197**	**$ 1,232**	**$ 1,270**

3. Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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, 2022, 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 used by the plan 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.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected 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 total OPEB 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.

4. Sensitivity of the 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 one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate *(in thousands)*.

Proportionate Share of the Net OPEB Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2023	$ 1,428	$ 1,232	$ 1,064
2022	1,556	1,340	1,155

5. OPEB Plan Fiduciary Net Position
Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Comprehensive Financial Report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 - COMPONENT UNITS

In accordance with the GASB Statement No. 61 and GASB Statement No. 39, the discrete presentation of the Foundation and CMUREF's financial statements appear on separate pages from the University. The Foundation and CMUREF warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the University.

The financial statements of the Foundation and CMUREF are prepared on the accrual basis and follow the FASB ASC Topic 958, *Not-for-Profit Entities*.

The Foundation and CMUREF use a different GAAP reporting model and following the GASB Statement No. 39 recommendation, their financial information is not presented on the same page as the University but is reported on separate pages after the University's financial statements. The separate financials include the statements of financial position and the statements of activities.

COLORADO MESA UNIVERSITY FOUNDATION

The Foundation is a separate non-profit corporation under Internal Revenue Code Section 501(c)(3) formed to provide financial assistance to University students and to otherwise assist the University in serving educational needs. The Foundation engages in activities that may be beyond the scope of the University Board of Trustees. The Foundation's financial records are maintained separately from the University.

The Foundation solicits and receives donations and other forms of support for the benefit of the University's intercollegiate athletic program as well as other programs and initiatives. Expenditures are primarily scholarships awarded. During the years ended June 30, 2023 and 2022, the Foundation awarded $4.0 million and $4.1 million, respectively, in scholarship funds directly to University students. Accordingly, this amount is not included in the schedule of student financial assistance provided in Note 13.

The Foundation received donations to partially fund regular operations of various University departments. During the years ended June 30, 2023 and 2022 total cash and in-kind donations received from the Foundation by the University, totaled $9.5 million and $8.7 million, respectively, and were recorded as revenue and expense in the appropriate funds.

The following is an excerpt from the Foundation's Fiscal Year 2023 and 2022 independent annual financial reports.

FOUNDATION – INVESTMENTS – As of and for the Year Ended June 30, 2023

Investments are stated at fair value from quoted market prices and consist of the following *(in thousands)*.

	Cost	Fair Value	Unrealized Gain (Loss)
Cash and money markets	$ 1,959	$ 1,959	$ -
Common stock	3,759	5,842	2,083
Equity funds	10,307	11,023	716
Private equity	237	466	229
Bonds	1,147	1,120	(27)
Bond funds	12,779	11,612	(1,166)
Indexed	15,514	16,613	1,099
Hedge funds	1,222	1,210	(11)
Total	**$ 46,923**	**$ 49,846**	**$ 2,923**

The following schedule summarizes the investment return in the statement of activities for the year ended June 30, 2023 *(in thousands)*.

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 44	$ 983	$ 1,027
Investment fees	(2)	(96)	(98)
Realized gain (loss)	(5)	(225)	(230)
Unrealized gain (loss)	88	4,002	4,090
Total	**$ 125**	**$ 4,664**	**$ 4,790**

The following methods and assumptions were used by the Foundation in estimating the fair value of its other financial instruments.

Cash, Accounts Payable, and Debt
The carrying amount reported in the statement of financial position for cash, accounts payable, and debt approximates fair value because of the immediate or short-term maturities of these financial instruments.

Investments
Fair value measurements for assets reported at fair value on a recurring basis were determined based on the following *(in thousands)*.

Long-Term Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money markets	$ 1,959	$ 1,959	$ -	$ -
Common stock	5,843	5,842	-	-
Equity funds	11,023	11,023	-	-
Private equity	466	-	466	-
Bonds	1,120	1,120	-	-
Bond funds	11,612	11,612	-	-
Indexed	16,613	16,613		
Hedge funds	1,210	1,210	-	-
Total Long-Term Investments	**$ 49,846**	**$ 49,380**	**$ 466**	**$ -**

The Foundation's policy for determining the timing of significant transfers between levels is at the end of the fiscal year.

The following is a description of valuation methodologies used for assets measured at fair value.

- Fixed – Value based on yields currently available on comparable bonds, with comparable durations, with similar credit ratings.
- Equity – Valued at the closing price as reported on the active market on which the stocks are traded. One stock was not traded on an active market; an outside firm was used to value the stock.
- Commodities – Valued by comparable terms and duration.
- Indexed – Values by comparable terms duration.

FOUNDATION – INVESTMENTS – As of and for the Year Ended June 30, 2022

Investments are stated at fair value from quoted market prices and consist of the following *(in thousands)*.

	Cost	Fair Value	Unrealized Gain (Loss)
Cash and money markets	$ 2,458	$ 2,458	$ -
Common stock	3,396	4,613	1,217
Equity funds	24,155	22,234	(1,921)
Private equity	237	440	203
Bonds	44	34	(10)
Bond funds	11,055	10,191	(864)
Indexed/hedge funds	2,707	2,928	221
Total	**$ 44,052**	**$ 42,898**	**$ (1,154)**

The following schedule summarizes the investment return in the statement of activities for the year ended June 30, 2022 *(in thousands)*.

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 20	$ 747	$ 767
Investment fees	(3)	(103)	(106)
Realized gain (loss)	53	2,104	2,157
Unrealized gain (loss)	(227)	(9,490)	(9,717)
Total	**$ (157)**	**$ (6,742)**	**$ (6,899)**

The following methods and assumptions were used by the Foundation in estimating the fair value of its other financial instruments.

Cash, Accounts Payable, and Debt

The carrying amount reported in the statement of financial position for cash, accounts payable, and debt approximates fair value because of the immediate or short-term maturities of these financial instruments.

Investments

Fair value measurements for assets reported at fair value on a recurring basis were determined based on the following *(in thousands)*.

Long-Term Investments	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and money markets	$ 2,458	$ 2,458	$ -	$ -
Common stock	4,613	4,613	-	-
Equity funds	22,234	22,234	-	-
Private equity	440	-	440	-
Bonds	34	34	-	-
Bond funds	10,191	10,191	-	-
Indexed	2,928	2,928	-	-
Total Long-Term Investments	**$ 42,898**	**$ 42,458**	**$ 440**	**$ -**

The Foundation's policy for determining the timing of significant transfers between levels is at the end of the fiscal year.

The following is a description of valuation methodologies used for assets measured at fair value.

- Fixed – Value based on yields currently available on comparable bonds, with comparable durations, with similar credit ratings.
- Equity – Valued at the closing price as reported on the active market on which the stocks are traded. One stock was not traded on an active market; an outside firm was used to value the stock.
- Commodities – Valued by comparable terms and duration.
- Indexed – Values by comparable terms duration.

FOUNDATION – ENDOWMENT – As of and for the Year Ended June 30, 2023

At June 30, 2023, the Foundation's endowment consisted of 317 individual funds, established for providing a future income stream for scholarships for University students, research, and other uses for certain University departments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as with donor restrictions (permanently restricted) net assets is classified as without donor restriction and is available for expenditure by the Foundation, in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

The Foundation has adopted investment and spending policies by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution while growing the funds, if possible.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee of the Foundation is responsible for selecting managers and asset mix for the endowments of the Foundation, keeping within ranges outlined in the Board-approved investment policy.

The spending policy is to distribute 3% to 5% of the fair market value of the five-year rolling average of the endowment accounts each year, with the caveat that the Foundation's Board of Directors shall have the discretion to adjust the distribution rate for a given year, depending on short/long term needs of the University and the anticipated near-term trends in inflation and investment returns, consistent with the Foundation's investment policy.

Endowment Net Asset Composition by Type of Fund at year end is as follows *(in thousands)*.

	Without Donor Restriction	With Donor Restriction	Endowment Net Assets
Donor-restricted endowment funds	$ -	$ 48,555	$ 48,555
Board-designated endowment funds	1,046	-	1,046
Total	**$ 1,046**	**$ 48,555**	**$ 49,600**

Changes in Endowment net assets for the year ended June 30, 2023 are as follows *(in thousands)*.

Endowment net assets - beginning	$ 937	$ 41,173	$ 42,110
Contributions and transfers	20	4,266	4,286
Investment income net	20	887	907
Net appreciation (depreciation)	83	3,777	3,861
Net assets released from restrictions:			
Amounts appropriated for expenditure	(14)	(1,548)	(1,562)
Endowment Net Assets - Ending	**$ 1,046**	**$ 48,555**	**$ 49,600**

FOUNDATION – ENDOWMENT – As of and for the Year Ended June 30, 2022

At June 30, 2022, the Foundation's endowment consisted of 284 individual funds, established for providing a future income stream for scholarships for University students, research, and other uses for certain University departments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as with donor restrictions (permanently restricted) net assets is classified as without donor restriction and is available for expenditure by the Foundation, in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

The Foundation has adopted investment and spending policies by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution while growing the funds, if possible.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee of the Foundation is responsible for selecting managers and asset mix for the endowments of the Foundation, keeping within ranges outlined in the Board-approved investment policy.

The spending policy is to distribute 3% to 5% of the fair market value of the five-year rolling average of the endowment accounts each year, with the caveat that the Foundation's Board of Directors shall have the discretion to adjust the distribution rate for a given year, depending on short/long term needs of the University and the anticipated near-term trends in inflation and investment returns, consistent with the Foundation's investment policy.

Endowment Net Asset Composition by Type of Fund at year ended June 30, 2022 is as follows *(in thousands)*.

	Without Donor Restriction	With Donor Restriction	Endowment Net Assets
Donor-restricted endowment funds	$ -	$ 41,173	$ 41,173
Board-designated endowment funds	937	-	937
Total	**$ 937**	**$ 41,173**	**$ 42,110**
Endowment net assets - beginning	$ 1,101	$ 48,268	$ 49,369
Contributions and transfers	5	1,278	1,283
Investment income net	25	634	659
Net appreciation (depreciation)	(183)	(7,376)	(7,559)
Net assets released from restrictions:			
Amounts appropriated for expenditure	(11)	(1,631)	(1,642)
Endowment Net Assets - Ending	**$ 937**	**$ 41,173**	**$ 42,110**

FOUNDATION – CONCENTRATIONS

Amounts in excess of $250 thousand in one bank account are not insured by the FDIC or related entity. The Foundation has one bank account which exceeds the FDIC insured amount but is fully collateralized by the bank with federal Ginnie Mae securities. Additionally, the Foundation has significant investments in stocks and bonds, which are subject to the risk of market value fluctuation.

As of and for the year ended June 30, 2023, sixteen donors gave 72% of all contributions, and 99% of the unconditional promises to give are from four donors.

As of and for the year ended June 30, 2022, fifteen donors gave 70% of all contributions, and 97% of the unconditional promises to give are from four donors.

FOUNDATION – PROMISES TO GIVE – As of and for the Year Ended June 30, 2023

Unconditional promises to give at year end consisted of the following *(in thousands)*.

With Donor Restrictions		
Colorado Mesa University building projects and expansion	$	2,335
Scholarships - endowments		379
Subtotal	**$**	**2,714**
Less discounts to net present value - discount rate 3.86%		(170)
Less allowance for uncollectible promises receivable		(93)
Total	**$**	**2,451**
Receivable in less than one year	$	824
Receivable in one to five years		1,346
Receivables after five years		281
Total	**$**	**2,451**

FOUNDATION – PROMISES TO GIVE – As of and for the Year Ended June 30, 2022

Unconditional promises to give at year end consisted of the following *(in thousands)*.

With Donor Restrictions		
Colorado Mesa University building projects and expansion	$	2,918
Scholarships - endowments		417
Subtotal	**$**	**3,335**
Less discounts to net present value - discount rate 2.35%		(290)
Less allowance for uncollectible promises receivable		(124)
Total	**$**	**2,921**
Receivable in less than one year	$	712
Receivable in one to five years		1,921
Receivables after five years		288
Total	**$**	**2,921**

FOUNDATION – RESTRICTIONS ON NET ASSETS – As of and for the Year Ended June 30, 2023

Net assets with donor restrictions at year end are as follows *(in thousands)*.

With donor restrictions – permanent endowment		
Student scholarship endowments	$	28,814
Research endowments		3,823
Department legacy endowments		4,004
Total	**$**	**36,642**
With donor restrictions – temporary		
Accumulated expendable portion of investment income from student scholarship endowments	$	11,913
Colorado Mesa University building projects and expansion		2,353
Colorado Mesa University departments and clubs		4,793
Various other student scholarships or grants		755
Total	**$**	**19,813**

FOUNDATION – RESTRICTIONS ON NET ASSETS – As of and for the Year Ended June 30, 2022

Net assets with donor restrictions at year end are as follows *(in thousands)*.

With donor restrictions – permanent endowment		
Student scholarship endowments	$	25,104
Research endowments		3,442
Department legacy endowments		3,910
Total	**$**	**32,456**
With donor restrictions – temporary		
Accumulated expendable portion of investment income from student scholarship endowments	$	8,718
Colorado Mesa University building projects and expansion		2,678
Colorado Mesa University departments and clubs		4,585
Various other student scholarships or grants		1,413
Total	**$**	**17,394**

FOUNDATION – CAMPUS EXPANSION

The University has plans to further expand the size of the campus. The Foundation is assisting in the expansion by purchasing real estate or collecting monies to purchase real estate needed for the expansion. CMUREF is a nonprofit that manages real estate for the University also assists in the expansion. If the real estate closing is in the Foundation's name, the Foundation will quit claim the real estate to the University or CMUREF for the purchase of real estate or reimburse them for purchases that have already occurred. The Foundation transferred $869 thousand (2023) and $2.0 million (2022) to the University and CMUREF during the fiscal year for building projects and expansion.

FOUNDATION – RELATED PARTY

The University provides staff and office space for the Foundation. The value of this is not reflected in the statement of activities.

FOUNDATION – LIQUIDITY AND AVAILABILITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support with donor restrictions; such support has historically represented approximately 84% of annual program funding needs, with the remainder funded by investment income with donor restrictions and appropriated earnings from gifts without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, scholarship, and other programmatic expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles.

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term programmatic commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for management and general and fundraising expenses. Additionally, an amount that represents 50% of the anticipated programmatic expenses for the next year is made available.

The table below presents financial assets available for general expenditures within one year at June 30, 2023 *(in thousands)*.

Financial assets at year end		
Cash and cash equivalents	$	3,717
Investments		49,846
Unconditional promises to give		2,451
Accounts receivables		35
Mineral interest		1,326
Prepaid program expenses		64
Land		40
Property subject to life estate		508
Total Financial Assets	**$**	**58,987**
Less amounts not available for use within one year		
Unconditional promises to give non-current		1,628
Permanently restricted net assets		36,642
Property subject to life estate		508
Land		40
Private equity investment		466
Mineral interest		1,326
Total Financial Assets Not Available for Use within One Year	**$**	**40,610**
Total financial assets		
Expenditures within one year	**$**	**17,377**

The table below presents financial assets available for general expenditures within one year at June 30, 2022 *(in thousands)*.

Financial assets at year end		
Cash and cash equivalents	$	5,163
Investments		42,898
Unconditional promises to give		2,921
Accounts receivables		3
Land		40
Property subject to life estate		508
Total Financial Assets	**$**	**51,533**

Less amounts not available for use within one year		
Unconditional promises to give		2,209
Permanently restricted portion of endowment		32,455
Property subject to life estate		508
Land		40
Private equity investment		440
Total Financial Assets Not Available for Use within One Year	**$**	**35,652**
Total financial assets		
Expenditures within one year	**$**	**15,881**

COLORADO MESA UNIVERSITY REAL ESTATE FOUNDATION

CMUREF is a separate 501(c)(3) corporation that was organized to receive, hold, invest, and administer real and personal property, borrow money, and to make expenditures to or for the benefit of the University. CMUREF may receive gifts of real and personal property that persons and entities wish to donate for the benefit of the University in support and furtherance of the University's educational purposes. CMUREF may hold, maintain, improve, leverage, manage, and lease such donated property in a manner consistent with donor intent until such time as CMUREF deems it advisable to convey, transfer, or otherwise dispose of the property and then donate to support the University.

The following is an excerpt from the CMUREF's Fiscal Year 2023 and 2022 independent annual financial reports.

CMUREF – LAND HELD FOR INVESTMENT AND OTHER LONG-TERM ASSETS

The University contributed a piece of land located in Mesa County in November of 2006. This land is to be developed in the future years by CMUREF to benefit the University. CMUREF has capitalized all of the development costs. A building is on the investment land and is being depreciated over a 6-year life. As of June 30, 2023, the building is fully depreciated. The cost of the land held for investments plus development costs is $880 thousand.

CMUREF – OPERATING LEASE COMMITMENTS

CMUREF leases four commercial spaces in Grand Junction from the University to tenants under non-cancelable operating leases with terms of five to ten years. CMUREF retains 20% of rental income as a management fee and the other 80% is remitted to the University.

CMUREF entered into a master lease with the University to rent six commercial spaces in the Lucero Housing complex. CMUREF retains, as a management fee, rental income over $15 per square foot. Terms of the leases range from five to ten years and rents range from $17 to $22 per square foot.

CMUREF has agreements with the University to lease other properties that are owned by the University. CMUREF has non-cancelable operating leases on these properties with terms of five to ten years. CMUREF retains 20% of rental income as a management fee and the other 80% is paid to the University.

CMUREF also leases land and a building it owns in Grand Junction, to tenants under non-cancelable operating leases, with terms of one to five years. CMUREF retains 20% of rental income as a management fee and the other 80% is paid to the University.

The rental income for the years ended June 30, 2023 and 2022 was $460 thousand and $517 thousand, respectively, of which CMUREF retained $127 thousand and $201 thousand, respectively, as a management fee.

Future minimum rentals and expected management fees to CMUREF are as follows *(in thousands)*.

For the Year Ending	Minimum Rentals	Minimum Expected Management Fees	University Share
June 30, 2024	$ 594	$ 122	$ 471
June 30, 2025	281	63	217
June 30, 2026	119	24	95
June 30, 2027	78	16	63
June 30, 2028	24	5	19
June 30, 2029	2	-	2
	$ 1,098	**$ 230**	**$ 867**

CMUREF – CONCENTRATIONS AND RELATED PARTY

At various times during the year, CMUREF maintained significant amounts of cash in a checking account with one financial institution. Such concentrations of cash may exceed the federally insured limits provided on such accounts. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

Approximately 86% of the CMUREF's support was received from the University. During the years ended June 30, 2023 and 2022, CMUREF received $5.6 million and $1.9 million, respectively, from the University that was used to acquire real estate properties in the surrounding area of the University, in order to grow and expand. For the year ended June 30, 2023, ownership of the acquired properties was conveyed back to the University in the amount of $5.6 million. For the year ended June 30, 2022, ownership of the acquired properties was conveyed back to the University in the amount of $1.9 million and $4.6 million is being held by CMUREF.

The University provides staff and office space to perform the administrative functions of CMUREF; the value of these is not reflected on the Statement of Activities.

CMUREF – LIQUIDITY AND AVAILABILITY

The CMUREF receives significant revenue with donor restrictions to be used in accordance with the associated purpose restrictions. In addition, the CMUREF receives management fees for servicing the rentals managed by the CMUREF; such support has historically represented the funding necessary to operate the general expenses of the CMUREF.

The CMUREF manages its cash available to meet general expenditures following three guiding principles.

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that future property purchases can be obtained.

The CMUREF's Board of Directors meets periodically to review leases, rents, and future needs of the University. Due to this timing, the CMUREF strives to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenses for administrative and general expenses, plus an amount that represents any future purchase of property that is in process of closing.

The table below presents financial assets available for general expenditures within one year at June 30, 2023 *(in thousands)*.

Financial assets at year end		
Cash and cash equivalents	$	505
Rents receivable		48
Total Financial Assets Available within One Year	**$**	**553**

The table below presents financial assets available for general expenditures within one year at June 30, 2022 *(in thousands)*.

Financial assets at year end		
Cash and cash equivalents	$	683
Rents receivable		41
Total Financial Assets Available within One Year	**$**	**724**

NOTE 13 - STUDENT FINANCIAL ASSISTANCE

The University receives funds from and administers student financial assistance programs for various federal and state agencies. In addition, the University dedicates institutional resources to fund scholarships and work-study programs for students. The tables below reflect the student financial assistance activities for which the University received resources for and expended on behalf of students during the years ended June 30, 2023 and 2022. Student loans, external scholarships, grants, and other student financial assistance not recorded on the University's financial system are not included.

A schedule of non-loan student assistance for the year ended June 30, 2023, follows *(in thousands)*.

	Institutional Sources	**State Sources**	**Federal Sources**	**Total All Sources**
Scholarships				
General institutional aid	$ 18,405	$ -	$ -	$ 18,405
Auxiliary	1,552	-	-	1,552
Grants				
Federal Pell	-	-	11,690	11,690
Colorado student	-	10,163	-	10,163
Federal SEOG	9	-	311	320
Other student aid	-	-	201	201
Subtotal non-loan student assistance	19,966	10,163	12,202	42,331
Scholarship allowance				(19,694)
Net scholarships and fellowships				**22,637**
Work study**	4,488	1,205	264	5,957
Total non-loan student assistance including Work study	**$ 24,454**	**$ 11,368**	**$ 12,466**	**$ 48,288**

**Includes University student assist work-study - not based on financial need.

A schedule of non-loan student assistance for the year ended June 30, 2022, follows *(in thousands)*.

	Institutional Sources	State Sources	Federal Sources	Total All Sources
Scholarships				
General institutional aid	$ 18,671	$ -	$ -	$ 18,671
Auxiliary	1,616	-	-	1,616
Grants				
Federal Pell	-	-	12,043	12,043
Colorado student	-	8,723	-	8,723
Federal SEOG	-	-	315	315
Other student aid	-	-	-	-
Subtotal non-loan student assistance	20,287	8,723	12,358	41,368
Scholarship allowance				(22,007)
Net scholarships and fellowships				**19,361**
Work study**	4,398	1,138	272	5,808
Total non-loan student assistance including Work study	**$ 24,685**	**$ 9,861**	**$ 12,630**	**$ 47,176**

**Includes University student assist work-study - not based on financial need.

NOTE 14 - LEGISLATIVE APPROPRIATIONS

The Colorado Legislature establishes spending authority for the Trustees of the University in its annual Long Appropriation Bill (the Long Bill). The Long Bill appropriated funds include an amount from the State of Colorado's College Opportunity Fund (COF). In prior years and for fiscal years beginning on or after July 1, 2016, the general assembly annual appropriation of general fund moneys bill includes certain cash revenues from the student share of tuition and fees.

For the years ended June 30, 2023 and 2022, appropriated expenses were within spending authority. For the years ended June 30, 2023 and 2022, long-bill appropriated state support was $41.1 million and $36.6 million, respectively.

For the years ended June 30, 2023 and 2022, long-bill appropriated funds actually received included $18.3 million and $16.3 million, respectively, from students that qualified for stipends from COF, $21.6 million and $19.3 million, respectively, as FFS contract revenue, and $1.8 million and $659 thousand, respectively, from limited gaming tax revenues pursuant to C.R.S. Section 12-47-1-701.5(3)(c)(I). In Fiscal Year 2023 and 2022, appropriations from cash funds included $76.9 million and $75.7 million for the students' share of tuition and mandatory fees. All other revenues represent non-appropriated funds and are excluded from the annual appropriations bill.

Non-appropriated funds include certain grants and contracts, gifts, indirect cost recoveries, certain auxiliary revenues, and other revenue sources.

NOTE 15 - TABOR ENTERPRISE STATUS

In November 1992, the Colorado voters passed Section 20, Article X of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to all local governments and the State of Colorado, including the University. On August 10, 2005, the

Colorado State Auditor issued an opinion that the University meets the TABOR requirements and recommended that the Legislative Audit Committee approve them as a TABOR-exempt enterprise.

To qualify as a TABOR-exempt enterprise, a higher education institution needs to be a government-owned business authorized to issue its own revenue bonds that receive less than 10% of its revenue grants from all Colorado state and local governments combined. Designation is reviewed at the end of each year to determine that the colleges and universities continue to meet TABOR-exempt criteria. Further, so long as it is so designated as an enterprise, the institution shall not be subject to any of the provisions of TABOR.

The schedule below shows the University's TABOR Enterprise state support calculation for Fiscal Year 2023 *(in thousands)*.

State and local government grants		
State capital appropriation	$	7,403
State emergency maintenance funding		30
State PERA support		936
State share - COPS		1,426
Local government grants		700
Total State and local government grants		10,495
Total revenues and State share of COPS (gross operating, non-operating and other revenues and State share of COPS)	$	214,395
Ratio of State Grants to Total Revenues		**4.90%**

The schedule below shows the University's TABOR Enterprise state support calculation for Fiscal Year 2022 *(in thousands)*.

State and local government grants		
State capital appropriation	$	13,140
Other State funding		941
State PERA support		364
State share - COPS		1,487
Local government grants		700
Total State and local government grants		16,632
Total revenues and State share of COPS (gross operating, non-operating and other revenues and State share of COPS)	$	206,653
Ratio of State Grants to Total Revenues		**8.05%**

NOTE 16 - RISK FINANCING AND INSURANCE-RELATED ACTIVITIES

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.

Coverage	Company	Limit	Deductible
General liability	Philadelphia	$ 1,000,000 per occurrence	$ 0
		2,000,000 general aggregate	
Directors' and officers' liability	Philadelphia	9,000,000 per occurrence	10,000
		10,000,000 aggregate	
Automobile liability	Philadelphia	1,000,000	1,000
Employment practices liability	Philadelphia	9,000,000 per occurrence	10,000
		9,000,000 general aggregate	
Employee benefits administration	Philadelphia	1,000,000 each employee	0
		3,000,000 aggregate	
Employee dishonesty (Fidelity)	Philadelphia	300,000	2,500
Student professional liability	Philadelphia	9,000,000 per occurrence	10,000
		9,000,000 aggregate	
Sexual misconduct or molestation	Philadelphia	1,000,000 per occurrence	0
		2,000,000 general aggregate	
Commercial excess liability	Philadelphia	8,000,000 each occurrence	0
		8,000,000 general aggregate	
Workers' compensation	Pinnacol	1,000,000 each accident	5,000
		1,000,000 disease each employee	
		1,000,000 disease policy limit	
Boiler machinery breakdown	Philadelphia	620,195 property	25,000
		1,265,826 - business income	
Property - building	Philadelphia	586,916	25,000
Property - personal property	Philadelphia	67,498	25,000

The University became fully insured through several insurance companies in 2012 and is insured for everything above its reserve and deductible. The coverage for the year ended June 30, 2023, is consistent with previous years and there have been no significant reductions in coverage or settlements exceeding coverage.

NOTE 17 – COVID-19 FUNDING

In response to the effects of the Coronavirus pandemic, the University received amounts to support response to and recovery from the COVID-19 public health emergency.

American Rescue Plan Act

- Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

State Legislation	Description	Fiscal Year 2023	Fiscal Year 2022
HB21-1330	Colorado Opportunity Scholarship- Finish What you started	$ 706	$ 706
SB21-137	Behavioral Health Workforce Development Program	221	-
SB22-226	Healthcare Workforce: In-Demand Short Term Credentials	1,376	-
HB22-1220	Removing Barriers to Educator Preparation	725	-
HB22-1329-CAPX	Mesa Replace Roof, Wubben/Science Building - 2019-098M22	13	-
HB22-1329-CAPX	Mesa Replace HVAC, Fine Arts Building - 2023-082M22	52	-
HB22-1329-CAPX	Mesa Robinson Theater Replacement - 2023-026P22	5,874	-
		$ 8,967	$ 706

- Grants To States - Funding For Libraries in the amount of $6 thousand and $0 for the years ended June 30, 2023 and 2022.

CARES Act

- Higher Education Emergency Relief Fund – Student funding of $540 thousand and $12.7 million for the years ended June 30, 2023 and 2022.
- HEERF: Strengthening Institutions Program funding of $917 thousand and $28 thousand for the years ended June 30, 2023 and 2022.

NOTE 18 – PRIOR PERIOD RESTATEMENT

Changes adopted to conform with GASB Statement No. 96 - SBITAs generated a $177 thousand reduction in Net Position at June 30, 2022. As of July 1, 2022, the University made a restatement to net position as follows *(in thousands)*.

Net Position at July 1, 2022, as originally reported	$ 289,394
Decrease in Net Position	(177)
Net Position at July 1, 2022, as restated	$ 289,217

Required Supplementary Information

COLORADO MESA UNIVERSITY

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE PERA NET PENSION LIABILITY

For the Years Ended June 30,

	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
University's proportion of the net pension liability	0.4723%	0.4789%	0.4776%	0.4724%	0.4834%	0.4929%	0.4926%	0.4905%	0.4917%
University's proportionate share of the net pension liability	$ 51,345,836	$ 35,315,844	$ 45,299,621	$ 45,845,522	$ 55,004,497	$ 98,661,537	$ 90,474,883	$ 51,652,554	$ 46,250,520
University's covered payroll	$ 17,462,804	$ 15,431,003	$ 14,711,251	$ 14,547,380	$ 14,524,040	$ 14,384,933	$ 13,187,958	$ 12,658,750	$ 12,549,395
University's proportionate share of the net pension liability as a percentage of its covered payroll	294.03%	228.86%	307.93%	315.15%	378.71%	685.87%	686.04%	408.04%	368.55%
Plan fiduciary net position as a percentage of the total pension liability	60.63%	73.05%	65.34%	62.24%	55.10%	43.20%	42.60%	56.10%	56.84%

The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 (the plan's measurement periods) occurring within the University's fiscal years ended June 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 in accordance with Governmental Accounting Standards Board Statement No. 68 and 82, *Accounting and Financial Reporting for Pensions*.

COLORADO MESA UNIVERSITY

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS TO THE PERA DEFINED BENEFIT PENSION PLAN

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,313,189	$ 3,633,500	$ 3,112,829	$ 2,892,585	$ 2,935,354	$ 2,873,141	$ 2,815,953	$ 2,506,149	$ 2,372,914
Contributions in relation to the contractually required contribution	$ (3,313,189)	$ (3,633,500)	$ (3,112,829)	$ (2,892,585)	$ (2,935,354)	$ (2,873,141)	$ (2,815,953)	$ (2,506,149)	$ (2,372,914)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 17,462,804	$ 15,655,520	$ 15,011,488	$ 14,179,340	$ 14,198,998	$ 14,559,702	$ 13,410,752	$ 12,786,325	$ 12,537,485
Contributions as a percentage of covered payroll	18.97%	23.21%	20.74%	20.40%	20.67%	19.73%	21.00%	19.60%	18.93%

There were no changes in terms or assumptions for the December 31, 2022 measurement period for the pension plan compared to the prior year.

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

- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent.

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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 State Troopers) was changed to the PubG-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 disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

- The assumption used to value the annual increase cap benefit provision was changed from 1.50 percent to 1.25 percent.

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

- The assumed investment rate of return of 7.25 percent was used as the discount rate, rather than using the blended rate of 4.72 percent.

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

- The discount rate was lowered from 5.26 percent to 4.72 percent.

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

- The investment return assumption was lowered from 7.5 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.

- The real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50 percent to 5.26 percent.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for the pension plan compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for the pension plan compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2013 measurement period are as follows.

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

COLORADO MESA UNIVERSITY

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY

For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018
University's proportion of the net other post-employment benefit liability	0.1509%	0.1553%	0.1592%	0.1579%	0.1647%	0.1687%
University's proportionate share of the net other post-employment benefit liability	$ 1,231,712	$ 1,339,519	$ 1,513,014	$ 1,774,888	$ 2,240,739	$ 2,192,392
University's covered payroll	$ 15,308,390	$ 15,431,003	$ 14,711,251	$ 14,697,292	$ 14,673,712	$ 14,729,991
University's proportionate share of the net other post-employment benefit liability as a percentage of its covered payroll	8.05%	8.68%	10.28%	12.08%	15.27%	14.88%
Plan fiduciary net position as a percentage of the total other post-employment benefit liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2022, 2021, 2020, 2019, 2018 and 2017 (the Plan's measurement period) occurring within the University's fiscal years ended June 30, 2023, 2022, 2021, 2020, 2019 and 2018 in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* .

COLORADO MESA UNIVERSITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF UNIVERSITY CONTRIBUTIONS TO PERA DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN
For the Years Ended June 30,

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 156,145	$ 146,192	$ 153,117	$ 147,933	$ 146,322	$ 150,246
Contributions in relation to the contractually required contribution	$ (156,145)	$ (146,192)	$ (153,117)	$ (147,933)	$ (146,322)	$ (150,246)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 15,308,390	$ 15,655,520	$ 15,011,488	$ 14,503,195	$ 14,345,321	$ 14,729,991
Contributions as a percentage of covered payroll	1.02%	0.93%	1.02%	1.02%	1.02%	1.02%

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

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

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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 State Troopers) was changed to the PubG-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 the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, 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 with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

Supplemental Information

COLORADO MESA UNIVERSITY
Enterprise Revenue Bonds Schedules of Revenues and Expenditures
For the years ended June 30, *(in thousands)*

	2023	2022
Pledged Revenues		
Pledged tuition revenue	**$ 72,811**	$ 72,557
Residence halls and apartments	**16,778**	16,163
Food services	**11,082**	10,473
University center	**3,256**	2,982
Bookstore	**4,122**	3,882
Recreation center	**2,347**	2,106
Campus parking	**947**	904
Continuing education	**250**	201
MAVcard	**202**	287
Hotel Revenues	**6,232**	5,747
Central services	**2,987**	2,516
Student fee revenue	**1,720**	1,595
Indirect Cost Recoveries	**317**	1,284
Math and Science Center Pledge	**-**	865
Total Pledged Revenues	**$ 123,051**	$ 121,562
Operating Expenses		
Residence halls and apartments	**7,108**	6,619
Food services	**6,703**	6,496
University center	**1,178**	1,074
Bookstore	**4,221**	4,150
Recreation center	**1,752**	1,533
Campus parking	**411**	319
Continuing education	**451**	536
MAVcard	**190**	177
Hotel Expenses	**4,912**	4,594
Central services	**(1,264)**	(551)
Total Operating Expenses	**25,662**	24,947
Net Revenue Before Transfers	**97,389**	96,615
Transfers		
Mandatory transfers	**(14,247)**	(14,712)
Net Non-mandatory transfers	**(6,184)**	(6,728)
Total Transfers	**(20,431)**	(21,440)
Net Revenue	**$ 76,958**	$ 75,175
Debt Service Coverage		
Net operating revenue	**$ 97,389**	$ 96,615
Bond principal and interest	**14,247**	14,712
Excess of Net Operating Revenue Over Debt Service	**$ 83,142**	$ 81,903
Debt Service Coverage Ratio	**684%**	657%

HINKLE & COMPANY PC
Strategic Business Advisors

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

Members of the Legislative Audit Committee
Denver, Colorado

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 aggregate discretely presented component units of Colorado Mesa University (the University), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2023, 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 15, 2023. Our report includes a reference to other auditors who audited the financial statements of Colorado Mesa University Foundation and Colorado Mesa University Real Estate Foundation, discretely presented component units of the University, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that were reported on separately by those auditors. The financial statements of the discretely presented component units, Colorado Mesa University Foundation and Colorado Mesa University Real Estate Foundation, were not audited in accordance with *Government Auditing Standards*.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify 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 University' 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*.

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

Hinkle & Company, PC

Englewood, Colorado
December 15, 2023

Legislative Audit Committee Communications

HINKLE & COMPANY PC
Strategic Business Advisors

Legislative Audit Committee Communications

Board of Trustees & Members of the Legislative Audit Committee:

We have audited the financial statements of the business-type activities of Colorado Mesa University (the University), an institution of higher education of the State of Colorado, for the year ended June 30, 2023, and have issued our report thereon dated December 15, 2023. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the Colorado Mesa University Foundation and the Colorado Mesa University Real Estate Foundation (the Foundations), discretely presented component units of the University, and the Foundations' financial statements were not audited in accordance with Government Auditing Standards. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated April 8, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements. The University adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Leases (GASB 96), during the year ended June 30, 2023. See Notes 1, 5, 8 and 18 to the Universities' financial statements for further discussion of the implementation of GASB 96. The application of existing accounting policies was not changed during fiscal year 2023. 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 are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

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

- Management's estimate of the net pension liability is based on the estimate of the University's proportionate share of the net pension liability as of December 31, 2022 and 2021 of the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA), as described in Note 10 to the University's financial statements. The University's proportion of the SDTF's net pension liability was based on the University's contributions to the SDTF for the calendar years ending December 31, 2022 and 2021 relative to the total contributions made to the SDTF by participating employers for the calendar years ending December 31, 2022 and 2021.
- Management's estimate of the net Other Post-Employment Benefits (OPEB) liability is based on the estimate of the University's proportionate share of the net OPEB liability as of December 31, 2022 and 2021 of the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA, as described in Note 11 to the University's financial statements. The University's proportion of the HCTF's net OPEB liability was based on the University's contributions to the HCTF for the calendar years ending December 31, 2022 and 2021 relative to the total contributions made to the HCTF by participating employers for the calendar years ending December 31, 2022 and 2021.
- Management's estimate of the collectability of student accounts receivable and student loans is based on historical analysis. We evaluated the key factors and assumptions used to develop the allowance for bad debts in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of depreciation expense is based on their evaluation of the useful lives of property and equipment. We evaluated the key factors and assumptions used to determine the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

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

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

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There was one misstatement identified during the audit which we determined was not material to the financial statements as a whole and for which the University did not adjust the financial statements. The misstatement was an unrecorded accounts payable invoice which would have increased construction-in-progress in the amount of $2,589,254.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no corrected adjustments identified as a result of our audit procedures.

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

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 15, 2023.

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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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

Other Matters
We applied certain limited procedures to the management's discussion and analysis, the schedule of the University's Proportionate Share of the Net Pension Liability of the State Division Trust Fund– a cost-sharing multiple-employer defined benefit pension plan administered by the PERA, the schedule of University contributions to the State Division Trust Fund– a cost-sharing multiple-employer defined benefit pension plan administered by the PERA, the schedule of the University's proportionate share of the net other post-employment benefit liability and the schedule of University Contributions to the PERA Defined Other Post-Employment Benefit Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Hinkle & Company, PC

Englewood, Colorado
December 15, 2023

State-Funded Student Financial Assistance Programs Section

Introduction

Colorado Mesa University (the University) is a state-supported institution of higher education located in Grand Junction, Colorado.

The financial and compliance examination of the various state-funded financial assistance programs at the University for the year ended June 30, 2023, was directed toward the objectives and criteria set forth in the Colorado Handbook for State-Funded Student Assistance Programs, issued by the Colorado Department of Higher Education (CDHE). The State-Funded Student Assistance Programs policies are approved by the Colorado Commission on Higher Education (CCHE). The State student financial assistance programs were examined simultaneously with the University's federal financial aid programs for the year ended June 30, 2023.

State-Funded Student Assistance Programs

The various State-funded student assistance programs at the University included the Colorado Need Based Grant Program, the Colorado Work Study Program, the Colorado Merit Aid, the Colorado Graduate Grant and the Colorado Career and Technical Education Grant.

The State-funded assistance awards made by the University totaled approximately $11,367,000 for the year ended June 30, 2023.

The Director of Financial Aid is responsible for administration of the 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's federal and state financial aid programs. The University Controller is responsible for the program's financial management, general ledger accounting, payments, and collections.

During the audit period, the University obtained authorizations to award Colorado student financial aid funds of approximately $9,829,000 under the Need Based Grant Program, $1,205,000 under the Colorado Work Study Program, $123,000 under the ECE Scholarship Funds, $110,000 under the Colorado Foster Youth Transition Program, $92,000 under the Colorado Graduate Program, and $9,000 under the Colorado Career and Technical Education Grant Program.

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report on the Statement of Appropriations, Expenditures, Transfers, and Reversions of The State-funded Student Financial Assistance Programs

Members of the Legislative Audit Committee
Denver, Colorado

Report on the Audit of the Statement

Opinion
We have audited the accompanying Statement of Appropriations, Expenditures, Transfers, and Reversions of the State-Funded Student Financial Assistance Programs (the Statement) for Colorado Mesa University (the University), an institution of higher education of the State of Colorado, for the year ended June 30, 2023*,* and the related notes related to the Statement.

In our opinion, the Statement referred to above presents fairly, in all material respects, the respective appropriations, expenditures, transfers and revisions of the State-Funded Student Financial Assistance programs of the University for the year ended June 30, 2023, in accordance with the format as set forth in the *2022-23 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, 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 governing board of the University described in Note A 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* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of out 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.

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Emphasis of Matter

As described in Note A to the Statement, the Statement prepared by the University was prepared in accordance with the *2022-23 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, issued by CDHE, and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the governing board of the University. 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 which is on the accrual basis, and does not present certain transactions that would be included in the statement of state-funded student financial assistance programs if it was presented on the accrual basis of accounting, as prescribed by generally accepted accounting principles. Accordingly, 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 Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with the financial format as set forth in the *2022-23 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid*, 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 governing board of the University described in Note A to the Statement and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the 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 auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement 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 15, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Restriction on Use
This report is intended solely for the information and use of the Legislative Audit Committee, the Office of the State Auditor, the University's Board of Trustees, and management of the University, the CDHE, and the Colorado Commission on Higher Education 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.

Hinkle & Company, PC

Englewood, Colorado
December 15, 2023

State of Colorado
Colorado Mesa University
State-Funded Student Financial Assistance Programs
Statement of Appropriations, Expenditures, Transfers and Reversions
Year Ended June 30, 2023

	Total State-Funded Student Assistance	Colorado Student Grant	Colorado Graduate Grant	Colorado Work-Study	Colorado Career and Technical Education	ECE Scholarship Funds	Colorado Foster Youth Transition Program
Appropriations:							
Original	$ 11,202,633	$ 9,828,811	$ 77,084	$ 1,054,956	$ 8,481	$ 123,278	$ 110,023
Supplemental	165,000	-	15,000	150,000	-	-	-
Transfers	-	-	-		-	-	-
	11,367,633	9,828,811	92,084	1,204,956	8,481	123,278	110,023
Other Funding Sources	555	555					
Total	11,368,188	9,829,366	92,084	1,204,956	8,481	123,278	110,023
Expenditures	11,368,188	9,829,366	92,084	1,204,956	8,481	123,278	110,023
Reversions to State General Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -

COLORADO MESA UNIVERSITY

STATE-FUNDED STUDENT FINANCIAL ASSISTANCE
PROGRAMS NOTES TO STATEMENT OF APPROPRIATIONS,
EXPENDITURES, TRANSFERS, AND REVERSIONS

Note A Summary of Significant Accounting Policies

Basis of Presentation

Colorado Mesa University (the University) is governed by the University's Board of Trustees.

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 2022-23 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado Funded Student Aid 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. The purpose of the Statement is to present, in summary form, the state-funded student financial assistance 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 generally accepted accounting principles in the United States of America.

Basis of Accounting

The University's accounting system is structured and administered in accordance with the accounting principles promulgated by the National Association of College and Business Officers in its revised publication *Financial Accounting and Reporting Manual*.

All student aid is expensed on a cash basis except for the Colorado Work Study (CWS) Program. The CWS is on the accrual basis in that the expense is recognized when the student earns their wages from employment positions funded by CWS.

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's 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
Denver, Colorado

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 Statements of Appropriations, Expenditures, Transfers, and Reversions of the State-Funded Student Assistance Programs (the Statement) of Colorado Mesa University (the University), and institution of higher education of the State of Colorado, as of and for the year ended June 30, 2023, and the related notes of the Statement, and have issued our report thereon dated December 15, 2023.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 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, 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 or significant deficiencies may exist that were not identified.

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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 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.

Hinkle & Company, pc

Englewood, Colorado
December 15, 2023