Colorado State University System

Financial Statements and Independent Auditors' Reports

Financial Audit

Years Ended June 30, 2023 and 2022

Compliance Audit

Year Ended June 30, 2023

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REPORT NUMBER 2316F-A

CliftonLarsonAllen LLP
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Members of the Legislative Audit Committee:

We have completed the financial statement audit and compliance audit of the Colorado State University System as of and for the years ended June 30, 2023 and 2022. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 5, 2024

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COLORADO STATE UNIVERSITY SYSTEM
REPORT SUMMARY
YEARS ENDED JUNE 30, 2023 AND 2022

Purposes and Scope of Audit

The Office of the State Auditor engaged CliftonLarsonAllen LLP (CLA) to conduct a financial and compliance audit of the Colorado State University System (the System) for the years ended June 30, 2023 and 2022. CLA performed the 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. The audits of the Colorado State University Foundation and the Colorado State University – Pueblo Foundation, discretely presented component units of the System, were not performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards.*

The purposes and scope of the audit were to:

- Express opinions on the financial statements of the System as of and for the years ended June 30, 2023 and 2022, including consideration of internal control over financial reporting as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards* for the year ended June 30, 2023.

- Issue a report on the System's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters based on our audits of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2023.

- Report on the System's compliance with applicable bond covenants.

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

Audit Opinions and Reports

The independent auditors' reports included herein expressed unmodified opinions on the System's financial statements as of and for the years ended June 30, 2023 and 2022.

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

We noted no matters that we consider to be a material weakness and one matter involving internal controls over financial reporting that we consider to be a significant deficiency.

COLORADO STATE UNIVERSITY SYSTEM
REPORT SUMMARY
YEARS ENDED JUNE 30, 2023 AND 2022

Summary of Findings

The System has one finding which is considered sensitive in nature related to information technology general controls and is outlined further in the report on internal control over financial reporting and compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards located on pages 10-11. Government Auditing Standards allow for information that is considered to be sensitive in nature, such as detailed information related to information technology system security, to be issued through a separate "classified or limited use" report. This is due to the potential damage that could be caused by the misuse of that information.

CliftonLarsonAllen considers the specific technical details of this finding to be sensitive in nature and not appropriate for public disclosure. Therefore the details of the summarized findings have been provided to the System.

A summary of the recommendation for the above finding is included in the Recommendation Locator on page 3. The Recommendation Locator also shows the System's response to the audit recommendations.

Recommendations and the System's Responses

A summary of the recommendation for the above finding is included in the Recommendation Locator on page 3. The Recommendation Locator also shows the System's response to the audit recommendations.

Significant Audit Adjustments

No matters are reportable.

Summary of Progress in Implementing Prior Audit Recommendations

A summary of the findings and recommendations reported for the year ended June 30, 2022 is included on page 9.

COLORADO STATE UNIVERSITY SYSTEM
REPORT SUMMARY
YEARS ENDED JUNE 30, 2023 AND 2022

Recommendation Number	Page No.	Recommendation Summary	University Response	Implementation Date
1	10-11	The Colorado State University should prioritize staffing and related assignment of responsibilities in the Department of Information Technology (CSU IT) to ensure University IT staff will respond appropriately in the event of a system disruption or disaster and that systems will be restored in a timely manner that prioritizes the system's criticality to CSU's mission and purpose by:		
		a) Implementing the recommendation as noted in Part A of the confidential finding.	Agree	July 2024
		b) Implementing the recommendation as noted in Part B of the confidential finding.	Agree	July 2024

Organization and Administration

The institutions that compose the Colorado State University System (the System) are established in Title 23, C.R.S. The Board of Governors (the Board) has control and supervision of three distinct institutions: Colorado State University (a land-grant university), Colorado State University – Pueblo (a regional, comprehensive university) and Colorado State University – Global Campus (an on-line university).

The 15-member Board consists of:

- Nine voting members appointed by the Governor and confirmed by the Senate for four-year terms
- Six advisory members representing the student bodies and the faculty councils for each of the three institutions, elected for one-year terms

The Board administers the board of governors of the Colorado State University System Fund located in the State Treasury. The Board is authorized to set tuition, pay expenses, and hire officials. The chief academic and administrative officers are the Chancellor of the Colorado State University System and the President of each institution.

Colorado State University

In 1870, the Territorial Council and House of Representatives of the Territory of Colorado created the Agricultural College of Colorado (the College). When the Territory became a state in 1876, the College was placed under the governance of the State Board of Agriculture.

The College began admitting its first students in 1879. It was also designated that year as Colorado's land-grant college and recipient of federal endowment support under the Morrill Act of 1862. Subsequent federal legislation led to the establishment of the Agricultural Experiment Station and the Extension Service of the College.

State legislation also made the College responsible for the Colorado State Forest Service. Following several name changes, the College became Colorado State University in 1957. In this report, the terms Colorado State University and CSU refer to Colorado State University – Fort Collins.

Resident Instruction

The following eight colleges offer more than 74 undergraduate degrees, 112 Academic Graduate Degrees and 34 Professional Graduate Degrees including Doctor of Veterinary Medicine:

- College of Agricultural Sciences
- College of Health and Human Sciences
- College of Liberal Arts
- College of Business
- Walter Scott, Jr. College of Engineering
- Warner College of Natural Resources
- College of Natural Sciences
- College of Veterinary Medicine and Biomedical Sciences

Agricultural Experiment Station

The Agricultural Experiment Station provides a basis for agricultural research and study programs on the Fort Collins campus and at nine research centers located throughout the State. The mission of the Agricultural Experiment Station is to conduct research that addresses the economic viability, environmental sustainability, and social acceptability of activities impacting agriculture, natural resources, and consumers in Colorado. It is a public service organization that disseminates the results of its research to the public through CSU Extension and various publications and conferences.

CSU Extension

The mission of CSU Extension is to provide information and education and encourage the application of research-based knowledge in response to local, state, and national issues affecting individuals, youth, families, agricultural enterprises, and communities of Colorado. CSU Extension disseminates among the people of Colorado useful and practical information on subjects related to (a) agricultural production, marketing, and natural resources; (b) family living; (c) 4-H and other youth activities; and (d) rural and community development. The location of professional staff throughout the State permits CSU Extension to respond to the needs of local communities.

Colorado State Forest Service

The Colorado State Forest Service provides management, protection, and utilization of Colorado State Forest lands.

Colorado State University – Pueblo

Colorado State University – Pueblo was incorporated in 1935 as Southern Colorado Junior College. One year later, local citizens decided to support the institution with county taxes. They organized the Pueblo Junior College District, and the school was renamed Pueblo Junior College. In 1951, Pueblo Junior College became the first accredited junior college in Colorado.

In 1963, Colorado's General Assembly enacted legislation changing Pueblo Junior College to a four-year institution—Southern Colorado State College—to be governed by the board of trustees of state colleges. By then, four new buildings had been erected on the new campus north of Pueblo's Belmont residential district. On July 1, 1975, the State Legislature granted the institution university status. Three years later, the Colorado State Board of Agriculture assumed governance of the University of Southern Colorado. In July 2003, the university was renamed Colorado State University – Pueblo.

Colorado State University – Pueblo (CSU-P) is accredited at the bachelor's and master's levels. CSU-P is a regional, comprehensive university, with moderately selective admissions standards displaying excellence in teaching and learning. CSU-P emphasizes professional, career-oriented, and applied programs at the undergraduate and graduate levels while maintaining strong programs in the liberal arts and sciences. CSU-P has received the federal government's designation as a Hispanic Serving Institution granted to universities with at least 25% of the student population of Hispanic descent.

Colorado State University – Global Campus

Colorado State University – Global Campus (CSU-Global) was incorporated in 2008. CSU-Global is a baccalaureate and graduate online university with the mission in Colorado of offering baccalaureate degree programs for nontraditional students in partnership with the Colorado community college system and selected master-level graduate programs. The mission of CSU-Global is to offer on-line programs that are career-relevant and tailored to existing and emerging industry and occupational trends within Colorado. CSU-Global will cater to working adults and other nontraditional students who already have college credit or a two-year degree and want to complete their bachelor's and/or master's degrees. CSU-Global admitted its first students during the fall 2008 semester.

Enrollment and Faculty

Enrollment and faculty and staff information is presented below and was obtained from institutional analysis and the System's Factbooks.

CSU reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows:

Colorado State University
Full-Time Equivalent (FTE) Student Enrollment

	Resident	Nonresident	Total
Fiscal year:			
2022-2023	16,368	9,042	25,410
2021-2022	16,389	8,777	25,166
2020-2021	16,817	8,220	25,037

Colorado State University
Full-Time Equivalent (FTE) Faculty and Staff

	Faculty	Staff	Total
Fiscal year:			
2022-2023	1,874	5,763	7,637
2021-2022	1,717	5,572	7,289
2020-2021	1,750	5,637	7,387

CSU-P reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows:

Colorado State University - Pueblo
Full-Time Equivalent (FTE) Student Enrollment

	Resident	Nonresident	Total
Fiscal year:			
2022-2023	2,129	345	2,474
2021-2022	2,240	431	2,671
2020-2021	2,471	398	2,869

Colorado State University - Pueblo
Full-Time Equivalent (FTE) Faculty and Staff

	Faculty	Staff	Total
Fiscal year:			
2022-2023	173	369	542
2021-2022	238	388	626
2020-2021	228	401	629

CSU-Global reports full-time equivalent (FTE) student, faculty, and staff for three continuous fiscal years as follows:

Colorado State University - Global Campus
Full-Time Equivalent (FTE) Student Enrollment

	Resident	Nonresident	Total
Fiscal year:			
2022-2023	2,251	4,238	6,489
2021-2022	2,536	4,728	7,264
2020-2021	2,964	5,520	8,484

Colorado State University - Global Campus
Full-Time Equivalent (FTE) Faculty and Staff

	Faculty	Staff	Total
Fiscal year:			
2022-2023	285	167	452
2021-2022	295	199	494
2020-2021	312	187	499

Colorado State University Foundation
Colorado State University-Pueblo Foundation
Colorado State University System Foundation

The System's reporting entities include Colorado State University Foundation (CSUF), Colorado State University-Pueblo Foundation (CSU-P Foundation), and Colorado State University System Foundation (CSUS Foundation) as discretely presented reporting units. These Foundations are legally separate, tax-exempt entities that were established to receive, manage, and invest philanthropic gifts on behalf of CSU and CSU-P. The CSUS Foundation was created to accept transfers of intellectual property of the System and distribute money or issue grants to fund innovation and System initiatives, investment in new technology for the benefit of the System, and improvement of access and affordability for students of the System. Colorado State University Foundation is governed by its board of directors, which includes five voting members and three ex-officio nonvoting members. Twenty-seven trustees of the CSU-Pueblo Foundation are elected by members of the CSU-Pueblo Foundation. No person who is an employee of the University is eligible to serve as an officer of the Foundation or as a voting board member. The officers of the CSUS Foundation are appointed by the board of directors which consists of three CSU directors and four independent directors.

COLORADO STATE UNIVERSITY SYSTEM
DISPOSITION OF PRIOR AUDIT RECOMMENDATIONS
YEARS ENDED JUNE 30, 2023 AND 2022

Recommendation Number	Fiscal Year Ended June 30, 2022 Recommendations	Status
1	The Colorado State University's Department of Information Technology should improve IT governance and access management control activities by:	
	A. Updating its Policy ID 4-1018-009 CSU Policy: Information Technology Security to include 1) reviews of non-IT security related policies and establish a frequency on which these policies should be reviewed, and 2) establish a frequency for the access management controls communicated through recommendation Part A of the confidential finding to ensure both internal controls meet management's expectations.	Implemented
	B. Implementating the recommendation as noted in Part B of the confidential finding.	Implemented

IT Governance and Disaster Recovery Plans

Government Auditing Standards allow for information that is considered sensitive in nature, such as detailed information related to information technology system security, to be issued through a separate "classified or limited use" report because of the potential damage that could be caused by the misuse of this information. We consider the specific technical details of this finding, along with the response, to be sensitive in nature and not appropriate for public disclosure. Therefore, the details of the following finding and responses have been provided to the System in a separate, confidential memorandum.

The Colorado State University's (University or CSU), Department of Information Technology (CSU IT or Department) is responsible for operating and maintaining the University's computer systems, which would include, for example, the IT component of CSU's overall contingency planning process.

Contingency planning includes the development of disaster recovery plans (DRP), which are information system-focused plans designed to restore operability of system(s), application(s), or computer facility infrastructure, after a physical disaster or emergency. An organization's DRP may support multiple information system contingency plans to address recovery of impacted individual systems, in accordance with management's expectations for prioritizing the restorations of information systems, in order of criticality to the organization's mission and purpose.

For the Fiscal Year 2023 audit, we focused our IT audit work on the following three University systems:

- Kuali – Supports the University's general ledger and financial accounting.
- Oracle - Used by University staff to perform Human Resources and payroll activities.
- Banner – Functions as the student information system and tracks student financial aid.

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

The purpose of our Fiscal Year 2023 audit work was to determine whether CSU IT designed and implemented effective computer operations IT general controls related to disaster recovery. Our Fiscal Year 2023 procedures included performing inquiries of CSU IT staff and requesting disaster recovery policies along with the DRPs associated with the three systems previously listed.

How were the results of the audit work measured?

We applied the security and privacy control framework established and published by the National Institute of Standards and Technology (NIST), Special Publication 800-53 Rev. 5, Contingency Plan, as an industry leading standard and as a framework CSU management prescribes to for guidance.

What problems did the audit work identify?

During Fiscal Year 2023, we found that CSU IT had not established a formalized IT policy for the development, documentation, and dissemination of disaster planning. Additionally, we found certain computer operations IT general controls that had not be designed or implemented.

Why did these problems occur?

CSU IT staff stated that turnover within the Department was the contributing factor to why a formalized disaster recovery IT policy and other certain computer operations IT general controls not developed to align with CSU management's prescribed security and privacy framework during Fiscal Year 2023.

Why do these problems matter?

When management does not establish their disaster recovery expectations management cannot be assured that University IT staff will respond appropriately, in the event of a system disruption or disaster, or that systems will be restored in a timely manner that prioritizes the system's criticality to CSU's mission and purpose.

Recommendation 2023-001

The Colorado State University (CSU or University) should prioritize staffing and related assignment of responsibilities in the Department of Information Technology (CSU IT) to ensure University IT staff will respond appropriately in the event of a system disruption or disaster and that systems will be restored in a timely manner that prioritizes the system's criticality to CSU's mission and purpose by:

a) Implementing the recommendation as noted in Part A of the confidential finding.

b) Implementing the recommendation as noted in Part B of the confidential finding.

Classification: Significant Deficiency

Management's Response:

a) Agree
Implementation Date: 7/1/2024

Colorado State University agrees with, and will implement, the recommendations noted in the confidential finding.

b) Agree
Implementation Date: 7/1/2024

Colorado State University agrees with, and will implement, the recommendations noted in the confidential finding.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Legislative Audit Committee & Board of Governors

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund information of the Colorado State University System (the System), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund information of the System, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Colorado State University Foundation (the CSU Foundation), the financial statements of the Colorado State University Pueblo Foundation (CSU-Pueblo Foundation) or the Colorado State University System Foundation (CSUS Foundation), which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our 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. The financial statements of the CSU Foundation, CSU-Pueblo Foundation and CSUS Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1, the financial statements of the System, an institution of higher education of the State of Colorado, are intended to present the financial position, the changes in financial position and cash flows of the business-type activities of only the System. Financial results for the State of Colorado are presented in separate state-wide financial statements prepared by the Office of the State Controller and audited by the Office of the State Auditor. Complete financial information for the State of Colorado is available in these state-wide financial statements. Our opinion is not modified with respect to this matter.

Implementation of GASB Statement No. 96

During the fiscal year ended June 30, 2023, the System adopted GASB Statement No. 96 *Subscription Based Information Technology Arrangements.* As a result of the implementation of this standard, the System reported a restatement for the change in accounting principle (see Note 3(m) to the financial statements) as of June 30, 2022. Our auditors' opinion was not modified with respect to the restatement.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System'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 System'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, other postemployment benefit information, pension information and schedule of investment returns listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024, on our consideration of the System'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 result of that testing, and not to provide an opinion on the effectiveness of the System'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 System's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 5, 2024

Management's Discussion and Analysis

We are pleased to present this financial discussion and analysis of the Colorado State University System (the System). It is intended to make the System's financial statements easier to understand and communicate our financial situation in an open and accountable manner. This section of the financial report provides an objective discussion and analysis of the financial performance of the System for the fiscal years ended June 30, 2023 and 2022, respectively, with comparative information for fiscal year 2021. This discussion provides an analysis of the System's financial activities based on currently known facts, decisions, or existing conditions. University management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

The System includes Colorado State University (CSU), Colorado State University Pueblo (CSU-Pueblo), and Colorado State University Global Campus (CSU-Global). CSU-Global issued separate audited financial statements for the year ended June 30, 2022.

Understanding the Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the System's finances and are comprised of three basic statements.

Statements of Net Position present information on all of the System's assets, deferred outflows, liabilities, and deferred inflows; with the difference between assets plus deferred outflows less liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

Statements of Revenues, Expenses, and Changes in Net Position present information showing how the System's net position changed during the two most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., the payment for accrued compensated absences, or the receipt of amounts due from students and others for services rendered).

Statements of Cash Flows are reported on the direct method. The direct method of cash flows reporting portrays cash flows from operating, noncapital financing, capital, and related financing, and investing activities. Their purpose is to assess the System's ability to generate net cash flows and meet its obligations as they come due.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes provide information regarding both the accounting policies and procedures the System has adopted as well as additional detail of certain amounts contained in the financial statements. The notes to financial statements follow the basic financial statements.

Required Supplementary Information (RSI) presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes schedules of the System's proportionate share of the Public Employee's Retirement Association (PERA) net pension liability and contributions to the PERA pension as well as PERA's net Other Postemployment Benefits (OPEB) liability and contributions to PERA Health Care Trust Fund. In addition, the schedules for OPEB include the schedule of changes in the net OPEB liability (asset) with related ratios, employer contributions, and investment returns.

Management's Discussion and Analysis focuses on the primary government, which is the Colorado State University System. The System reports its activity as a business-type activity using the economic resources measurement focus and the accrual basis of accounting.

Financial Highlights

Financial highlights are presented in this discussion and analysis to help with the assessment of the System's financial activities. This analysis should be read in conjunction with the System's financial statements and notes thereto, which are also presented in this document.

The Colorado State Legislature established spending authority for the System in its annual Long Appropriations Bill (Long Bill). The Long Bill appropriated funds include an amount from the State of Colorado's College Opportunity Fund and amounts for Student Tuition, Mandatory Fees, Western Interstate Commission for Higher Education (WICHE), and Service Fees.

For the fiscal years ended June 30, 2023 and 2022, appropriated expenses in the System were within the authorized spending authority. For the fiscal years ended June 30, 2023 and 2022, the System had a total state appropriation of $717.6 million and $682.3 million, respectively. For the fiscal years ended 2023 and 2022, the System's appropriation from re-appropriated funds consisted of $49.4 million and $44.6 million, respectively, received for students that qualified for stipends from the College Opportunity Fund, and $153.8 million and $140.2 million, respectively, as state fee for service contract revenue. Starting in fiscal year 2017, the students' share of tuition became appropriated from cash funds rather than informational only, totaling $514.3 million in fiscal year 2023 and $497.4 million in fiscal year 2022. The appropriated portion of WICHE funds was $141 thousand in fiscal year 2023 and $141 thousand in fiscal year 2022. Mandatory fees and the student fee portion of WICHE funds are shown in the long bill for informational purposes only. All other revenues and expenses reported by the System represent non-appropriated funds and are excluded from the annual appropriations bill. Non-appropriated funds include fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues, and other revenue sources.

The assets and deferred outflows of the System exceeded its liabilities and deferred inflows as of June 30, 2023 by $1.3 billion (net position). Of this amount, $776.9 million is related to the net investment in capital assets and $111.7 million is restricted for purposes which the donor or grantor or other external party intended. The remaining $376.5 million in fiscal year 2023 is unrestricted. Although unrestricted net position is not externally restricted, it may be internally designated by the System's administration for various purposes. Unrestricted net position continues to be negatively impacted by the implementation of 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*, in the amount of $518.4 million and $475.6 million for fiscal years ended June 30, 2023 and 2022, respectively. The impact on net position is shown in the following table.

Impact on Net Position of Pension (GASB 68) and OPEB (GASB 75)
(Amounts expressed in thousands)

		Year Ended June 30		
		2023	**2022***	**2021***
Net investment in capital assets	$	776,879	849,983	838,328
Restricted for nonexpendable purposes		32,385	31,496	32,902
Restricted for expendable purposes		79,293	80,730	63,546
Unrestricted		376,542	303,872	132,693
Total net position		1,265,099	1,266,081	1,067,469
Pension (GASB 68) impact		459,818	478,092	544,256
OPEB (GASB 75) impact		58,551	(2,493)	13,610
Net position excluding pension and OPEB	$	**1,783,468**	**1,741,680**	**1,625,335**

*Restated

The table below demonstrates the changes made due to GASB Statement No. 68 and GASB Statement No. 75 to the System's financial statements for the fiscal years ended June 30, 2023, 2022, and 2021, respectively. Pension expense increased $57.7 million in the fiscal year ended June 30, 2023, which was a result of a $3.5 billion increase in the collective net pension liability for the State Division Trust Fund at PERA. A rate of 7.25 percent was used as the discount rate to value the collective total pension liability. The primary factors that contributed to the increased liability were the increases to future contributions from members and employers, the State of Colorado's direct distribution payment to PERA, and changes to benefit provisions which are required by Senate Bill 18-200. House Bill 20-1379 suspended the State of Colorado's direct distribution payment to PERA for fiscal year 2021, however, the State of Colorado resumed making the payment on July 1, 2021 for fiscal year 2022. House Bill 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million direct distribution, a warrant to PERA in the amount of $380 million with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190 million to $35 million. The July 1, 2024, direct distribution will not be reduced from $225 million due to a negative investment return in 2022. The actuarial assumptions used in the December 31, 2021, valuations were based upon the 2020 experience analysis dated October 28, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020. The assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2021 to December 31, 2022. In the fiscal year ended June 30, 2022, pension expense increased $85.7 million, and in the fiscal year ended June 30, 2021, pension expense decreased $9.7 million. The required cash contributions in the fiscal years ended June 30, 2023, 2022, and 2021 were $46.2 million, $36.3 million, and $32.8 million, respectively. OPEB expense increased $80.8 million in fiscal year 2023 and decreased $14.0 million in fiscal year 2022, with $6.6 million and $4.6 million in required contributions, respectively.

OPEB Expense Compared to Required Contributions

(Amounts expressed in thousands)

	Year Ended June 30		
	2023	**2022**	**2021**
OPEB Expense	$ 68,583	(12,265)	1,729
Expense increase (decrease) from prior year	80,848	(13,994)	(3,909)
Required contributions	6,641	4,621	4,772

PERA Pension Expense Compared to Required Contributions

(Amounts expressed in thousands)

	Year Ended June 30		
	2023	**2022**	**2021**
Pension Expense	$ 27,913	(29,822)	(115,484)
Expense increase (decrease) from prior year	57,735	85,662	(9,724)
Required contributions	46,188	36,342	32,781

Financial Analysis

The Summary of Net Position presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the Colorado State University System for the fiscal years ended June 30, 2023, 2022, and 2021. In fiscal years 2023 and 2022, deferred outflows of resources and deferred inflows of resources included amounts related to the PERA pension and OPEB, whose liability was recorded due to GASB Statement No. 68 and GASB Statement No. 75. The System's proportionate share of the net pension liability as of fiscal years ended June 30, 2023 and 2022, was $529.4 million and $362.5 million, respectively. The net OPEB liability as of fiscal years ended June 30, 2023 and 2022, was $47.1 million and $17.5 million, respectively.

Summary of Net Position

(Amounts expressed in thousands)

	Year Ended June 30		
	2023	**2022***	**2021***
Current assets	$ 848,824	730,621	614,745
Noncurrent assets, including net capital assets of			
$2,185,100, $2,197,832, and $2,105,216, respectively	2,706,144	2,730,005	2,650,992
Deferred outflows	154,219	139,769	214,592
Total assets and deferred outflows	**3,709,187**	**3,600,395**	**3,480,329**
Current liabilities	515,073	224,315	270,634
Noncurrent liabilities	1,848,948	1,912,131	1,994,699
Deferred inflows	80,067	197,868	147,527
Total liabilities and deferred inflows	**2,444,088**	**2,334,314**	**2,412,860**
Net investment in capital assets	776,879	849,983	838,328
Restricted	111,678	112,226	96,448
Unrestricted	376,542	303,872	132,693
Total net position	**$ 1,265,099**	**1,266,081**	**1,067,469**

*Restated

In fiscal year 2023, total assets increased by $94.3 million. Noncurrent assets decreased $23.9 million, offset by an increase in current assets of $118.2 million. The increase in current assets included decreases of $92.8 million in cash and cash equivalents and $4.3 million in assets held for resale, with increases of $188.9 million in investments, $22.9 million in accounts and loans receivable, $3.0 million in other assets, and $552 thousand in inventories. Fiscal year 2022 was restated due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Agreements,* which changes the criteria for how to report transactions related to subscription-based information technology transactions (SBITAs) for government end users. Fiscal year 2021 was restated due to the implementation of GASB Statement No. 87, *Leases,* which changes the criteria for how to report leasing transactions.

Cash and cash equivalents decreased by $92.8 million to $339.0 million in 2023 due to a decrease in cash on deposit with the Colorado State Treasurer. Cash on deposit with the Colorado State Treasurer decreased due to cash being invested in short-term investments in order to earn interest at higher rates. In 2008, House Bill 08-1002 authorized the System to begin operating its own treasury. In fiscal year 2019, the System began investing a portion of its cash through the Colorado State University System Treasury, rather than operating solely out of the State's treasury pool. The investment in the System's own treasury pool had increases in both short and long-term investments. This cash investment has resulted in short-term investments of $250.1 million in fiscal year 2023, which was an increase of $188.9 million from the prior year due to U.S Treasury investments that will mature within 12 months. System Treasury Pool investments increased in part due to additional monies held as cash in fiscal year 2022 that were invested in a treasury bill in fiscal year 2023 in order to earn a higher interest rate, along with unrealized gains.

Accounts and loan receivables increased by $22.9 million in fiscal year 2023 to $235.8 million from $212.9 million in 2022. The two primary contributors to this increase were from student accounts receivable, which increased $14.0 million in fiscal year 2023, along with grant and other accounts receivables with an increase of $9.0 million in fiscal year 2023. Student accounts receivable increased due to a variety of factors. Students did not receive HEERF funds in fiscal year 2023, as they did in fiscal year 2022, when they were eligible to elect to use these funds to pay the balance owed to the System. HB 22-1049 was signed at the end of fiscal year 2022 and was in full effect for fiscal year 2023. This bill prevents the System from withholding transcripts for nonpayment, which contributes to increases in student receivables. Lastly, CSU started a new summer payment plan for fiscal year 2023 which spreads out the summer due date, allowing students to pay half of their summer bill in June and the other half in July. The land and construction in progress related to Hughes Stadium of $4.3 million classified as assets held for resale in fiscal year 2022, were sold in fiscal year 2023, contributing to the overall decrease in current assets.

Noncurrent assets decreased $23.9 million to $2.7 billion in fiscal year 2023. Net other postemployment benefit assets decreased $28.4 million due to changes in the System's OPEB Trust's actuarial valuation based on census data as of January 1, 2023, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year. Restricted cash and cash equivalents decreased $14.7 million to $52.9 million in fiscal year 2023 from $67.6 million in fiscal year 2022 due to monies from bond proceeds that were held with restriction for certain projects. In fiscal year 2022 the Lory Student Center North Revitalization project had $19.4 million restricted cash held, which was fully spent in fiscal year 2023. There was also a decrease in net capital assets of $12.7 million. These decreases were offset by an increase in long-term investments of $30.2 million over the prior year. The System's Treasury Pool investments increased by $29.2 million, and U.S. Treasury Bills and investments held at CSURF increased by $974 thousand. There was also a $3.1 million increase in net student loans receivable that contributed to the overall change in noncurrent assets.

The decrease in capital assets is comprised of a decrease in total non-depreciable capital assets of $100.6 million, primarily related to a decrease in construction in progress, offset by net increase in total depreciable capital assets of $87.9 million, primarily related to an increase in building and improvements. The changes in construction in progress and buildings and improvements were due to ongoing construction projects, as well as the completion and capitalization of several large projects.

Deferred outflows increased in fiscal year 2023 from the prior fiscal year by $14.5 million. Deferred outflows related to pensions accounted for the majority of the increase, as it increased by $53.5 million in fiscal year 2023 to a total of $86.7 million. Deferred outflows related to debt refundings decreased by $44.3 million, while deferred outflows related to other postemployment benefits increased $5.3 million in fiscal year 2023.

Total liabilities increased by $227.6 million in fiscal year 2023, compared to a decrease of $149.0 million in fiscal year 2022. Current liabilities increased by $290.8 million and noncurrent liabilities decreased by $63.2 million.

The increase in current liabilities was largely due to an increase in bonds, certificates of participation, and leases payable of $263.8 million. Bonds, certificates of participation, and leases payable increased due to revenue bonds and certificates of participation (COPs) payable moving to amounts due within one year in fiscal year 2023 from being due in longer than one year in fiscal year 2022. Current bonds payable is mainly due to Bond Series 2021 A B (Notes from Direct Placements) principal due in full in fiscal year 2024. Bond Series 2021 A B refunded Bond Series 2020 A. Accrued liabilities increased $22.7 million in fiscal year 2023 to $59.7 million in fiscal year 2023 from $37.0 million in fiscal year 2022. This relates primarily to an increase in interest payable as debt payments return in fiscal year 2024 after the Series 2020 A issuance refunded approximately three years of prior debt service. Other increases included $8.8 million in unearned revenue, $2.9 million in accounts payable, $781 thousand in deposits held for others, and $150 thousand in compensated absences, current. These increases were offset by decreases in commercial paper due to payments of $8.1 million and other liabilities of $274 thousand.

Noncurrent liabilities were $1.9 billion at the end of fiscal year 2023 and fiscal year 2022. Noncurrent liabilities decreased $63.2 million, which was driven by a decrease in bonds, certificates of participation, and leases payable of $273.1 million. This decrease is a result of an increase in revenue bonds and COPs payable that became current in fiscal year 2023, ultimately decreasing the long-term amount. The decrease was offset by an increase in net pension liabilities of $166.8 million due to the change in the PERA State Division Trust Fund's net pension liability and the System's proportionate share of it and net other postemployment benefit liabilities of $29.5 million mostly resulting from changes to the System's OPEB Trust's liability. Other increases were in deposits held for others of $6.7 million, compensated absences of $5.8 million, and other liabilities of $1.1 million. Deposits held for others increased in fiscal year 2023 from amounts owed related to self-insurance plans.

Deferred inflows decreased $117.8 million in fiscal year 2023 to $80.1 million from $197.9 million in fiscal year 2022. The decrease was mainly due to the impact of GASB Statement No. 68 and GASB Statement No. 75. Deferred inflows related to pensions decreased $131.7 million to $17.1 million in fiscal year 2023. Other postemployment benefits increased by $8.4 million. Other deferred inflows also increased by $5.5 million, which included a $6.9 million increase related to the interest rate swap agreement valuation offset by a decrease of $1.4 million related to right to use intangible assets, which were established with the implementation of GASB Statement No. 87.

The Statements of Revenues, Expenses, and Changes in Net Position report the results of operating and nonoperating revenues and expenses during the year and the resulting increase or decrease in net position at the end of the fiscal year. Operating revenues are received for providing goods and services to the various customers and constituencies of the System. Operating expenses are paid to acquire or produce goods and services provided in return for operating revenues and to carry out the mission of the System. Nonoperating revenues/expenses include items determined to not fall in the operating category.

Summary of Revenues, Expenses, and Changes in Net Position

(Amounts expressed in thousands)

		2023	2022*	2021*
Operating revenues	$	1,469,652	1,390,652	1,163,919
Operating expenses		1,711,256	1,420,158	1,252,689
Operating income (loss)		**(241,604)**	**(29,506)**	**(88,770)**
Nonoperating revenues		160,414	100,961	254,178
Income before other revenues		**(81,190)**	**71,455**	**165,408**
Other revenues		80,208	127,157	177,730
Increase (Decrease) in net position		**(982)**	**198,612**	**343,138**
Net position, beginning of year		1,266,081	1,067,469	724,331
Net position, end of year	**$**	**1,265,099**	**1,266,081**	**1,067,469**

*Restated

The System had a net operating loss in the fiscal years 2023 and 2022 of $241.6 million and $29.5 million, respectively. Nonoperating revenues and other revenues of $160.4 million and $80.2 million, contributed to the offset of the net operating loss, however there was a total decrease in net position for fiscal year 2023 of $982 thousand.

Operating and Nonoperating Revenues (Excluding Capital)
(Amounts expressed in thousands)

	Year Ended June 30		
	2023	**2022***	**2021***
Operating revenues:			
Student tuition and fees, net	$ 589,250	585,894	553,357
State fee for service revenue	153,791	140,152	52,661
Grants and contracts	438,534	403,796	370,494
Sales and services of educational activities	52,019	51,763	45,723
Auxiliary enterprises	218,497	193,849	128,388
Other	17,561	15,198	13,296
Total operating revenues	**1,469,652**	**1,390,652**	**1,163,919**
Nonoperating revenues:			
State appropriations	19,250	10,798	2,940
Gifts	83,291	59,995	51,810
Investment income	52,484	-	68,854
Federal nonoperating grants and contracts	44,004	112,119	158,124
State support for PERA pension	9,653	3,771	-
Other, net	17,434	37,557	10,074
Net nonoperating revenues	**226,116**	**224,240**	**291,802**
Total noncapital revenue	**$ 1,695,768**	**1,614,892**	**1,455,721**

*Restated

Fiscal year 2023 System operating revenues increased by $79.0 million over fiscal year 2022. The main reason for the increase in operating revenues is due to an increase in grants and contracts revenue of $34.7 million, an increase in auxiliary enterprise revenue of $24.6 million, an increase in state fee for service revenue of $13.6 million, and an increase in student tuition and fees of $3.4 million. State fee for service increased in fiscal year 2023 due to additional funding being granted by the State. The increase in auxiliary enterprise revenue can be attributed to increases in auxiliary rentals, auxiliary food sales, and other auxiliary sales and services. An increase in funding primarily related to federal grants and contracts contributed to the overall increase in grants and contracts revenue. There were also small increases in sales and services of educational activities of $256 thousand and other revenues of $2.4 million.

System nonoperating revenues increased slightly by $1.9 million in fiscal year 2023 to $226.1 million. The fiscal year 2023 increase is due primarily to an increase in investment income. The system recorded an investment loss in fiscal year 2022 of $77.8 million. In fiscal year 2023, the System recorded investment income of $52.5 million, which was a result of dividend revenue and gain on investments from the System's own treasury. Gift revenue increased in fiscal year 2023 by $23.3 million to $83.3 million. State appropriations were $19.3 million as of June 30, 2023, an $8.5 million increase over the prior year. State appropriations received in fiscal year 2023 included $8.0 million for Forest Restoration & Wildfire Risk Mitigation, $5.0 million for Seedling Tree Nursery, $2.8 million for Institute of Cannabis Research, $2.0 million for Healthy Forests & Vibrant Communities, $800 thousand for Wildfire Mitigation Outreach, $380 thousand for AgrAbility, and $270 thousand for smaller projects. The System recorded $9.7 million from a direct distribution of PERA contributions made on the System's behalf by the State due to Senate Bill 18-200. The increase in non-operating revenues was offset by a decrease in federal nonoperating grants and contracts of $68.1 million to $44.0 million. Federal nonoperating grants and contracts decreased primarily due to the System earning $33.0 million in student emergency grants from the Federal CARES Act in fiscal year 2022, but not in fiscal year 2023. The System also recorded $24.9 million for HEERF III funding in fiscal year 2022, which was used for both institutional spending, as well as student emergency grants. The HEERF III funding was not received in fiscal year 2023. Other, net nonoperating revenues decreased by $20.1 million in fiscal year 2023. This decrease between the years occurred primarily because in fiscal year 2022, CSU gained ownership of the Natural Resources Research Center – Building B for $27.4 million and did not have this revenue in fiscal year 2023.

In addition to operating and nonoperating revenues, the System had the following capital revenue:

Capital Revenue

(Amounts expressed in thousands)

		Year Ended June 30		
		2023	**2022**	**2021**
Student facility fees	$	14,260	14,438	12,821
State capital contributions		23,322	95,550	118,096
Capital grants		13,654	10,094	13,648
Capital gifts		12,445	6,400	15,183
Total capital revenues	**$**	**63,681**	**126,482**	**159,748**

System capital revenue decreased by $62.8 million in fiscal year 2023 compared to fiscal year 2022. The decrease in capital revenue was due primarily to a $72.2 million decrease in state capital contributions received by the System.

The student facility fees have remained relatively stable over the past three years, with a decrease of $178 thousand to $14.3 million in fiscal year 2023. The student facility fee is used to fund new facilities or improve current facilities that directly benefit the students.

The state capital contributions in fiscal year 2023 were due primarily to a reimbursement of expenses of $21.3 million for the National Western Water Resource Center, $1.9 million for the Equine Veterinary Teaching Hospital at CSU, and $1.2 million for the Technology Building and Renovation at CSU Pueblo. The state capital contributions in fiscal year 2022 were due primarily to a reimbursement of expenses of $30.4 million for the National Western Water Resource Center, $28.2 million for the CSU Center at the National Western Center, $16.9 million for the National Western Center Animal Health Building, and $13.6 million for the Shepardson Building.

Capital grants increased by $3.6 million in fiscal year 2023. Capital grants include a variety of capital related items from grant funded accounts. Capital gifts increased by $6.0 million in fiscal year 2023. Capital gifts received in fiscal year 2023 included $2.1 million for the Veterinary Teaching Hospital Accelerator Vault Addition, $2.1 million for the Women's Athletic Facilities Enhancement project, and $1.1 million for the Donald and Esther Harbison Research and Education Building. Capital gifts received in fiscal year 2022 included $1.4 million for the Moby Arena Locker Room Renovation, $658 thousand for the Helen and Arthur E. Johnson Family Equine Hospital, and $476 thousand for the Donald and Esther Harbison Research and Education Building.

Operating Expenses by Functional Category
(Amounts expressed in thousands)

	Year Ended June 30		
	2023	**2022***	**2021***
Instruction	$ 422,217	346,779	335,110
Research	274,159	227,999	204,436
Public service	190,392	156,241	142,825
Academic support	145,915	111,329	101,288
Student services	77,273	64,131	60,005
Institutional support	118,428	85,374	76,942
Operation and maintenance of plant	122,733	83,595	63,446
Scholarships and fellowships	41,836	71,456	48,222
Auxiliary enterprises	190,196	153,481	110,330
Depreciation	128,107	119,773	110,085
Total operating expenses	**$ 1,711,256**	**1,420,158**	**1,252,689**

*Restated

Fiscal year 2023 System operating expenses increased by $291.1 million from fiscal year 2022 primarily as a result of increases in salaries and general expenses. This is due to increases of $75.4 million in instruction, $46.2 million in research, $34.2 million in public service, $34.6 million in academic support, $13.1 million in student services, $33.1 million in institutional support, $39.1 million in operation and maintenance of plant, $36.7 million in auxiliary enterprises, and $8.3 million in depreciation, offset by a decrease of $29.6 million in scholarships and fellowships. The impact of recording pension expenses due to the change in the PERA State Division Trust Fund caused an $18.3 million decrease in total operating expenses in fiscal year 2023, while the impact of recording OPEB expenses related to changes from the System's OPEB Trust caused an increase of $61.0 million.

Fiscal year 2022 System operating expenses increased by $167.5 million from fiscal year 2021 due to System operations returning to pre-pandemic levels. This is due to increases of $11.7 million in instruction, $23.6 million in research, $13.4 million in public service, $10.0 million in academic support, $4.1 million in student services, $8.4 million in institutional support, $20.2 million in operation and maintenance of plant, $23.2 million in scholarships and fellowships, $43.2 million in auxiliary enterprises, and $9.7 million in depreciation. GASB Statement No. 68 caused a $66.2 million decrease in total operating expenses in fiscal year 2022 from the recording of pension expense, while OPEB expense from GASB Statement No. 75 caused a decrease of $16.1 million.

Capital Assets and Debt Administration

As of June 30, 2023, the System had approximately $2.2 billion of capital assets, net of accumulated depreciation of $1.5 billion. As of June 30, 2022, the System had approximately $2.2 billion invested in capital assets, net of accumulated depreciation of $1.4 billion. As of June 30, 2021, the System had approximately $2.1 billion invested in capital assets, net of accumulated depreciation of $1.3 billion.

Depreciation charges were $128.1 million, $119.8 million, and $110.1 million for the fiscal years ended June 30, 2023, 2022, and 2021, respectively.

During fiscal year 2023, the System received $23.3 million of state capital contributions for capital construction projects. Of this amount, $19.8 million was for the CSU campus and $3.5 million was for the CSU-Pueblo campus. At CSU, $16.9 million was related to the National Western Center Water Resource Center, $1.9 million was related to the Equine Veterinary Teaching Hospital, $588 thousand was related to the ARDEC Well-Improvement Irrigation, and $486 thousand was related to the Centennial Hall Roof, with the remaining amount related to smaller campus projects. At CSU-Pueblo, $1.2 million was related to the Technology Building Renovation and Addition, $917 thousand was related to upgrades to the campus fire system, $898 thousand was related to replacement of campus lines, and $578 thousand was related to refurbishing elevators and upgrading ADA compliance in four buildings, with the remaining amount related to smaller campus projects.

A breakdown of assets by category, net of accumulated depreciation is provided below.

Capital Assets, Net of Accumulated Depreciation
(Amounts expressed in thousands)

		June 30		
		2023	**2022***	**2021***
Land	$	88,672	65,551	62,707
Land improvements		95,901	75,249	72,362
Buildings and improvements		1,787,099	1,720,840	1,595,656
Leasehold improvements		1,459	1,593	1,740
Equipment and software		87,370	75,449	72,291
Collections		8,955	8,952	8,763
Library materials		4,636	5,091	5,530
Construction in progress		68,637	194,638	257,147
Financed purchase assets		11,433	13,228	13,871
Right to use intangible assets		30,938	37,241	15,149
Total capital assets, net	**$**	**2,185,100**	**2,197,832**	**2,105,216**

*Restated

In fiscal year 2023, capital assets, net decreased by $12.7 million due to the construction and acquisition of capital assets, less increases in accumulated depreciation and the disposal of assets. The majority of the decrease in construction in progress is attributable to construction projects that are finished and capitalized. The System now reports right to use intangible assets and financed purchases as part of capital assets due to the implementation of GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In fiscal year 2023, financed purchase assets of $11.4 million decreased from $13.2 million in fiscal year 2022. The right to use intangible assets made up $30.9 million of the total capital assets in fiscal year 2023, down from $37.2 million in fiscal year 2022.

The major projects capitalized in fiscal year 2023 at CSU were $72.3 million – National Western Center Water Resources Center, $39.6 million – Johnson Family Equine Hospital, $23.3 million – National Western Center CSU Land Acquisition, $7.2 million – Animal Research Facility, $6.3 million – South Campus Infrastructure, $6.3 million – Softball and Soccer Complex, $6.2 million – Moby Gym Revitalization Phase 1, $4.5 million Replace Wastewater Treatment Plant Mountain Campus, and $4.1 million – Mountain Campus Experiential Center. CSU-Pueblo did not have any major capitalizations. There were many other smaller projects capitalized at both CSU and CSU-Pueblo.

In fiscal year 2022, capital assets, net increased by $92.6 million due to the construction and acquisition of capital assets, less increases in accumulated depreciation and the disposal of assets. The majority of the decrease in construction in progress is attributable to construction projects that are finished and capitalized. The System now reports right to use intangible assets and financed purchases as part of capital assets due to the implementation of GASB Statement No. 87, *Leases.* The right to use intangible assets made up $37.2 million of the total capital assets in fiscal year 2022, up from $15.1 million in fiscal year 2021.

The major projects capitalized in fiscal year 2022 at CSU were $62.5 million – National Western Center Animal Health Building, $50.2 million – CSU Center at the National Western Center, $42.3 million – Shepardson Building, $27.4 million – Natural Resource Research Center (NRRC) Building B, $6.4 million – Center for Vector Borne Infectious Diseases Chill Plant, and $3.0 million – Water Rights of the North Poudre Irrigation. The major capitalized projects at CSU-Pueblo included $13.6 million – EPC Energy Efficiencies and Capital Upgrades and $3.4 million – Rawlings Sports Complex Renovation and Addition. There were many other smaller projects capitalized at both CSU and CSU-Pueblo.

The System had capital construction commitments of $45.5 million as of June 30, 2023. CSU commitments included $4.8 million for the Clark Building Revitalization, $3.7 million for the J L Voss Veterinary Hospital renovations and addition, $3.1 million for the Lory Student Center remodel and the Adult Learner and Veteran Services Center remodel, $2.3 million for the Westfall Hall improvements, $1.8 million for the Moby Arena Basketball Locker Room, $1.3 million for the Engineering Building roof replacement, $1.2 million for the Animal Reproduction and Biotechnology Lab roof replacement, and $1.2 million for the Mountain Trail Loop. CSU-Pueblo's commitments included approximately $13.2 million for the Technology Building Renovation and Addition. The remaining capital construction commitments were for other small projects at the System.

The System had $1.4 billion of debt outstanding as of the fiscal year ended June 30, 2023, $1.5 billion of outstanding debt as of the fiscal year ended June 30, 2022, and $1.4 billion of debt outstanding as of the fiscal year ended June 30, 2021.

Summary of Debt
(Amounts expressed in thousands)

	June 30		
	2023	**2022***	**2021***
Debt outstanding:			
Commercial paper	$ 20,300	28,420	49,690
Revenue bonds, certificates of participation, notes from direct placements	1,384,525	1,387,191	1,342,579
Leases payable	44,432	51,085	29,988
Total Debt	**$ 1,449,257**	**1,466,696**	**1,422,257**

*Restated

As of June 30, 2023, the commercial paper issued was $20.3 million, from $28.4 million as of June 30, 2022. The $8.1 million decrease was due to payments of $2.9 million on the JBS Global Food Innovation Center, $5.0 million on the Institute for Biological Translational Therapies, and $200 thousand on the Temple Grandin Equine Center. The proceeds of Series A, B are used to finance certain projects, as determined by the Board, for any of the campuses for which the Board has spending authority. Series A and Series B bear an interest rate based on a 365/366-day year and actual number of days elapsed and shall mature on a business day within a period not exceeding two hundred seventy days from its respective date of issue, but in no event later than March 1, 2037.

In fiscal year 2020, on February 18, 2020, the System entered into a floating to fixed interest rate swap agreement (2015 A Swap Agreement) in connection with the Series 2015 A System Enterprise Revenue Bonds. The 2015 A Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 A Swap Agreement has a notional value of $108.7 million. In accordance with accounting standards, the System is required to separately disclose the change in the fair value of the interest rate swap in the Statements of Net Position, as appropriate. As of June 30, 2023, the outstanding swap had a fair value of $11.8 million. The fair value as of June 30, 2022 was $8.3 million. The 2015 A Swap Agreement has an effective date of March 1, 2025 and a termination date of March 1, 2055.

On January 16, 2018, the System entered into a floating to fixed interest rate swap agreement (2015 D Swap Agreement) in connection with the Series 2015 D System Enterprise Revenue Bonds (Notes from Direct Placements). The 2015 D Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 D Swap Agreement has a notional value of $66.7 million. In accordance with accounting standards, the System is required to separately disclose the change in the fair value of the interest rate swap in the Statements of Net Position, as appropriate. As of June 30, 2023, the outstanding swap had a fair value of $4.0 million. The fair value as of June 30, 2022 was $648 thousand. The 2015 D Swap Agreement has an effective date of July 1, 2019 and a termination date of March 1, 2047.

In fiscal year 2022, the System issued $27.7 million in System Enterprise Revenue Refunding Bonds Series 2021 E (Notes from Direct Placements) to advance refund a portion of the Board's Series 2015 C Bonds; and to pay certain costs relating to the issuance of the Series 2021 E Bonds. The System also issued $67.5 million in System Enterprise Revenue and Revenue Refunding Bonds Series 2021 C, D-2 to finance the Lory Student Center Phase 3 revitalization and Adult Learner and Veterans Services addition, and such other capital projects as may be designated and approved by the Board; to refund certain Commercial Paper Notes issued to finance the installation of a Geo-Exchange System in the recreation fields south of Moby Arena, mechanical upgrades to the Moby complex; to advance refund in full the Board's Series 2013 D Bonds; to advance refund a portion of the Board's Series 2016 B Bonds; and to pay certain costs relating to the issuance of the Series 2021 C, D-2 Bonds. Lastly in fiscal year 2022, the System issued $46.0 million in System Enterprise Revenue Refunding Bonds Series 2021 D-1 to advance refund a portion of the Board's Series 2015 C Bonds, Series 2017 C Bonds, and Series 2018 A Bonds; and to pay certain costs relating to the issuance of the Series 2021 D-1 Bonds.

Prior to fiscal year 2022, in fiscal year 2021 the System issued $230.0 million in System Enterprise Revenue Refunding Bonds Series 2020 A (Notes from Direct Placements) to advance refund in full the Board's Series 2012 A Bonds, Series 2013 E Bonds, and Series 2015 F Bonds; to advance refund a portion of the Board's Series 2010 B Bonds, Series 2012 B Bonds, Series 2013 A Bonds, Series 2013 D Bonds, Series 2015 B Bonds, Series 2015 C Bonds, Series 2015 E-2 Bonds, Series 2016 A Bonds, Series 2016 B Bonds, Series 2017 A Bonds, Series 2017 B Bonds, Series 2017 D Bonds, Series 2017 E Bonds, Series 2017 F Bonds, Series 2018 A Bonds, Series 2019 A Bonds, and Series 2019 B Bonds; and to pay certain costs relating to the issuance of the Series 2020 A Bonds. On March 1, 2021, the System issued $230.0 million in System Enterprise Revenue Refunding Bonds Series 2021 A, B (Notes from Direct Placements) to advance refund in full the Board's Series 2020 A Bonds.

Net proceeds of the Series 2021 D-1, D-2, and E; Series 2019 B; and Series 2017 C, D, E, and F, were placed in an escrow account to purchase U.S. governmental obligations. The principal and interest from the U.S. governmental obligations are being used to repay the refunded bonds which are considered to be defeased. The Escrow Agent will pay the debt service requirements on each of the remaining refunded bonds. Details of each of the outstanding bonds that were partially or fully refunded by these refunding bonds are listed below.

Outstanding Refunded Bonds by Series
(Amounts expressed in thousands)

Refunding Bond	Refunded Bond	Defeased Obligation	Call Date	Call Par Amount	Call Price (% of Par)
Series 2017 D, 2017 F	Series 2015 A	26,675	3/1/2025	26,675	100
Series 2019 B, 2020 A, 2021 D-1, 2021 E	Series 2015 C	43,040	3/1/2025	43,040	100
Series 2017 C, 2017 E, 2019 B	Series 2015 E-1	96,490	3/1/2025	96,490	100
Series 2017 C, 2019 B, 2020 A	Series 2015 E-2	32,540	3/1/2025	32,540	100
Series 2020 A, 2021 D-2	Series 2016 B	22,265	3/1/2027	22,265	100
Series 2019 B, 2021 D-1	Series 2017 C	36,460	3/1/2028	36,460	100
Series 2020 A, 2021 D-1	Series 2018 A	7,910	3/1/2028	7,910	100

Economic Outlook/Future of the Colorado State University System

The Colorado State University System is a group of higher education institutions in the State of Colorado run under one common leadership structure as previously identified.

The System receives revenues from numerous sources including students who receive a stipend from the State to cover a portion of their higher education expenses. In many states, this funding is appropriated directly to the institution. In Colorado, it is appropriated for use by the student (College Opportunity Fund stipends).

The Colorado State University System is authorized to receive $170.2 million in fee for service contract revenue and $55.0 million in student stipends in fiscal year 2024. The $225.2 million of anticipated fiscal year 2024 state support represents a $3.1 million increase in student stipends and an $18.3 million increase in fee for service, for a total $21.4 million increase in state support related to fee for service and College Opportunity Fund stipends.

The State General Fund revenue is projected on a quarterly basis by the Governor's Office of State Planning and Budgeting. The most recent projection (September 2023) shows that revenue is expected to exceed the amount required to maintain the same level of appropriations in fiscal year 2023-2024. General fund revenue is expected to decrease due to a projected decline in corporate income tax collections, however state revenue subject to Taxpayer's Bill of Rights (TABOR) is expected to increase. Per the September projection from the Governor's Office of State Planning and Budgeting, the State General Fund is currently estimated to end fiscal year 2022-2023 with $2.3 billion in a general fund reserve, or 17.6 percent of appropriations. The State's overall budgetary situation remains governed by the two constitutional budgetary provisions: TABOR and Amendment 23 requiring specified amounts in state support for K12 Education. The budgetary situation for higher education has changed with the implementation of the College Opportunity Fund in fiscal year 2006. As a result of legislation adopted in the 2004 session (S.B. 04-189), the State no longer provides direct State General Fund appropriation to the governing boards. Instead, the State provides stipends to qualified, resident undergraduate students, and institutions receive fee for service contracts from the Colorado Commission on Higher Education for the provision of other educational services. Finally, S.B. 04-189 allowed institutions of higher education to become TABOR enterprises through this funding mechanism. Enterprise status eliminates institutional cash funds, such as tuition, from counting against the State's TABOR limitation. As a result of S.B. 04-189, the Colorado State University System became a qualified Tabor enterprise.

In fiscal year 2007, the System was designated a Single Enterprise providing it greater flexibility and expanded financial capabilities in a host of areas. This designation allows the System to raise revenues and finance projects outside of the revenue limits set for most governmental entities. With this TABOR status, the cash funds collected by the System's institutions no longer count toward the State's overall revenue limit. In addition, as enterprises, the institutions can consider issuing revenue bonds backed by student fees for academic buildings.

Total full-time equivalent enrollment at the System for fiscal year 2023 was 34,373. This includes 25,410 at CSU, 2,474 at CSU-Pueblo, and 6,489 enrolled at CSU-Global. Compared to fiscal year 2022, CSU enrollment increased 1.0 percent, CSU-Pueblo enrollment decreased 7.4 percent, and CSU-Global enrollment dropped 10.7 percent. Total enrollment at the System is anticipated to increase 3.4 percent in fiscal year 2024. This includes a 0.6 percent increase at CSU, a 3.0 percent decrease at CSU-Pueblo, and a 16.8 percent increase at CSU-Global. CSU-Pueblo enrollment decreased in fiscal year 2023 and is anticipated to decrease again in fiscal year 2024 due to declining continuing student retention. While CSU-Global enrollment declined in fiscal year 2023, it is expected to increase in fiscal year 2024 due to increased marketing investments.

Requests for Information

The financial report is designed to provide a general overview of the Colorado State University System's finances for all those with an interest in the System's finances and to demonstrate the System's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the attention of the Chief Financial Officer, Colorado State University System, 475 Seventeenth Street, Suite 1550, Denver, CO 80202.

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COLORADO STATE UNIVERSITY SYSTEM

Statements of Net Position

June 30, 2023 and 2022 (in thousands)

		2023		2022*	
		University	*Component Units*	*University*	*Component Units*
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and cash equivalents (Note 4)	$	338,995	5,594	431,798	7,780
Investments (Note 5)		250,146	-	61,289	-
Accounts and loans receivable, net (Note 6)		235,773	10,100	212,899	37,923
Inventories		8,340	-	7,788	-
Assets held for resale (Note 3)		-	-	4,307	-
Other assets		15,570	343	12,540	577
Total Current Assets		**848,824**	**16,037**	**730,621**	**46,280**
Noncurrent Assets					
Restricted cash and cash equivalents (Note 4)		52,914	-	67,583	-
Investments, restricted and unrestricted (Note 5)		431,873	760,185	401,645	707,466
Student loans receivable, net (Note 6)		13,174	-	10,105	-
Other assets		21,374	26,532	22,726	4,089
Capital assets, net (Note 7)		2,185,100	20,182	2,197,832	20,989
Net other postemployment benefit assets (Note 19)		1,709	-	30,114	-
Total Noncurrent Assets		**2,706,144**	**806,899**	**2,730,005**	**732,544**
Total Assets	**$**	**3,554,968**	**822,936**	**3,460,626**	**778,824**
Deferred Outflows of Resources:					
Debt refundings (Note 12)	$	55,524	-	99,801	-
Pensions (Note 17)		86,688	-	33,230	-
Other postemployment benefits (Note 19)		12,007	-	6,738	-
Total Deferred Outflows of Resources		**154,219**	**-**	**139,769**	**-**
Total Assets and Deferred Outflows of Resources	**$**	**3,709,187**	**822,936**	**3,600,395**	**778,824**
Liabilities and Deferred Inflows of Resources					
Current Liabilities					
Accounts payable	$	65,460	11,234	62,568	10,154
Accrued liabilities (Note 8)		59,669	320	37,019	671
Unearned revenue		73,334	-	64,498	8
Deposits held for others (Note 10)		11,024	-	10,243	-

* Restated

COLORADO STATE UNIVERSITY SYSTEM

Statements of Net Position

June 30, 2023 and 2022 (in thousands)

	2023		2022*	
	University	*Component Units*	*University*	*Component Units*
Liabilities and Deferred Inflows of Resources				
Current Liabilities				
Commercial paper (Note 9)	20,300	-	28,420	-
Bonds, certificates of participation, and capital leases payable (Note 11, 14)	277,061	-	13,218	-
Compensated absences (Note 8)	5,023	-	4,873	-
Other liabilities (Note 10)	3,202	70	3,476	93
Total Current Liabilities	**515,073**	**11,624**	**224,315**	**10,926**
Noncurrent Liabilities				
Bonds, certificates of participation, and leases payable (Note 11, 14)	$ 1,151,896	1,236	1,425,058	1,232
Deposits held for others (Note 10)	40,442	16,343	33,769	16,203
Compensated absences (Note 8)	67,052	-	61,232	-
Net pension liabilities (Note 17)	529,385	-	362,547	-
Net other postemployment benefit liabilities (Note 19)	47,056	-	17,545	-
Other liabilities (Note 10)	13,117	2,007	11,980	2,224
Total Noncurrent Liabilities	**1,848,948**	**19,586**	**1,912,131**	**19,659**
Total Liabilities	**$ 2,364,021**	**31,210**	**2,136,446**	**30,585**
Deferred Inflows of Resources				
Pensions (Note 17)	17,121	-	148,775	-
Other postemployment benefits (Note 19)	25,211	-	16,814	-
Other	37,735	-	32,279	-
Total Deferred Inflows of Resources	**80,067**	**-**	**197,868**	**-**
Total Liabilities and Deferred Inflows of Resources	**$ 2,444,088**	**31,210**	**2,334,314**	**30,585**
Net position				
Net investment in capital assets	$ 776,879	-	849,983	-
Restricted for nonexpendable purposes (Note 15)	32,385	-	31,496	-
Restricted for expendable purposes (Note 15)	79,293	-	80,730	-
With donor restrictions	-	725,714	-	690,101
Unrestricted	376,542	66,012	303,872	58,138
Total Net Position	**$ 1,265,099**	**791,726**	**1,266,081**	**748,239**

*Restated

See accompanying notes to basic financial statements.

COLORADO STATE UNIVERSITY SYSTEM

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2023 and 2022 (in thousands)

	2023		2022*	
	University	*Component Units*	*University*	*Component Units*
Operating Revenues				
Student tuition and fees, (including $584,896 and $87,593 of revenues pledged for bonds in 2023 and 2022, respectively, and net of scholarship allowances of $147,184 and $133,248 for 2023 and 2022, respectively) (Note 13, 21)	$ 589,250	-	585,894	-
State fee for service revenue (Note 23)	153,791	-	140,152	-
Grants and contracts (including $76,893 and $67,902 of revenues pledged for bonds in 2023 and 2022, respectively) (Note 13)	438,534	-	403,796	-
Sales and services of educational activities	52,019	-	51,763	-
Auxiliary enterprises, (including $179,996 and $161,169 of revenues pledged for bonds in 2023 and 2022, respectively, and net of scholarship allowances of $6,399 and $4,947 for 2023 and 2022, respectively) (Note 13, 21)	218,497	-	193,849	-
Contributions	-	81,313	-	74,877
Other revenues	17,561	7,979	15,198	7,547
Total Operating Revenues	**1,469,652**	**89,292**	**1,390,652**	**82,424**
Operating Expenses				
Instruction	422,217	-	346,779	-
Research	274,159	-	227,999	-
Public service	190,392	-	156,241	-
Academic support	145,915	-	111,329	-
Student services	77,273	-	64,131	-
Institutional support	118,428	102,712	85,374	74,381
Operation and maintenance of plant	122,733	-	83,595	-
Scholarships and fellowships	41,836	-	71,456	-
Auxiliary enterprises	190,196	-	153,481	-
Depreciation/Amortization (Note 7)	128,107	743	119,773	692
Total Operating Expenses	**1,711,256**	**103,455**	**1,420,158**	**75,073**
Operating Income (Loss)	**$ (241,604)**	**(14,163)**	**(29,506)**	**7,351**

*Restated

COLORADO STATE UNIVERSITY SYSTEM

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2023 and 2022 (in thousands)

		2023		2022*	
		University	*Component Units*	*University*	*Component Units*
Nonoperating Revenues (Expenses)					
State appropriations	$	19,250	-	10,798	-
Gifts		83,291	-	59,995	-
Investment income (loss) (including $2,487 and $1,373 revenues pledged for bonds in 2023 and 2022, respectively) (Note 13)		52,484	53,453	(77,770)	(43,094)
Interest expense on capital debt		(65,702)	-	(45,509)	-
Federal nonoperating grants and contracts (including $1,511 and $1,557 revenues pledged for bonds in 2023 and 2022, respectively) (Note 13)		44,004	-	112,119	-
State support for PERA pension		9,653	-	3,771	-
Other revenues (expenses)		17,434	4,197	37,557	(485)
Total Nonoperating Revenues (Expenses)		**160,414**	**57,650**	**100,961**	**(43,579)**
Income (Loss) before Other Revenues		**(81,190)**	**43,487**	**71,455**	**(36,228)**
Other Revenues					
Student facility fees, (including $18,374 and $17,926 of revenues pledged for bonds in 2023 and 2022, respectively, and net of scholarship allowances of $5,736 and $5,058 for 2023 and 2022, respectively) (Note 13, 21)		14,260	-	14,438	-
State capital contributions		23,322	-	95,550	-
Capital grants		13,654	-	10,094	-
Capital gifts		12,445	-	6,400	-
Payments from governing boards or other institutions		15,506	-	1,406	-
Additions (reductions) to permanent endowments		1,021	-	(731)	-
Total Other Revenues		**80,208**	**-**	**127,157**	**-**
Change in net position		(982)	43,487	198,612	(36,228)
Net position, beginning of year		1,265,705	748,239	1,067,034	784,467
Adjustment for change in accounting principle		376	-	435	-
Net position, beginning of year		1,266,081	748,239	1,067,469	784,467
Net Position, End of Year	$	**1,265,099**	**791,726**	**1,266,081**	**748,239**

*Restated

See accompanying notes to basic financial statements.

Colorado State University System Fiduciary Funds

Statements of Fiduciary Net Position

June 30, 2023 and 2022

(Amounts expressed in thousands)

	2023		2022	
	OPEB Trust	***Custodial Funds***	***OPEB Trust***	***Custodial Funds***
Assets				
Cash and deposits	$ -	1,725	-	3,031
Receivables:				
Other	-	1,953	-	763
Total receivables	**-**	**1,953**	**-**	**763**
Investments:				
Money markets	1,446	-	733	-
Domestic equities	15,352	-	12,516	-
International equities	11,398	-	9,945	-
Fixed income	33,061	-	32,320	-
Private equity	7,430	-	7,732	-
Alternative investments	24,441	-	22,687	-
Real estate	4,938	-	5,762	-
Total investments	**98,066**	**-**	**91,695**	**-**
Other assets	-	8	-	15
Total Assets	**98,066**	**3,686**	**91,695**	**3,809**
Liabilities				
Payables:				
Benefits payable to members	219	-	176	-
Other	-	330	-	199
Total Payables	**219**	**330**	**176**	**199**
Total Liabilities	**219**	**330**	**176**	**199**
Net Position				
Restricted for postemployment benefits other than pensions	97,847	-	91,519	-
Restricted for individuals, organizations, and other governments	-	3,356	-	3,610
Total Net Position	**$ 97,847**	**3,356**	**91,519**	**3,610**

Colorado State University Fiduciary Funds

Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2023 and 2022

(Amounts expressed in thousands)

		2023		2022	
		OPEB Trust	***Custodial Funds***	***OPEB Trust***	***Custodial Funds***
Additions					
Employer contributions	$	3,682	-	278	-
Employee/Member contributions		2,120	-	1,966	-
Total contributions		**5,802**	**-**	**2,244**	**-**
Investment income:					
Net increase in fair value of investments		5,324	-	(4,064)	-
Interest and dividends		12	30	-	(155)
Less investment expense		(175)	-	(120)	-
Net investment income		**5,161**	**30**	**(4,184)**	**(155)**
Other revenue		-	8,482	-	7,921
Total Additions		10,963	8,512	(1,940)	7,766
Deductions					
Benefit payments		4,296	-	3,363	-
Administrative expense		339	-	235	-
Compensation		-	5,657	-	5,110
Scholarships and fellowships		-	1,423	-	1,098
Other expense		-	1,686	-	1,495
Total Deductions		4,635	8,766	3,598	7,703
Net Increase (Decrease) in Net Position		6,328	(254)	(5,538)	63
Net Position, beginning of year		91,519	3,610	97,057	3,547
Net Position, End of Year	$	97,847	3,356	91,519	3,610

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows

Years ended June 30, 2023 and 2022 (in thousands)

		2023	2022*
		University	
Cash Flows from Operating Activities			
Cash received:			
Tuition and fees	$	576,044	582,069
Student loans collected		3,269	4,111
State fee for service revenue		157,096	132,953
Grants and contracts		425,073	440,006
Sales and services of educational activities		54,838	58,484
Auxiliary enterprises		220,212	192,534
Other operating receipts		17,988	14,753
Cash payments:			
Scholarships disbursed		(28,393)	(61,052)
Student loans disbursed		(5,958)	(2,814)
Payments to employees		(1,063,569)	(970,273)
Payments to suppliers		(413,633)	(343,706)
Net Cash Provided by (Used in) Operating Activities		**(57,033)**	**47,065**
Cash Flows from Noncapital Financing Activities			
State appropriations - noncapital		19,149	11,059
Gifts and grants for other than capital purposes		77,109	93,206
Federal Pell Grants		41,303	42,609
Direct lending receipts		210,487	227,750
Direct lending payments		(210,707)	(227,602)
Deposits held for others receipts		73,080	67,347
Deposits held for others payments		(66,082)	(66,888)
Payments from governing boards or other institutions		15,506	1,425
Other nonoperating revenues		11,533	11,517
Net Cash Provided by Noncapital Financing Activities		**171,378**	**160,423**
Cash Flows from Capital and Related Financing Activities			
Proceeds from capital debt		-	42,797
State appropriations - capital		23,322	95,550
Capital grants, contracts, and gifts		22,216	14,656
Proceeds from sale of capital assets		12,913	210,000
Acquisition and construction of capital assets		(105,004)	(152,994)
Student Facility Fee		14,260	14,438
Principal paid on capital debt and leases		(22,086)	(26,125)
Interest on capital debt and leases		(8,683)	(5,214)
Net Cash Used in Capital and Related Financing Activities	**$**	**(63,062)**	**(16,682)**

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows

Years ended June 30, 2023 and 2022 (in thousands)

		2023	2022*
		University	
Cash flows from Investing Activities			
Proceeds from sale and maturities of investments	$	41,600	33,200
Purchase of investments		(213,844)	(34,486)
Investment earnings		13,489	(20,235)
Net Cash Used in Investing Activities		**(158,755)**	**(21,521)**
Net Increase (Decrease) in Cash and Cash Equivalents		**(107,472)**	**169,285**
Cash and cash equivalents		431,798	275,774
Restricted cash and cash equivalents		67,583	54,322
Cash and Cash Equivalents, Beginning of the Year		**499,381**	**330,096**
Cash and cash equivalents		338,995	431,798
Restricted cash and cash equivalents		52,914	67,583
Cash and Cash Equivalents, End of the Year	**$**	**391,909**	**499,381**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating loss	$	(241,604)	(29,506)
Adjustments:			
Depreciation/Amortization expense		128,107	119,773
Noncash operating transactions		1,976	(6,435)
State support for PERA pensions		9,653	3,751
Decrease (increase) in assets:			
Receivables, net		(33,555)	37,178
Inventories and prepaids		(3,583)	(1,548)
Net other postemployment benefits assets		28,405	(13,627)
Deferred outflows pensions		(53,458)	28,854
Deferred outflows other postemployment benefits		(5,268)	537
Increase (decrease) in liabilities:			
Accounts payable		13,286	4,052
Accrued liabilities		9,439	785
Unearned revenue		8,838	(233)
Deposits held for others		780	2,034
Compensated absences liabilities		5,970	384
Net pension liabilities		166,838	(126,333)
Net other postemployment benefits liabilities		29,512	(4,594)
Deferred inflows pensions		(131,654)	31,315
Deferred inflows other postemployment benefits		8,397	1,581
Other liabilities		888	(903)
Net Cash Provided by (Used in) Operating Activities	**$**	**(57,033)**	**47,065**

COLORADO STATE UNIVERSITY SYSTEM

Statements of Cash Flows

Years ended June 30, 2023 and 2022 (in thousands)

		2023	2022*
		University	
Noncash Transactions			
Noncash gifts	$	4,327	2,483
Noncash leases		3,724	(787)
Noncash additions to investments held by Foundation		140	(1,296)
Unrealized gains on investments		22,403	(85,641)
Capital debt refinanced, gain/loss		-	2,572
Noncash bond issuance costs		-	336
Amortization of bond premium		129	82
Retainage payable		1,749	(3,156)
Amortization of bond refunding		(44,277)	(39,108)
State support for PERA pensions		9,653	3,751

*Restated

See accompanying notes to basic financial statements.

(1) Governance and Reporting Entity

(a) Governance

The Colorado State University System (the System) is an institution of higher education of the State of Colorado. For financial reporting purposes, the System is included as part of the State of Colorado's primary government. The Board of Governors (the Board) is the governing board of the System. The Board consists of nine members appointed by the Governor of the State of Colorado and six nonvoting representatives from the institutions. In addition to these financial statements, the System's financial activity is also included in the basic financial statements of the State of Colorado.

(b) Reporting Entity

The accompanying financial statements present the operations of the System. The System conducts its operations through the following three institutions:

Colorado State University – (CSU)

Colorado State University – Pueblo (CSU-Pueblo)

Colorado State University – Global Campus (CSU-Global)

As the State's land grant institution, CSU includes the Agriculture Experiment Station, CSU Extension, and the Colorado State Forest Service. In addition, the accompanying financial statements contain the financial activity of the System offices.

As a higher education institution of the State of Colorado, the income of the System is generally exempt from income taxes as a governmental unit. However, income unrelated to the exempt purpose of the System would be subject to tax under IRC Section 511(a)(2)(B). The System had no material unrelated business income for the fiscal years ended June 30, 2023 and 2022.

(c) Discretely Presented Component Units

The System follows Governmental Accounting Standards Board (GASB) Statement No. 39, as amended. This statement provides guidance to determine whether certain organizations for which the System is not financially accountable should be reported as component units based on the nature and significance of their relationship with the System. The Colorado State University System Foundation (the CSUS Foundation), the Colorado State University Foundation (the CSU Foundation), and the Colorado State University – Pueblo Foundation (the CSU-Pueblo Foundation) have been determined to be component units of the System and have therefore been included as discretely presented component units in the System financial reporting entity. The Colorado State University Research Foundation dba CSU STRATA does not meet the criteria to be reported as a component unit.

The CSUS Foundation

The CSUS Foundation, established in 2015, began operations in fiscal year 2016 as a Colorado nonprofit entity to support the System in accordance with Colorado law as authorized by the Board. The CSUS Foundation was created to accept transfers of intellectual property of the System, which in turn is then licensed to a wholly owned private corporate subsidiary, Beyond Campus Innovations (the Corporation), of the CSUS Foundation in exchange for ownership of the Corporation and a share of the revenues of the Corporation. The CSUS Foundation will distribute monies or make grants to the System in accordance with the rules and regulations of the internal revenue code. Uses of these distributions include funding innovation and System initiatives, investment in new technology for the benefit of the System, improvement of access and affordability for students of the System, and other purposes as determined by the Board.

The officers of the CSUS Foundation are appointed by the Board of Directors. The Board of Directors initially consists of seven Directors. Three members are designated as CSU Directors and four members are designated as Independent Directors. The Board shall elect the CSU Directors and the reigning Independent Directors shall elect future Independent Directors. The number of Directors is subject to change as determined by the Board of Directors.

The major source of the CSUS Foundation's revenue for fiscal year 2023 is distributions from the Corporation in the amount of $7.5 million. The major sources of the CSUS Foundation's revenue for fiscal year ended 2022 were contributions of $175 thousand and distributions from the Corporation in the amount of $147 thousand. The major sources for the Corporation's revenue are $4.1 million from a net gain on sale of assets and $3.2 million in management services revenue for the fiscal year ended June 30, 2023. The major sources for the Corporation's revenue are $4.5 million in management services revenue and $907 thousand in curriculum development revenue for the fiscal year ended June 30, 2022. The Corporation had income from one major customer which accounted for approximately 89 percent of total revenue for the fiscal year ended June 30, 2023 and 96 percent of total revenue for the fiscal year ended June 30, 2022. Total net revenue for the consolidated CSUS Foundation as of June 30, 2023 and 2022 was $7.7 million and $5.7 million, respectively.

The CSU Foundation

The CSU Foundation is a legally separate, tax-exempt entity that was established to receive, manage and invest philanthropic gifts on behalf of CSU. The majority of resources or income thereon that the CSU Foundation holds and invests is restricted for use by, or for the benefit of CSU by the donors. The CSU Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including FASB ASC 958-205, *Presentation of Financial Statements*. As such, certain revenue recognition criteria and presentation requirements are different from GASB revenue recognition criteria and presentation requirements. No modifications have been made to the CSU Foundation's financial information in the System's financial reporting entity for these differences, as permitted by GASB Statement No. 39. The CSU Foundation fully discloses the nature of its endowment funds; both donor restricted endowment funds and board-designated endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The CSU Foundation was established in 1970 as an independent 501(c)(3) organization. The officers of the CSU Foundation are appointed by the Board of Directors. The Board of Directors consists of eleven voting members. Ten voting members are community members elected by the Board of Directors and the eleventh voting member is the President of the CSU Foundation. The four ex-officio, nonvoting members of the Board of Directors serve by virtue of title: President of Colorado State University, the CSU Vice President for University Advancement, the CSU Vice President for University Operations, and a member of the University's Board of Governors who holds the position of liaison to the Foundation. No person who is an employee of CSU is eligible to serve as an officer of the CSU Foundation or as a voting Board Member.

The CSU Foundation's major sources of revenue are net contributions and net investment income or loss. The CSU Foundation had $78.3 million and $71.2 million in net contributions and $49.4 million in net investment income and $36.2 million in net investment loss for the fiscal years ended June 30, 2023 and 2022, respectively. The total support and revenue as of June 30, 2023 and 2022 was $131.3 million and $36.4 million, respectively.

The support provided by the CSU Foundation to CSU is intended to assist in the promotion, development, and enhancement of the facilities, and educational programs and opportunities of the faculty, students, and alumni of CSU. Additionally, the CSU Foundation provides receipts to contributors and invests philanthropic gifts. Approximately $83.2 million and $59.8 million was transferred to CSU for the fiscal years ended June 30, 2023 and 2022, respectively, in pursuit of the above stated objectives.

Endowments and the related expendable accounts of CSU are held by the CSU Foundation for investment safekeeping. These funds amounted to $16.3 million and $16.2 million as of June 30, 2023 and 2022, respectively, and are reported as deposits held in custody for CSU in the financial statements of the CSU Foundation.

Separately issued financial statements for the CSU Foundation are available at 300 University Services Center, Fort Collins, CO 80523.

The CSU-Pueblo Foundation

The CSU-Pueblo Foundation was established in 1954 as an independent 501(c)(3) nonprofit corporation. The affairs of the CSU-Pueblo Foundation are conducted by up to twenty-eight voting, elected Director-Trustees. In addition, the President of CSU-Pueblo, one member of the Board of Governors, and the President/CEO of the CSU-Pueblo Foundation serve as nonvoting, ex-officio members. The CSU-Pueblo Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), including FASB ASC 958-205, *Presentation of Financial Statements*. As such, certain revenue recognition criteria and presentation requirements are different from GASB revenue recognition criteria and presentation requirements. No modifications have been made to the CSU-Pueblo Foundation's financial information in the System's financial reporting entity for these differences, as permitted by GASB Statement No. 39.

The CSU-Pueblo Foundation's major sources of revenue are contributions and fundraising revenues and net investment returns. The CSU-Pueblo Foundation had $4.4 million and $4.6 million in contributions and fundraising revenues and $4.0 million and negative $6.9 million in net investment returns for the fiscal years ended June 30, 2023 and 2022, respectively. The total revenue and institutional support as of June 30, 2023 and 2022 was $8.7 million and negative $2.2 million, respectively.

The CSU-Pueblo Foundation was formed to advance and assist in the development, growth, and operation of CSU-Pueblo. The CSU-Pueblo Foundation recorded $5.6 million and $5.8 million in transfers of gifts and other assets to CSU-Pueblo during fiscal years ended June 30, 2023 and 2022, respectively, in pursuit of the above stated objectives.

Separately issued financial statements may be obtained from the CSU-Pueblo Foundation office at 2200 Bonforte Boulevard, Pueblo, CO 81001-4901.

(d) Colorado State University System Fiduciary Funds

The Colorado State University Other Postemployment Benefits Trust (Trust) was established June 27, 2014, as a single-employer other postemployment benefits (OPEB) plan, for the purpose of accumulating and investing assets to fund certain post-retirement medical benefits for retirees and disability income replacement for employees of CSU. The Trust, which is an entity separate from the University, is for the exclusive purpose of providing funds to pay benefits and for paying expenses of administering the Trust.

The Colorado State University OPEB Trust Administration Committee (Administration Committee) serves as the Trust Administrator, and a Trustee, Bank New York Mellon, has the authority over the management, disposition, and investment of Trust assets, as defined in the Trust Agreement. Members of the

Administration Committee consist of the University's Chief Total Rewards Officer, the University's Chief Financial Officer, the University's Controller, the University Associate Controller overseeing Treasury, and the University's Chief Human Resources Officer, and any at-large members that may be appointed by the Administration Committee.

With the implementation of GASB Statement No. 84, *Fiduciary Activities*, the System separately reports the financial activities of the Colorado State University Other Postemployment Benefits Trust (Trust) and Custodial Funds in the Fiduciary Funds Statements. GASB Statement No. 84 establishes criteria for identifying fiduciary activities classified as fiduciary component units (i.e., Pensions and OPEB arrangements and other arrangements), Pension and OPEB arrangements that are not component units, or other fiduciary activities. Fiduciary activities are reported as pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, or custodial funds. The System has determined applicable fiduciary activities that are considered custodial funds to include assets controlled by the System and administrated through a qualifying trust, assets held for the benefit of individuals with no administrative or financial involvement, or assets held for the benefit of outside organizations including those related to extension services, external clubs, and conferences not part of the government's reporting entity.

(2) Basis of Presentation

For financial reporting purposes, the System is considered a special-purpose government engaged primarily in business-type activities. The System applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Any effort to reconcile this report with presentations made for other purposes, such as data submitted with the legislative budget request of the System, must take into consideration the differences in the basis of accounting and other requirements for the presentation of such information.

(3) Measurement Focus, Basis of Accounting, and Summary of Significant Accounting Policies

As a special purpose government engaged primarily in business type activities, the basic financial statements of the System have been presented using the economic resources measurement focus and the accrual basis of accounting. Presentation is also in accordance with the State of Colorado Higher Education Accounting Standard No. 17. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra agency transactions have been eliminated.

(a) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State Treasurer, and all highly liquid investments with an original maturity when purchased of three months or less. Investments in mutual funds and money market funds and securities are presented as investments.

(b) Investments

With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the System now provides additional fair value measurements. Investments are reported in the financial statements at fair value, which is determined primarily based on quoted market prices as of fiscal year end. Contract value is used for the guaranteed investment agreement. The System's investment policy permits investments in fixed-income and equity securities. The policy is implemented using individual securities and mutual funds.

Discretely presented component units – CSU Foundation and CSU-Pueblo Foundation investments are accounted for at fair value, which is determined by one of the following: quoted prices in active markets for identical assets (level 1), inputs other than quoted prices that are observable directly or indirectly (level 2), significant unobservable inputs where level 1 and 2 inputs are unavailable (level 3), or net asset value practical expedients not within the fair value hierarchy (NAV).

Colorado State University System Fiduciary Funds – Trust investments are accounted for at fair value, which is determined by one of the following: quoted prices in active markets for identical assets (level 1), inputs other than quoted prices that are observable directly or indirectly (level 2), or significant unobservable inputs where level 1 and 2 inputs are unavailable (level 3).

(c) Inventories

Inventories, consisting of facilities and housing maintenance supplies; medical, pharmaceutical, and laboratory supplies; food supplies; books; and soft goods are stated at the lower of cost or market. Cost is determined either on the first in/first out, average cost, weighted average-cost, specific identification, or on the retail method. Livestock inventory are recorded at the estimated market price.

(d) Restricted Cash and Cash Equivalents and Restricted Investments

Assets are reported as restricted when restrictions on asset use change the nature or normal understanding of the availability of the assets. For the System, examples of restricted cash and cash equivalents and restricted investments include self-insurance funds, unexpended bond proceeds, and endowment funds.

(e) Capital Assets

Land, land improvements, buildings and improvements, leasehold improvements, library materials, collections, and equipment, including right to use intangible assets, are recorded at cost at the date of acquisition or estimated acquisition value at the date of donation in the case of gifts. Capitalization limits vary at the three institutions ranging from $5 thousand to $50 thousand. At CSU, library materials are valued at average acquisition cost. At CSU-Pueblo, library materials are valued at actual cost.

Depreciation and amortization are computed using the straight-line with the half-year convention method over the estimated useful lives of the assets or intangible assets, generally 3 to 70 years for buildings, 5 to 30 years for land improvements, 10 to 15 years for library materials, 2 to 12 years for equipment, 5 years for software, and 3 to 25 years for leasehold improvements. Depreciation and amortization expense were not allocated among functional categories.

Renovations to buildings and other improvements that significantly increase the value and extend the useful life of the structure or includes a conversion of the use of the space, are capitalized. Routine repairs and maintenance are charged to expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

The System has capitalized collections such as works of art and historical artifacts. The nature of certain collections is such that the value and usefulness of the collection does not change over time. These collections have not been depreciated in the System's financial statements.

Assets under financed purchase leases are recorded at the present value of the future minimum lease payments and are amortized using the straight-line with the half-year convention method over the estimated useful life of the asset being leased. Assets under component liability (right to use) leases and subscription-based information technology arrangements are amortized using the straight-line method.

The System evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Capital assets are generally considered impaired if a decline in service utility occurs, the impairment is material, and the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the System are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the System are measured using the method that best reflects the diminished service utility of the capital asset. If evidence is available to demonstrate that impairment will be temporary, the capital asset is not written down. There were no material impairments of capital assets for fiscal year ended June 30, 2023. Hughes Stadium land held a book value of $6 thousand and the demolition of Hughes Stadium held a construction in progress balance of $4.3 million that was moved to assets held for resale for fiscal year ended June 30, 2019. The Hughes Stadium assets were sold on June 30, 2023. As a result, there are no assets held for resale as of June 30, 2023.

(f) Deferred Outflows and Inflows of Resources

With the implementation of GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities*, the System now carries a deferred outflow of resources related to the loss on bond refundings as well as a deferred inflow of resources related to the mark to market valuation of the System's Swap Agreement. For refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported on the Statements of Net Position and amortized as a component of interest expense over the lesser of the remaining life of the old debt or the life of the new debt. In addition, with the implementation of GASB Statement No. 65, the System now carries a deferred inflow of resources of $33 thousand and $8 thousand as of June 30, 2023 and 2022, respectively, related to sponsored program nonexchange transactions.

With the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27*, the System now carries a deferred outflow of resources and deferred inflow of resources related to pensions. With the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the System now carries a deferred outflow of resources and deferred inflow of resources related to OPEB. As applicable, the various deferral components are all reported on the Statements of Net Position in relation to a net pension liability, net OPEB liability, or net OPEB asset. See Note 17 and Note 19 for more information.

With the implementation of GASB Statement No. 87*, Leases*, the System now carries a deferred inflow of resources related to assets leased to third parties.

(g) Compensated Absences Liabilities

Employees accrue and vest in annual and sick leave earnings based on their hire date and length of service. Compensated absences and related personnel expenses are recognized based on estimated balances due to employees as of fiscal year end. The value of annual leave liability is computed as the lesser of total days earned but not taken or the maximum amount of days allowed to be paid out based on employment type and university policy, multiplied by the salary rate as well as an additional amount for the State's share of PERA and Medicare as applicable. The value of sick leave liability is computed as the lesser of total days earned but not taken or the maximum amount of days allowed to be paid out based on employment type and university policy, multiplied by the salary rate and the State's estimated retirement rate as well as an additional amount for the State's share of PERA and Medicare as applicable. The amount of compensated absence liabilities that are recorded as a current liability on the Statements of Net Position are a three-year rolling average of actual payouts. The remaining balance of the compensated absence liabilities is recorded as a noncurrent liability on the Statements of Net Position.

(h) Net Position

Net position of the System is classified as follows:

Net investment in capital assets – This represents the total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

Restricted net position – nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing future income, which may either be expended or added to principal.

Restricted net position – expendable – Restricted expendable net position includes resources in which the System is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position – Unrestricted net position represents resources derived from student tuition and fees, state fee for service reserves, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the System and may be used to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. Unrestricted net position may be designated by actions of the Board.

Discretely presented component units – Net assets of the CSUS Foundation, the CSU Foundation, and the CSU-Pueblo Foundation and the changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Colorado State University System Fiduciary Funds – Net position of the Trust is classified as restricted for postemployment benefits other than pensions. Net position of Custodial Funds is classified as restricted for individuals, organizations, and other governments.

(i) Classification of Revenues

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

Operating revenues consist of services and sales related to teaching, research, and public service, along with auxiliary activities of student, faculty, and staff support. These revenues primarily include: 1) tuition and fees from students (after reduction for scholarship allowances provided with institutional funds); 2) state fee for service revenues; 3) grants and contracts from federal, state, and local governments, and private sources including businesses, individuals, and foundations; 4) sales and services of the Veterinary Teaching Hospital and Diagnostic Laboratory; and 5) fees for goods and services of auxiliary operations such as student housing and dining, student center retail stores, health services, and athletics. Revenues from exchange transactions are recognized when they are earned and measurable.

Operating expenses represent the full cost of providing the services and goods associated with operating revenues. These expenses are accrued when incurred and measurable and reported using functional classifications.

Nonoperating revenues are those not included as operating revenues or other revenues. Nonoperating revenues consist primarily of gifts from grantors and donors, and investment income that are relied upon and budgeted for support of operating expenses. Also included in nonoperating revenues are State appropriations and Federal grants including Pell, CARES, and bond subsidies. Nonoperating expenses are those not included as operating expenses or other expenses. Nonoperating expenses include interest expense on capital debt.

Other revenues include student facility fees, state capital construction and controlled maintenance appropriations, capital gifts, and grants primarily designated for capital purposes. This classification also includes payments from (to) governing boards or other institutions as well as additions (reductions) to permanent endowments.

(j) Summer Session Revenue and Related Expenses

The System prorates the summer session revenues and expenses based on the number of days between the first day of the summer session and the last day of the summer session which falls before or after June 30.

(k) Application of Restricted and Unrestricted Resources

This application is made on a case by case basis by management depending on overall program requirements and resources. Generally, management applies restricted resources then unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

(l) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) Restatements

Certain balances as of June 30, 2022 have been restated to conform to the presentation of fiscal year 2023 due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Certain leased assets were established as depreciable right-to-use intangible assets for information technology (IT) software subscriptions with corresponding current and noncurrent lease liabilities. These changes impacted the following Statements of Net Position asset financial statement lines: Prepaid expenses decreased $18 thousand and right to use intangible assets (net of accumulated amortization) increased $20.5 million. Additionally, current leases payable increased $6.8 million and noncurrent leases payable increased $13.3 million. As a result, net position for the prior year increased $376 thousand, of which $393 thousand was reported as net investment in capital assets and negative $17 thousand was unrestricted. The increase in net position in the Statements of Revenues, Expenses, and Changes in Net Position included a decrease in total operating expenses of $376 thousand largely related to decreases in institutional support expense, auxiliary enterprises expense and operation and maintenance of plant expense offset by an increase in depreciation/amortization.

(4) Cash and Cash Equivalents

The System deposits a portion of its cash and cash equivalents with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by CRS 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. Monies deposited in the Treasury are invested until the cash is needed.

As of June 30, 2023, the System had cash on deposit with the State Treasurer of $321.9 million which represented approximately 1.6 percent of the total $20.4 billion fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2022, the System had cash on deposit with the State Treasurer of $456.4 million which represented approximately 2.0 percent of the total $22.3 billion fair value of deposits in the Pool. As of June 30, 2023, the Pool's resources included $35.0 million of cash on hand and $18.8 billion of investments.

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

The difference between the System's cash carrying value, deposits with the State Treasurer and balances at other banks is due to outstanding checks and deposits in transit. Interest earned on deposits with the State Treasurer for the fiscal years ended June 30, 2023 and 2022 was approximately $12.3 million and $5.2 million, respectively. These amounts reflect increases in cash and cash equivalents and increases in investment income. The System also records unrealized gains or losses on deposits with the State Treasurer. The System reflected an unrealized loss on cash and cash equivalents on deposit with the State Treasurer for the fiscal years ended June 30, 2023 and 2022 of $24.2 million and $24.4 million, respectively. The unrealized gain on investment income for the fiscal year ended June 30, 2023 was $205 thousand and the unrealized loss on investment income for the fiscal year ended June 30, 2022 was $26.1 million.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the System's deposits may not be returned to it. To manage custodial risk, deposits with financial institutions are made in accordance with the Colorado Public Deposit Protection Act (PDPA) of 1975. PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102 percent of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under PDPA are considered to be collateralized with securities held by the pledging institutions in the System's name. Deposits held in money market funds are not PDPA eligible deposits.

As of June 30, 2023 and 2022, the System's book value of cash not on deposit with the State Treasurer was $70.1 million and $43.0 million, respectively. Cash not on deposit included petty cash/change funds and bank account balances of $88 thousand and $70.0 million as of June 30, 2023 and $104 thousand and $42.9 million as of June 30, 2022, respectively. Bank account balances per the bank as of June 30, 2023 and 2022 were $80.5 million and $54.6 million, respectively. Of the June 30, 2023 deposits, $768 thousand were covered by depository insurance and were not exposed to custodial credit risk, $76 thousand were uncollateralized and were exposed to custodial credit risk, and the remaining $79.6 million were collateralized with securities held by the pledging institution's trust department or agent in the System's name. Of the June 30, 2022 deposits, $770 thousand were covered by depository insurance and were not exposed to custodial credit risk, $39 thousand were uncollateralized and were exposed to custodial credit risk, and the remaining $53.8 million were collateralized with securities held by the pledging institution's trust department or agent in the System's name.

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies which assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government.

In March 2022, the System established an Irrevocable Standby Letter of Credit (LOC) from First National Bank of Omaha in the amount of $171 thousand with the county of Gunnison, Colorado named as the beneficiary. This LOC was issued in order to support the Development Improvements agreement dated December 21, 2021 between the two parties. The LOC is secured with the existing SUA account and expires one year from issuance, however it includes a standard auto renewal clause with a 60 day notice. The commitment fee rate is 2.0 percent, and a default by the System will occur if the System fails to comply with the terms and conditions of the Development Improvement agreement. As of June 30, 2022, this LOC was unused. As of June 30, 2023, this LOC has been terminated.

In June 2008, House Bill 08-1002 authorized the System to establish its own Treasury function, withdrawing funds from the State Treasurer's Pool to invest its operating portfolio internally. In February 2015, the Board approved the formation of the Colorado State University System Treasury. The Board authorized the System to execute investment transactions within the parameters set out in the System's Operating Portfolio Investment Policy Statement in May 2018.

As of June 30, 2023 and 2022, the System had withdrawn $380.0 million from the Pool for investment in the System's Treasury for both years.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

Colorado State University System Fiduciary Funds – As of June 30, 2023 and 2022, the System's Custodial Funds cash and deposits were $1.7 million and $3.0 million, respectively.

(5) Investments

As of June 30, 2023 and 2022, the System's investments had a fair value of $682.0 million and $462.9 million, respectively. Of the $682.0 million and $462.9 million, $32.6 million and $31.6 million were restricted and $649.4 million and $431.3 million were unrestricted, respectively. Restricted investments consist of treasury bills and investments held with the CSU Foundation. Unrestricted investments consist of investments held by the CSU System and an interest rate swap agreement. Investment earnings consist of land fund interest and unrealized gains/losses, income/loss from investments held by the CSU Foundation, and dividends and gains/losses on investments held by the CSU System, net of expenses. For the fiscal year ended June 30, 2023, there was a net investment gain of $40.0 million and for the fiscal year ended June 30, 2022 there was a net investment loss of $58.3 million.

With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the System reports investments using the fair value hierarchy. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuation techniques are used to determine fair value by maximizing the use of relevant observable inputs and minimize the use of unobservable inputs. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – quoted prices for identical assets in an active market.

Level 2 – quoted prices for similar assets in active markets, or identical or similar assets in markets that are not active, or inputs other than quoted prices that are observable for the asset such as interest rates.

Level 3 – unobservable inputs. In these situations, the organization develops inputs using the best information available in the circumstances. The System's interest in investments held at the CSU Foundation fair value is determined by the Foundation as a proportionate share of total investments at fiscal year end.

(Amounts expressed in thousands)

The following details the hierarchy of each major category of the System's investments at fair value as of June 30, 2023 and 2022:

Table 5.1.1 Investment Fair Value

		June 30, 2023			
		Level 1	Level 2	Level 3	Total
U.S. Treasury bills	$	16,262	-	-	16,262
Floating to fixed interest rate swap		-	15,786	-	15,786
Investments held by the CSU System:					
Money markets		63,928	-	-	63,928
Equity mutual funds		225,855	-	-	225,855
Corporate bonds		-	63,679	-	63,679
Asset backed bonds		-	34,043	-	34,043
Mortgage backed bonds		-	50,105	-	50,105
Municipal bonds		-	772	-	772
U.S. Treasuries		195,246	-	-	195,246
		485,029	148,599	-	633,628
Interest in investments held by CSU Foundation:					
Alternative investments		-	-	16,343	16,343
Total	**$**	**501,291**	**164,385**	**16,343**	**682,019**

(Amounts expressed in thousands)

Table 5.1.2 Investment Fair Value

		June 30, 2022			
		Level 1	Level 2	Level 3	Total
U.S. Treasury bills	$	15,427	-	-	15,427
Floating to fixed interest rate swap		-	8,928	-	8,928
Investments held by the CSU System:					
Money markets		62,481	-	-	62,481
Equity mutual funds		201,813	-	-	201,813
Corporate bonds		-	53,034	-	53,034
Asset backed bonds		-	35,801	-	35,801
Mortgage backed bonds		-	48,346	-	48,346
Municipal bonds		-	1,000	-	1,000
U.S. Treasuries		19,901	-	-	19,901
		284,195	138,181	-	422,376
Interest in investments held by CSU Foundation:					
Alternative investments		-	-	16,203	16,203
Total	**$**	**299,622**	**147,109**	**16,203**	**462,934**

Donor restricted endowment disbursements of the net appreciation (realized and unrealized) of investments are permitted by C.R.S. § 15-1-1104, except where a donor has specified otherwise. The amount of net appreciation available for spending by the University is authorized by the President of CSU and disclosed to the Board. The amount of net appreciation available for spending by the CSU Foundation is based on a spending rate set by the CSU Foundation Board on an annual basis. For the fiscal year ended June 30, 2023, there was $1.7 million in net appreciation of investments available for authorization for expenditure as reported in restricted for nonexpendable purposes and restricted for expendable purposes-other net position. For the fiscal year ended June 30, 2022, there was no net appreciation available for expenditure.

(Amounts expressed in thousands)

The following details the quality ratings of the fixed income assets as of June 30, 2023 and 2022:

Table 5.2.1 Fixed Income Quality Ratings

June 30, 2023

Investment Type	Moody's Rating	Fair Value	Standard & Poor's Rating	Fair Value	Unrated Fair Value
Corporate bonds		$ -	AAA	718	-
		-	AA	5,371	-
		-	A	23,723	-
		-	BBB	29,382	-
		-		-	4,485
Municipal bonds		-	AAA	127	-
		-	AA	274	-
		-	A	371	-
Money market mutual funds	Aaa	63,928		-	-
Asset backed securities		-	AAA	9,554	-
		-	AA	2,013	-
		-	A	2,576	-
		-	BBB	146	-
		-		-	19,754
Mortgage backed securities		-	AAA	8,098	-
		-	AA	27,511	-
		-	A	611	-
		-	BBB	166	-
		-		-	13,719
Total		**$ 63,928**		**110,641**	**37,958**

(Amounts expressed in thousands)

Table 5.2.2 Fixed Income Quality Ratings

June 30, 2022					
Investment Type	**Moody's Rating**	**Fair Value**	**Standard & Poor's Rating**	**Fair Value**	**Unrated Fair Value**
Corporate bonds		$ -	AAA	809	-
		-	AA	4,222	-
		-	A	15,562	-
		-	BBB	27,147	-
		-		-	5,294
Municipal bonds	Aaa	188		-	-
	Aa	236		-	-
	A	576		-	-
Money market mutual funds	Aaa	62,481		-	-
Asset backed securities		-	AAA	10,844	-
		-	AA	1,979	-
		-	A	3,733	-
		-	BBB	184	-
		-		-	19,061
Mortgage backed securities		-	AAA	7,352	-
		-	AA	24,752	-
		-	A	653	-
		-	BBB	163	-
		-		-	15,426
Total		**$ 63,481**		**97,400**	**39,781**

As of June 30, 2023, the following System investments were subject to interest rate risk:

Table 5.3.1 Interest Rate Risk

Type of Investment	**Fair Value**	**Weighted Average Maturity (in years)**
U.S. Treasury bills	$ 16,262	0.17
Floating to fixed interest rate swap	15,786	29.63
Investments held by CSU System:		
U.S. Treasury notes/bonds	195,246	0.65
Corporate bonds	63,679	1.25
Municipal bonds	772	4.00
Money market mutual funds	63,928	0.11
Asset backed securities	34,043	0.57
Mortgage backed securities	50,105	3.30
Total	$ 439,821	

(Amounts expressed in thousands)

As of June 30, 2022, the following System investments were subject to interest rate risk:

Table 5.3.2 Interest Rate Risk

Type of Investment		Fair Value	Weighted Average Maturity (in years)
U.S. Treasury bills	$	15,427	0.27
Floating to fixed interest rate swap		8,928	32.09
Investments held by CSU System:			
U.S. Treasury notes/bonds		19,901	1.41
Corporate bonds		53,034	2.55
Municipal bonds		1,000	0.09
Money market mutual funds		62,481	0.09
Asset backed securities		35,801	1.43
Mortgage backed securities		48,346	7.07
Total	$	244,918	

The System's U.S. Treasury obligations are invested in accordance with Colorado Revised Statute 23-31-504. This statute requires these investments relating to the CSU land grant fund to be invested in specific types of investments, which includes U.S. Treasury obligations. The System does not have a specific policy relating to the management of interest rate risk.

Discretely presented component units – As of June 30, 2023, investments consisted of various securities carried at fair value as determined by quoted market prices on national exchanges. Some categories, including alternative investments, are valued at the net asset value (NAV) provided by the investment manager. This NAV is computed based on dealer quotations on the fair value of underlying securities, the vast majority of which are traded on national exchanges.

(Amounts expressed in thousands)

The following details each major category of the CSU Foundation's investments at fair value as of June 30, 2023 and 2022:

Table 5.4.1 Investment Fair Value

	June 30, 2023				
	Market	Student Funds	Adjusted Market	Adjusted Market Percent	DHIC (Deposits Held in Custody)
Public equities					
U.S. equities	$ 150,508	-	150,508	21.03%	3,437
International equities	37,321	-	37,321	5.21%	851
Emerging market equities	39,740	-	39,740	5.55%	907
Global equities	81,277	-	81,277	11.35%	1,855
Fixed income	83,204	-	83,204	11.62%	1,899
Alternatives					
Hedge funds	143	-	143	0.02%	3
Private markets	279,340	-	279,340	39.03%	6,379
Student-managed investments	1,562	(1,562)	-	0.00%	-
Cash	44,329	-	44,329	6.19%	1,012
Total	**$ 717,424**	**(1,562)**	**715,862**	**100.00%**	**16,343**

Table 5.4.2 Investment Fair Value

	June 30, 2022				
	Market	Student Funds	Adjusted Market	Adjusted Market Percent	DHIC (Deposits Held in Custody)
Public equities					
U.S. equities	139,848	-	139,848	21.05%	3,411
International equities	45,692	-	45,692	6.87%	1,113
Emerging market equities	39,812	-	39,812	5.99%	971
Global equities	108,494	-	108,494	16.32%	2,644
Fixed income	71,731	-	71,731	10.79%	1,748
Alternatives					
Hedge funds	5,993	-	5,993	0.90%	146
Private markets	243,021	-	243,021	36.57%	5,925
Student-managed investments	1,392	(1,392)	-	0.00%	-
Cash	10,058	-	10,058	1.51%	245
Total	**$ 666,041**	**(1,392)**	**664,649**	**100.00%**	**16,203**

(Amounts expressed in thousands)

The following details the hierarchy of each major category of the CSU Foundation's investments at fair value as of June 30, 2023 and 2022:

Table 5.5.1 Investment Fair Value

	June 30, 2023				
	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents subject to investment management direction	$ 44,329	-	-	-	44,329
Public equities:					
United States	15,080	-	-	135,428	150,508
International	-	-	-	37,321	37,321
Emerging markets	-	-	-	39,740	39,740
Global		-	-	81,277	81,277
Fixed income	17,404	-	-	65,800	83,204
Alternative investments:					
Hedge funds	-	-	-	143	143
Private markets	-	-	-	279,340	279,340
Student-managed investments	1,562	-	-	-	1,562
Total	**$ 78,375**	**-**	**-**	**639,049**	**717,424**

Table 5.5.2 Investment Fair Value

	June 30, 2022				
	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents subject to investment management direction	$ 10,058	-	-	-	10,058
Public equities:					
United States	12,058	-	-	127,790	139,848
International	-	-	-	45,692	45,692
Emerging markets	-	-	-	39,812	39,812
Global	42,542	-	-	65,952	108,494
Fixed income	-	-	-	71,731	71,731
Alternative investments:					
Hedge funds	-	-	-	5,993	5,993
Private markets	-	-	-	243,021	243,021
Student-managed investments	1,392	-	-	-	1,392
Total	**$ 66,050**	**-**	**-**	**599,991**	**666,041**

(Amounts expressed in thousands)

CSU Foundation investments in certain entities that calculate net asset value per share consisted of the following for the fiscal years ended June 30, 2023 and 2022:

Table 5.6 Net Asset Value Investments

Fund Description		June 30, 2023 Fair Value	June 30, 2022 Fair Value	June 30, 2023 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Public Equities	$	293,767	279,246	-	Daily, monthly	1-30 days
Fixed Income		65,799	71,731	15,000	N/A, daily, monthly	N/A, 1-30 days
Hedge Funds (Multi-Strategy)		143	5,993	-	Quarterly	60-90 days
Private Equity		189,624	165,812	78,346	N/A, quarterly^	N/A, 90-180 days^
Private Debt		62,646	60,853	33,428	N/A, quarterly*	N/A, 90 days*
Private Real Assets		27,070	16,356	14,521	N/A	N/A
Total	**$**	**639,049**	**599,991**	**141,295**		

*after three year lock-up

^prior to next three year cycle

Net investment earnings of the CSU Foundation consisted of the following for the fiscal years ended June 30, 2023 and 2022:

Table 5.7 Net Investment Earnings

		June 30 2023	June 30 2022
Interest, dividends, and other income	$	5,815	5,257
Net unrealized and realized gain (loss) on investments		48,339	(33,043)
Less investment management fees		(3,614)	(8,883)
		50,540	(36,669)
Less net investment (income) loss on deposits held in custody for CSU		(1,094)	488
Total	**$**	**49,446**	**(36,181)**

(Amounts expressed in thousands)

The following details the hierarchy of each major category of the CSU-Pueblo Foundation's investments at fair value as of June 30, 2023 and 2022:

Table 5.8.1 Investment Fair Value

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Marketable equity securities:				
Domestic emphasis	$ 20,117	-	-	20,117
International emphasis	7,730	-	-	7,730
Marketable debt securities:				
Domestic emphasis	11,650	-	-	11,650
Certificates of deposit	-	716	-	716
Cash with brokerage	2,308	-	-	2,308
Beneficial interest in charitable trusts held by others	-	-	240	240
Total	**$ 41,805**	**716**	**240**	**42,761**

Table 5.8.2 Investment Fair Value

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Marketable equity securities:				
Domestic emphasis	$ 20,097	-	-	20,097
International emphasis	6,721	-	-	6,721
Marketable debt securities:				
Domestic emphasis	13,562	-	-	13,562
Cash with brokerage	816	-	-	816
Beneficial interest in charitable trusts held by others	-	-	229	229
Total	**$ 41,196**	**-**	**229**	**41,425**

(Amounts expressed in thousands)

Net investment return of the CSU-Pueblo Foundation consisted of the following for the fiscal years ended June 30, 2023 and 2022:

Table 5.9.1 Net Investment Return

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend income	$ 478	1,686	2,164
Interest income	8	27	35
Realized gains - securities	43	151	194
Unrealized gains	376	1,325	1,701
Net rental income	2	9	11
Investment expenses	(22)	(76)	(98)
Total	**$ 885**	**3,122**	**4,007**

Table 5.9.2 Net Investment Return

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend income	$ 577	2,757	3,334
Realized gains - securities	5	25	30
Unrealized gains	(1,761)	(8,427)	(10,188)
Net rental income	5	26	31
Investment expenses	(21)	(99)	(120)
Total	**$ (1,195)**	**(5,718)**	**(6,913)**

Colorado State University System Fiduciary Funds - With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, the Trust reports investments using the fair value hierarchy. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuation techniques are used to determine fair value by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(Amounts expressed in thousands)

The following details the hierarchy of each major category of the Trust's investments at fair value as of June 30, 2023 and 2022:

Table 5.10.1 Investment Fair Value

	June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
U.S. government securities	$ 3,380	-	-	3,380
Corporate bonds	-	8,236	-	8,236
Municipal bonds	-	1,022	-	1,022
Asset backed securities	-	798	-	798
Mortgage backed securities	-	7,997	-	7,997
Bond mutual funds	11,535	-	-	11,535
Money market mututal funds	1,538	-	-	1,538
Equity mutual funds	32,344	-	-	32,344
Private equities	-	-	7,430	7,430
Hedge funds	-	-	11,908	11,908
Alternative investments	-	-	11,878	11,878
Total	**$ 48,797**	**18,053**	**31,216**	**98,066**

Table 5.10.2 Investment Fair Value

	June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
U.S. government securities	$ 3,121	-	-	3,121
Corporate bonds	-	9,891	-	9,891
Municipal bonds	-	1,539	-	1,539
Asset backed securities	-	620	-	620
Mortgage backed securities	-	6,311	-	6,311
Bond mutual funds	10,633	-	-	10,633
Money market mututal funds	938	-	-	938
Equity mutual funds	27,505	-	-	27,505
Private equities	-	-	7,732	7,732
Hedge funds	-	-	11,302	11,302
Alternative investments	-	-	12,103	12,103
Total	**$ 42,197**	**18,361**	**31,137**	**91,695**

(Amounts expressed in thousands)

The following details the quality ratings of the fixed income assets of the Trust as of June 30, 2023 and 2022:

Table 5.11.1 Fixed Income Quality Ratings

June 30, 2023

Investment Type	Moody's Rating		Fair Value	Standard & Poor's Rating	Fair Value	Unrated Fair Value
Corporate bonds	Aaa	$	262		-	-
	Aa		1,143		-	-
	A		4,098		-	-
	Baa		2,733		-	-
Municipal bonds	Aaa		481		-	-
	Aa		541		-	-
Money market mutual funds	Aaa		1,538		-	-
Bond mutual funds			-		-	11,535
Asset backed securities			-	AAA	510	-
			-	BBB	77	-
			-		-	211
Mortgage backed securities			-	AA	7,997	-
Total		**$**	**10,796**		**8,584**	**11,746**

Table 5.11.2 Fixed Income Quality Ratings

June 30, 2022

Investment Type	Moody's Rating		Fair Value	Standard & Poor's Rating	Fair Value	Unrated Fair Value
Corporate bonds	Aaa	$	664		-	-
	Aa		1,164		-	-
	A		4,727		-	-
	Baa		3,225		-	-
			-		-	111
Municipal bonds	Aaa		500		-	-
	Aa		932		-	-
	A		107		-	-
Money market mutual funds	Aaa		938		-	-
Bond mutual funds			-		-	10,633
Asset backed securities			-	AAA	446	-
			-	BBB	64	-
			-		-	110
Mortgage backed securities			-	AA	6,311	-
Total		**$**	**12,257**		**6,821**	**10,854**

(Amounts expressed in thousands)

The following details the effective weighted average maturity of fixed income investments of the Trust as of June 30, 2023 and 2022:

Table 5.12.1 Investment Weighted Average Maturity

	June 30, 2023		
	Fair Value Amount	Weighted Average Maturity (in years)	Percent of Fixed Income Assets
U.S. government securities	$ 3,380	3.0	9.8%
Corporate bonds	8,236	2.6	23.9%
Municipal bonds	1,022	0.3	3.0%
Money market mutual funds	1,538	0.0	4.5%
Asset backed securities	798	0.1	2.3%
Bond mutual funds	11,535	3.6	33.3%
Mortgage backed securities	7,997	8.6	23.2%
Total	**$ 34,506**		**100.0%**

Table 5.12.2 Investment Weighted Average Maturity

	June 30, 2022		
	Fair Value Amount	Weighted Average Maturity (in years)	Percent of Fixed Income Assets
U.S. government securities	$ 3,121	2.5	9.4%
Corporate bonds	9,891	3.2	29.9%
Municipal bonds	1,539	0.5	4.7%
Money market mutual funds	938	0.0	2.8%
Asset backed securities	620	3.4	1.9%
Bond mutual funds	10,633	0.1	32.2%
Mortgage backed securities	6,311	6.9	19.1%
Total	**$ 33,053**		**100.0%**

(6) Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts in the accompanying Statements of Net Position.

(Amounts expressed in thousands)

Table 6.1.1 Accounts Receivable

		June 30	
		2023	**2022**
Student accounts receivable:	$	101,154	84,923
Less allowance for doubtful accounts		(23,208)	(20,948)
Student accounts receivable, net	**$**	**77,946**	**63,975**
Student loans receivable:	$	17,896	15,381
Less allowance for doubtful accounts		(1,183)	(1,638)
Student loans receivable, net		16,713	13,743
Less current portion		(3,539)	(3,638)
Noncurrent student loans receivable, net	**$**	**13,174**	**10,105**
Grant and other accounts receivable:			
Federal government	$	92,471	67,730
State government		9,433	20,922
Private sponsors		21,887	25,204
System foundations		16,831	9,699
Other		21,023	26,564
Total grant and other accounts receivable		161,645	150,119
Less allowance for doubtful accounts		(7,357)	(4,833)
Grant and other accounts receivable, net	**$**	**154,288**	**145,286**

Discretely presented component unit – For the fiscal year ended June 30, 2023, the CSUS Foundation had no accounts receivable. As of June 30, 2022, the CSUS Foundation's receivables were recorded at cost and provisions for doubtful accounts were not established as all receivables were deemed collectible. For the fiscal year ended June 30, 2022, accounts receivable was $342 thousand. One customer of the Corporation represented approximately 59 percent of the balance as of June 30, 2022.

Discretely presented component unit – As of June 30, 2023 and 2022, the CSU Foundation's pledges receivable consisted of the following:

Table 6.1.2 CSU Foundation Pledges Receivable

		June 30	
		2023	**2022**
Receivables due in less than one year	$	9,199	11,399
Receivables due in one to five years		22,999	24,520
Receivables due in more than five years		827	1,862
		33,025	37,781
Less allowance for uncollectible pledges		(815)	(925)
Less present value discounting		(1,372)	(1,348)
Total	**$**	**30,838**	**35,508**

(Amounts expressed in thousands)

Unconditional promises to give (pledges receivable) are from various entities including foundations, corporations, and individuals. The discount factor utilized in the present value calculation is the five-year U.S. Treasury note rate as of June 30 of the fiscal year in which the commitment is made.

During the year ended June 30, 2022, the CSU Foundation received a conditional promise to give totaling $43.0 million. The promise is conditioned upon the CSU Foundation budgeting for and meeting certain criteria, which is to be approved by the donor. Contribution revenue will be recognized in future years as conditions are met.

Discretely presented component unit – As of June 30, 2023 and 2022, the CSU-Pueblo Foundation's cash unconditional promises to give consisted of the following:

Table 6.1.3 CSU-Pueblo Foundation Pledges Receivable

		June 30	
		2023	**2022**
Restricted for scholarships or other particular purposes	$	1,339	2,154
Less allowance for uncollectible unconditional promises to give		(53)	(51)
Gross unconditional promises to give		1,286	2,103
Less unamortized discount		(39)	(40)
Total	**$**	**1,247**	**2,063**

Amounts due in:			
Less than one year	$	847	1,502
One to five years		400	561
Total	**$**	**1,247**	**2,063**

The allowance for uncollectible unconditional promises to give was arrived at by identifying specific donors that have failed to keep their promises and by applying a historical percentage of two percent to the remaining amount.

Unamortized discount was arrived at by discounting amounts to be received in the future by the average borrowing rate of four percent.

For the fiscal year ended June 30, 2023 and 2022, accounts receivable was $54 thousand and $10 thousand, respectively.

Colorado State University System Fiduciary Funds – There were no receivables for the Trust as of June 30, 2023 and June 30, 2022. Total receivables for the System's Custodial Funds as of June 30, 2023 and 2022 were $2.0 million and $763 thousand, respectively.

(Amounts expressed in thousands)

(7) Capital Assets

Following are the changes in capital assets for the fiscal year ended June 30, 2023:

Table 7.1.1 Capital Assets

	Balance June 30, 2022	Additions	Transfers	Deletions	Balance June 30, 2023
Nondepreciable capital assets:					
Land	$ 65,551	176	23,585	(640)	88,672
Land improvements	2,321	-	2,247	-	4,568
Construction in progress	194,638	77,662	(203,663)	-	68,637
Collections	8,952	10	-	(7)	8,955
Total nondepreciable capital assets	271,462	77,848	(177,831)	(647)	170,832
Depreciable capital assets:					
Land and leasehold improvements	153,958	-	23,836	(413)	177,381
Buildings and improvements	2,651,062	-	152,395	(394)	2,803,063
Software	20,916	523	270	(1,492)	20,217
Equipment	353,049	32,991	1,330	(14,979)	372,391
Library materials	92,142	525	-	(682)	91,985
Total depreciable capital assets	3,271,127	34,039	177,831	(17,960)	3,465,037
Less accumulated depreciation:					
Land and leasehold improvements	79,437	5,565	-	(413)	84,589
Buildings and improvements	930,222	86,020	-	(278)	1,015,964
Software	14,712	2,027	-	(1,492)	15,247
Equipment	283,804	22,124	-	(15,937)	289,991
Library materials	87,051	976	-	(678)	87,349
Total accumulated depreciation	1,395,226	116,712	-	(18,798)	1,493,140
Net depreciable capital assets	1,875,901	(82,673)	177,831	838	1,971,897
Total capital assets, net	**$ 2,147,363**	**(4,825)**	**-**	**191**	**2,142,729**

Land includes the following conservation easements:	
Catspaw Conservation Easement	$ 3,155
Snow Mountain Conservation Easement	5,000
Elmgreen Conservation Easement	515
Ben Delatour Forest Legacy Conservation Easement	4,000
S. Boulder/Toll Family Conservation Easement	5,070
Sawtooth Mountain Conservation Easement	2,995
Navajo River Headwaters Conservation Easement	13,555
Total	**$ 34,290**

(Amounts expressed in thousands)

Following are the changes in capital assets for the fiscal year ended June 30, 2022:

Table 7.1.2 Capital Assets

	Balance June 30, 2021 *	Additions	Transfers	Deletions	Balance June 30, 2022
Nondepreciable capital assets:					
Land	$ 62,707	-	3,056	(212)	65,551
Land improvements	2,321	-	-	-	2,321
Construction in progress	257,147	134,358	(196,221)	(646)	194,638
Collections	8,763	189	-	-	8,952
Total nondepreciable capital assets	330,938	134,547	(193,165)	(858)	271,462
Depreciable capital assets:					
Land and leasehold improvements	145,954	-	8,004	-	153,958
Buildings and improvements	2,444,998	27,400	178,760	(96)	2,651,062
Software	16,913	420	3,978	(395)	20,916
Equipment	337,958	21,797	2,423	(9,129)	353,049
Library materials	91,800	583	-	(241)	92,142
Total depreciable capital assets	3,037,623	50,200	193,165	(9,861)	3,271,127
Less accumulated depreciation:					
Land and leasehold improvements	74,173	5,264	-	-	79,437
Buildings and improvements	849,342	80,933	-	(53)	930,222
Software	13,479	1,628	-	(395)	14,712
Equipment	269,101	21,249	-	(6,546)	283,804
Library materials	86,270	1,022	-	(241)	87,051
Total accumulated depreciation	1,292,365	110,096	-	(7,235)	1,395,226
Net depreciable capital assets	1,745,258	(59,896)	193,165	(2,626)	1,875,901
Total capital assets, net	**$ 2,076,196**	**74,651**	**-**	**(3,484)**	**2,147,363**

*Restated

Land includes the following conservation easements:

Catspaw Conservation Easement	$ 3,155
Snow Mountain Conservation Easement	5,000
Elmgreen Conservation Easement	515
Ben Delatour Forest Legacy Conservation Easement	4,000
S. Boulder/Toll Family Conservation Easement	5,070
Sawtooth Mountain Conservation Easement	2,995
Navajo River Headwaters Conservation Easement	13,555
Total	**$ 34,290**

(Amounts expressed in thousands)

Following are the changes in financed purchase assets for the fiscal year ended June 30, 2023:

Table 7.2.1 Financed Purchase Assets

	Balance June 30, 2022	Additions	Transfers	Deletions	Balance June 30, 2023
Depreciable financed purchase assets:					
Buildings and improvements	$ 10,800	-	-	-	10,800
Equipment	11,106	1,289	-	(2,038)	10,357
Total depreciable financed purchase assets	21,906	1,289	-	(2,038)	21,157
Less accumulated depreciation:					
Buildings and improvements	3,584	478	-	-	4,062
Equipment	5,094	951	-	(383)	5,662
Total accumulated depreciation	8,678	1,429	-	(383)	9,724
Net depreciable financed purchase assets	13,228	(140)	-	(1,655)	11,433
Total financed purchase assets, net	**$ 13,228**	**(140)**	**-**	**(1,655)**	**11,433**

Following are the changes in financed purchase assets for the fiscal year ended June 30, 2022:

Table 7.2.2 Financed Purchase Assets

	Balance June 30, 2021*	Additions	Transfers	Deletions	Balance June 30, 2022
Depreciable financed purchase assets:					
Buildings and improvements	$ 10,800	-	-	-	10,800
Equipment	10,946	928	-	(768)	11,106
Total depreciable financed purchase assets	21,746	928	-	(768)	21,906
Less accumulated depreciation:					
Buildings and improvements	3,106	478	-	-	3,584
Equipment	4,769	804	-	(479)	5,094
Total accumulated depreciation	7,875	1,282	-	(479)	8,678
Net depreciable financed purchase assets	13,871	(354)	-	(289)	13,228
Total financed purchase assets, net	**$ 13,871**	**(354)**	**-**	**(289)**	**13,228**

*Restated

(Amounts expressed in thousands)

Following are the changes in right to use intangible assets for the fiscal year ended June 30, 2023:

Table 7.3.1 Right to Use Intangible Assets

		Balance June 30, 2022*	Additions	Transfers	Deletions	Balance June 30, 2023
Right to use intangible assets						
Leased land	$	552	-	-	-	552
Leased buildings		18,174	1,962	-	(308)	19,828
Subscription-based IT arrangements		26,167	1,696	-	(211)	27,652
Leased vehicles, equipment, other		743	185	-	(15)	913
Total right to use intangible assets		45,636	3,843	-	(534)	48,945
Less accumulated amortization:						
Leased land		61	61	-	-	122
Leased buildings		2,527	2,568	-	(129)	4,966
Subscription-based IT arrangements		5,647	7,058	-	(211)	12,494
Leased vehicles, equipment, other		160	279	-	(14)	425
Total accumulated amortization		8,395	9,966	-	(354)	18,007
Total right to use intangible assets, net	**$**	**37,241**	**(6,123)**	**-**	**(180)**	**30,938**

*Restated

Following are the changes in right to use intangible assets for the fiscal year ended June 30, 2022:

Table 7.3.2 Right to Use Intangible Assets

		Balance June 30, 2021*	Additions	Transfers	Deletions	Balance June 30, 2022*
Right to use intangible assets						
Leased land	$	552	-	-	-	552
Leased buildings		14,284	4,349	-	(459)	18,174
Subscription-based IT arrangements		-	26,167	-	-	26,167
Leased vehicles, equipment, other		313	430	-	-	743
Total right to use intangible assets		15,149	30,946	-	(459)	45,636
Less accumulated amortization:						
Leased land		-	61	-	-	61
Leased buildings		-	2,527	-	-	2,527
Subscription-based IT arrangements		-	5,647	-	-	5,647
Leased vehicles, equipment, other		-	160	-	-	160
Total accumulated amortization		-	8,395	-	-	8,395
Total right to use intangible assets, net	**$**	**15,149**	**22,551**	**-**	**(459)**	**37,241**

*Restated

(Amounts expressed in thousands)

(8) Accrued Liabilities

The current accrued liabilities balance as of June 30, 2023 and 2022 were comprised of:

Table 8.1 Accrued Liabilities

		June 30	
		2023	**2022**
Accrued payroll and benefits	$	39,264	29,150
Accrued interest payable		14,858	1,918
Other liabilities		5,547	5,951
Total	**$**	**59,669**	**37,019**

The changes in compensated absences as of June 30, 2023 and 2022 were comprised of:

Table 8.2 Compensated Absences

		June 30	
		2023	**2022**
Beginning of year	$	66,105	65,720
Additions		37,608	30,331
Reductions		(31,638)	(29,946)
End of year	$	72,075	66,105
Current compensated absences		**5,023**	**4,873**

(9) Short-Term Obligations

On June 20, 2018, the Board of Governors of the Colorado State University System authorized the issuance of Commercial Paper Notes (Notes) in the aggregate principal amount not to exceed $50.0 million as part of the Series A (tax-exempt) and Series B (taxable) issuance. The maturity date of any Notes issued may not exceed two hundred and seventy days from the date of issuance and no maturity may be later than March 1, 2037. Pursuant to the Bond Resolution, the obligations are payable solely from net revenues paid in portions by both CSU and CSU-Pueblo, as defined in the bond agreement. The Notes are being used to finance certain projects, as determined by the Board, for any of the campuses for which the Board has spending authority.

(Amounts expressed in thousands)

Short-term obligation activity for the year ended June 30, 2023 was as follows:

Table 9.1 Short Term Obligations

		Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Commercial paper by project:					
JBS Global Food Innovation Center	$	7,240	-	(2,920)	4,320
Institute for Biological Translational Therapies		20,000	-	(5,000)	15,000
Temple Grandin Equine Center		1,180	-	(200)	980
Total	**$**	**28,420**	**-**	**(8,120)**	**20,300**

Short-term obligation activity for the year ended June 30, 2022 was as follows:

Table 9.2 Short Term Obligations

		Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Commercial paper by project:					
JBS Global Food Innovation Center	$	8,960	(380)	(1,340)	7,240
Alumni Furniture		230	-	(230)	-
Institute for Biological Translational Therapies		20,500	-	(500)	20,000
GeoExchange		19,000	-	(19,000)	-
Temple Grandin Equine Center		1,000	380	(200)	1,180
Total	**$**	**49,690**	**-**	**(21,270)**	**28,420**

(10) Other Liabilities

Other liability activity for the fiscal year ended June 30, 2023 was as follows:

Table 10.1 Other Liabilities

		Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Deposits held for others	$	44,012	185,778	(178,324)	51,466	11,024
Other		15,456	4,203	(3,340)	16,319	3,202
Total	**$**	**59,468**	**189,981**	**(181,664)**	**67,785**	**14,226**

(Amounts expressed in thousands)

Other liability activity for the fiscal year ended June 30, 2022 was as follows:

Table 10.2 Other Liabilities

		Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Deposits held for others	$	40,497	190,921	(187,406)	44,012	10,243
Other		16,365	5,323	(6,232)	15,456	3,476
Total	**$**	**56,862**	**196,244**	**(193,638)**	**59,468**	**13,719**

Deposits held for others are funds held by the System on behalf of third parties for which the System has not yet provided goods or services. These monies are not the property of the System and therefore are recorded as liabilities on the Statements of Net Position. The major activity comprising deposits held for others is self-insurance plans discussed in Note 19, for which the System's liability was $40.4 million and $33.8 million as of June 30, 2023 and 2022, respectively. In addition, deposits held for others included funds for housing, student accounts, health services, and other campus deposits of $11.0 million and $10.2 million as of June 30, 2023 and 2022, respectively.

Other noncurrent liabilities are comprised of a severance accrual, workers' compensation and insurance claims discussed in Note 19, and the major activities described below.

With the expiration of the authority of institutions to disburse Perkins loans, the System is required to return the Federal share of funds to the Department of Education. The Perkins Loan Revolving Fund will be liquidated as funds are collected from the loan recipients. For award year 2022-23, the System returned $2.3 million in Federal funds. For award year 2021-22, the System returned $2.9 million in Federal funds. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the System carries a liability on the Statements of Net Position. As of June 30, 2023 and 2022, the System's liabilities were $5.7 million and $6.8 million, respectively.

With the discontinuation of the federal Perkins Loan Program, CSU established the CSU Ram Institutional Loan Program to offer low-interest lending to eligible students beginning in fiscal year 2022. CSU entered into an agreement with the CSU Foundation effective January 1, 2021 to borrow funds to build the principal of the Program to a self-sustaining level. The CSU Foundation will make loan distributions and CSU will be responsible for repaying the loan, with interest. As of June 30, 2023 and 2022, the portion of the System's liability recorded as other noncurrent were $5.0 million and $2.5 million, respectively.

With the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, the System carries a liability related to the obligations that will be incurred during the retirement of assets with complex environmental impacts. The System has three types of obligations which include radiation detection, radiation sources and laboratory equipment utilized with radiation. These items are regulated by the State of Colorado Department of Public Health and Environment, as well as the Federal Nuclear Regulatory Commission that covers all radioactive materials. The System is in compliance with State regulations and has estimated decommissioning costs in its last financial assurance. The methods and assumptions for estimating the liability are based on calculations for closing laboratories, decontaminating laboratories, and decommissioning equipment. All assets related to the liability are fully depreciated. As of June 30, 2023 and 2022, the System's liabilities were $1.8 million for both years.

(Amounts expressed in thousands)

(11) Revenue Bonds, Certificates of Participation (COPs), SWAP Agreement

The revenue bonds and notes from direct placements consist of multiple issues to finance the acquisition, construction, repair, and equipping of various academic, auxiliary, and research facilities of the System. Debt service payments on the revenue bonds and notes from direct placements are payable semiannually and monthly, have serial maturities, may contain sinking fund requirements, and certain bonds contain optional redemption provisions. The optional redemption provisions allow the System to redeem at various dates, portions of the outstanding revenue bonds at 100 percent of the principal amount of the revenue bonds redeemed. Payment of the principal and interest on certain bonds and notes from direct placements is either insured by various financial guarantee insurance policies or qualifies for payment under the State Intercept Program, which provides payment by the State Treasurer if payment is not made by the due date.

On October 5, 2021, the System issued $27.7 million in System Enterprise Revenue Refunding Bonds Series 2021 E (Notes from Direct Placements) to advance refund a portion of the Board's Series 2015 C Bonds; and to pay certain costs relating to the issuance of the Series 2021 E Bonds.

On November 10, 2021, the System issued $67.5 million in System Enterprise Revenue and Revenue Refunding Bonds Series 2021 C, D-2 to finance the Lory Student Center Phase 3 revitalization and Adult Learner and Veterans Services addition, and such other capital projects as may be designated and approved by the Board; to refund certain Commercial Paper Notes issued to finance the installation of a Geo-Exchange System in the recreation fields south of Moby Arena, mechanical upgrades to the Moby complex; to advance refund in full the Board's Series 2013 D Bonds; to advance refund a portion of the Board's Series 2016 B Bonds; and to pay certain costs relating to the issuance of the Series 2021 C, D-2 Bonds.

On December 30, 2021, the System issued $46.0 million in System Enterprise Revenue Refunding Bonds Series 2021 D-1 to advance refund a portion of the Board's Series 2015 C Bonds, Series 2017 C Bonds, and Series 2018 A Bonds; and to pay certain costs relating to the issuance of the Series 2021 D-1 Bonds.

Bonds, COPs, and notes payable activity for the fiscal year ended June 30, 2023 was as follows:

Table 11.1.1 Bonds, COPs, and Notes Payable

		Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Revenue bonds and COPs payable	$	1,062,891	-	(2,666)	1,060,225	35,363
Notes from direct placements		324,300	-	-	324,300	231,240
Total	**$**	**1,387,191**	**-**	**(2,666)**	**1,384,525**	**266,603**

(Amounts expressed in thousands)

Bonds, COPs, and notes payable activity for the fiscal year ended June 30, 2022 was as follows:

Table 11.1.2 Bonds, COPs, and Notes Payable

		Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Revenue bonds and COPs payable	$	1,045,974	117,240	(100,323)	1,062,891	2,538
Notes from direct placements		296,605	27,695	-	324,300	-
Total	**$**	**1,342,579**	**144,935**	**(100,323)**	**1,387,191**	**2,538**

Detailed below is a general description of each revenue bond, COP, and note from direct placement issue, original issuance amount, and interest range. The amounts outstanding as of June 30, 2023 and 2022 were as follows:

Table 11.2 Revenue Bond and COP Detail

	Interest Range		June 30 2023	June 30 2022
Colorado State University System Enterprise Revenue Bonds of 2010 B, issued in the original amount of $40.3 million and mature in varying annual amounts to March 2033. $7.9 million advance refunded on 2020 A.	4.900%-5.957%	$	32,415	32,415
Colorado State University System Enterprise Revenue Bonds of 2010 C, issued in the original amount of $33.3 million and mature in varying annual amounts to March 2040.	6.057%		33,250	33,250
Colorado State University System Enterprise Revenue Refunding Bonds of 2012 B, issued in the original amount of $54.1 million and mature in varying annual amounts to March 2035. $19.7 million advance refunded on 2020 A.	2.000%-5.000%		25,480	25,480
Colorado State University System Enterprise Revenue and Revenue Refunding Bonds of 2013 A, issued in the original amount of $182.0 million and mature in varying annual amounts to March 2043. $6.5 million advance refunded on 2020 A.	1.000%-5.000%		142,475	142,475
Colorado State University System Enterprise Revenue Bonds of 2015 A, issued in the original amount of $134.7 million and mature in varying annual amounts to March 2055. $9.4 million advance refunded on 2017 D and $17.3 million advance refunded on 2017 F.	4.000%-5.000%		108,055	108,055

(Amounts expressed in thousands)

Table 11.2 Revenue Bond and COP Detail

	Interest Range	June 30 2023	2022
Colorado State University System Enterprise Revenue Bonds of 2015 B, issued in the original amount of $32.8 million and mature in varying annual amounts to March 2030. $12.5 million advance refunded on 2020 A.	2.688%-4.081%	20,335	20,335
Colorado State University System Enterprise Revenue Refunding Bonds of 2015 C, issued in the original amount of $67.7 million and mature in varying annual amounts to March 2038. $7.1 million advance refunded on 2019 B, $8.1 million advance refunded on 2020 A, $10.0 million advance refunded on 2021 D-1, and $25.9 million advance refunded on 2021 E.	2.000%-5.000%	13,865	13,865
Colorado State University System Enterprise Revenue Bonds of 2015 D (Notes from Direct Placements), issued in the original amount of $66.7 million and mature in varying annual amounts to March 2047.	Variable	66,655	66,655
Colorado State University System Enterprise Revenue Bonds of 2015 E-2, issued in the original amount of $42.1 million and mature in varying annual amounts to March 2033. $30.3 million advance refunded on 2017 C, $2.2 million advance refunded on 2019 B, and $1.0 million advance refunded on 2020 A.	5.000%	6,920	8,620
Colorado State University System Enterprise Revenue Bonds of 2016 A, issued in the original amount of $5.2 million and mature in varying annual amounts to March 2025. $2.2 million advance refunded on 2020 A.	1.500%-3.400%	940	940
Colorado State University System Enterprise Revenue and Refunding Bonds of 2016 B, issued in the original amount of $65.0 million and mature in varying annual amounts to March 2046. $1.5 million advance refunded on 2020 A and $22.3 million advance refunded on 2021 D-2.	3.000%-5.000%	34,705	34,705
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 A, issued in the original amount of $103.8 million and mature in varying annual amounts to March 2044. $3.6 million advance refunded on 2020 A.	2.000%-5.000%	99,405	99,405
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 B, issued in the original amount of $13.8 million and mature in varying annual amounts to March 2044. $265 thousand advance refunded on 2020 A.	2.000%-5.000%	13,280	13,280

(Amounts expressed in thousands)

Table 11.2 Revenue Bond and COP Detail

	Interest Range	June 30 2023	2022
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 C, issued in the original amount of $185.2 million and mature in varying annual amounts to March 2047. $14.0 million advance refunded on 2019 B and $22.5 million advance refunded on 2021 D-1.	2.500%-5.000%	146,030	146,030
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 D, issued in the original amount of $19.5 million and mature in varying annual amounts to March 2039. $360 thousand advance refunded on 2020 A.	2.000%-5.000%	18,610	18,610
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 E, issued in the orginal amount of $35.8 million and mature in varying annual amounts to March 2043. $300 thousand advance refunded on 2020 A.	2.000%-5.000%	34,770	34,770
Colorado State University System Enterprise Revenue Refunding Bonds of 2017 F, issued in the original amount of $19.7 million and mature in varying annual amounts to March 2045. $170 thousand advance refunded on 2020 A.	2.000%-5.000%	19,140	19,140
Colorado State University System Enterprise Revenue Bonds of 2018 A, issued in the original amount of $30.4 million and mature in varying annual amounts to March 2033. $1.8 million advance refunded on 2020 A and $7.9 million advance refunded on 2021 D-1.	2.610%-4.232%	18,930	18,930
Colorado State University System Enterprise Revenue and Refunding Bonds of 2019 A, issued in the original amount of $33.1 million and mature in varying annual amounts to March 2039. $1.8 million advance refunded on 2020 A.	4.000%-5.000%	31,085	31,085
Colorado State University System Enterprise Revenue Refunding Bonds of 2019 B, issued in the original amount of $79.1 million and mature in varying annual amounts to March 2034. $2.4 million advance refunded on 2020 A.	1.636%-2.644%	75,825	75,825
Colorado State University System Enterprise Revenue Refunding Bonds of 2021 A (Notes from Direct Placements), issued in the original amount of $115.0 million and mature in varying annual amounts to March 2024.	0.720%	114,975	114,975

(Amounts expressed in thousands)

Table 11.2 Revenue Bond and COP Detail

	Interest Range	June 30 2023	June 30 2022
Colorado State University System Enterprise Revenue Refunding Bonds of 2021 B (Notes from Direct Placements), issued in the original amount of $115.0 million and mature in varying annual amounts to March 2024.	0.720%	114,975	114,975
Colorado State University System Enterprise Revenue Refunding Bonds of 2021 E (Notes from Direct Placements), issued in the original amount of $27.7 million and mature in varying annual amounts to March 2037.	1.850%-2.270%	27,695	27,695
Colorado State University System Enterprise Revenue and Revenue Refunding Bonds of 2021 C, issued in the original amount of $38.6 million and mature in varying annual amounts to March 2051.	2.125%-5.000%	37,060	37,730
Colorado State University System Enterprise Revenue Refunding Bonds of 2021 D-2, issued in the original amount of $28.9 million and mature in varying annual amounts to March 2041.	0.710%-2.974%	28,870	28,870
Colorado State University System Enterprise Revenue Refunding Bonds of 2021 D-1, issued in the original amount of $46.0 million and mature in varying annual amounts to March 2048.	1.026%-2.981%	46,045	46,045
Unamortized bond premium/discount		71,748	71,876
Total Bonds		1,383,538	1,386,036
Colorado State University - Pueblo: Portion of the State of Colorado Certificate of Participation to remodel the Academic Resource Center (Library). Payable annually with a final maturity in 2029.	5.100%	987	1,155
Total		**$ 1,384,525**	**1,387,191**

(Amounts expressed in thousands)

The scheduled maturities of the revenue bonds, COPs and notes from direct placements as of June 30, 2023 are as follows:

Figure 11.3 Scheduled Maturities

		Bonds and COPs		Notes from Direct Placements		Total	Total
		Principal	Interest	Principal	Interest	Principal	Interest
2024	$	35,363	41,810	231,240	3,887	266,603	45,697
2025		36,947	40,222	1,325	2,174	38,272	42,396
2026		37,238	36,620	1,415	2,056	38,653	38,676
2027		38,184	34,866	1,995	2,021	40,179	36,887
2028		37,795	33,156	3,475	1,966	41,270	35,122
2029-2033		203,805	137,839	27,830	8,605	231,635	146,444
2034-2038		225,960	91,601	29,420	4,957	255,380	96,558
2039-2043		186,840	49,138	14,375	2,572	201,215	51,710
2044-2048		105,660	18,180	13,225	724	118,885	18,904
2049-2053		57,760	6,090	-	-	57,760	6,090
2054-2055		22,925	711	-	-	22,925	711
Total debt service maturities		**988,477**	**490,233**	**324,300**	**28,962**	**1,312,777**	**519,195**
Unamortized bond premium/discount		71,748	-	-	-	71,748	-
Total	**$**	**1,060,225**	**490,233**	**324,300**	**28,962**	**1,384,525**	**519,195**

The System Enterprise Revenue Bonds and Notes from Direct Placements are secured by a pledge of 100 percent of all net tuition revenues derived at the System from charges to students for the provision of general instruction by the System, CSU facilities fees ($21.75 of the total $23.75 credit hour fee), CSU-Pueblo facilities fees ($28.90 of the total $31.50 credit hour fee), net revenues derived from the operation of the auxiliary pledged facilities, and net revenues of the CSU Research Building Revolving Fund (RBRF) enterprise. Revenues from the RBRF enterprise include all revenues derived by CSU from the operation of the pledged facilities including allocated recoveries on research contracts and grants performed under the auspices of CSU. Investment earnings from revenue sources and federal bond subsidies are also included. See Note 13 for more information regarding these pledged revenues. The Revenue Bonds and Notes from Direct Placements are special limited obligations of the Board of Governors and do not constitute a general obligation of the Board or the System.

There were no material events regarding rating changes to report for the fiscal years ended June 30, 2023 and 2022; however, Colorado State University's credit rating was raised by S&P from AA to A+ for the fiscal year ended June 30, 2022.

State of Colorado Certificates of Participation

In fiscal year ended 2008, State of Colorado Senate Bill 08-218 made Federal Mineral Leasing (FML) monies available for capital construction at institutions of higher education. FML money is derived from ongoing leasing and production activities on federal lands within Colorado, and approximately half of these payments go to the State of Colorado. The State used part of this money on November 6, 2008 and issued Certificates of Participation (COPs) to support some higher education construction and maintenance projects. The

System received $2.0 million for renovations to the Clark Building in Fort Collins, $22.0 million for renovations to the library building in Pueblo, and $554 thousand for security upgrades in Pueblo. The State of Colorado is responsible for making the principal and interest payments on the COPs.

On March 22, 2018, the State issued State of Colorado National Western Center Lease Purchase Financing Program Certificates of Participation, Series 2018 A (Tax-Exempt) and Series 2018 B (Taxable) with a par amount of $50.7 million and $81.4 million, respectively. The 2018 A certificates have an interest rate of 5.0 percent and mature in September 2033. The 2018 B certificates have interest rates ranging from 2.332 to 4.047 percent and mature in September 2038. Annual lease payments are made by the State and are subject to annual appropriations by the Legislature. As a result, this liability is recognized by the State and not included in the System's financial statements.

On October 14, 2020, the State issued State of Colorado National Western Center Lease Purchase Financing Program Certificates of Participation, Series 2020 A (Tax-Exempt) and Series 2020 B (Taxable) with a par amount of $68.7 million and $44.2 million, respectively. The 2020 A certificates have an interest rate of 5.0 percent and mature in September 2033. The 2020 B certificates have interest rates ranging from 2.427 to 2.959 percent and mature in September 2038. Annual lease payments are made by the State and are subject to annual appropriations by the Legislature. As a result, this liability is recognized by the State and not included in the System's financial statements.

The certificates are secured by the buildings or equipment acquired with the lease proceeds and any unexpended lease proceeds. The proceeds are being used to fund various projects at the National Western Center in Denver, Colorado (CSU Water Resource Center, CSU Center, and Animal Health Building), and affiliated facilities for the System at the Fort Collins campus (Equine Veterinary Teaching Hospital and Institute for Biological and Translational Therapies). The underlying capitalized assets will be contributed to the System from the State. The System has completed construction of the buildings at the National Western Center in Denver, Colorado and at the Fort Collins campus, having capitalized $250.5 million as of fiscal year ended June 30, 2023.

In fiscal year 2017, State of Colorado Senate Bill 17-267 made monies available for capital construction projects. The State is authorized to issue Certificates of Participation up to a maximum $2.0 billion, in $500.0 million increments over a four-year period starting in fiscal year 2019.

Pursuant to Senate Bill 17-267, on September 26, 2018, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2018 A with a par value of $500.0 million. These Certificates of Participation are secured by eligible state buildings. The System received $2.2 million for the repair or replacement of the Moby Arena HVAC system in Fort Collins, $2.0 million to replace/repair walls at Pickett Equine Center in Fort Collins, $2.0 million to repair the exterior enclosure on the Industrial Sciences Building in Fort Collins, $1.2 million to upgrade campus fire systems in Pueblo, $1.1 million to replace obsolete building automation control centers (multiple buildings) in Fort Collins, $1.0 million to replace electrical services at the Foothills Campus, $890 thousand to install a campus security system in Pueblo, $828 thousand to replace the roof on the Glover Building in Fort Collins, and $1.6 million for other small projects. The State of Colorado is responsible for making the principal and interest payments on the COPs.

Pursuant to Senate Bill 17-267, on June 2, 2020, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2020 A with a par value of $500.0 million. These Certificates of Participation are secured by eligible state buildings. Appropriations to the System became effective on July 10, 2020, when the Governor signed House Bill 20-1408. The System received $872 thousand to replace the roof of the A Wing of the Clark Building in Fort Collins, $635 thousand to replace campus fire alarm control panels in Fort Collins, and $620 thousand to replace electric service to ERC at the Foothills Campus. The State of Colorado is responsible for making the principal and interest payments on the COPs.

In fiscal year 2021, State of Colorado Senate Bill 20-219 made monies available for capital construction projects. On February 24, 2021, the State issued State of Colorado Higher Education Lease Purchase Financing Program Certificates of Participation, Series 2020 with a par value of $64.3 million. These Certificates of Participation are secured by the buildings or equipment acquired with the lease proceeds and any unexpended lease proceeds. The System received $17.1 million in additional funding to construct an addition to and renovation of the Shepardson Building in Fort Collins. The State of Colorado is responsible for making the principal and interest payments on the COPs.

Interest Rate Swap Agreement

On January 16, 2018, the System entered into a floating to fixed interest rate swap agreement (2015 D Swap Agreement) in connection with the Series 2015 D System Enterprise Revenue Bonds (Notes from Direct Placements). The 2015 D Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 D Swap Agreement had a notional value of $66.7 million and a positive fair value of $4.0 million as of June 30, 2023. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2023. The 2015 D Swap Agreement had a notional value of $66.7 million and a positive fair value of $648 thousand as of June 30, 2022. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2022. The 2015 D Swap Agreement has an effective date of July 1, 2019 and a termination date of March 1, 2047.

The 2015 D Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.91390 percent payable by the System and 70 percent of one-month USD-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 D Swap Agreement, determined the fair value as of June 30, 2023 using a discounted forecasted cash flow.

On February 18, 2020, the System entered into a floating to fixed interest rate swap agreement (2015 A Swap Agreement) in connection with the Series 2015 A System Enterprise Revenue Bonds. The 2015 A Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 A Swap Agreement had a notional value of $108.7 million and a positive fair value of $11.8 million as of June 30, 2023. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2023. The 2015 A Swap Agreement had a notional value of $108.7 million and a positive fair value of $8.3 million as of June 30, 2022. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2022. The 2015 A Swap Agreement has an effective date of March 1, 2025 and a termination date of March 1, 2055.

The 2015 A Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.74250 percent payable by the System and 70 percent of one-month USD-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 A Swap Agreement, determined the fair value as of June 30, 2023 using a discounted forecasted cash flow.

Pursuant to the "Adjustable Interest Rate (LIBOR) Act", starting the first London banking day after June 30, 2023, LIBOR will be replaced with the "Secured Overnight Financing Rate" (SOFR) published by the Federal Reserve Bank of New York.

There was no interest rate swap agreement activity for the fiscal year ended June 30, 2023.

(Amounts expressed in thousands)

Interest rate swap agreement activity for the fiscal year ended June 30, 2022 was as follows:

Table 11.4 Interest Rate Swap Agreement

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year Year
Interest rate swap agreement $	8,894	-	(8,894)	-	-

There can be risks inherent to interest rate swaps that the System addressed and monitors pursuant to entering into interest rate Swap Agreements:

Termination Risk

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

Credit Risk

Credit Risk is the risk that the counterparty will not fulfill its obligations. The System considers the Swap Agreement counterparty's (RBC) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2023, RBC's credit rating is rated Aa1 by Moody's, AA- by S&P, and AA by Fitch.

The Swap Agreement contract contains a credit support annex that allows for collateral to be posted if the market value threshold exceeds $25.0 million at both parties' current credit rating or $10.0 million if the parties' credit rating falls to A3/A -.

Basis Index Risk

Basis Index Risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the System. Basis Index Risk can also result from the use of floating, but different, indices.

(Amounts expressed in thousands)

As of June 30, 2023, the aggregate revenue bonds and notes from direct placements payments and net swap cash payments, assuming current interest rates remain the same, for their term are reflected below:

Table 11.5 Future Revenue Bonds and Net Swap Minimum Payments

Year Ending June 30		Principal	Interest	Support Fee	Total Debt Service
2024	$	1,005	5,782	332	7,119
2025		1,005	5,762	327	7,094
2026		1,375	3,780	322	5,477
2027		1,950	3,749	316	6,015
2028		3,435	3,703	307	7,445
2029-2033		20,705	17,552	1,318	39,575
2034-2038		20,390	15,118	866	36,374
2039-2043		26,355	12,683	533	39,571
2044-2048		32,240	10,272	150	42,662
2049-2053		46,765	5,696	-	52,461
2054-2055		20,170	711	-	20,881
Total	**$**	**175,395**	**84,808**	**4,471**	**264,674**

(12) Defeased Obligations

The following bonds related to defeased obligations remaining as of June 30, 2023, were issued by the System prior to fiscal year 2023: System Enterprise Revenue Refunding Bonds, Taxable Convertible to Tax Exempt Series 2021 E (partially refunded System Enterprise Revenue Refunding Bonds, Series 2015 C) in fiscal year 2022; System Enterprise Revenue Refunding Bonds, Taxable Series 2021 D-2 (fully refunded System Enterprise Revenue Bonds, Taxable Series 2013 D; and partially refunded System Enterprise Revenue Bonds, Series 2016 B) in fiscal year 2022; System Enterprise Revenue Refunding Bonds, Taxable Series 2021 D-1 (partially refunded System Enterprise Revenue Refunding Bonds, Series 2015 C; partially refunded System Enterprise Revenue Refunding Bonds, Series 2017 C; and partially refunded System Enterprise Revenue Bonds, Taxable Series 2018 A) in fiscal year 2022; System Enterprise Revenue Refunding Bonds, Taxable Series 2019 B (partially refunded System Enterprise Revenue Bonds, Series 2012 A; partially refunded System Enterprise Revenue Refunding Bonds, Series 2015 C; fully refunded System Enterprise Revenue Bonds, Series 2015 E-1; partially refunded System Enterprise Revenue Bonds, Series 2015 E-2; and partially refunded System Enterprise Revenue Refunding Bonds, Series 2017 C) in fiscal year 2020; System Enterprise Revenue Refunding Bonds, Series 2017 C (partially refunded System Enterprise Revenue Bonds, Series 2013 E; partially refunded System Enterprise Revenue Bonds, Series 2015 E-1; and partially refunded System Enterprise Revenue Bonds, Series 2015 E-2) in fiscal year 2018; System Enterprise Revenue Refunding Bonds, Series 2017 D (fully refunded System Enterprise Revenue Bonds, Series 2013 C; and partially refunded System Enterprise Revenue Bonds, Series 2015 A) in fiscal year 2018; System Enterprise Revenue Refunding Bonds, Series 2017 E (partially refunded System Enterprise Revenue Bonds, Series 2015 E-1) in fiscal year 2018; and System Enterprise Revenue Refunding Bonds, Series 2017 F (partially refunded System Enterprise Revenue Bonds, Series 2015 A) in fiscal year 2018. The escrow deposits from Series 2021 D-1, D-2, and E; Series 2019 B; and Series 2017 C, D, E, and F are being used to purchase certain U.S. governmental obligations. The principal and interest from the U.S. governmental obligations will be sufficient to enable the escrow agent to make all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds is no longer reflected in the Statements of Net Position.

The following bonds were included in the refundings and have been fully redeemed in the current fiscal year: System Enterprise Revenue Bonds, Series 2010 B BABS Taxable (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2012 B (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2013 A (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Bonds, Series 2013 C (partially refunded on System Enterprise Revenue Refunding Bonds, Series 2017 B; and fully refunded on System Enterprise Revenue Refunding Bonds, Series 2017 D); System Enterprise Revenue Bonds, Taxable Series 2013 D (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A; and fully refunded on System Enterprise Revenue Refunding Bonds Taxable Series 2021 D-2); System Enterprise Revenue Bonds, Series 2013 E (partially refunded on System Enterprise Revenue Refunding Bonds, Series 2017 C; and fully refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Bonds, Taxable Series 2015 B (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Bonds, Series 2015 F (fully refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Bonds, Taxable Series 2016 A (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2017 A (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2017 B (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2017 D (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2017 E (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2017 F (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); System Enterprise Revenue Refunding Bonds, Series 2019 A (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A); and System Enterprise Revenue Refunding Bonds, Taxable Series 2019 B (partially refunded on System Enterprise Revenue Refunding Bonds, Taxable Series 2020 A).

(Amounts expressed in thousands)

Remaining defeased obligations as of June 30, 2023 are as follows:

Table 12.1 Defeased Obligations

		Original Amount Refunded	Balance June 30, 2023
CSU Sys Ent Rev Bonds, Series 2010 B BABS Taxable	$	7,920	-
CSU Sys Ent Rev Refunding Bonds, Series 2012 B		19,660	-
CSU Sys Ent Rev & Rev Refunding Bonds, Series 2013 A		6,520	-
CSU Sys Ent Rev Bonds, Series 2013 C		18,610	-
CSU Sys Ent Rev Bonds, Series 2013 D		4,985	-
CSU Sys Ent Rev Bonds, Series 2013 E		127,185	-
CSU Sys Ent Rev Bonds, Series 2015 A		26,675	26,675
CSU Sys Ent Rev Bonds, Series 2015 B		12,480	-
CSU Sys Ent Rev Refunding Bonds, Series 2015 C		51,095	43,040
CSU Sys Ent Rev Bonds, Series 2015 E-1		96,490	96,490
CSU Sys Ent Rev Bonds, Series 2015 E-2		33,505	32,540
CSU Sys Ent Rev Bonds, Series 2015 F		6,860	-
CSU Sys Ent Rev Bonds, Series 2016 A		2,155	-
CSU Sys Ent Rev & Refunding Bonds, Series 2016 B		23,800	22,265
CSU Sys Ent Rev Refunding Bonds, Series 2017 A		3,585	-
CSU Sys Ent Rev Refunding Bonds, Series 2017 B		265	-
CSU Sys Ent Rev Refunding Bonds, Series 2017 C		36,460	36,460
CSU Sys Ent Rev Refunding Bonds, Series 2017 D		360	-
CSU Sys Ent Rev Refunding Bonds, Series 2017 E		300	-
CSU Sys Ent Rev Refunding Bonds, Series 2017 F		170	-
CSU Sys Ent Rev Bonds, Series 2018 A		9,685	7,910
CSU Sys Ent Rev & Refunding Bonds, Series 2019 A		1,820	-
CSU Sys Ent Rev Refunding Bonds, Series 2019 B		2,445	-
Total	**$**	**493,030**	**265,380**

(13) Pledged Revenues and Related Expenses

CSU and CSU-Pueblo are required to pledge certain revenues and report related expenses in accordance with the various bond resolutions. In May 2023, the Board of Governors adopted the amended and restated version of the 23rd supplemental resolution, which increased the pledged System tuition revenues from 10 percent to 100 percent. The System Enterprise Revenue Bonds, Revenue Refunding Bonds, Notes from Direct Placements, and Commercial Paper are also pledged by CSU facilities fees ($21.75 of the total $23.75 credit hour fee), CSU-Pueblo facilities fees ($28.90 of the total $31.50 credit hour fee), CSU Research Building Revolving Fund revenues, revenues derived from auxiliaries as defined by bond resolutions, including Canvas Stadium, and federal bond subsidies. The pledged revenues and related expenses were as follows:

(Amounts expressed in thousands)

Table 13.1 Pledged Revenues and Related Expenses

		June 30	
		2023	**2022**
Gross auxiliary facility and student fee revenue	$	229,770	210,349
Less auxiliary facility and student fee operating expenses		156,673	124,621
Net auxiliary facility and student fee revenue		73,097	85,728
Other pledged revenue:			
100% of tuition/10% of tuition	$	549,109	52,898
Indirect cost recoveries		76,983	67,902
Research facilities		4,384	3,441
Less research facilities expenses		4,384	701
Net research facilities revenue		-	2,740
Investment income		2,487	1,373
Bond subsidies		1,511	1,557
Net other pledged revenue		630,090	126,470
Total	**$**	**703,187**	**212,198**

These debt obligations contain provisions to establish and maintain reasonable fees, rates, and other charges to ensure gross revenues are sufficient for debt service coverage. The System is also required to comply with various other covenants while the debt is outstanding. Management of the two institutions believe the universities have met all debt service coverage ratios and have complied with all bond covenants.

(14) Lease Obligations - Lessee

(a) Lessee

The System has no lease agreements with variable payments dependent on a rate index, residual value guarantees, commitments prior to the commencement of the lease term, or losses associated with an impairment. The System has one sublease arrangement with Prieto Battery. The System has no sale-leaseback or lease-leaseback transactions and has not pledged any collateral as security for any lease.

As of June 30, 2023, the interest rate range on right to use liabilities is 0.20 percent to 7.10 percent and the interest rate range on financed purchase liabilities is 0.00 percent to 5.25 percent. As of June 30, 2022, the interest rate range on right to use liabilities is 0.20 percent to 7.10 percent and the interest rate range on financed purchase liabilities is 0.00 percent to 5.00 percent.

(Amounts expressed in thousands)

The System's future minimum lease payments for obligations under leases for each of the five subsequent fiscal years and for five-year increments thereafter were as follows:

Table 14.1.1 Lease Obligations

	Right to Use Leases					
	Subscription-Based IT Arrangements		Equipment & Vehicles		Buildings & Land	
Fiscal year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 6,327	116	286	14	2,291	223
2025	4,588	75	164	5	2,180	190
2026	1,650	40	34	2	1,759	159
2027	1,391	21	-	-	1,768	133
2028	641	6	-	-	1,771	108
2029-2033	-	-	-	-	5,102	224
2034-2038	-	-	-	-	823	16
Minimum lease payments	**$ 14,597**	**258**	**484**	**21**	**15,694**	**1,053**

	Financed Purchases				Total	
	Equipment & Vehicles		Buildings & Land		Lease Obligations	
Fiscal year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2024	1,241	145	313	187	10,458	685
2025	1,001	111	321	180	8,254	561
2026	779	83	329	172	4,551	456
2027	713	60	336	165	4,208	379
2028	602	38	343	157	3,357	309
2029-2033	863	51	6,816	283	12,781	558
2034-2038	-	-	-	-	823	16
Minimum lease payments	**5,199**	**488**	**8,458**	**1,144**	**44,432**	**2,964**

(Amounts expressed in thousands)

Table 14.1.2 Lease Obligations

		Right to Use Leases					
		Subscription-Based IT Arrangements		Equipment & Vehicles		Buildings & Land	
Fiscal year ending June 30:		Principal	Interest	Principal	Interest	Principal	Interest
2023	$	6,813	118	199	20	2,043	212
2024		5,928	85	201	12	1,881	188
2025		4,245	54	148	5	1,734	165
2026		1,384	27	34	2	1,652	143
2027		1,115	16	-	-	1,670	120
2028-2032		641	6	-	-	6,139	285
2033-2037		-	-	-	-	1,210	33
Minimum lease payments	$	**20,126**	**306**	**582**	**39**	**16,329**	**1,146**

	Financed Purchases				Total	
	Equipment & Vehicles		Buildings & Land		Lease Obligations	
Fiscal year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2023	1,337	139	288	185	10,680	674
2024	1,095	106	294	180	9,399	571
2025	853	79	302	172	7,282	475
2026	630	57	308	166	4,008	395
2027	585	40	315	159	3,685	335
2028-2032	1,025	44	7,016	423	14,821	758
2033-2037	-	-	-	-	1,210	33
Minimum lease payments	**5,525**	**465**	**8,523**	**1,285**	**51,085**	**3,241**

*Restated

Table 14.2.1 Leases Payable

		Balance June 30, 2022*	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Right to use	$	37,037	3,843	10,106	30,774	8,904
Financed Purchase		14,048	1,290	1,680	13,658	1,554
Total	$	**51,085**	**5,133**	**11,786**	**44,432**	**10,458**

* Restated

Table 14.2.2 Leases Payable

		Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022*	Amounts Due Within One Year
Right to use	$	15,113	32,341	10,417	37,037	9,054
Financed Purchase		14,875	4,954	5,781	14,048	1,626
Total	$	**29,988**	**37,295**	**16,198**	**51,085**	**10,680**

* Restated

(Amounts expressed in thousands)

(b) Lessor

The System has no terms and conditions for the lessee to terminate the lease, no abate payments due to issuing debt for which the principal and interest payments are secured by the lease payments, and no sale-leaseback or lease-leaseback agreements. The System has one sublease arrangement with Prieto Battery.

The System's future minimum lease receivable payments for obligations under leases for each of the five subsequent fiscal years and for five-year increments thereafter were as follows:

Table 14.3.1 Lease Obligations Receivables

		Buildings & Land	
Fiscal year ending June 30:		**Principal**	**Interest**
2024	$	2,239	350
2025		2,231	317
2026		2,293	284
2027		2,275	250
2028		2,297	217
2029-2033		8,652	597
2034-2038		2,438	133
2039-2043		146	10
2044-2048		15	-
Minimum future lease payments due	$	**22,586**	**2,158**

Table 14.3.2 Lease Obligations Receivables

		Buildings & Land	
Fiscal year ending June 30:		**Principal**	**Interest**
2023	$	2,345	321
2024		2,358	291
2025		2,390	260
2026		2,451	229
2027		2,199	197
2028-2032		9,832	537
2033-2037		2,274	115
2038-2042		152	13
2043-2047		42	1
Minimum future lease payments due	$	**24,043**	**1,964**

Table 14.4.1 Deferred Inflows

		Balance June 30, 2023	Amount Recognized	Interest Rate	Final Maturity Year
Right to Use	$	21,915	115	0.53% to 4.10%	2045

Table 14.4.2 Deferred Inflows

		Balance June 30, 2022	Amount Recognized	Interest Rate	Final Maturity Year
Right to Use	$	23,343	1,856	0.53% to 2.05%	2045

(Amounts expressed in thousands)

Table 14.5.1 Lease Receivables

		Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Right to Use	$	24,043	1,867	3,324	22,586	2,239

Table 14.5.2 Lease Receivables

		Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Right to Use	$	15,229	12,713	3,899	24,043	2,345

(15) Net Position

The System is subject to multiple constraints, including those imposed by Colorado Constitutional and related legislative actions, State of Colorado statutes, and external third parties.

Under the 1862 Morrill Act, the System holds endowments related to the land granted by the federal government. These funds, including proceeds from the sale of the land and income earned on the assets, are therefore restricted for use under this Act. These amounts are reported as restricted for nonexpendable purposes and restricted for expendable purposes - other on the basic financial statements.

Student loan money is expended according to external restrictions imposed by the program funding sources. The federal programs are administered according to Department of Education Blue Book guidelines. The state match money is restricted by the Colorado Commission on Higher Education policy for student loan programs. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

Gift funds are restricted based on donor requirements. Available funds include those transferred from the Foundations and not yet spent and those transferred to capital construction projects not yet complete and capitalized. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

Colorado Revised Statute Section 23-31-118 requires a support fee to be annually assessed to cooperative state or accountable students in the System's professional veterinary medicine program. The statute specifies that this fee must be credited to a reserve account and used for renovation projects and for the acquisition or replacement of equipment. Other State legislations restrict the use of certain professional veterinary medicine program funds such as pari-mutuel receipts and expenses related to horse racing. Part 10 of Colorado Revised Statute Article 23-31 enacted the Veterinary Education Loan Repayment Program. The program repays educational loans on behalf of select veterinarians practicing in rural areas where veterinary needs are not currently being met. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

The Forest Restoration Project, Healthy Forest-Vibrant Communities, and Wildfire Mitigation Incentives for Local Governments sub funds receive funding via State legislation for use in relation to wildfire risk mitigation and long-term ecological restoration. These amounts are reported as restricted for expendable purposes - other on the basic financial statements.

OPEB net assets recorded under GASB Statement No. 75 are related specifically to Other Postemployment Benefit activities and the funding of benefit plans. These amounts are reported as restricted for expendable purposes on the basic financial statements.

(Amounts expressed in thousands)

Total restricted net position was as follows:

Table 15.1 Restricted Net Position

		June 30	
		2023	**2022**
Restricted for nonexpendable purposes:			
Scholarships, research and other	$	15,684	15,447
Endowment/Land grant		16,701	16,049
Total	**$**	**32,385**	**31,496**
Restricted for expendable purposes:			
Endowment/Land grant	$	2,155	1,613
Student loans		15,608	12,267
Colorado Water Institute		285	300
Sponsored programs		26	956
Gifts		1,996	1,827
Plant fund transfers not capitalized		5,069	857
PVM federal and state restrictions		1,491	1,297
Colorado State Forest Service legislative funds		48,001	29,634
Reserves required by third party		2,532	1,702
OPEB net assets		1,710	30,114
Other		420	163
Total	**$**	**79,293**	**80,730**

Although other amounts reflected in unrestricted net position are not externally restricted, they may be internally designated by the System's administration for various purposes.

Discretely presented component unit – In regard to the net position of the CSUS Foundation, all net position is classified as unrestricted. As of June 30, 2023 and 2022, the CSUS Foundation had unrestricted net position of $3.5 million and $4.4 million, respectively.

Discretely presented component unit – The CSU Foundation's net assets without donor restriction consist of undesignated and board-designated funds. Board-designated net assets consist of quasi-endowments designated by the Foundation's governing board for unrestricted use by CSU and for support of alumni relations, university libraries, and central development operations. The CSU Foundation's net assets with donor restrictions are restricted for use by CSU colleges and programs and a permanent source of income. As of June 30, 2023 and 2022, the CSU Foundation's Board had designated $23.9 million and $12.7 million, respectively, of the net assets without donor restrictions to be used for board-designated endowments.

Discretely presented component unit – The CSU-Pueblo Foundation's net assets without donor restriction consist of undesignated and board-designated funds. As of June 30, 2023 and 2022, the CSU-Pueblo Foundation's Board had designated $2.7 million and $2.9 million, respectively, of these funds to be used for an operating reserve for subsequent years' expense, designated operating reserve, special projects awarded to University groups for next year expenses, and University personnel discretionary funds. The CSU-Pueblo Foundation's net assets with donor restrictions consist of funds subject to expenditure for a specified purpose or time, namely related to academic support and scholarships, and endowments subject to the CSU-Pueblo Foundation endowment spending policy and appropriation.

(Amounts expressed in thousands)

Colorado State University System Fiduciary Funds – In regard to the net position of the Trust, all net position is classified as restricted for postemployment benefits other than pensions. As of June 30, 2023 and 2022, the Trust's net position restricted for postemployment benefits other than pensions were $97.8 million and $91.5 million, respectively. In regard to the net position of the Custodial Funds, all net position is classified as restricted for individuals, organizations, and other governments. As of June 30, 2023 and 2022, the System's Custodial Funds net position restricted for individuals, organizations, and other governments were $3.4 million and $3.6 million, respectively.

(16) Commitments

Outstanding purchase order commitments against future funds not reflected in the financial statements as of June 30, 2023 were $145.4 million. These outstanding purchase order commitments included $45.5 million of System capital construction commitments. CSU's commitments included approximately $4.8 million for the Clark Building Revitalization, $3.7 million for the J L Voss Veterinary Hospital renovations and addition, $3.1 million for the Lory Student Center remodel and the Adult Learner and Veteran Services Center remodel, $2.3 million for the Westfall Hall improvements, $1.8 million for the Moby Arena Basketball Locker Room, $1.3 million for the Engineering Building roof replacement, $1.2 million for the Animal Reproduction and Biotechnology Lab roof replacement, and $1.2 million for the Mountain Trail Loop. CSU-Pueblo's commitments included approximately $13.2 million for the Technology Building Renovation and Addition. The remaining capital construction commitments were for other small projects at CSU and CSU-Pueblo. Of the total non capital purchase order commitments of $99.9 million, approximately $56.4 million were related to CSU sponsored contracts and grants.

In addition to purchase order commitments, the System has contracted obligations of $57.6 million at June 30, 2023 related to employment hiring incentives and shared costs on long-term federal contracts. The hiring incentives arise in recruiting faculty and research scientists whereby the University commits to pay for various laboratory remodeling, equipment, and other costs that are important to the person in accepting the position. This obligation is binding on the University upon acceptance of the employment offer. The shared cost obligations arise in connection with federal contracts and grants in which the University agrees to pay for certain costs beyond what would otherwise be reimbursed by the sponsor under the contract or grant. Although the University can exercise cancellation clauses to avoid these shared cost obligations, the University has not used that option to avoid such obligations, and such obligation is considered highly probable. In both cases, settlement of the obligation involves payments to third parties, generally within three years.

Table 16.1 Outstanding Commitments

		June 30, 2023
Purchase order commitments	$	145,412
Shared cost obligations on long-term revenue contracts		15,630
Obligations under accepted employment offers		41,994
Total	**$**	**203,036**

(17) Employment Benefits

Employees of the System, eligible for retirement benefits, participate in one of three retirement plans. Eligible student employees participate in a Student Employee Retirement Plan (SERP), which is funded solely by student contributions. The SERP is a defined contribution plan administered by a consortium of institutions of higher education in the state. All other eligible employees of the System participate in one of two additional plans, the State Division Trust Fund (SDTF), a defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA) or an Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP), subject to eligibility criteria defined by PERA and the University for each separate governing entity.

The System's total payroll for the fiscal years ended June 30, 2023 and 2022, was approximately $819.6 million and $756.4 million, respectively. Payroll for employees covered by the SDTF plan, the DCP plan, and the SERP plan was approximately $171.8 million, $567.2 million, and $20.4 million, respectively, for the fiscal year ended June 30, 2023, and $158.0 million, $499.5 million, and $15.8 million, respectively, for the fiscal year ended June 30, 2022. The remaining employees were not eligible for participation in any of the System's plans.

(a) PERA Defined Benefit Pension Plan

Summary of Significant Accounting Policies

The System participates in the SDTF, a cost-sharing multiple-employer defined benefit pension plan 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 (FNP) and additions to/deductions from the FNP of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

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

Benefits Provided

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

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

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

(Amounts expressed in thousands)

- The value of the retiring employee's member contribution account plus a 100.0 percent 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 100.0 percent of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50.0 percent or 100.0 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.0 percent 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 1.0 percent 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 10.0 percent 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 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions

Eligible employees of the System and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates are summarized in the table below:

Table 17.1 Employee Contribution Rates

	Fiscal Year 2022	Fiscal Year 2023
Employee contribution	10.50%	11.00%

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

(Amounts expressed in thousands)

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

Table 17.2 Employer Contribution Requirements

	Fiscal Year 2022		Fiscal Year 2023	
	CY21	CY22		CY23
	7/1 to 12/31	1/1 to 6/30	7/1 to 12/31	1/1 to 6/30
Employer contribution rate	10.90%	10.90%	11.40%	11.40%
Apportioned to the Health Care Trust Fund[1]	-1.02%	-1.02%	-1.02%	-1.02%
Apportioned to the SDTF	9.88%	9.88%	10.38%	10.38%
Amortization Equalization Disbursement (AED)[2]	5.00%	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED)[2]	5.00%	5.00%	5.00%	5.00%
Defined Contribution Supplement[3]	0.05%	0.10%	0.10%	0.17%
Total employer contribution rate to the SDTF	**19.93%**	**19.98%**	**20.48%**	**20.55%**

[1]As specified in C.R.S. § 24-51-208(1)(f).

[2]As specified in C.R.S. § 24-51-411.

[3]As specified in C.R.S. § 24-51-415.

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the System is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the System were $46.2 million and $36.3 million for the fiscal years ended June 30, 2023 and 2022, respectively.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225.0 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. 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.

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

The net pension liability for the SDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The System proportion of the net pension liability was based on System contributions to the SDTF for the calendar year

(Amounts expressed in thousands)

2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State's financial reporting entity.

As of fiscal years ended June 30, 2023 and 2022, the System reported a liability of $529.4 million and $362.5 million, respectively, for its proportionate share of the net pension liability.

At December 31, 2022, the System proportion was 4.87 percent, which was a decrease of 0.05 percent from its proportion measured as of December 31, 2021.

The System has no legal obligation to fund this liability, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA or the General Assembly.

For the fiscal years ended June 30, 2023 and 2022, the System recognized pension expense of $27.9 million and negative $29.8 million, respectively. For the fiscal years ended June 30, 2023 and 2022, the System recognized pension revenue of $9.7 million and $3.8 million, respectively.

The System reported deferred outflows of resources related to pensions from the following sources:

Table 17.3 Deferred Outflows of Resources Related to Pensions

		June 30	
		2023	**2022**
Difference between expected and actual experience	$	-	2,467
Changes of assumptions or other inputs		-	12,926
Net difference between projected and actual earnings on pension plan investments		67,303	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions		938	1,765
Contributions subsequent to the measurement date		18,447	16,072
Total	**$**	**86,688**	**33,230**

The System reported deferred inflows of resources related to pensions from the following sources:

Table 17.4 Deferred Inflows of Resources Related to Pensions

		June 30	
		2023	**2022**
Difference between expected and actual experience	$	7,098	504
Net difference between projected and actual earnings on pension plan investments		-	124,762
Changes in proportion and differences between contributions recognized and proportionate share of contributions		10,023	23,509
Total	**$**	**17,121**	**148,775**

$18.4 million 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 during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

(Amounts expressed in thousands)

Table 17.5 Future Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Fiscal year ending June 30:		Total
2024	$	(19,790)
2025		6,307
2026		24,825
2027		39,778
Total	**$**	**51,120**

Actuarial Assumptions

The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Table 17.6 Actuarial Assumptions

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 AIR

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

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

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

Post-retirement non-disabled mortality assumptions for members were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94.0 percent of the rates prior to age 80 and 90.0 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87.0 percent of the rates prior to age 80 and 107.0 percent 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: 97.0 percent of the rates for all ages, with generational projection using scale MP-2019.

(Amounts expressed in thousands)

- Females: 105.0 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members were based upon the PubNS-2010 Disabled Retiree Table using 99.0 percent 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 at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were 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 percent 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:

Table 17.7 Target Allocation and Expected Real Rate of Return

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.0 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103.0 percent, at which point the AED and SAED will each drop 0.5 percent 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 $225.0 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the System'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 percent, 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 percent) or one-percentage-point higher (8.25 percent) than the current rate:

(Amounts expressed in thousands)

Table 17.8 Sensitivity of the System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 676,757	529,385	405,417

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

The System reported a payable of $3.2 million and $2.6 million for the outstanding amount of contributions to the PERA SDTF required for the fiscal year ended June 30, 2023 and 2022, respectively.

(b) Other Retirement Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description

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

Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the fiscal years ended June 30, 2023 and 2022, program members contributed $1.6 million and $1.7 million, respectively, for the PERAPlus 401(k) Plan.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description

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

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish

(Amounts expressed in thousands)

Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy

All participating employees in the PERA DC Plan and the System 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 in the tables below:

Table 17.9 Employee and Employer Contribution Rates

	Fiscal Year 2022	Fiscal Year 2023
Employee contribution rates	10.50%	11.00%
Employer contribution rates	10.15%	10.15%

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

Additionally, the employers are required to contribute AED, SAED, and other statutory amounts, as follows:

Table 17.10 Additional Employer Contribution Requirements

	Fiscal Year 2022		Fiscal Year 2023	
	CY21	CY22		CY23
	7/1 to 12/31	1/1 to 6/30	7/1 to 12/31	1/1 to 6/30
Amortization Equalization Disbursement (AED)[1]	5.00%	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED)[1]	5.00%	5.00%	5.00%	5.00%
Automatic Adjustment Provision (AAP)[2]	0.50%	0.50%	1.00%	1.00%
Defined Contribution Statutory Contribution[3]	0.25%	0.25%	0.25%	0.25%
Defined Contribution Supplement[4]	0.05%	0.10%	0.10%	0.17%
Total employer contribution rate to the SDTF	**10.80%**	**10.85%**	**11.35%**	**11.42%**

[1]As specified in C.R.S. § 24-51-411.

[2]As specified in C.R.S. § 24-51-413.

[3]As specified in C.R.S. § 24-51-1505.

[4]As specified in C.R.S. § 24-51-415.

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50.0 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10.0 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. For the fiscal year ended June 30, 2023, participating employees in the PERA DC Plan contributed $188 thousand and the System recognized contributions of $169 thousand. For the fiscal year ended June 30, 2022, participating employees in the PERA DC Plan contributed $118 thousand and the System recognized contributions of $114 thousand.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description

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

Funding Policy

The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions and investment earnings. For the fiscal years ended June 30, 2023 and 2022, program members contributed $3.6 million in both years for the PERAPlus 457 Plan.

(c) Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP)

Under each University's optional retirement plan, all Academic Faculty, Administrative Professionals, Post-Doctoral Fellows, Veterinary Interns and Clinical Psychology Interns appointed on or after April 1, 1993, are required as a condition of employment under Colorado law to participate in either the Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the PERA Defined Benefit plan (as eligibility permits). CSU began a sole recordkeeper arrangement with Fidelity on June 1, 2023. CSU-Pueblo and CSU-Global have recordkeeper arrangements with Teachers Insurance and Annuity (TIAA) and Corebridge. Prior to CSU's arrangement with Fidelity, DCP participants selected from three investment companies as follows:

1. Fidelity Investments / MetLife (eligible Faculty/Staff at CSU-Pueblo and CSU-Global do not have access to this investment company)
2. TIAA
3. Corebridge

The defined contribution retirement plans are established pursuant to state statute (C.R.S. § 24-54.5-101 to 24-54.5-107). The CSU plan was adopted by the Board of Governors in December 1992, the CSU-Pueblo plan was adopted in April 1993, and the CSU-Global plan was adopted in July 2008. The Defined Contribution Retirement Plan is a qualified plan under Section 401(a) of the IRC. CSU, CSU-Pueblo, and CSU-Global are the Plan Sponsors. All participants contribute the required 8.0 percent of eligible salary. As required, CSU provides a matching contribution of 12.0 percent of eligible salary for all "permanent" appointees (those with regular, special and continuing appointments at half time or greater) and for temporary appointees with appointments of half time or greater for the second and subsequent consecutive year(s). CSU-Pueblo provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half time and nonstudent temporary, hourly employees. CSU-Global provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half time and nonstudent temporary, hourly employees. Both employee and employer contributions are vested immediately. Investments are participant directed within the funds available through the authorized investment companies. The System's aggregate contribution to the above vendors was equal to 11.0 percent of covered payroll or approximately $62.0 million for the fiscal year ended June 30, 2023 and $56.4 million for the fiscal year ended June 30, 2022.

The employee aggregate contribution to the above vendors was equal to 8.0 percent of covered payroll or approximately $45.4 million for the fiscal year ended June 30, 2023 and $39.9 million for the fiscal year ended June 30, 2022.

The Board of Governors approved deferred compensation payments of $250 thousand for the Chancellor of the System, $100 thousand for the President of CSU-Global, and $25 thousand for the President of CSU-Pueblo, for the fiscal year ended June 30, 2023. The Board of Governors approved a deferred compensation payment of $250 thousand for the Chancellor of the System, for the fiscal year ended June 30, 2022.

The Federal retirement system covers a very limited number of employees at CSU Extension. The System's contribution to this plan was approximately $11 thousand for the fiscal year ended June 30, 2023 and $25 thousand for the fiscal year ended June 30, 2022.

(d) Student Employee Retirement Program

Eligible student employees contribute 7.5 percent of covered payroll to the student employee retirement program (SERP). The SERP is funded entirely through employee contributions with no employer match. The SERP is a mandatory plan for all student employees who are enrolled at CSU and CSU-Pueblo but are not classified as a half time student or greater. The SERP was established pursuant to state statute (C.R.S. § 24-54.6-101 through 24-54.6-106) as a mandatory nonqualified plan under 403(b) of the IRC in lieu of mandatory old age, survivors, and disability insurance (OASDI) coverage. The student retirement plan is a defined contribution plan administered by the individual agencies that make up the System, as applicable. All contributions are vested immediately and are participant directed within the funds available through the sole investment company, Fidelity (effective June 1, 2023 for CSU) and TIAA CREF for CSU-Pueblo. Prior to CSU's arrangement with Fidelity, the sole provider was TIAA CREF. The contribution by student employees for the fiscal years ended June 30, 2023 and 2022 was approximately $1.5 million and $1.2 million, respectively.

(e) Health Insurance Programs

The System's contribution to the various third-party health insurance programs was approximately $24.6 million and $24.2 million for the fiscal years ended June 30, 2023 and 2022, respectively.

(18) Risk Financing and Insurance Related Activities

CSU manages a combination of self-insured and fully-insured property and casualty insurance programs to best protect the University's assets. At CSU, separate accounts currently make up the self-insured program: workers' compensation, liability, auto comprehensive/collision, and property. CSU contracts various day-to-day operations of the self-funded benefit plans, including claims processing, to third-party administrators. CSU carries excess insurance for liability and workers' compensation claims over $500 thousand per occurrence, including claims arising from employment practices. CSU's excess liability limits for this insurance are $25.0 million per occurrence. CSU self-insures for property insurance claims less than $100 thousand per occurrence with a $1 thousand deductible per occurrence paid by the university department incurring the loss. CSU purchases property insurance with limits of $1.0 billion. In addition to this, CSU carries auto insurance for out-of-state vehicles and workers' compensation for out-of-state employees, student intern professional liability, professional liability insurance (Architects & Engineers), crime insurance, foreign liability insurance, Cyber Liability, Aviation Liability, Unmanned Aerial Vehicles Liability, TULIP (Tenant User Liability Insurance Program), and self-insures for in-state auto insurance. As of March 1, 2016, CSU purchased liability, professional liability, and pollution liability for The Center for Environmental Management Military Lands (CEMML) operations, including their prescribed burn operations. This insurance included a primary layer of $2.0 million aggregate, an umbrella layer of $5.0

(Amounts expressed in thousands)

million, and an excess layer of $5.0 million. In October 2017, after Board approval, additional limits were purchased so that CEMML could manage, and otherwise supervise prescribed burn activities. This resulted in insurance placed with total limits of liability equaling $50.0 million for CEMML.

In addition to the above, CSU is self-insured for various other risks of loss. At CSU, separate accounts currently make up the self-insured program: healthcare, dental, short-term disability, Family and Medical Leave Insurance (FAMLI), and an unallocated reserve fund. CSU contracts various day-to-day operations of the healthcare and dental self-funded benefit plans, including claims processing, to third-party administrators. Short-term disability and FAMLI, a voter approved initiative known as Proposition 118 which allows paid time off for qualifying reasons defined under the law, are administered by the University. CSU received State approval to operate its own self-funded FAMLI program with premium contributions effective January 1, 2023, and claim submissions beginning January 1, 2024. Program funding is derived from a combination of premiums paid by benefit plan participants and various institutional match amounts. The self-funded benefit plans are fully self-insured except for healthcare coverage, which is reinsured for claims expenses above $500 thousand per covered employee per year. The Unallocated Reserve Account is a general contingency reserve fund for miscellaneous and unanticipated expenses of the other health related accounts.

The amount of claims and administrative costs for the self-funded plans for the fiscal years ended June 30, 2023 and 2022 did not exceed plan revenues and reserves. Eligible faculty and nonclassified staff employees may select from various benefit plans and may elect to make premium contributions in the form of a pre-tax salary reduction.

The above health related programs had estimated claim liabilities of $51.3 million and $44.1 million at June 30, 2023 and 2022, respectively, which include incurred but not reported claims (IBNR) along with known claims at year end. These estimates are made through a combination of analyzing payments in early months of the subsequent year, historical trends, industry guidelines, and underwriting advice from our third-party administrator and benefits consultant.

In addition to these claims, workers' compensation had estimated claim liabilities of $2.3 million and $2.8 million at June 30, 2023 and 2022, respectively. Liability self-insurance had estimated claim liabilities of $1.2 million and $789 thousand at June 30, 2023 and 2022, respectively. These estimates are based on current data and actuarial reports. Property self-insurance had no estimated claim liabilities at June 30, 2023 and 2022.

The changes in the balance of claim liabilities were as follows:

Table 18.1 Claim Liabilities

		June 30	
		2023	**2022**
Claim liabilities, beginning of year	$	47,719	46,785
Incurred claims (including IBNR)		80,356	68,792
Claim payments		(73,241)	(67,858)
Claim liabilities, end of year	**$**	**54,834**	**47,719**

Claims liabilities are recorded in accrued liabilities, deposits held for others, and other noncurrent liabilities on the Statements of Net Position.

(19) Postemployment Healthcare and Life Insurance Benefits

(a) PERA Postemployment Healthcare Plan

Summary of Significant Accounting Policies

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

Plan Description

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

Benefits Provided

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

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the healthcare 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 healthcare plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

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 5.0 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent 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 System is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the System were $1.8 million and $1.6 million for the fiscal years ended June 30, 2023 and 2022, respectively.

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

As of fiscal years ended June 30, 2023 and 2022, the System reported a liability of $13.1 million and $14.2 million, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The System's proportion of the net OPEB liability was based on the System's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the System's proportion was 1.61 percent, which was a decrease of 0.04 percent from its proportion measured as of December 31, 2021.

The System has no legal obligation to fund this shortfall, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA or the General Assembly.

For the fiscal years ended June 30, 2023 and 2022, the System recognized OPEB expense of negative $702 thousand and negative $582 thousand, respectively.

The System reported deferred outflows of resources related to OPEB from the following sources:

(Amounts expressed in thousands)

Table 19.1 Deferred Outflows of Resources Related to OPEB

		June 30	
		2023	**2022**
Difference between expected and actual experience	$	2	22
Changes of assumptions or other inputs		211	295
Net difference between projected and actual earnings on OPEB plan investments		802	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions		91	112
Contributions subsequent to the measurement date		883	793
Total	**$**	**1,989**	**1,222**

The System reported deferred inflows of resources related to OPEB from the following sources:

Table 19.2 Deferred Inflows of Resources Related to OPEB

		June 30	
		2023	**2022**
Difference between expected and actual experience	$	3,174	3,381
Changes of assumptions or other inputs		1,449	773
Net difference between projected and actual earnings on OPEB plan investments		-	883
Changes in proportion and differences between contributions recognized and proportionate share of contributions		2,315	2,454
Total	**$**	**6,938**	**7,491**

$883 thousand 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 fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Table 19.3 Future Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Fiscal year ending June 30:		**Total**
2024	$	(1,967)
2025		(1,818)
2026		(1,039)
2027		(438)
2028		(472)
Thereafter		(98)
Total	**$**	**(5,832)**

(Amounts expressed in thousands)

Actuarial Assumptions

The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Table 19.4 Actuarial Assumptions

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers:	
State Division	3.30% - 10.90%
School Division	3.40% - 11.00%
Local Government Division	3.20% - 11.30%
Judicial Division	2.80% - 5.30%
State Troopers:	
State Division	3.20% - 12.40%
School Division	N/A
Local Government Division	3.20% - 12.40%
Judicial Division	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Healthcare cost trend rates:	
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

The TOL 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 the 2022 fiscal year, 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 healthcare 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.

(Amounts expressed in thousands)

Table 19.5 Age-Related Morbidity Assumptions

	Annual Increase	
Participant Age	**Male**	**Female**
65-69	3.00%	1.50%
70	2.90%	1.60%
71	1.60%	1.40%
72	1.40%	1.50%
73	1.50%	1.60%
74	1.50%	1.50%
75	1.50%	1.40%
76	1.50%	1.50%
77	1.50%	1.50%
78	1.50%	1.60%
79	1.50%	1.50%
80	1.40%	1.50%
81 and older	0.00%	0.00%

Table 19.6.1 Retiree/Spouse Per Capita Healthcare Costs with Medicare Part A

	MAPD PPO #1		MAPD PPO #2		MAPD HMO (Kaiser)	
Sample Age	**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

Table 19.6.2 Retiree/Spouse Per Capita Healthcare Costs without Medicare Part A

	MAPD PPO #1		MAPD PPO #2		MAPD HMO (Kaiser)	
Sample Age	**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 healthcare cost trend rates, as discussed below.

Healthcare 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, healthcare 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.

Healthcare cost trend rates for the PERA benefit structure are based on published annual healthcare inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the healthcare 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.

(Amounts expressed in thousands)

The PERA benefit structure healthcare cost trend rates that were used to measure the TOL are summarized in the table below:

Table 19.7 PERA Healthcare Cost Trend Rates Measuring Total OPEB Liability

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 used 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 TOL for the HCTF, but developed using 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.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection 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: 94.0 percent of the rates prior to age 80 and 90.0 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87.0 percent of the rates prior to age 80 and 107.0 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112.0 percent of the rates prior to age 80 and 94.0 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83.0 percent of the rates prior to age 80 and 106.0 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97.0 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105.0 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumption for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99.0 percent of the rates for all ages with generational projection using scale MP-2019.

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

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

- Per capita healthcare 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 healthcare 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 healthcare cost trend rates applicable to healthcare 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 healthcare 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 TOL, 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.

(Amounts expressed in thousands)

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 were 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:

Table 19.8 Target Asset Allocation and Expected Real Rate of Return

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

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

Sensitivity of the System's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

(Amounts expressed in thousands)

Table 19.9 Sensitivity of the System's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

		1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]		5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate		3.50%	4.50%	5.50%
Initial Medicare Part A trend rate		3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate		3.50%	4.50%	5.50%
Proportionate share of the net OPEB liability	**$**	**12,753**	**13,124**	**13,529**

[1]For the January 1, 2023, plan year.

Discount Rate

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

- Updated healthcare 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 3.0 percent.

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

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

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

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

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

(Amounts expressed in thousands)

Sensitivity of the System's 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 percent, 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 percent) or one-percentage-point higher (8.25 percent) than the current rate:

Table 19.10 Sensitivity of the System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

		1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$	15,215	13,124	11,336

OPEB Plan Fiduciary Net Position

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

Payables to the PERA Health Care Trust Fund

The System reported a payable of $153 thousand and $126 thousand for the outstanding contributions to the PERA HCTF required for the fiscal year ended June 30, 2023 and 2022, respectively.

(b) Other Postemployment Benefits (OPEB) – CSU

Summary of Significant Accounting Policies

The net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position and additions to/deductions from the fiduciary net position of the OPEB Trust have been determined using the economic resources measurement focus and the accrual basis of accounting. Investments are reported at fair market value. Plan members' and employer contributions are recognized in the period in which the contributions are due, and a formal commitment has been made by the employer to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are direct expenditures of the plan. The irrevocable trust does not issue separate financial statements; therefore, they are included in the basic financial statements section. The OPEB Trust's fiscal year end is June 30, 2023.

Plan Descriptions

CSU contributes to the OPEB Health Plan Trust, a single-employer defined benefit healthcare plan comprised of the CSU Retiree Medical Premium Refund Plan for DCP Participants (DCP Refund), CSU Retiree Medical Premium Subsidy for PERA Participants (PERA Subsidy), and the CSU Retiree Umbrella Rx Plan for PERA Participants (Rx Subsidy) plans. The plans, while merged, continue to provide premium support or medical benefits to eligible retired CSU faculty and nonclassified employees with the Rx Subsidy extending the benefit coverage of those eligible for the PERA Medicare Advantage plan to their spouses and dependents that elect to participate. CSU also has a self-insured Long-Term Disability Plan (LTD or LTD Income Replacement). This plan provides income replacement after the 91st consecutive calendar day of total disability. Benefit provisions for each of the plans are established and amended by the CSU President.

(Amounts expressed in thousands)

Membership of each plan consisted of the following as of June 30, 2023:

Table 19.11 Membership of Plans

	OPEB Health Plan Trust	LTD Income Replacement
Active plan members	5,634	6,289
Former employees receiving income replacement	-	28
Retirees receiving a subsidy	1,232	-
Retirees eligible for a subsidy but not yet receiving one	372	-
Total	**7,238**	**6,317**

OPEB Health Plan Trust

The OPEB Health Plan Trust is comprised of three single-employer retirement benefit plans regarding healthcare: DCP Refund, PERA Subsidy, and Rx Subsidy. The funds are combined and available for use by the OPEB Health Plan Trust. The merger was approved by CSU's Interim President in October 2022, and was effective January 1, 2023. The plan will continue to follow the individual eligibility requirements for participating individuals as follows:

DCP Refund

Employees who retire from the University at age 55 with 20 or more years of service or age 60 with 5 or more years of service are eligible for this benefit. For eligible retirees with 20 or more years of service, CSU pays a healthcare premium refund of the lesser of $648 per month or the actual cost of the retiree's (not including dependents) health insurance. Benefits are prorated for service between 5 and 20 years. DCP Refund plan participants include employees who were hired after April 1, 1993, who have no previous participation in PERA or have less than one year of participation in PERA or employees with at least one year of previous participation in PERA who elect to enroll in the DCP Refund plan at the time of appointment. DCP Refund plan participants also include certain employees hired prior to April 1, 1993 who made a one-time, irrevocable election at the time of implementation to terminate participation in PERA and join the DCP Refund plan. The DCP Refund plan is administered by HealthSmart.

PERA Subsidy

University faculty and nonclassified staff participating in the PERA retirement plan who meet CSU's age and years of service requirements and retire from the University with at least 10 years of University service, are eligible to receive a subsidy. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. The amount of the subsidy for eligible retirees is their out-of-pocket expenses for retiree only coverage or an amount equal to the premium for single coverage under the lowest cost plan available to active faculty and nonclassified staff, whichever is less. The plan is administered by PERA which bills CSU on a monthly basis for the applicable premiums.

Rx Subsidy

The University provides reimbursement for the prescription copayments made by eligible faculty and nonclassified staff who retire from the University under the PERA retirement plan with at least 10 years of service. Retirees have to be age 65 or older or eligible for Medicare and enrolled in the PERA Medicare Advantage plan to be eligible for this plan. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. PERA provides a prescription insurance program for retirees enrolled in any medical insurance plan. The PERACare Prescription insurance program covers the cost of prescriptions after the member pays a copay which varies depending on whether the prescription is purchased through a local retail pharmacy or through a mail-order pharmacy, and whether the drug is generic or a brand-name drug. The Umbrella Rx plan reimburses the retiree for the complete cost of the prescription copay less a $10 copay for retail and a $20 copay for mail-order drugs. Spouses and dependents of retirees enrolled in the plan can be covered with the payment of $44 per month for those enrolled in Medicare or $99 per month for those not enrolled in Medicare. The plan is administered by Employee Benefit Management Services, Inc.

On an annual basis, funds equal to the actuarially determined contribution (ADC), provided by the actuarial valuation, are transferred to the irrevocable trust. The funds contributed to the OPEB Health Plan Trust for the fiscal year ended June 30, 2023, were $3.7 million. These funds, along with the amounts paid in by participants of $17 thousand and the related interest income, have resulted in total funds available of $81.8 million as of fiscal year ended June 30, 2023. The benefits paid by the University were $2.8 million for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2023, the OPEB Health Plan Trust had a total OPEB liability of $114.2 million, a fiduciary net position of $81.8 million, and a net OPEB liability of $32.4 million. The fiduciary net position as a percentage of the total OPEB liability was 71.6 percent for the fiscal year ended June 30, 2023.

The funds available to cover the plan benefits for DCP Refund were $50.1 million for the fiscal year ended June 30, 2022. $272 thousand was provided for the benefit of the program for the fiscal year ended June 30, 2022. Total amounts paid to retirees for this healthcare subsidy were $1.5 million for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2022, the DCP Refund plan had a total OPEB liability of $44.9 million, a fiduciary net position of $50.1 million, and a net OPEB asset of $5.2 million. The fiduciary net position as a percentage of the total OPEB liability was 111.6 percent for the fiscal year ended June 30, 2022.

The funds available to cover the plan benefits for PERA Subsidy were $25.7 million for the fiscal year ended June 30, 2022. No funds were contributed to the plan for the fiscal year ended June 30, 2022. The benefits paid by the University were $627 thousand for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2022, the PERA Subsidy plan had a total OPEB liability of $7.5 million, a fiduciary net position of $25.7 million, and a net OPEB asset of $18.2 million. The fiduciary net position as a percentage of the total OPEB liability was 342.4 percent for the fiscal year ended June 30, 2022.

The funds contributed to Rx Subsidy for the fiscal year ended June 30, 2022, were $24 thousand. These funds, along with the amounts paid in by participants of $18 thousand and the related interest income, have resulted in total funds available of $1.1 million as of fiscal year ended June 30, 2022, for this plan. Plan members were reimbursed $87 thousand for prescription claims for the fiscal year ended June 30, 2022. For the fiscal year ended June 30, 2022, the Rx Subsidy plan had a total OPEB liability of $1.2 million, a fiduciary net position of $1.1 million, and a net OPEB liability of $151 thousand. The fiduciary net position as a percentage of the total OPEB liability was 87.9 percent for the fiscal year ended June 30, 2022.

CSU Long-Term Disability Plan

The University contributes to the LTD Income Replacement plan. This plan provides a monthly income replacement benefit which begins on the 91st consecutive calendar day of total disability. The LTD coverage provides the eligible PERA or Federal Retirement Plan participants with up to 60.0 percent of pre-disability covered monthly salary, not to exceed $22,500 per month, or up to 69.0 percent of covered monthly salary, not to exceed $25,875 per month for DCP participants. The income replacement benefit will increase 3.0

(Amounts expressed in thousands)

percent annually. The plan is offset by any other benefits or earnings received or eligible to be received from other sources such as PERA, Federal Retirement, Social Security, or Workers' Compensation. The minimum income replacement benefit is $50 per month. Employees are eligible to receive benefits until one of the following circumstances occur: recovery, death, age 65 if disabled when less than 60, four and three-fourths years if disabled between the ages of 60 and 65, or age 70 if disabled between the ages of 65 and 68 ¾. This plan is administered by SunLife Financial.

CSU funds the LTD Income Replacement plan by providing an allowance to each employee and then deducting the cost of the premium. The premiums collected are transferred to the irrevocable trust as an employee contribution. The funds contributed to the plan for the fiscal years ended June 30, 2023 and 2022 were $2.1 million and $1.9 million, respectively. These funds, which include those previously set aside and the related interest income, have resulted in total funds available of $16.0 million and $14.6 million as of the fiscal years ended June 30, 2023 and 2022, respectively. Plan members received $1.5 million and $1.2 million in benefits for the fiscal years ended June 30, 2023 and 2022, respectively. For the fiscal years ended June 30, 2023 and 2022, the LTD Income Replacement plan had a total OPEB liability of $14.1 million and $18.9 million, respectively, a fiduciary net position of $16.0 million and $14.6 million, respectively, and a net OPEB asset of $1.9 million and net OPEB liability of $4.3 million, respectively. The fiduciary net position as a percentage of the total OPEB liability was 113.8 percent and 77.2 percent for the fiscal years ended June 30, 2023 and 2022, respectively.

Contributions

CSU funds the plans using the ADC amount, an amount actuarially determined in accordance with the parameters of GASB Statement No. 43, which referred to it as annual required contribution. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years. CSU's related information for each plan for the fiscal year ended June 30, 2023 are as follows:

Table 19.12 Contribution Rates

	OPEB Health Plan Trust	LTD Income Replacement
Contribution rates:		
CSU	Based on ADC	Based on ADC
Participants	$0-$99 / month based on eligibility	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ADC of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedules of contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information comparing actuarially determined contributions, and the methods and assumptions used to calculate them, to actual contributions.

Net OPEB (Asset) Liability

The net OPEB (asset) liability was measured as of January 1, 2023, and the total OPEB liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation based on census data as of January 1, 2023, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.

(Amounts expressed in thousands)

Actuarial Methods and Assumptions

The total OPEB (asset) liability in the fiscal year ended June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Table 19.13 Actuarial Assumptions

	OPEB Health Plan Trust	**LTD Income Replacement**
Valuation date	1/1/2023	1/1/2023
Measurement date	1/1/2023	1/1/2023
Actuarial cost method	Entry Age Normal, Level Percent of Pay	Entry Age Normal, Level Percent of Pay
Amortization method	30 Years Open	30 Years Open
Remaining amortization period	30 Years	30 Years
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	6.35%	6.35%
Inflation rate	2.50%	2.50%
Salary increase rate	N/A	6.00%
Healthcare cost trend rate	6.50% initial, 4.75% ultimate	N/A

Participant mortality was determined by separate mortality rates for non-annuitants and annuitants. Non-annuitants' mortality was based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale MP-2021, and annuitants mortality was based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale MP-2021. For the LTD Income Replacement plan, the long-term disabled participant mortality is based on the 2012 Group Long-Term Disability (GLTD) table published by the Society of Actuaries with a three-month elimination period, with margin removed, with the following duration-based adjustments to recovery rates to reflect findings from the 2019 GLTD experience study: plus 40.0 percent for the first four years of disability and plus 18.0 percent for later durations.

The actuarial assumptions used in the January 1, 2023, valuation for retirement rates, non-retirement termination rates, salary scale, and participation assumptions were based on an experience study conducted in 2019.

The CSU OPEB Trust Investment Committee, in conjunction with Innovest Portfolio Solutions, LLC, developed a forward looking, five to 10-year outlook for the overall global economy along with individual asset classes. The process was iterative where preliminary return, risk, and correlation values are chosen for each asset class and entered into an optimization program. The resulting optimal portfolios were subjected to a careful examination and the return, risk, and correlation values were adjusted until portfolios produced were appropriately diversified and reasonable considering the current and expected economic conditions and were consistent with the tenets of modern portfolio theory. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table for the fiscal year ended June 30, 2023:

(Amounts expressed in thousands)

Table 19.14 Target Allocation and Expected Real Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap equity	12.00%	7.00%
Small/mid cap equity	4.00%	7.50%
International equity	10.00%	7.75%
Emerging market equity	3.00%	8.75%
Domestic fixed income	37.00%	4.75%
Floating rate corporate loans	7.00%	7.50%
Low correlated hedge	12.00%	6.00%
Private equity	5.00%	10.00%
Other real assets - midstream	5.00%	10.50%
Real estate	5.00%	4.50%
	100.00%	

The annual money-weighted rate of return net of expenses for the OPEB Trust was 5.6 percent and negative 4.3 percent for the fiscal years ended June 30, 2023 and 2022, respectively.

Discount Rate

The discount rate used to measure the total OPEB (asset) liability was as follows for each of the plans as of the fiscal year ended June 30, 2023:

Table 19.15 Discount Rate

Plan	Discount Rate
OPEB Health Plan Trust	5.60%
LTD Income Replacement	6.35%

The projection of cash flows used to determine the discount rate assumed that the contributions were made at rates equal to the actuarially determined contribution rates. In an underfunded plan, a 30-year open amortization method is not designed to fund any funding deficits. This amortization method in an underfunded plan will result in a growing funded status shortfall, eventual depletion of the Fiduciary Net Position and higher contributions in the future. Based on those assumptions, and the funded status of the OPEB Health Plan Trust as of the measurement date, the actuaries project the plan will experience a complete depletion of plan assets prior to satisfying all benefit obligations. Based on those assumptions, and the funded status of the LTD Income Replacement plan as of the measurement date and the policy contribution, the actuaries do not project the plan will experience a complete depletion of plan assets. The long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB (asset) liability.

The investment rate of return for the OPEB Health Plan Trust and LTD Income Replacement plan for the fiscal year ended June 30, 2023 was 6.35 percent. The investment rate of return for the DCP Refund, PERA Subsidy, Rx Subsidy, and LTD Income Replacement plans for the fiscal year ended June 30, 2022 was 4.25 percent. The OPEB Health Plan Trust's discount rate for the fiscal year ended June 30, 2023 was 5.60

(Amounts expressed in thousands)

percent, which incorporated a municipal bond rate of 3.72 percent, obtained from the Bond Buyer 20-Bond General Obligation Index. For the DCP Refund, PERA Subsidy, and Rx Subsidy plans, the discount rate was equal to the investment rate of return for the fiscal year ended June 30, 2022. The LTD Income Replacement plan's discount rate for the fiscal year ended June 30, 2023 was 6.35 percent. The LTD Income Replacement plan's discount rate for the fiscal year ended June 30, 2022 was 3.90 percent, which incorporated a municipal bond rate of 2.06 percent, obtained from the Bond Buyer 20-Bond General Obligation Index.

Changes in the Net OPEB (Asset) Liability

Changes in the net OPEB asset consist of the LTD Income Replacement plan. The total of the plan as of fiscal year ended June 30, 2023 are as follows:

Table 19.16.1 Changes in Net OPEB Asset

		Increase (Decrease)		
		Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (a) - (b)
Measurement period beginning balance, January 1, 2022	$	18,608	15,333	3,275
Changes for the year:				
Service cost		1,974	-	1,974
Interest		781	-	781
Differences between expected and actual experience		(800)	-	(800)
Change in assumptions		(5,793)	-	(5,793)
Contributions-employer		-	1,982	(1,982)
Net investment income		-	(799)	799
Benefit payments		(1,129)	(1,129)	-
Administrative expense		-	(37)	37
Net changes		(4,967)	17	(4,984)
Measurement period ending balance, December 31, 2022	**$**	**13,641**	**15,350**	**(1,709)**

(Amounts expressed in thousands)

Changes in the net OPEB liability consist of the OPEB Health Plan Trust. The total of the plan as of fiscal year ended June 30, 2023 are as follows:

Table 19.16.2 Changes in Net OPEB Liability

		Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Measurement period beginning balance, January 1, 2022	$	52,893	82,997	(30,104)
Changes for the year:				
Service cost		1,364	-	1,364
Interest		2,265	-	2,265
Change in plan provisions		70,682	-	70,682
Differences between expected and actual experience		(405)	-	(405)
Change in assumptions		(14,035)	-	(14,035)
Contributions-employer		-	677	(677)
Net investment income		-	(4,573)	4,573
Benefit payments		(1,944)	(1,944)	-
Administrative expense		-	(269)	269
Net changes		57,927	(6,109)	64,036
Measurement period ending balance, December 31, 2022	**$**	**110,820**	**76,888**	**33,932**

The net other postemployment benefit assets and net other postemployment benefit liabilities as of June 30, 2023 are reported on the Statements of Net Position.

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the net OPEB (asset) liability of CSU, as well as what CSU's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as of fiscal year ended June 30, 2023:

Table 19.17.1 Sensitivity of the OPEB Health Plan Trust's Net OPEB Liability to Changes in the Discount Rate

		1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Net OPEB liability	$	49,020	33,932	21,378

(Amounts expressed in thousands)

Table 19.17.2 Sensitivity of the LTD Income Replacement's Net OPEB Asset to Changes in the Discount Rate

		1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Net OPEB asset	$	(847)	(1,709)	(2,499)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB (asset) liability of CSU, as well as what CSU's net OPEB (asset) liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of fiscal year ended June 30, 2023:

Table 19.18 Sensitivity of the OPEB Health Plan Trust's Net OPEB Liability to Changes in the Healthcare Costs Trend Rates

		1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	$	31,043	33,932	36,508

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

For the fiscal years ended June 30, 2023 and 2022, CSU recognized the following OPEB expenses:

Table 19.19 OPEB Expenses

		June 30	
		2023	**2022**
OPEB Health Plan Trust	$	67,942	-
DCP Refund		-	80
PERA Subsidy		-	1,720
Rx Subsidy		-	(12,072)
LTD Income Replacement		1,343	(1,410)
Total	**$**	**69,285**	**(11,682)**

(Amounts expressed in thousands)

At June 30, 2023, CSU reported deferred outflows of resources related to OPEB from the following sources:

Table 19.20 Deferred Outflows of Resources Related to OPEB

		June 30	
		2023	2022
Differences between expected and actual experience	$	733	974
Changes of assumptions or other inputs		2,143	3,346
Net difference between projected and actual earnings on OPEB plan investments		2,755	-
Contributions subsequent to the measurement date		4,387	1,196
Total	**$**	**10,018**	**5,516**

At June 30, 2023, CSU reported deferred inflows of resources related to OPEB from the following sources:

Table 19.21 Deferred Inflows of Resources Related to OPEB

		June 30	
		2023	2022
Differences between expected and actual experience	$	2,225	1,582
Changes of assumptions or other inputs		16,048	1,602
Net difference between projected and actual earnings on OPEB plan investments		-	6,139
Total	**$**	**18,273**	**9,323**

$4.4 million 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 (asset) liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Table 19.22 Future Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Fiscal year ending June 30:		**Total**
2024	$	(3,952)
2025		(3,467)
2026		(3,107)
2027		149
2028		(591)
Thereafter		(1,674)
Total	**$**	**(12,642)**

(Amounts expressed in thousands)

Payable to the OPEB Plan

For the fiscal years ended June 30, 2023, CSU reported no payable as there were no outstanding contributions due to the Trust. For the fiscal year ended June 30, 2022, CSU reported no payable for the outstanding contributions due to the Trust.

(c) Life Insurance Program

During the fiscal years ended June 30, 2023 and 2022, PERA provided its members with access to a group decreasing term life insurance plan offered by Unum Provident. Active members may join the Unum Provident Plan and continue coverage into retirement. PERA retirees are not eligible to enroll in the insurance program. Premiums are collected by monthly payroll deductions or other means. In addition, PERA maintained coverage for members under closed group plans underwritten by Anthem Life, Prudential, and New York Life.

(20) Direct Student Financial Aid Reporting

During fiscal years ended June 30, 2023 and 2022, CSU, CSU-Global and CSU-Pueblo participated in the federal government's Direct Loan Program. This program provides loans from the federal government to qualifying students and their families for educational purposes. While CSU, CSU-Global and CSU-Pueblo help students obtain these loans, none of the Universities are a party to the loans and are not responsible for collection of monies owed or for defaults by borrowers.

The gross amounts of Direct Loans disbursed during fiscal years ended June 30, 2023 and 2022 were $211.2 million and $227.6 million, respectively.

(21) Scholarship Allowance

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

Table 21.1 Scholarship Allowance

		June 30, 2023			
		Tuition and Fees	Auxiliary Revenues	Facility Fee Revenues	Total
Gross revenue	$	736,434	224,896	19,996	981,326
Scholarship allowances:					
Federal		34,717	1,560	1,516	37,793
State		22,154	978	899	24,031
Institutional		90,313	3,861	3,321	97,495
Total allowances		147,184	6,399	5,736	159,319
Net revenue	**$**	**589,250**	**218,497**	**14,260**	**822,007**

(Amounts expressed in thousands)

Tuition, fees, and auxiliary revenues and the related scholarship allowances for the year ended June 30, 2022 were as follows:

Table 21.2 Scholarship Allowance

	June 30, 2022			
	Tuition and Fees	Auxiliary Revenues	Facility Fee Revenues	Total
Gross revenue	$ 719,142	198,796	19,496	937,434
Scholarship allowances:				
Federal	28,362	1,070	1,117	30,549
State	20,082	758	792	21,632
Institutional	84,804	3,119	3,149	91,072
Total allowances	133,248	4,947	5,058	143,253
Net revenue	**$ 585,894**	**193,849**	**14,438**	**794,181**

(22) System Foundations and Endowments

(a) Colorado State University Research Foundation dba CSU STRATA (CSU STRATA)

CSU STRATA is a private, nonprofit Colorado corporation established in 1941 to aid and assist the institutions governed by the Board of the System in their research and educational efforts. CSU STRATA officers are appointed annually by the Board of Trustees. The Board of Trustees consists of not less than five voting members and two nonvoting members. No person who is an employee of CSU, CSU-Pueblo, or CSU-Global is eligible to serve as an officer of CSU STRATA or as a voting member of the Board.

CSURF de Mexico, Association Civil (CSURF AC) and CSURF Todos Santos (CSURF TS) are wholly owned subsidiaries of CSU STRATA. CSURF AC operates the campus in Todos Santos, Mexico which aids CSU in its mission of teaching, research, and outreach. Education abroad opportunities for CSU students are available in wildlife ecology and conservation, agriculture, hospitality, nutrition, ecology, human development and family studies, the arts and more. CSURF TS was established on October 5, 2021 to respond to changes in Mexican law relating to taxing authorities.

As of June 30, 2023 and 2022 the assets of CSU STRATA consisted of the following:

Table 22.1 CSURF Assets

	June 30	
	2023	2022
Cash and current assets	$ 14,581	13,519
Property and equipment	39,398	41,208
Other assets	17,431	22,438
Total	**$ 71,410**	**77,165**

Other assets of CSU STRATA include assets held for the System of $8.4 million and $13.1 million as of June 30, 2023 and 2022, respectively.

The major sources of CSU STRATA revenues are property rentals, royalties, and service fees. During the fiscal years ended June 30, 2023 and 2022, revenues from property rentals equaled $7.4 million and $6.9 million, respectively, royalties equaled $3.2 million and $3.1 million, respectively, and service fees equaled

$5.7 million and $4.5 million, respectively. The support provided by CSU STRATA to the System includes property and equipment leasing, intellectual property and licensing management, debt financing through mortgage debt service, and land acquisition, development, and property management. Total operating expenses for the fiscal years ended June 30, 2023 and 2022 were $16.8 million and $15.0 million, respectively.

Audited financial statements of CSU STRATA are available at P.O. Box 483, Fort Collins, CO 80522.

(b) CSU-Pueblo Board Designated Funds

CSU-Pueblo manages two board designated funds. Both funds retain 20 percent of earnings each year to build the corpus of the fund and transfer 80 percent of the annual earnings to CSU-Pueblo as designated by the Board. The first fund was established in 1994 with the proceeds from the sale of land in the Walking Stick Development adjacent to the university campus. The sale of excess land provides resources that support the academic mission of CSU-Pueblo. To date, CSU-Pueblo has sold 16 parcels of land. On June 30, 2000, CSU-Pueblo sold the KTSC TV television license and certain related assets, establishing the second fund. The proceeds provide support for the maintenance of the Buell Communication Center building, telecommunications equipment associated with the Mass Communications program of CSU-Pueblo, and scholarships.

In December 2018, the Board of Governors approved the withdrawal and use of the principal of the Walking Stick Quasi-Endowment and the principal of the KTSC Quasi-Endowment to cover operational deficits at CSU-Pueblo. The Walking Stick Fund held no assets as of fiscal years ended June 30, 2023 and 2022. The KTSC Fund held no assets as of fiscal years ended June 30, 2023 and 2022.

(23) State Support

In fiscal year 2006 state support for higher education changed with the implementation of the College Opportunity Fund. As a result of this legislation, which was adopted in S.B. 04-189 passed in the 2004 state legislative session, the State no longer provides a direct state general fund appropriation to the System. Instead, state support is provided to the System in the form of fee for service contracts with the State for the delivery of special programs, graduate programs, and high cost/high demand programs. In the fiscal years ended June 30, 2023 and 2022, the System received $153.8 million and $140.2 million, respectively, in state fee for service contract revenue.

State support was also provided to the System in the form of student tuition stipends provided to students by the state College Opportunity Fund. In the fiscal years ended June 30, 2023 and 2022, stipends were provided to students attending classes at Colorado State University and Colorado State University-Pueblo in the amount of $49.4 million and $44.6 million, respectively.

(24) Contingencies

Contingencies include those in which the System is a defendant in several lawsuits including various claims related to activities or employees of the System. Except as described below, the System believes that final resolution of matters not covered by insurance will not materially or adversely affect its financial condition or operations.

A class action lawsuit has been brought forward by students who paid tuition and fees at CSU and CSU-Pueblo asserting breach of contract and, as an alternative, unjust enrichment. The dispute centers around the universities' transition to remote delivery of educational services for the latter portion of the Spring 2020 semester in response to the COVID-19 pandemic. Plaintiffs claim that the universities' actions, including canceling campus events and closing or limiting access to certain buildings, breached its contract with

Plaintiffs, or in the alternative, unjustly enriched the universities. Both claims have been dismissed by the district court, and the Plaintiffs have filed a notice to appeal that decision. The likelihood of unfavorable outcome is uncertain, but in the event the Plaintiffs prevail in their appeal, and then if the trial court was to award refunds of tuition and fees paid for the portion of the semester during which educational services were delivered remotely to all enrolled students, the universities' liability could exceed $5.0 million.

Financial Awards from Federal and State Agencies

The System receives significant financial awards from federal and state agencies in the form of grants. Expenditures of funds under those programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the System. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition or operations of the System.

(25) Subsequent Events

On November 14, 2023, Colorado State University System issued $60.7 million in System Enterprise Revenue and Revenue Refunding Bonds Series 2023 A-1 and $60.0 million in System Enterprise Revenue Bonds Series 2023 A-2 (Series 2023 A Bonds). A portion of the proceeds from the sale of the Series 2023 A-1 Bonds will be used to finance certain improvements to the Veterinary Health and Education Campus and the Andrew G. Clark Building in Fort Collins. A portion of the proceeds from the sale of the Series 2023 A-1 Bonds will also be used to refund a portion of the Series 2017 B Bonds, refund a portion of the Series 2021 C Bonds, and defray in part the cost of paying, discharging, and cancelling certain Invited Bonds of the Board tendered to the Board in response to a Tender Offer. The 2023 A-1 Tendered Bonds were purchased and cancelled by the Board on the date of issuance of the Series 2023 A Bonds. A portion of the proceeds from the sale of the Series 2023 A-2 Bonds will be used to finance certain improvements to the Veterinary Health and Education Campus in Fort Collins. A portion of the proceeds from the sale of the Series 2023 A Bonds will be used to finance any other improvements to any of the campuses for which the Board has spending authority, other capital projects as may be designated by the Board, and pay the costs of issuing the Series 2023 A-2 Bonds.

REQUIRED SUPPLEMENTAL INFORMATION

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Proportionate Share of the PERA State Division Trust Fund Net Pension Liability
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within the System's fiscal year.

Schedule of Proportionate Share of the PERA State Division Trust Fund Net Pension Liability

Calendar Year	Proportion of the Net Pension Liability (A)	Proportionate Share of the Net Pension Liability (B)	Covered Payroll (C)	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (B/C)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
CY2022	4.9%	$ 529,385	174,413	303.5%	60.6%
CY2021	4.9%	362,547	167,717	216.2%	73.1%
CY2020	5.2%	488,880	173,081	282.5%	65.3%
CY2019	5.3%	517,249	172,006	300.7%	62.2%
CY2018	5.4%	611,552	165,909	368.6%	55.1%
CY2017	5.4%	1,084,746	161,545	671.5%	43.2%
CY2016	5.4%	992,336	156,234	635.2%	42.6%
CY2015	5.5%	578,718	154,327	375.0%	56.1%
CY2014	5.6%	524,663	152,106	344.9%	59.8%
CY2013	5.6%	500,698	146,046	342.8%	61.1%

Notes to Schedule of Proportionate Share of the PERA State Division Trust Fund Net Pension Liability

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

There were no changes in terms or assumptions for the December 31, 2022, measurement period for pension 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 AI 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.
- 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 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 and Local Government Divisions changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State and Local Government Divisions was changed to the PubG-2010 Healthy Retiree Table, adjusted as follows:
  - Males: 94.00 percent of the rates prior to age 80 and 90.00 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87.00 percent of the rates prior to age 80 and 107.00 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 was changed to the PubNS-2010 Disabled Retiree Table using 99.00 percent of the rates for all ages 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 AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

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

- The 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 7.50 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 pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014, measurement period for pension 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 STATE UNIVERSITY SYSTEM

Required Supplemental Information
Schedule of PERA State Division Trust Fund Pension Contributions
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

The amounts presented are the contributions and payroll for each fiscal year (FY).

Schedule of PERA State Division Trust Fund Pension Contributions

Fiscal Year End	Contractually Required Contributions (A)	Contributions in Relation to Contractually Required Contribution (B)	Contribution Deficiency (Excess) (A-B)	Covered Payroll (C)	Contributions as a Percentage of Covered Payroll (B/C)
FY2023	$ 46,188	46,188	-	184,306	25.1%
FY2022	36,342	36,342	-	168,236	21.6%
FY2021	32,781	32,781	-	169,073	19.4%
FY2020	37,251	37,251	-	174,644	21.3%
FY2019	35,957	35,957	-	168,821	21.3%
FY2018	30,949	30,949	-	164,511	18.8%
FY2017	28,826	28,826	-	156,756	18.4%
FY2016	27,295	27,295	-	155,689	17.5%
FY2015	25,498	25,498	-	152,974	16.7%
FY2014	23,760	23,760	-	150,398	15.8%

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Proportionate Share of the PERA Health Care Trust Fund Net OPEB Liability
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Proportionate Share of the PERA Health Care Trust Fund Net OPEB Liability

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within the System's fiscal year.

Calendar Year	Proportion of the Net OPEB Liability (A)	Proportionate Share of the Net OPEB Liability (B)	Covered Payroll (C)	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll (B/C)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
CY2022	1.6%	$ 13,124	163,118	8.0%	38.6%
CY2021	1.7%	14,260	158,293	9.0%	39.4%
CY2020	1.8%	16,928	164,741	10.3%	32.8%
CY2019	1.8%	20,626	165,000	12.5%	24.5%
CY2018	1.9%	25,735	160,119	16.1%	17.0%
CY2017	1.9%	25,008	156,229	16.0%	17.5%
CY2016	1.9%	24,904	151,664	16.4%	16.7%

Notes to Schedule of Proportionate Share of the PERA Health Care Trust Fund Net OPEB Liability

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

The following changes in assumptions or other inputs were effective for the December 31, 2022 measurement period for OPEB compared to the prior year:

- 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 TOL, 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.

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

The following changes in assumptions or other inputs were effective for the December 31, 2020 measurement period for OPEB compared to the prior year:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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 compared to the prior year.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of PERA Health Care Trust Fund OPEB Contributions
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of PERA Health Care Trust Fund OPEB Contributions

The amounts presented are the contributions and payroll for each fiscal year (FY).

Fiscal Year End	Contractually Required Contributions (A)	Contributions in Relation to Contractually Required Contribution (B)	Contribution Deficiency (Excess) (A-B)	Covered Payroll (C)	Contributions as a Percentage of Covered Payroll (B/C)
FY2023	$ 1,754	1,754	-	171,942	1.02%
FY2022	1,613	1,613	-	158,125	1.02%
FY2021	1,634	1,634	-	160,164	1.02%
FY2020	1,702	1,702	-	167,015	1.02%
FY2019	1,659	1,659	-	162,682	1.02%
FY2018	1,621	1,621	-	158,896	1.02%
FY2017	1,549	1,549	-	151,819	1.02%

COLORADO STATE UNIVERSITY SYSTEM

Required Supplemental Information

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

June 30, 2023

(Unaudited)

(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
OPEB Health Plan Trust

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2022
Total OPEB liability:		
Service cost	$	1,364
Interest		2,265
Changes of benefit terms		70,682
Differences between expected and actual experience		(405)
Changes of assumptions		(14,035)
Benefit payments		(1,944)
Net change in total OPEB liability		57,927
Total OPEB liability - beginning		52,893
Total OPEB liability - ending (a)	**$**	**110,820**
Plan fiduciary net position:		
Contributions-employer	$	677
Net investment income		(4,573)
Benefit payments		(1,944)
Administrative expense		(269)
Net change in plan fiduciary net position		(6,109)
Plan fiduciary net position - beginning		82,997
Plan fiduciary net position - ending (b)	**$**	**76,888**
Net OPEB liability - ending (a)-(b)	**$**	**33,932**
Plan fiduciary net position as a percentage of the total OPEB liability		69.4%
Covered-employee payroll	$	485,660
Net OPEB liability as a percentage of covered-employee payroll		7.0%

Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
OPEB Health Plan Trust

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate assumption was updated from 4.25 percent to 5.60 percent.
- The investment return assumption was updated from 4.25 percent to 6.35 percent.
- The medical cost inflation assumption was updated from 6.00 percent through 2024 then decreasing 0.25 percent per year to 4.75 percent in 2029 and later to 6.50 percent in 2023, 6.25 percent in 2024, 5.75 percent in 2025 and then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
- The mortality improvement scale assumption was updated from Scale BB with generational projections to Scale MP-2021 with generational projections.
- Expected claim costs were updated.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for DCP Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2021	CY2020	CY2019
Total OPEB liability:				
Service cost	$	1,407	1,461	1,148
Interest		1,845	1,776	1,775
Differences between expected and actual experience		(63)	268	(50)
Changes of assumptions		455	759	3,858
Benefit payments		(1,409)	(1,232)	(1,136)
Net change in total OPEB liability		2,235	3,032	5,595
Total OPEB liability - beginning		41,904	38,872	33,277
Total OPEB liability - ending (a)	**$**	**44,139**	**41,904**	**38,872**
Plan fiduciary net position:				
Contributions-employer	$	-	-	-
Net investment income		4,500	3,810	5,699
Benefit payments		(1,409)	(1,232)	(1,136)
Administrative expense		(56)	(55)	(52)
Net change in plan fiduciary net position		3,035	2,523	4,511
Plan fiduciary net position - beginning		51,037	48,514	44,003
Plan fiduciary net position - ending (b)	**$**	**54,072**	**51,037**	**48,514**
Net OPEB asset - ending (a)-(b)	**$**	**(9,933)**	**(9,133)**	**(9,642)**
Plan fiduciary net position as a percentage of the total OPEB liability		122.5%	121.8%	124.8%
Covered-employee payroll	$	435,891	433,860	413,252
Net OPEB asset as a percentage of covered-employee payroll		-2.3%	-2.1%	-2.3%

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for DCP Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2018	CY2017	CY2016
Total OPEB liability:				
Service cost	$	1,743	1,648	N/A
Interest		1,913	1,815	N/A
Differences between expected and actual experience		377	(243)	N/A
Changes of assumptions		(6,817)	285	N/A
Benefit payments		(1,032)	(903)	N/A
Net change in total OPEB liability		(3,816)	2,602	N/A
Total OPEB liability - beginning		37,093	34,491	N/A
Total OPEB liability - ending (a)	**$**	**33,277**	**37,093**	**34,491**
Plan fiduciary net position:				
Contributions-employer	$	-	1,850	N/A
Net investment income		(1,486)	3,114	N/A
Benefit payments		(1,032)	(903)	N/A
Administrative expense		(35)	(47)	N/A
Net change in plan fiduciary net position		(2,553)	4,014	N/A
Plan fiduciary net position - beginning		46,556	42,542	N/A
Plan fiduciary net position - ending (b)	**$**	**44,003**	**46,556**	**42,542**
Net OPEB asset - ending (a)-(b)	**$**	**(10,726)**	**(9,463)**	**(8,051)**
Plan fiduciary net position as a percentage of the total OPEB liability		132.2%	125.5%	123.3%
Covered-employee payroll	$	391,638	370,767	348,547
Net OPEB asset as a percentage of covered-employee payroll		-2.7%	-2.6%	-2.3%

Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for DCP Participants

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate/investment return assumption was updated from 4.33 percent to 4.25 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after to 6.00 percent through 2024 decreasing 0.25 percent per year to 4.75 percent in 2029 and after.

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

- The discount rate/investment return assumption was updated from 4.47 percent to 4.33 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2020 declining 0.25 percent per year to 5.00 percent for 2025 and after to 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after.

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

- The discount rate/investment rate of return assumption was updated to 4.47 percent.
- The mortality assumption used the Pri-2012 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.24 percent.
- The mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.23 percent.
- The mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.33 percent.
- The mortality assumption used the RP-2016 mortality tables with separate rates for males and females with generational projection using improvement scale BB.

COLORADO STATE UNIVERSITY SYSTEM

Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for PERA Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2021	CY2020	CY2019
Total OPEB liability:				
Service cost	$	81	85	79
Interest		804	845	970
Differences between expected and actual experience		60	459	-
Changes of assumptions		(11,491)	(795)	232
Benefit payments		(912)	(909)	(904)
Net change in total OPEB liability		(11,458)	(315)	377
Total OPEB liability - beginning		18,947	19,262	18,885
Total OPEB liability - ending (a)	**$**	**7,489**	**18,947**	**19,262**
Plan fiduciary net position:				
Contributions-employer	$	-	-	-
Net investment income		2,326	1,970	3,045
Benefit payments		(912)	(909)	(904)
Administrative expense		(45)	(32)	(52)
Net change in plan fiduciary net position		1,369	1,029	2,089
Plan fiduciary net position - beginning		26,301	25,272	23,183
Plan fiduciary net position - ending (b)	**$**	**27,670**	**26,301**	**25,272**
Net OPEB (asset) liability - ending (a)-(b)	**$**	**(20,181)**	**(7,354)**	**(6,010)**
Plan fiduciary net position as a percentage of the total OPEB liability		369.5%	138.8%	131.2%
Covered-employee payroll	$	9,755	11,879	12,247
Net OPEB (asset) liability as a percentage of covered-employee payroll		-206.9%	-61.9%	-49.1%

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for PERA Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2018	CY2017	CY2016
Total OPEB liability:				
Service cost	$	320	376	N/A
Interest		2,349	2,332	N/A
Differences between expected and actual experience		(6,950)	(90)	N/A
Changes of assumptions		(20,963)	119	N/A
Benefit payments		(1,562)	(1,569)	N/A
Net change in total OPEB liability		(26,806)	1,168	N/A
Total OPEB liability - beginning		45,691	44,523	N/A
Total OPEB liability - ending (a)	**$**	**18,885**	**45,691**	**44,523**
Plan fiduciary net position:				
Contributions-employer	$	952	2,011	N/A
Net investment income		(802)	1,628	N/A
Benefit payments		(1,562)	(1,569)	N/A
Administrative expense		(25)	(34)	N/A
Net change in plan fiduciary net position		(1,437)	2,036	N/A
Plan fiduciary net position - beginning		24,620	22,584	N/A
Plan fiduciary net position - ending (b)	**$**	**23,183**	**24,620**	**22,584**
Net OPEB (asset) liability - ending (a)-(b)	**$**	**(4,298)**	**21,071**	**21,939**
Plan fiduciary net position as a percentage of the total OPEB liability		122.8%	53.9%	50.7%
Covered-employee payroll	$	13,638	15,721	17,415
Net OPEB (asset) liability as a percentage of covered-employee payroll		-31.5%	134.0%	126.0%

Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for PERA Participants

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate/investment return assumption was updated from 4.33 percent to 4.25 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after to 6.00 percent through 2024 then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
- Expected claim costs were updated.

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

- The discount rate/investment return assumption was updated from 4.47 percent to 4.33 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2020 declining 0.25 percent per year to 5.00 percent for 2025 and after to 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after.

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

- The discount rate/investment rate of return assumption was updated to 4.47 percent.
- The mortality assumption used the Pri-2012 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.24 percent.
- The mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.23 percent.
- The mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.33 percent.
- The mortality assumption used the RP-2016 mortality tables with separate rates for males and females with generational projection using improvement scale BB.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Umbrella Prescription Plan PERA Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2021	CY2020	CY2019
Total OPEB liability:				
Service cost	$	12	13	13
Interest		117	117	138
Differences between expected and actual experience		(111)	101	(147)
Changes of assumptions		(1,398)	(96)	40
Benefit payments		(79)	(55)	(47)
Net change in total OPEB liability		(1,459)	80	(3)
Total OPEB liability - beginning		2,724	2,644	2,647
Total OPEB liability - ending (a)	**$**	**1,265**	**2,724**	**2,644**
Plan fiduciary net position:				
Contributions-employer	$	76	124	133
Net investment income		103	87	116
Benefit payments		(79)	(55)	(47)
Administrative expense		(37)	(34)	(50)
Net change in plan fiduciary net position		63	122	152
Plan fiduciary net position - beginning		1,192	1,070	918
Plan fiduciary net position - ending (b)	**$**	**1,255**	**1,192**	**1,070**
Net OPEB liability - ending (a)-(b)	**$**	**10**	**1,532**	**1,574**
Plan fiduciary net position as a percentage of the total OPEB liability		99.2%	43.8%	40.5%
Covered-employee payroll	$	9,755	11,879	12,247
Net OPEB liability as a percentage of covered-employee payroll		0.1%	12.9%	12.9%

COLORADO STATE UNIVERSITY SYSTEM

Required Supplemental Information
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Umbrella Prescription Plan PERA Participants

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2018	CY2017	CY2016
Total OPEB liability:				
Service cost	$	24	28	N/A
Interest		179	182	N/A
Differences between expected and actual experience		(466)	(147)	N/A
Changes of assumptions		(488)	4	N/A
Benefit payments		(53)	(65)	N/A
Net change in total OPEB liability		(804)	2	N/A
Total OPEB liability - beginning		3,451	3,449	N/A
Total OPEB liability - ending (a)	**$**	**2,647**	**3,451**	**3,449**
Plan fiduciary net position:				
Contributions-employer	$	274	234	N/A
Net investment income		(28)	38	N/A
Benefit payments		(53)	(65)	N/A
Administrative expense		(34)	(46)	N/A
Net change in plan fiduciary net position		159	161	N/A
Plan fiduciary net position - beginning		759	598	N/A
Plan fiduciary net position - ending (b)	**$**	**918**	**759**	**598**
Net OPEB liability - ending (a)-(b)	**$**	**1,729**	**2,692**	**2,851**
Plan fiduciary net position as a percentage of the total OPEB liability		34.7%	22.0%	17.3%
Covered-employee payroll	$	13,638	15,721	17,415
Net OPEB liability as a percentage of covered-employee payroll		12.7%	17.1%	16.4%

Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Retiree Umbrella Prescription Plan PERA Participants

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate/investment return assumption was updated from 4.33 percent to 4.25 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after to 6.00 percent through 2024 then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
- Expected claim costs were updated to better reflect current expectations.

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

- The discount rate/investment return assumption was updated from 4.47 percent to 4.33 percent.
- The medical cost inflation assumption was updated from 6.25 percent for 2020 declining 0.25 percent per year to 5.00 percent for 2025 and after to 6.25 percent for 2021 declining 0.25 percent per year to 5.00 percent for 2026 and after.

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

- The discount rate/investment rate of return assumption was updated to 4.47 percent.
- The mortality assumption used the Pri-2012 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.24 percent.
- The mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.23 percent.
- The mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate/investment rate of return assumption was updated to 5.33 percent.
- The mortality assumption used the RP-2016 mortality tables with separate rates for males and females with generational projection using improvement scale BB.

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Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Long-Term Disability Income Replacement Plan

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2022	CY2021	CY2020	CY2019
Total OPEB liability:					
Service cost	$	1,974	1,843	1,814	1,294
Interest		781	736	671	540
Changes of benefit terms		-	-	-	3,174
Differences between expected and actual experience		(800)	(71)	846	134
Changes of assumptions		(5,793)	124	265	851
Benefit payments		(1,129)	(1,056)	(1,087)	(946)
Net change in total OPEB liability		(4,967)	1,576	2,509	5,047
Total OPEB liability - beginning		18,608	17,032	14,523	9,476
Total OPEB liability - ending (a)	**$**	**13,641**	**18,608**	**17,032**	**14,523**
Plan fiduciary net position:					
Contributions-employee/member	$	1,982	1,930	1,924	1,642
Net investment income		(799)	1,143	955	1,238
Benefit payments		(1,129)	(1,056)	(1,087)	(946)
Administrative expense		(37)	(37)	(39)	(53)
Net change in plan fiduciary net position		17	1,980	1,753	1,881
Plan fiduciary net position - beginning		15,333	13,353	11,600	9,719
Plan fiduciary net position - ending (b)	**$**	**15,350**	**15,333**	**13,353**	**11,600**
Net OPEB (asset) liability - ending (a)-(b)	**$**	**(1,709)**	**3,275**	**3,679**	**2,923**
Plan fiduciary net position as a percentage of the total OPEB liability		112.5%	82.4%	78.4%	79.9%
Covered-employee payroll	$	515,653	477,727	475,490	454,311
Net OPEB (asset) liability as a percentage of covered-employee payroll		-0.3%	0.7%	0.8%	0.6%

COLORADO STATE UNIVERSITY SYSTEM

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Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

June 30, 2023

(Unaudited)

(Amounts expressed in thousands)

Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

Long-Term Disability Income Replacement Plan

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

		CY2018	CY2017	CY2016
Total OPEB liability:				
Service cost	$	1,476	1,407	N/A
Interest		530	499	N/A
Changes of benefit terms		-	-	N/A
Differences between expected and actual experience		(2,400)	(221)	N/A
Changes of assumptions		(466)	69	N/A
Benefit payments		(916)	(855)	N/A
Net change in total OPEB liability		(1,776)	899	N/A
Total OPEB liability - beginning		11,252	10,353	N/A
Total OPEB liability - ending (a)	**$**	**9,476**	**11,252**	**10,353**
Plan fiduciary net position:				
Contributions-employee/member	$	1,580	1,515	N/A
Net investment income		(312)	601	N/A
Benefit payments		(916)	(855)	N/A
Administrative expense		(46)	(68)	N/A
Net change in plan fiduciary net position		306	1,193	N/A
Plan fiduciary net position - beginning		9,413	8,220	N/A
Plan fiduciary net position - ending (b)	**$**	**9,719**	**9,413**	**8,220**
Net OPEB (asset) liability - ending (a)-(b)	**$**	**(243)**	**1,839**	**2,133**
Plan fiduciary net position as a percentage of the total OPEB liability		102.6%	83.7%	79.4%
Covered-employee payroll	$	432,046	411,443	389,965
Net OPEB (asset) liability as a percentage of covered-employee payroll		-0.1%	0.4%	0.5%

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(Unaudited)
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Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Long-Term Disability Income Replacement Plan

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate assumption was updated from 3.90 percent to 6.35 percent.
- The investment return assumption was updated from 4.25 percent to 6.35 percent.
- The disabled mortality assumption, which is a combination of mortality and recovery rates, was updated from the 1987 GLTD table to the 2012 GLTD table with adjustments to reflect findings from the 2019 GLTD experience study.
- The mortality improvement scale assumption was updated from Scale BB with generational projections to Scale MP-2021 with generational projections.
- There has been a change in valuation software since the last valuation. The liability amounts calculated under the new and old methods are substantially the same.

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

- The discount rate assumption was updated from 4.01 percent to 3.90 percent.
- The investment return assumption was updated from 4.33 percent to 4.25 percent.

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

- The discount rate assumption was updated from 4.25 percent to 4.01 percent.
- The investment return assumption was updated from 4.47 percent to 4.33 percent.

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

- The discount rate was updated to 4.25 percent.
- The investment rate of return assumption was updated to 4.47 percent.
- The mortality assumption used the Pri-2012 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

Notes to Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios
Long-Term Disability Income Replacement Plan

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actual Information

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

- The discount rate was updated to 5.24 percent.
- The investment rate of return assumption was updated to 5.24 percent.
- The mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate was updated to 4.91 percent.
- The investment rate of return assumption was updated to 5.23 percent.
- The mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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

- The discount rate was updated to 5.03 percent.
- The investment rate of return assumption was updated to 5.33 percent.
- The mortality assumption used the RP-2016 mortality tables with separate rates for males and females with generational projection using improvement scale BB.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of OPEB Contributions
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of OPEB Contributions

OPEB Health Plan Trust

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2023	$ 3,682	3,682	-	508,586	0.7%

Notes To Schedule of OPEB Contributions

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2023, the valuation date was January 1, 2023.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50%
Investment rate of return	6.35%
Salary increases	N/A
Cost-of-living adjustments	N/A
Healthcare cost trend rates	6.50 percent in 2023, 6.25 percent in 2024, 5.75 percent in 2025 and then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale MP-2021) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale MP-2021).

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of OPEB Contributions
June 30, 2023
(Unaudited)
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Schedule of OPEB Contributions

Retiree Medical Subsidy for DCP Participants

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2022	$ 995	272	723	449,233	0.1%
FY2021	1,102	-	1,102	435,013	0.0%
FY2020	1,140	-	1,140	427,749	0.0%
FY2019	790	-	790	400,207	0.0%
FY2018	1,340	-	1,340	381,584	0.0%
FY2017	1,296	4,070	(2,774)	359,213	1.1%

Notes To Schedule of OPEB Contributions

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2022, the valuation date was January 1, 2021.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open
Amortization period	30 years
Asset valuation method	Market value
Inflation	Starting in fiscal year ended June 30, 2019, inflation became 2.50 percent. In prior years, inflation was 3.00 percent.
Investment rate of return	4.25%
Salary increases	N/A
Cost-of-living adjustments	N/A
Healthcare cost trend rates	6.00 percent through 2024 then decreasing by 0.25 percent per year to 4.75 percent in 2029 and later.
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale BB) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale BB). In fiscal year ended June 30, 2019, the mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2018, the mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2017, the mortality assumption used the RP-2016 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of OPEB Contributions
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of OPEB Contributions

Retiree Medical Subsidy for PERA Participants

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2022	$ -	-	-	9,517	0.0%
FY2021	-	-	-	10,741	0.0%
FY2020	-	-	-	12,095	0.0%
FY2019	-	-	-	12,573	0.0%
FY2018	1,942	1,942	-	14,903	13.0%
FY2017	1,981	1,981	-	16,396	12.1%

Notes To Schedule of OPEB Contributions

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2022, the valuation date was January 1, 2021.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years closed
Amortization period	16 years
Asset valuation method	Market value
Inflation	Starting in fiscal year ended June 30, 2019, inflation became 2.50 percent. In prior years, inflation was 3.00 percent.
Investment rate of return	4.25%
Salary increases	N/A
Cost-of-living adjustments	N/A
Healthcare cost trend rates	6.00 percent through 2024 then decreasing by 0.25 percent per year to 4.75 percent in 2029 and later.
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale BB) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale BB). In fiscal year ended June 30, 2019, the mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2018, the mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2017, the mortality assumption used the RP-2016 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

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Schedule of OPEB Contributions
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(Unaudited)
(Amounts expressed in thousands)

Schedule of OPEB Contributions

Retiree Umbrella Prescription Plan PERA Participants

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2022	$ 6	6	-	9,517	0.1%
FY2021	135	135	-	10,741	1.3%
FY2020	136	136	-	12,095	1.1%
FY2019	151	151	-	12,573	1.2%
FY2018	232	232	-	14,903	1.6%
FY2017	240	240	-	16,396	1.5%

Notes To Schedule of OPEB Contributions

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2022, the valuation date was January 1, 2021.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years closed
Amortization period	16 years
Asset valuation method	Market value
Inflation	Starting in fiscal year ended June 30, 2019, inflation became 2.50 percent. In prior years, inflation was 3.00 percent.
Investment rate of return	4.25%
Salary increases	N/A
Cost-of-living adjustments	N/A
Healthcare cost trend rates	6.00 percent through 2024 then decreasing by 0.25 percent per year to 4.75 percent in 2029 and later.
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale BB) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale BB). In fiscal year ended June 30, 2019, the mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2018, the mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2017, the mortality assumption used the RP-2016 mortality tables with separate rates for males and females and generational projection using improvement scale BB.

COLORADO STATE UNIVERSITY SYSTEM
Required Supplemental Information
Schedule of OPEB Contributions
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of OPEB Contributions

Long-Term Disability Income Replacement Plan

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2023	$ 1,205	2,103	(898)	542,737	0.4%
FY2022	2,007	1,948	59	492,124	0.4%
FY2021	1,900	1,927	(27)	476,139	0.4%
FY2020	1,869	1,787	82	469,535	0.4%
FY2019	1,286	1,610	(324)	440,686	0.4%
FY2018	1,426	1,550	(124)	421,858	0.4%
FY2017	1,373	1,478	(105)	400,340	0.4%

(Amounts expressed in thousands)

Notes to Schedule of OPEB Contributions

Long-Term Disability Income Replacement Plan

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2023, the valuation date was January 1, 2023.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open
Amortization period	30 years
Asset valuation method	Market value
Inflation	Starting in fiscal year ended June 30, 2019, inflation became 2.50 percent. In prior years, inflation was 3.00 percent.
Investment rate of return	6.35%
Salary increases	6.00%
Cost-of-living adjustments	3.00%
Healthcare cost trend rates	N/A
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale MP-2021) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale MP-2021). In fiscal years ended June 30, 2020 through June 30, 2022, the mortality assumption used the Pri-2012 mortality tables and projected generationally using Scale BB. In fiscal year ended June 30, 2019, the mortality assumption used the RP-2018 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2018, the mortality assumption used the RP-2017 mortality tables with separate rates for males and females and generational projection using improvement scale BB. In fiscal year ended June 30, 2017, the mortality assumption used the RP-2016 mortality tables with separate rates for males and females and generational projection using improvement scale BB.
	Starting in fiscal year ended June 30, 2023, long-term disabled particpant mortality was based on the 2012 Group Long-Term Disability table published by the Society of Actuaries with a three-month elimination period, with margin removed, with the following duration-based adjustments to recovery rates to reflect findings from the 2019 GLTD experience study: plus 40.0 percent for the first four years of disability and plus 18.0 percent for later durations. In prior years, long-term disabled participant mortality was based on the 1987 Commissioner's Group Disability Table with a three-month elimination period.

(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
OPEB Health Plan Trust

The amounts presented are for each fiscal year.

	FY2023
Total OPEB liability:	
Service cost	$ 1,438
Interest	2,282
Plan amendments	70,683
Demographics losses (gains)	437
Assumption changes	(11,480)
Benefit payments	(2,797)
Contributions-employee/member	17
Net change in total OPEB liability	60,580
Total OPEB liability - beginning	53,644
Total OPEB liability - ending	**$ 114,224**
Plan fiduciary net position:	
Contributions-employer	$ 3,682
Contributions-employee/member	17
Net investment income	4,328
Benefit payments	(2,797)
Administrative expense	(290)
Net change in plan fiduciary net position	4,940
Plan fiduciary net position - beginning	76,881
Plan fiduciary net position - ending	**$ 81,821**
Net OPEB liability - ending	**$ 32,403**
Plan fiduciary net position as a percentage of the total OPEB liability	71.6%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
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June 30, 2023
(Unaudited)
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Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for DCP Participants

The amounts presented are for each fiscal year.

	FY2022	FY2021	FY2020
Total OPEB liability:			
Service cost	$ 1,354	1,505	1,182
Interest	1,879	1,815	1,819
Demographics losses (gains)	(99)	240	(116)
Assumption changes	460	770	3,936
Benefit payments	(1,479)	(1,319)	(1,181)
Net change in total OPEB liability	2,115	3,011	5,640
Total OPEB liability - beginning	42,778	39,767	34,127
Total OPEB liability - ending	**$ 44,893**	**42,778**	**39,767**
Plan fiduciary net position:			
Contributions-employer	$ 272	-	-
Net investment income	(2,313)	7,806	1,188
Benefit payments	(1,479)	(1,319)	(1,181)
Administrative expense	(89)	(48)	(72)
Net change in plan fiduciary net position	(3,609)	6,439	(65)
Plan fiduciary net position - beginning	53,699	47,260	47,325
Plan fiduciary net position - ending	**$ 50,090**	**53,699**	**47,260**
Net OPEB asset - ending	**$ (5,197)**	**(10,921)**	**(7,493)**
Plan fiduciary net position as a percentage of the total OPEB liability	111.6%	125.5%	118.8%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for DCP Participants

The amounts presented are for each fiscal year.

	FY2019	FY2018	FY2017
Total OPEB liability:			
Service cost	$ 1,689	1,681	N/A
Interest	2,059	1,873	N/A
Demographics losses (gains)	357	(284)	N/A
Assumption changes	(7,105)	290	N/A
Benefit payments	(1,090)	(966)	N/A
Net change in total OPEB liability	(4,090)	2,594	N/A
Total OPEB liability - beginning	38,217	35,623	N/A
Total OPEB liability - ending	**$ 34,127**	**38,217**	**35,623**
Plan fiduciary net position:			
Net investment income	$ 2,455	1,639	N/A
Benefit payments	(1,090)	(966)	N/A
Administrative expense	(39)	(37)	N/A
Net change in plan fiduciary net position	1,326	636	N/A
Plan fiduciary net position - beginning	45,999	45,363	N/A
Plan fiduciary net position - ending	**$ 47,325**	**45,999**	**45,363**
Net OPEB asset - ending	**$ (13,198)**	**(7,782)**	**(9,740)**
Plan fiduciary net position as a percentage of the total OPEB liability	138.7%	120.4%	127.3%

Fiscal year ended June 30, 2017 was the year of implementation of GASB Statement No. 74, so there was no data available except the total OPEB liability - ending, plan fiduciary net position - ending, and net OPEB (asset) liability, resulting in the rest being noted as not applicable, per the actuaries.

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
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Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for PERA Participants

The amounts presented are for each fiscal year.

		FY2022	FY2021	FY2020
Total OPEB liability:				
Service cost	$	76	83	73
Interest		811	845	974
Demographics losses (gains)		(264)	472	1
Assumption changes		(11,465)	(785)	175
Benefit payments		(627)	(922)	(900)
Net change in total OPEB liability		(11,469)	(307)	323
Total OPEB liability - beginning		18,972	19,279	18,956
Total OPEB liability - ending	**$**	**7,503**	**18,972**	**19,279**
Plan fiduciary net position:				
Contributions-employer	$	-	-	-
Net investment income		(1,187)	4,044	626
Benefit payments		(627)	(922)	(900)
Administrative expense		(56)	(37)	(53)
Net change in plan fiduciary net position		(1,870)	3,085	(327)
Plan fiduciary net position - beginning		27,564	24,479	24,806
Plan fiduciary net position - ending	**$**	**25,694**	**27,564**	**24,479**
Net OPEB (asset) liability - ending	**$**	**(18,191)**	**(8,592)**	**(5,200)**
Plan fiduciary net position as a percentage of the total OPEB liability		342.4%	145.3%	127.0%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Medical Subsidy for PERA Participants

The amounts presented are for each fiscal year.

		FY2019	FY2018	FY2017
Total OPEB liability:				
Service cost	$	285	323	N/A
Interest		2,382	2,359	N/A
Demographics losses (gains)		(7,123)	(399)	N/A
Assumption changes		(21,232)	125	N/A
Benefit payments		(1,239)	(1,563)	N/A
Net change in total OPEB liability		(26,927)	845	N/A
Total OPEB liability - beginning		45,883	45,038	N/A
Total OPEB liability - ending	**$**	**18,956**	**45,883**	**45,038**
Plan fiduciary net position:				
Contributions-employer	$	-	1,942	N/A
Net investment income		1,322	849	N/A
Benefit payments		(1,239)	(1,563)	N/A
Administrative expense		(33)	(24)	N/A
Net change in plan fiduciary net position		50	1,204	N/A
Plan fiduciary net position - beginning		24,756	23,552	N/A
Plan fiduciary net position - ending	**$**	**24,806**	**24,756**	**23,552**
Net OPEB (asset) liability - ending	**$**	**(5,850)**	**21,127**	**21,486**
Plan fiduciary net position as a percentage of the total OPEB liability		130.9%	54.0%	52.3%

Fiscal year ended June 30, 2017 was the year of implementation of GASB Statement No. 74, so there was no data available except the total OPEB liability - ending, plan fiduciary net position - ending, and net OPEB (asset) liability, resulting in the rest being noted as not applicable, per the actuaries.

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Umbrella Prescription Plan PERA Participants

The amounts presented are for each fiscal year.

		FY2022	FY2021	FY2020
Total OPEB liability:				
Service cost	$	12	12	11
Interest		115	116	137
Demographics losses (gains)		(123)	111	(138)
Assumption changes		(1,381)	(94)	32
Benefit payments		(87)	(91)	(75)
Contributions-employee/member		18	23	24
Net change in total OPEB liability		(1,446)	77	(9)
Total OPEB liability - beginning		2,694	2,617	2,626
Total OPEB liability - ending	**$**	**1,248**	**2,694**	**2,617**
Plan fiduciary net position:				
Contributions-employer	$	6	135	136
Contributions-employee/member		18	23	24
Net investment income		(55)	177	22
Benefit payments		(87)	(91)	(75)
Administrative expense		(57)	(39)	(51)
Net change in plan fiduciary net position		(175)	205	56
Plan fiduciary net position - beginning		1,272	1,067	1,011
Plan fiduciary net position - ending	**$**	**1,097**	**1,272**	**1,067**
Net OPEB liability - ending	**$**	**151**	**1,422**	**1,550**
Plan fiduciary net position as a percentage of the total OPEB liability		87.9%	47.2%	40.8%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Retiree Umbrella Prescription Plan PERA Participants

The amounts presented are for each fiscal year.

		FY2019	FY2018	FY2017
Total OPEB liability:				
Service cost	$	21	24	N/A
Interest		179	181	N/A
Demographics losses (gains)		(469)	(159)	N/A
Assumption changes		(495)	4	N/A
Benefit payments		(80)	(83)	N/A
Contributions-employee/member		26	28	N/A
Net change in total OPEB liability		(818)	(5)	N/A
Total OPEB liability - beginning		3,444	3,449	N/A
Total OPEB liability - ending	**$**	**2,626**	**3,444**	**3,449**
Plan fiduciary net position:				
Contributions-employer	$	151	232	N/A
Contributions-employee/member		26	28	N/A
Net investment income		52	22	N/A
Benefit payments		(80)	(83)	N/A
Administrative expense		(37)	(37)	N/A
Net change in plan fiduciary net position		112	162	N/A
Plan fiduciary net position - beginning		899	737	N/A
Plan fiduciary net position - ending	**$**	**1,011**	**899**	**737**
Net OPEB liability - ending	**$**	**1,615**	**2,545**	**2,712**
Plan fiduciary net position as a percentage of the total OPEB liability		38.5%	26.1%	21.4%

Fiscal year ended June 30, 2017 was the year of implementation of GASB Statement No. 74, so there was no data available except the total OPEB liability - ending, plan fiduciary net position - ending, and net OPEB (asset) liability, resulting in the rest being noted as not applicable, per the actuaries.

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Long-Term Disability Income Replacement Plan

The amounts presented are for each fiscal year.

		FY2023	FY2022	FY2021	FY2020
Total OPEB liability:					
Service cost	$	1,995	1,897	1,884	1,332
Interest		840	765	692	564
Plan amendments		-	-	-	3,174
Demographics losses (gains)		(388)	(100)	744	135
Assumption changes		(5,819)	(164)	159	1,189
Benefit payments		(1,499)	(1,170)	(1,022)	(1,094)
Net change in total OPEB liability		(4,871)	1,228	2,457	5,300
Total OPEB liability - beginning		18,957	17,729	15,272	9,972
Total OPEB liability - ending	**$**	**14,086**	**18,957**	**17,729**	**15,272**
Plan fiduciary net position:					
Contributions-employee/member	$	2,103	1,948	1,927	1,787
Net investment income		833	(629)	1,934	272
Benefit payments		(1,499)	(1,170)	(1,022)	(1,094)
Administrative expense		(49)	(33)	(38)	(57)
Net change in plan fiduciary net position		1,388	116	2,801	908
Plan fiduciary net position - beginning		14,638	14,522	11,721	10,813
Plan fiduciary net position - ending	**$**	**16,026**	**14,638**	**14,522**	**11,721**
Net OPEB (asset) liability - ending	**$**	**(1,940)**	**4,319**	**3,207**	**3,551**
Plan fiduciary net position as a percentage of the total OPEB liability		113.8%	77.2%	81.9%	76.7%

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS
Required Supplemental Information
Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Changes in the OPEB (Asset) Liability and Related Ratios
Long-Term Disability Income Replacement Plan

The amounts presented are for each fiscal year.

		FY2019	FY2018	FY2017
Total OPEB liability:				
Service cost	$	1,424	1,440	N/A
Interest		630	514	N/A
Plan amendments		-	-	N/A
Demographics losses (gains)		(2,405)	(188)	N/A
Assumption changes		(410)	(13)	N/A
Benefit payments		(896)	(907)	N/A
Net change in total OPEB liability		(1,657)	846	N/A
Total OPEB liability - beginning		11,629	10,783	N/A
Total OPEB liability - ending	**$**	**9,972**	**11,629**	**10,783**
Plan fiduciary net position:				
Contributions-employee/member	$	1,610	1,550	N/A
Net investment income		522	318	N/A
Benefit payments		(896)	(907)	N/A
Administrative expense		(40)	(60)	N/A
Net change in plan fiduciary net position		1,196	901	N/A
Plan fiduciary net position - beginning		9,617	8,716	N/A
Plan fiduciary net position - ending	**$**	**10,813**	**9,617**	**8,716**
Net OPEB (asset) liability - ending	**$**	**(841)**	**2,012**	**2,067**
Plan fiduciary net position as a percentage of the total OPEB liability		108.4%	82.7%	80.8%

Fiscal year ended June 30, 2017 was the year of implementation of GASB Statement No. 74, so there was no data available except the total OPEB liability - ending, plan fiduciary net position - ending, and net OPEB (asset) liability, resulting in the rest being noted as not applicable, per the actuaries.

COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFITS

Required Supplemental Information
Schedule of Investment Returns
June 30, 2023
(Unaudited)
(Amounts expressed in thousands)

Schedule of Investment Returns

The amounts presented are for each fiscal year.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
FY2023	5.6%
FY2022	-4.3%
FY2021	16.5%
FY2020	2.5%
FY2019	7.5%
FY2018	3.6%
FY2017	3.4%

INDEPENDENT AUDITORS' REPORT ON BOND COMPLIANCE

Members of the Legislative Audit Committee:

We have audited, 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, the financial statements of the business-type activities, aggregate discretely presented component units, and the fiduciary fund information of the Colorado State University System (the System), a higher education institution 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 System's basic financial statements, and have issued our report thereon dated January 5, 2024, which contained paragraphs emphasizing matters regarding the financial statements. Our report includes a reference to other auditors who audited the financial statements of the Colorado State University Foundation, Colorado State University Pueblo Foundation and Colorado State University System Foundation which were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on a separately by those auditors.

In connection with our audit, nothing came to our attention that caused us to believe that the System failed to comply with the terms, covenants, provisions, or conditions of the respective Authorizing Bond Resolutions and the Official Statements (collectively, bond resolutions) insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the System's noncompliance with the above-referenced terms, covenants, provision, or conditions of the bond resolutions, insofar as they relate to accounting matters.

In accordance with the respective bond resolutions discussed above, revenue bonds' earnings requirement schedules (the Schedules) are shown on page 167. We have not audited the Schedules and express no opinion on them.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 5, 2024

COLORADO STATE UNIVERSITY SYSTEM

Revenue Bonds' Earnings Requirements Schedules

June 30, 2023

(Amounts expressed in thousands)

Colorado State University (CSU) System Enterprise Revenue and Refunding Bonds

The following information is presented in accordance with the bond resolutions of System Enterprise Revenue and Refunding Bonds: Series 2010 B, C; 2012 B; 2013 A; 2015 A, B, C, D; 2015 E2; 2016 A, B; 2017 A, B, C, D, E, F; 2018 A; 2019 A, B; 2021 A, B, C, D1, D2, E; and Commercial Paper Notes Series A, B. Below is the calculation of the earnings requirement, which includes the earnings of 100 percent tuition, CSU facilities fees ($21.75 of the total $23.75 credit hour fee), CSU-Pueblo facilities fees ($28.90 of the total $31.50 credit hour fee), CSU Research Building Revolving Fund, auxiliary, and bond subsidy pledged revenues.

For the purposes of determining compliance with the bond resolutions, System Enterprise Revenue earnings for the fiscal year ended June 30, 2023 are computed as follows:

	Tuition and Facilities Fee	Research Building Revolving Fund	Auxiliary	Bond Subsidy	Total
Pledged revenues	$ 549,109	81,367	175,613	1,511	807,600
Pledged fee revenues	18,373	-	35,784	-	54,157
Pledged investment income	567	169	1,751	-	2,487
	568,049	81,536	213,148	1,511	864,244
Operating expenses	9	4,384	156,664	-	161,057
Pledged revenue, net of operating expenses	568,040	77,152	56,484	1,511	703,187

Net income required under the bond resolution:	
Current year principal and interest payments	$ 17,582
Minimum earnings ratio required by bond resolution	100%
Net income required under the bond resolution	$ 17,582

The net income to meet the earnings requirement under the bond resolution shown above exceeds the required amount.

See accompanying independent auditors' report on Bond Compliance.

Please Note: This is System level data and as such contains both Fort Collins and Pueblo.

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

Legislative Audit Committee & Board of Governors
Colorado State University - System
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, the aggregate discretely presented component units and the fiduciary fund information of Colorado State University - System, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Colorado State University - System's basic financial statements, and have issued our report thereon dated January 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Colorado State University Foundation, Colorado State University Pueblo Foundation and Colorado State University System Foundation which were not audited in accordance with *Government Auditing Standards*, as described in our report on Colorado State University - System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. We did identify a certain deficiency in internal controls over information technology governance and disaster recovery plans, described on page 6 of the report, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Colorado State University – System's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Colorado State University – System's response to the finding identified in our audit and described on pages 10-11 of the report. Colorado State University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 5, 2024

CliftonLarsonAllen LLP
CLAconnect.com

Legislative Audit Committee & CSU Board of Governors
Colorado State University - System
Denver, Colorado

We have audited the financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary fund information of the Colorado State University - System as of and for the years ended June 30, 2023 and 2022, and have issued our report thereon dated January 5, 2024. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Colorado State University Foundation (the CSU Foundation), the Colorado State University Pueblo Foundation (CSU-Pueblo Foundation) and the Colorado State University System Foundation (CSUS Foundation) which are discretely presented component units and were not audited in accordance with *Government Auditing Standards*.

We have previously communicated to management information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our planning communication letter dated June 30, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Colorado State University - System are described in Note 3 to the financial statements.

As described in Note 3. M., the System implemented Government Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*, during the fiscal year ended June 30, 2023. GASB Statement No. 96 improves financial reporting for transactions that meet the definition of a subscription based information technology arrangement and improves the comparability in financial reporting by governments. As a result of the implementation of this standard, the System restated its June 30, 2022 beginning net position as shown in Note 3.M. to the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

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

- Management's estimate of the allowance for doubtful accounts is based on historical collection rates. We evaluate the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 70 years. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability is based on actuarial assumptions and involves no judgement on management's part. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Summer session tuition unearned revenue is the estimate of the number of days of summer courses that were incurred subsequent to fiscal year-end, but for which tuition was charged and collected prior to fiscal year-end.

- Management's estimate of claims liability, including incurred but not reported (IBNR) is based on outstanding claims reserves as of year-end and historical claims IBNR data. We evaluated the key factors and assumptions used to develop the claims liability and IBNR in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the compensated absences liability is based on a three or five year rolling average of actual payouts. We evaluated the key factors and assumptions used to develop the compensated absences liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the asset retirement obligation liability is based on estimates of costs to retire certain assets in the future. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

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

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

Difficulties encountered in performing the audit

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

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

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

Disagreements with management

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

Management representations

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

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

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

Limitations on the group audit

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

Required supplementary information

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

Our auditors' opinion, the audited financial statements, and the notes to the financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document the System prepares, such as an annual report, should be done only with our prior approval and review of the document.

* * *

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 5, 2024