

# Transparency

## Financial Accountability Report

Fiscal Year 2011 Financial Highlights

Colorado  
State  
University



- Cost to Students
- Economic Impact to the State of Colorado
- Peer Institution Comparisons



Dr. Anthony A. Frank  
President  
Colorado State University

### Colorado State University: Academic Excellence; Fiscal Responsibility and Accountability

Colorado State University is serious about its commitment to hold expenses in check and return the greatest possible value to Colorado taxpayers. This Financial Accountability Report is part of that commitment—we publish this annual report to provide easy access to the University’s audited financial statements and to openly share how we deploy resources to fulfill our academic, research, and outreach missions.

Two important points stand out in this year’s report:

- ❖ CSU is holding the line on costs. The cost to educate a student at Colorado State (when adjusted for inflation) is just about the same as it was 20 years ago, even while CSU has moved into the top tier of American public universities.
- ❖ Students and families are paying an increasing share of that cost because of declines in public support. While the state 20 years ago paid two-thirds of a Colorado student’s public education, today it pays just one-third. That cost burden has shifted to families and students.

These two points, when taken together, highlight perhaps our greatest challenge as a public university with a mission to promote educational access for students at all income levels: We need to keep CSU affordable and accessible while also effectively navigating through a time of real and significant reductions in state funding. Accountable and responsible use of our resources is an essential part of that equation.

We value the support of students, parents, donors, and taxpayers – and we’re proud to be good stewards of the public trust. Thanks for taking the time to learn more about the business of your state University.

Sincerely,

Dr. Tony Frank  
President

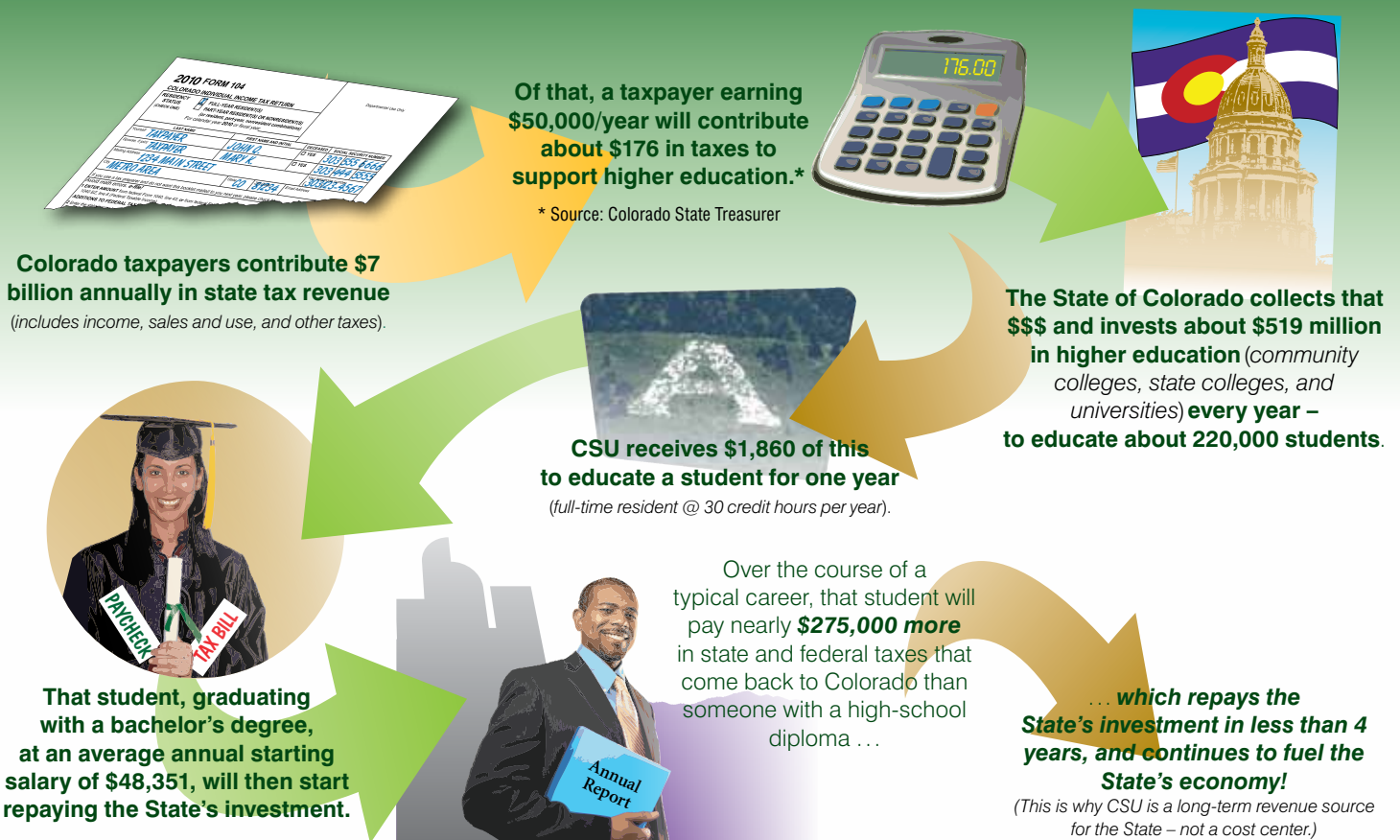
# Colorado's Investment in Higher Education

Colorado State University today educates a student for about the same cost, in inflation adjusted dollars, as it did 20 years ago – and CSU's administrative costs are still only 4 percent of the total University budget. The University has controlled its operating costs while staying focused on academic excellence.

Still, the cost to students has gone up. Why?

What has changed is that 20 years ago, two-thirds of the cost of a CSU education was paid for by the state, with taxpayer support. Today, that ratio has flipped – individual students and their families pay two-thirds of the cost, with the state paying the remaining one-third.

Colorado State believes continued strong, state support of higher education is a great investment for Colorado. For every dollar state taxpayers invest in the education of an individual Colorado State student, that student will return on average \$10 to the state in the higher taxes paid on their income after graduation.



# CSU's Financial Picture: In Context

Colorado State University's budget and expenditures are influenced by a number of factors, highlighted here.

## Student Enrollment on the Rise

Colorado State enrolled a record number of students in fall 2011 – 26,735 resident instruction students. The incoming freshman class was the most diverse, the most academically qualified, and the largest in University history, (<http://www.ir.colostate.edu/enrollment-cde.html>). CSU, as a public university, has two sources to fund the education of students: state taxpayer support and student tuition. So healthy enrollment is key to the University's fiscal stability.

## State Support

Colorado State this year received \$94 million in funding from the State of Colorado, a reduction of about \$36 million over the past three years. Colorado State has managed these state funding cuts by freezing hiring and salaries, reducing expenses (with an emphasis on cuts to administration), and increasing student tuition.

## Expenditures on Administration

Even during periods of budget reductions, CSU has focused on keeping resources in the classroom and laboratory. Today, only 4 percent of CSU's budget is spent on administrative costs.

## Expenditures on Research

Colorado State achieved a record level of research expenditures this year, topping \$330 million. Over the past six years, research spending at Colorado State has increased 24 percent, even at a time of significant cuts in federal research funding nationwide. Research expenditures include actual annual dispersal of funds for CSU research from a variety of sources including federal, state and local government as well as private sector. Often, a research grant awarded in one year (grant award) will be expended over a number of years (research expenditure). While these resources support CSU's research activities and enrich the quality of education CSU provides, they do not directly fund the education of students.

## The Campaign for Colorado State

CSU is nearing successful completion of its first major fundraising campaign, exceeding the \$500 million Campaign goal. These funds are critical to the University's advancement but, because most gifts are designated to support a specific project, scholarship, or program, donor funds cannot replace state funding and student tuition.





## CSU's Budget and Planning Process: Opportunity for Student, Parent, and Public Input

Part of CSU's commitment to accountability involves an open, public campus planning and budgeting process.

- ❖ The University publishes a rough draft budget in August for the next fiscal year. The goal of this draft budget is to give the Board of Governors and the President platforms for campus review and discussion – and for working with state lawmakers as they consider higher education's funding needs.
- ❖ The campus and community have several opportunities to provide input into both the draft budget and the preparation of more final budgets in the winter and spring. Over this time period, the University also makes adjustments for changes and developments that have arisen.
- ❖ As various draft budgets are developed, they are tied to University strategic planning efforts in a transparent and coherent way.
- ❖ The CSU strategic plan is updated regularly to reflect new priorities, new environments, new opportunities, and new ideas.

As part of this process, the University Provost each spring hosts planning and budget hearings that are open to all interested members of the campus and community. Draft budgets and related communications are also regularly updated and posted online at <http://www.president.colostate.edu/budget/index.aspx>.

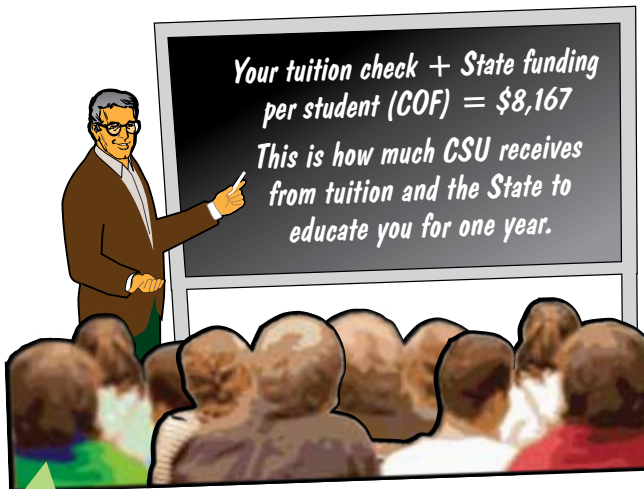
# The Life Cycle of Your Tuition Check



Your FY 2011-2012  
Tuition Check = \$6,307  
(per year)



State Tax Support (COF)  
@ \$62 per credit hour =  
\$1,860



## How Does the Cost of CSU Compare?

(Most recent national #s available are for 2010)

- National average in-state tuition and fees at public doctoral universities (2010-11) = **\$8,503**
- Tuition and fees at CSU (2011-12) = **\$8,042**  
(includes general, facilities, and tech fees)

Source: College Board Trends in College Pricing Report for 2010

## Student Support – Beyond the Classroom

- You pay these costs, but none of this money can be used to pay for faculty and academic costs.
- Figures reflect annual costs for a full-time, resident student @ 30 credit hours per year.

Source: 2011 data

**General Fees: \$1,245** Pays for student activities (concerts, lectures, movies); Student Recreation Center; Lory Student Center; CSU Health Network; athletics; veterans' programs; student government; Transport; counseling; and more

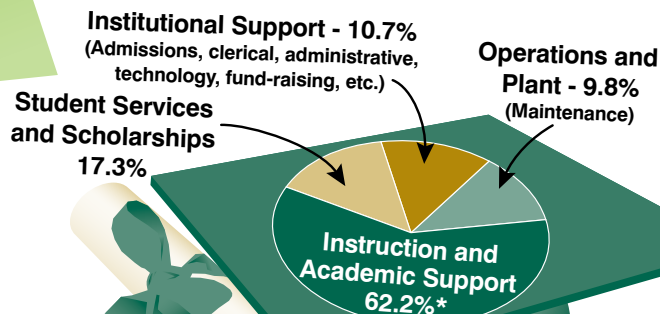
+ **University Tech Fee: \$40** Funds campus computer labs, library computing, and other technology services

+ **University Facility fee: \$450** Funds classroom improvements, renovations, and construction of new, student-focused buildings

+ **Housing and Dining (living expenses):**  
**Approximately \$9,528**

+ **Books and Supplies: Approximately \$1,126**

And here's where  
your money goes ...



\* Colorado State University FY12 Education and General Budget Data Book Expenditures by Nacubo Code

# The Cost to Students

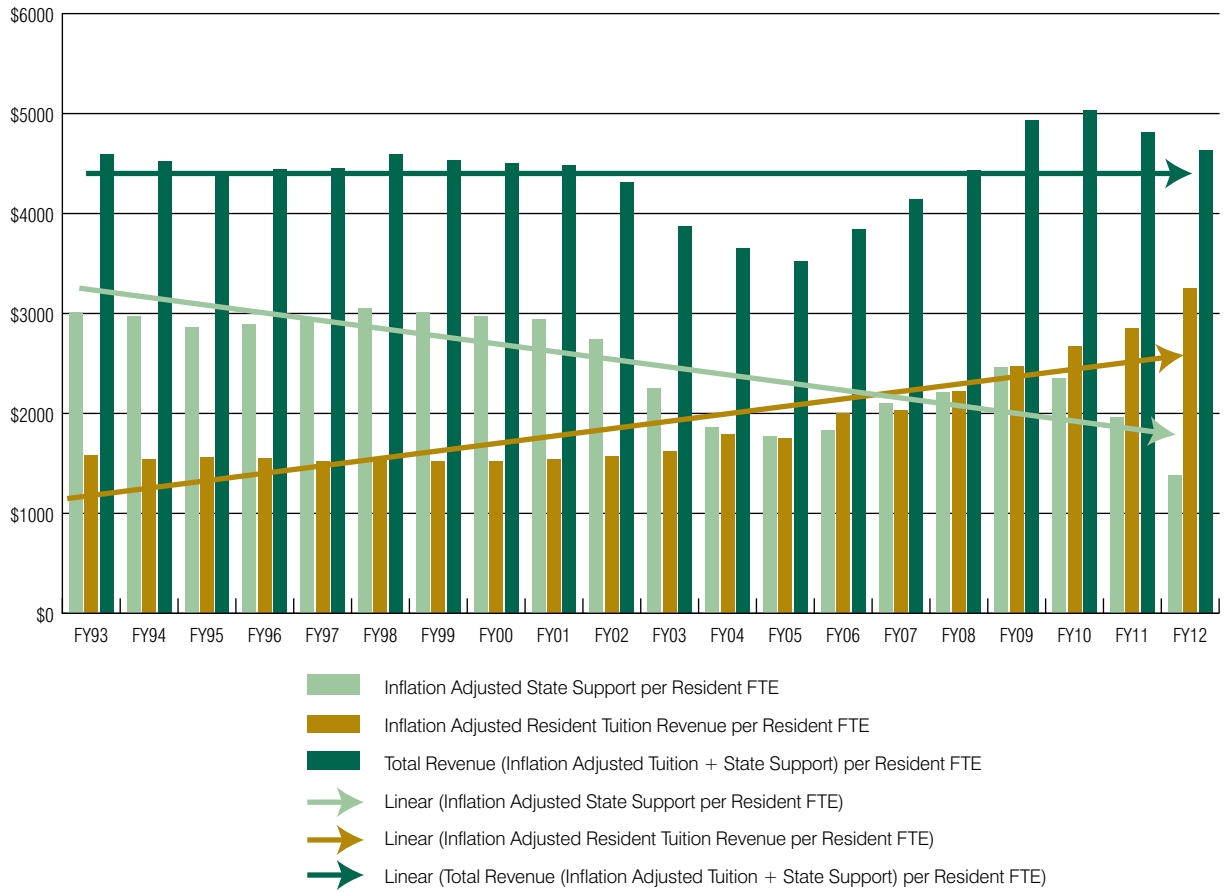
The cost to attend Colorado State University remains reasonable in comparison to peer institutions, despite increases in tuition rates this year. Still, preserving student access and affordability is an ongoing focus and concern for the University.

After a cumulative \$36 million reduction in state funding over three years, Colorado State was left with a series of unappealing choices to balance its Education & General budget—ranging from deep cuts to all portions of the University’s academic core to tuition increases that ran counter to CSU’s bedrock commitment to educational access. Believing that the quality of a CSU education should never be compromised, the institution developed a package of tuition increases for 2011-12 that was designed to ensure quality, retain the exceptional value of a CSU education, and continue to ensure opportunity and access for students at all income levels. Resident base tuition increased \$1,051 (to \$6,307 annually) - a 20% base increase. Differential tuition rates specifically tied to each academic program also increased, with those funds returning directly to each academic college to ensure a high-quality educational experience.

Even with this increase, the cost of a CSU education remains highly competitive, positioning CSU’s tuition in the middle of its peer institutions in Colorado and around the country. This was reflected in the University’s record-setting fall enrollment and increasing graduation rates. While CSU is the first-choice public university for Colorado high school graduates, it is only 4th in terms of base tuition costs – behind Colorado School of Mines, the University of Colorado-Boulder, and University of Colorado-Denver. Simply put, CSU remains an excellent value proposition for students seeking a top-quality, research university education at a reasonable price.

To ensure students in financial need have access to scholarship support, University donors and alumni stepped up through The Campaign for Colorado State University. The funding through the Campaign enhances student aid, including The Commitment to Colorado, which packages student aid to ensure affordability for families whose income is below the statewide median, and special grants for students who are close to completing their degree but might be forced to withdraw for financial reasons.

## Inflation Adjusted Revenue Trends per Resident



### EDUCATIONAL COSTS PER STUDENT FOR FY2011-12 PAID BY STUDENTS:

Tuition .....	\$6,307
General Fees.....	\$1,245
University Technology Fee .....	\$40
University Facility Fee .....	\$450

At \$8,042 in resident tuition and fees, the cost to attend Colorado State remains reasonable in comparison to peers, providing a competitive advantage along with the institution's reputation for academic rigor and excellence. (See peer comparison tables on page 7.)





## Total Cost of Attendance 2011-12

Peer Groups			Tuition				Total		
BOG	CDHE	Both	Institution	Resident	Nonresident	Fees	Room and Board†	Resident	Nonresident
		x	U.C. Davis*	\$11,220.00	\$34,098.00	\$3,903.36	\$12,697.00	\$27,820.36	\$50,698.36
x			University of Illinois, Urbana	\$11,104.00	\$25,246.00	\$3,310.00	\$10,080.00	\$24,494.00	\$38,636.00
		x	Washington State University	\$9,886.00	\$21,164.00	\$912.56	\$9,662.00	\$20,460.56	\$31,738.56
			University of Colorado	\$7,672.00	\$28,850.00	\$1,480.00	\$11,278.00	\$20,430.00	\$41,608.00
		x	Purdue University	\$8,893.20	\$27,061.20	\$584.80	\$9,510.00	\$18,988.00	\$37,156.00
	x		Auburn University	\$7,296.00	\$21,888.00	\$1,402.00	\$9,992.00	\$18,690.00	\$33,282.00
x			Michigan State University	\$9,762.00	\$24,918.00	\$52.00	\$8,754.00	\$18,568.00	\$33,724.00
		x	Virginia Tech	\$8,852.00	\$22,254.00	\$1,657.00	\$7,008.00	\$17,517.00	\$30,919.00
			Colorado State University	\$6,307.00	\$22,007.00	\$1,734.68	\$9,172.00	\$17,213.68	\$32,913.68
		x	Texas A & M University	\$5,296.50	\$20,686.50	\$3,122.02	\$8,654.00	\$17,072.52	\$32,462.52
		x	Oregon State University*	\$6,228.00	\$19,944.00	\$1,372.41	\$9,444.00	\$17,044.41	\$30,760.41
		x	University of Tennessee	\$7,224.00	\$24,066.00	\$1,172.00	\$7,954.00	\$16,350.00	\$33,192.00
		x	North Carolina State U.	\$5,153.00	\$17,988.00	\$1,865.20	\$8,536.00	\$15,554.20	\$28,389.20
		x	Iowa State University	\$6,408.00	\$18,280.00	\$1,077.60	\$7,622.00	\$15,107.60	\$26,979.60
	x		Mississippi State University**	\$5,805.00	\$14,670.00	n/a	\$8,162.00	\$13,967.00	\$22,832.00
		x	Oklahoma State University	\$3,442.80	\$12,520.80	\$2,586.20	\$7,600.00	\$13,629.00	\$22,707.00
		x	Kansas State University	\$5,548.80	\$15,442.80	\$721.20	\$7,198.00	\$13,468.00	\$23,362.00

\*Quarter system tuition and fees - AY based on Autumn/Fall, Winter, Spring quarters.

\*\* Tuition and Fees unavailable individually

† Room and Board includes max meal plan where applicable

# Revenues and Expenditures

The charts in this section illustrate the University's sources of funding and how those funds are spent in support of the University's mission. As a land-grant university, Colorado State is charged to serve the state in three primary ways: education of students, conduct of research to support the needs of our society and our world, and outreach to extend the University's educational and research capacity to areas of statewide need.

## Operating and Non-operating Revenues

(amounts expressed in thousands, as restated)

	2011	2010	2007
<b>Operating revenues</b>			
Student tuition and fees (net of scholarship allowance)	\$222,628	202,425	152,296
State COF tuition stipends	31,249	21,926	41,382
State fee for service contract	79,650	35,109	67,730
Grants and contracts	281,196	253,648	245,338
Sales and service of educational activities	22,359	22,926	18,696
Auxiliary enterprises (net of scholarship allowance)	123,366	114,807	99,311
Other operating revenue	5,362	5,156	5,087
<b>Total operating revenues</b>	<b>\$765,810</b>	<b>655,997</b>	<b>629,840</b>
<b>Non-operating revenues</b>			
State appropriations	5,700	6,300	3,250
State fiscal stabilization	5,399	72,363	-
Gifts	23,461	22,982	19,587
Federal non-operating grants and contracts	23,863	17,869	-
State capital contributions	1,779	4,235	3,819
Capital gifts and grants	12,715	17,923	21,656
Other non-operating	13,594	13,280	15,952
<b>Total non-operating revenues</b>	<b>\$86,511</b>	<b>154,952</b>	<b>64,264</b>
<b>Total revenues</b>	<b>\$852,321</b>	<b>810,949</b>	<b>694,104</b>



Student tuition and fee revenue represents tuition and fees paid by students, less scholarship allowance. The University also receives tuition revenue in the form of COF tuition stipends, which are provided to students by the state. The University also receives state support in the form of revenue generated from the State Fee-for-

Service contract. Under this contract the University provides graduate education services, professional Veterinary Medicine programs, and services to the state from the CSU agencies which include CSU Extension, Agricultural Experiment Station, and the Colorado State Forest Service.

## Operating Expenses

(amounts expressed in thousands, as restated)

	2011	2010	2007
<b>Operating expenses</b>			
Instruction	\$198,747	204,095	166,254
Research	182,192	175,776	166,428
Public service	93,920	77,731	67,730
Academic support	50,831	47,475	38,295
Student services	21,633	21,692	20,377
Institutional support	32,611	34,958	22,152
Operation and maintenance of plant	47,339	50,537	45,875
Scholarships and fellowships	9,395	9,548	5,998
Auxiliary enterprises	106,659	100,161	90,092
Depreciation	48,898	43,093	34,570
<b>Total operating expenses</b>	<b>\$792,225</b>	<b>765,066</b>	<b>657,771</b>

The programmatic use of expenses remained relatively consistent from fiscal year 2007 to fiscal year 2011.

## Revenue, Expenses, and Changes in Net Assets

(amounts expressed in thousands, as restated)

	2011	2010	2007
Operating revenues	\$765,810	655,997	629,840
Operating expenses	792,225	765,066	657,771
<b>Operating loss</b>	<b>(26,415)</b>	<b>(109,069)</b>	<b>(27,931)</b>
Non-operating revenues (net of expenses)	54,824	123,348	33,941
<b>Income (loss) before other revenues (net of expenses)</b>	<b>28,409</b>	<b>14,279</b>	<b>6,010</b>
Other revenues	12,757	19,394	25,308
Increase in Net Assets	41,166	33,673	31,318
Net Assets, beginning of year	687,061	653,388	552,352
<b>Net Assets, end of year</b>	<b>\$728,227</b>	<b>687,061</b>	<b>583,670</b>

# Revenue

Colorado State University's academic program is primarily funded by two sources: state support (in the form of College Opportunity Fund stipends and Fee-For-Service funding) and student tuition and fees.

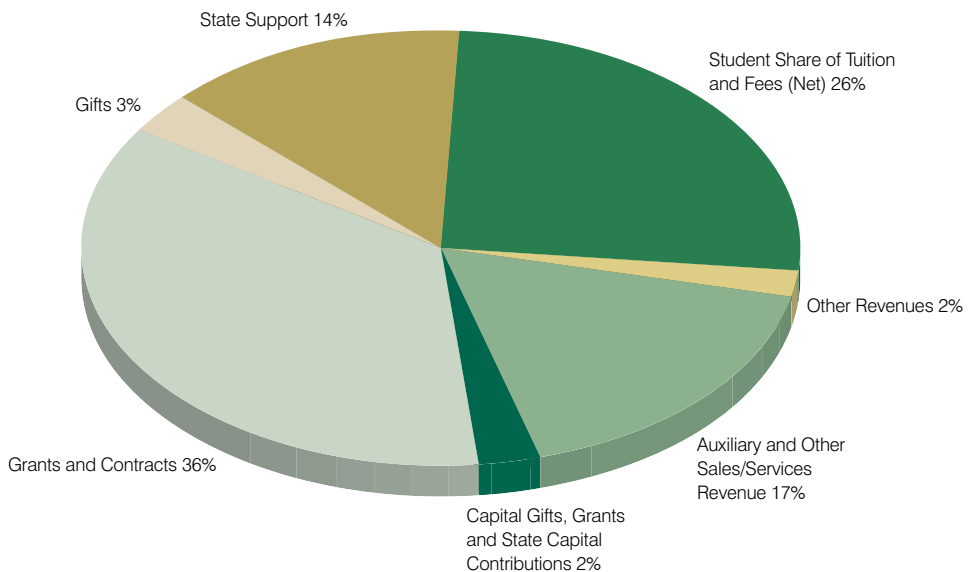
Large segments of the total university budget (including research and donor funding) generate revenue that is directed to a specific activity – to fund a particular research project or to endow a chair or scholarship, for example – and so these funds do not flow directly to the education and general (“E&G”) budget that supports the core teaching operations of the University.

The State provides the College Opportunity Fund (COF) stipends to all in-state college students, and these stipends

are then paid out to the university in which each student chooses to enroll. The University also receives state support in the form of revenue generated from the State Fee-For-Service contract. Under this contract, the University provides graduate education services, Professional Veterinary Medicine programs, and services to the State from the CSU agencies that include CSU Extension, Agricultural Experiment Station, and the Colorado State Forest Service.

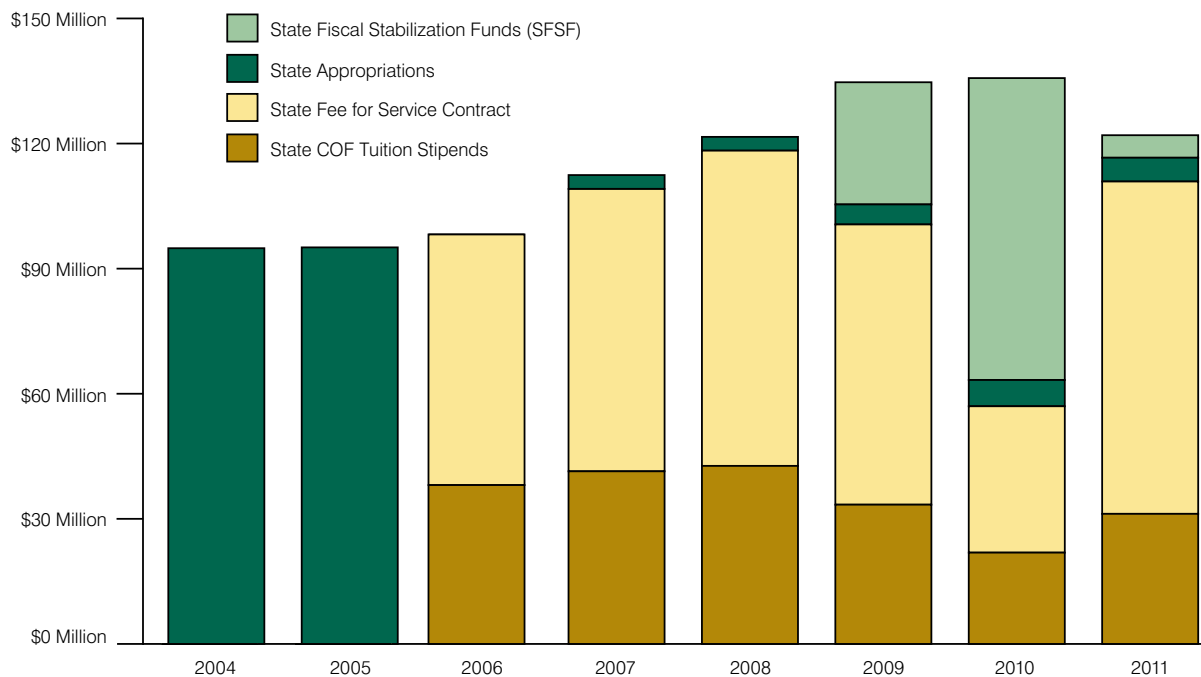
A small subset of University operations, including the Lory Student Center, Housing and Dining Services, and Continuing and Distance Education are self-supporting auxiliary enterprises funded through charges assessed to users of those services.

## FISCAL YEAR 2011



# Schedule of State Support

## FISCAL YEARS 2004 – 2011



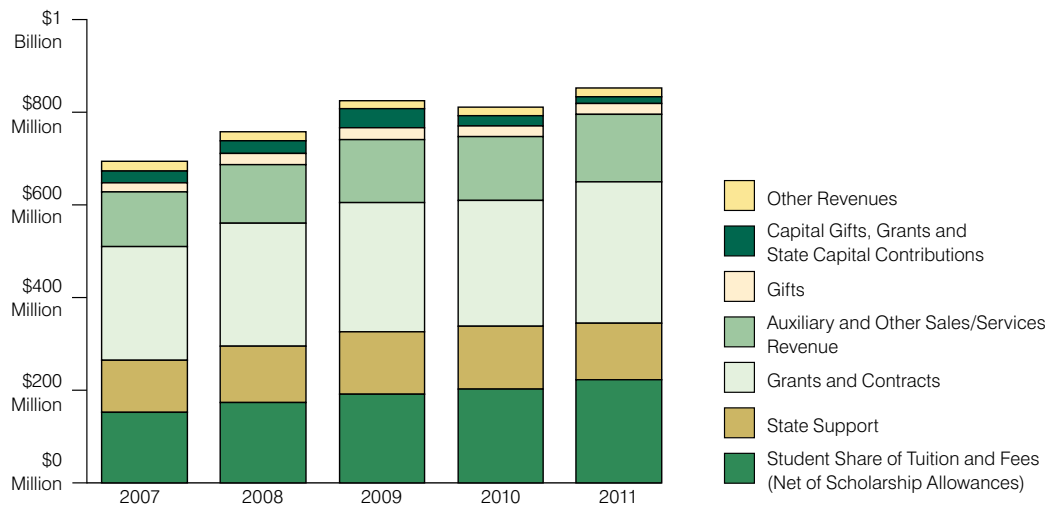
Prior to 2006, Colorado State received state funding in the form of a direct, General Fund appropriation from the State. In fiscal year 2006 that changed – today, CSU receives its state support in the form of COF (College Opportunity Fund) tuition stipends paid on behalf of each in-state student who enrolls, and revenue earned

by providing specific services to the State under a fee-for-service contract. Under this contract, the University provides graduate education services, Professional Veterinary Medicine programs, and services to the State from the CSU agencies that include CSU Extension, Agricultural Experiment Station, and the Colorado State Forest Service.

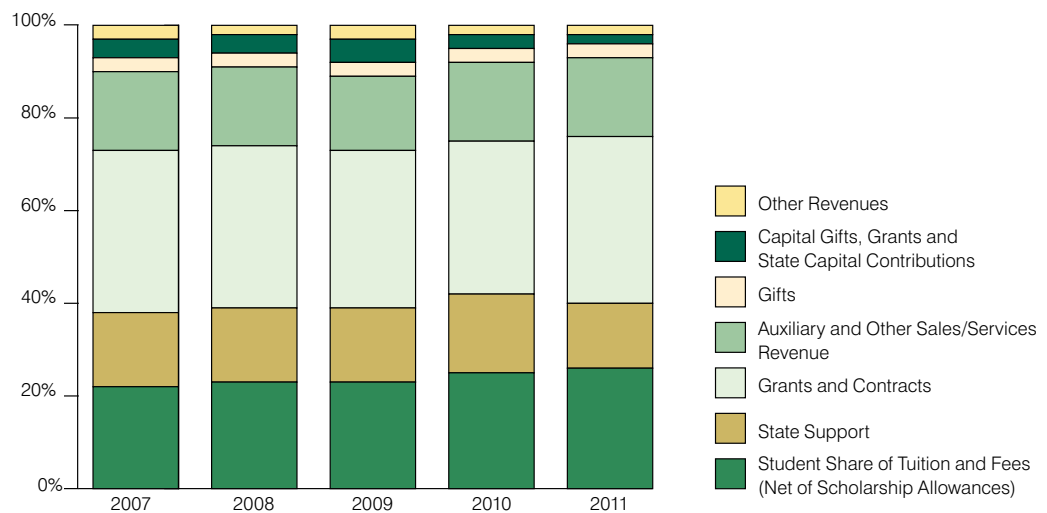
# Revenue Trends 2007-2011

Although the revenue base is growing, as demonstrated by the chart Revenue by Amount, the distribution among the categories has remained relatively consistent from year to year as demonstrated by the chart Revenue by Percentage below.

**REVENUE BY AMOUNT**



**REVENUE BY PERCENTAGE**



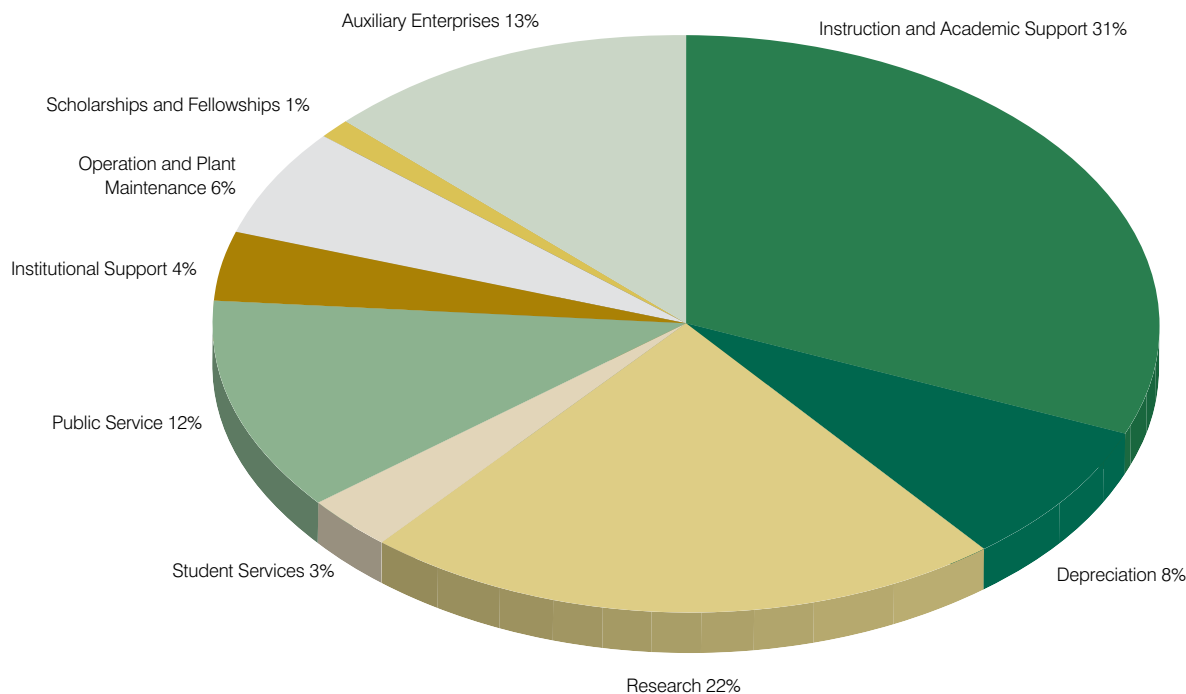
# Expenditures

Even during tight budget times, Colorado State has focused its expenditures on its academic priorities: teaching (funded by tuition and state support) and research (funded primarily by grants and contracts). Administrative costs – shown here as “institutional support” – account for 4 percent of the University’s budget.

Colorado State University utilizes the revenue it receives to support the education, research, and

public service missions of the institution. These expenditures are tracked by functional categories which designate the primary purpose for which the expenditure occurred. As the University has grown over the past five years there have been increases in all functional expense categories. Over this period, the University’s total operating expenses have increased from \$657.8 million to \$792.2 million, an overall increase of 20 percent from fiscal year 2007 to fiscal year 2011.

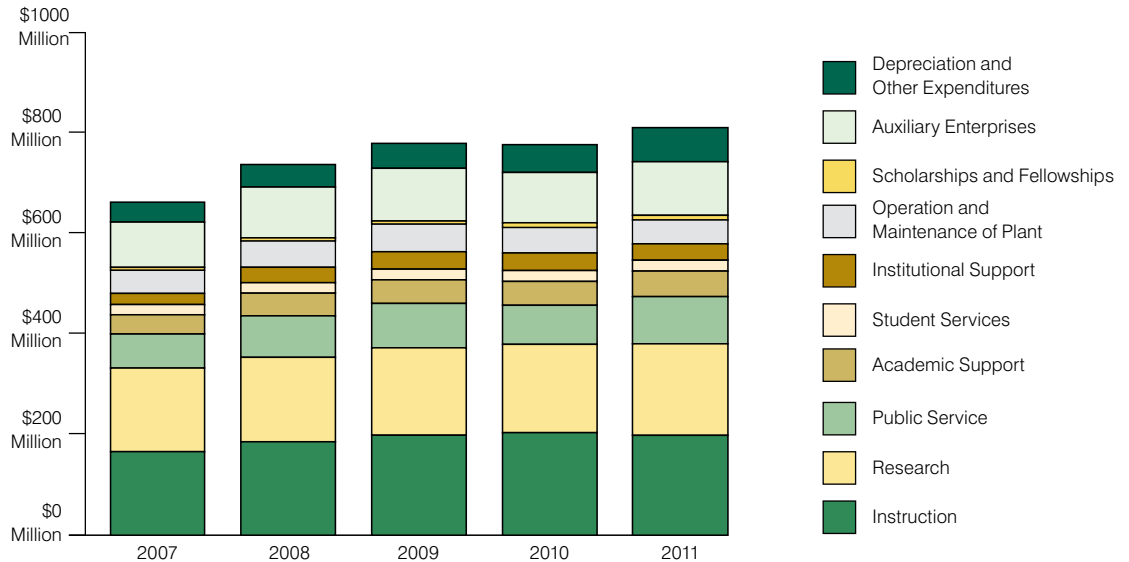
## FISCAL YEAR 2011



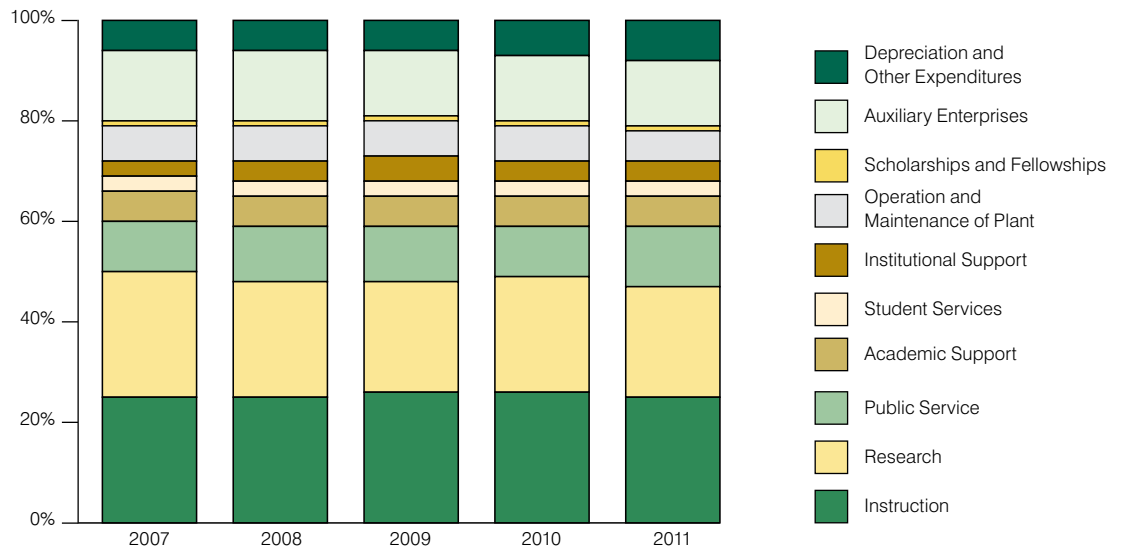
# Expenditure Trends 2007-2011

Although the expenditure base is growing as demonstrated in the chart Expenditures by Amount, the distribution among the expenditure categories has remained relatively constant between 2007 and 2011 as shown by the chart Expenditures by Percentage.

**EXPENDITURES BY AMOUNT**



**EXPENDITURES BY PERCENTAGE**

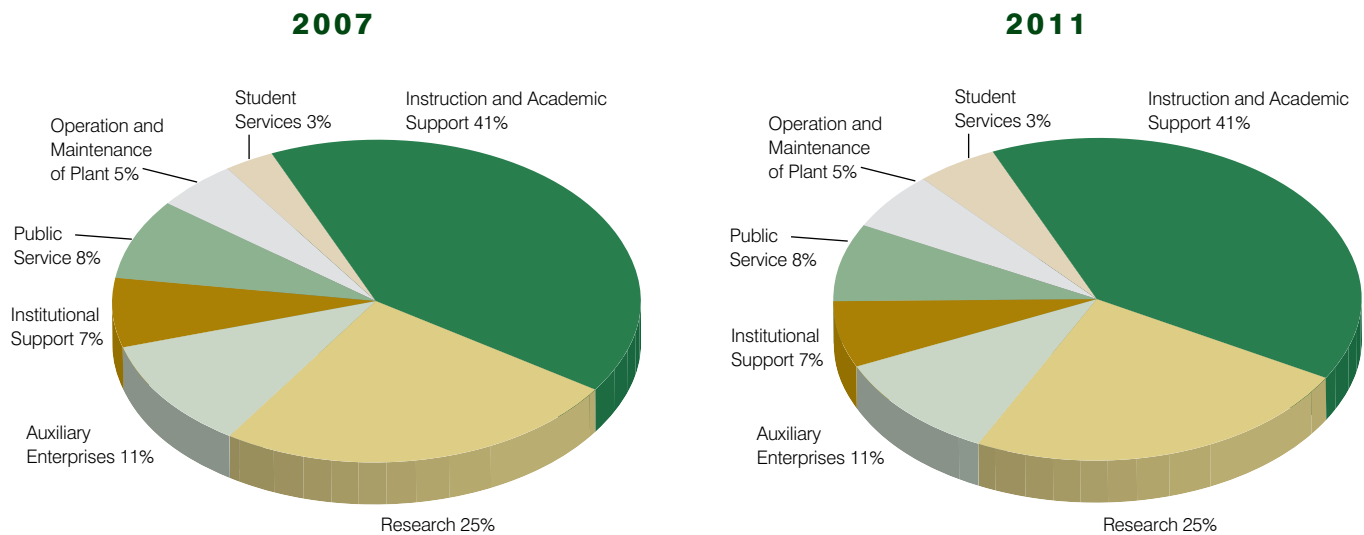




# Salary Expenditures by Functional Area

The data demonstrates that total salary expenditures, as part of the total expenditures, have remained relatively consistent between fiscal year 2007 and fiscal year 2011, with the largest increases occurring in the category of salary expenditures for instruction and academic support.

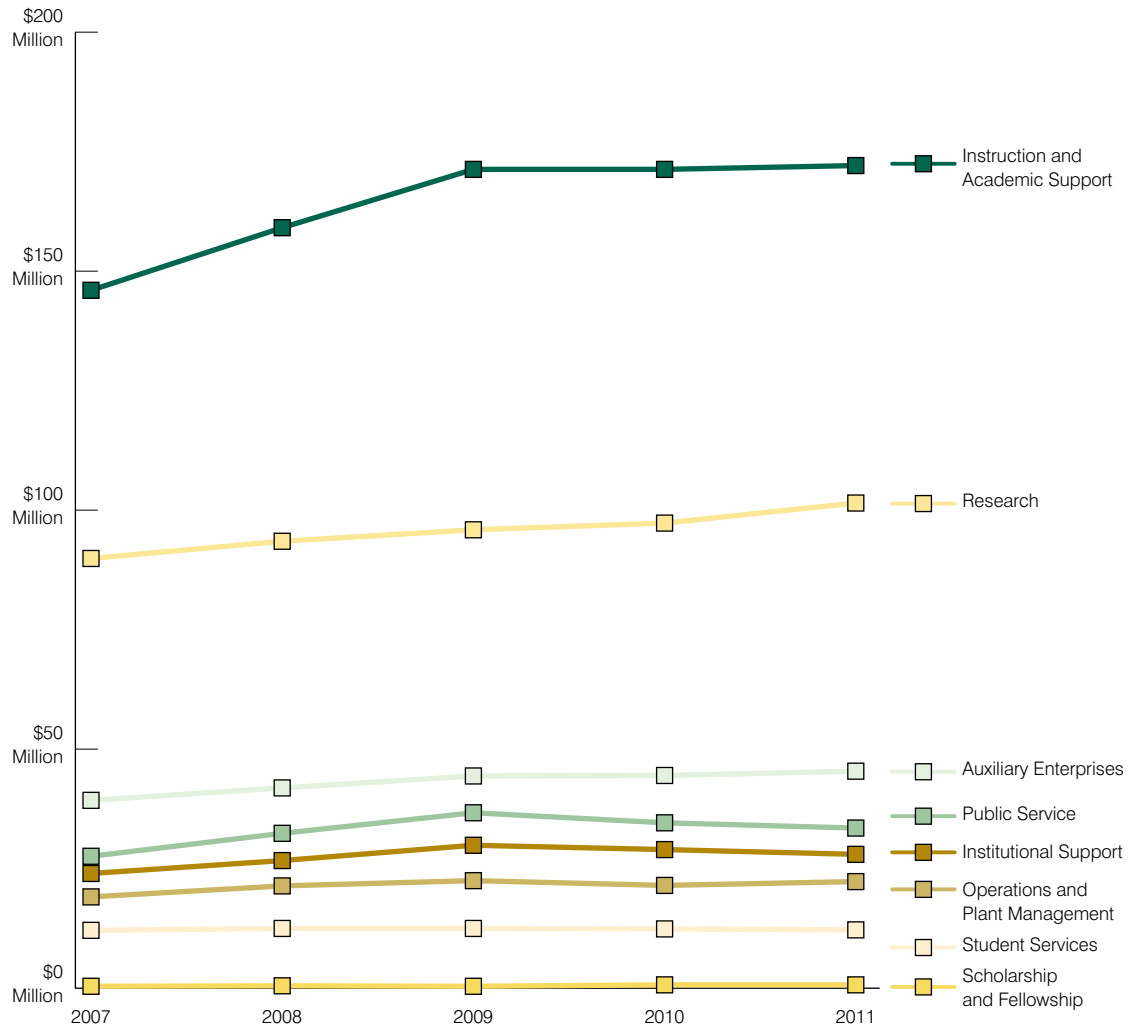
## FISCAL YEARS 2007 AND 2011



# Salary Trends

The chart below shows how CSU's salary dollars are allocated. In response to the economic downturn, the University imposed a multi-year hiring freeze in 2008. Faculty and staff have not received pay increases in Fiscal Years 2010, 2011, or 2012, and the University's permanent, full-time workforce was reduced by about 6 percent, largely through attrition.

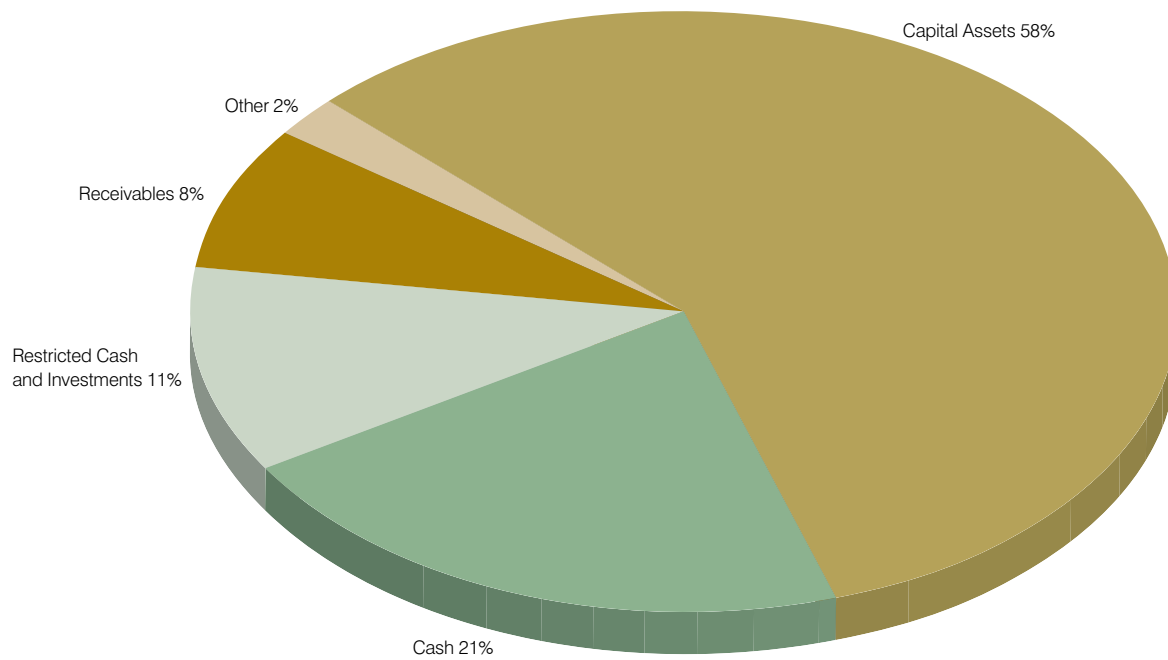
**FISCAL YEARS 2007-2011**



# Total Assets

The chart below demonstrates the University's break down of total assets with capital assets making up the majority of the assets at 58 percent.

## FISCAL YEAR 2011



# Capital Assets

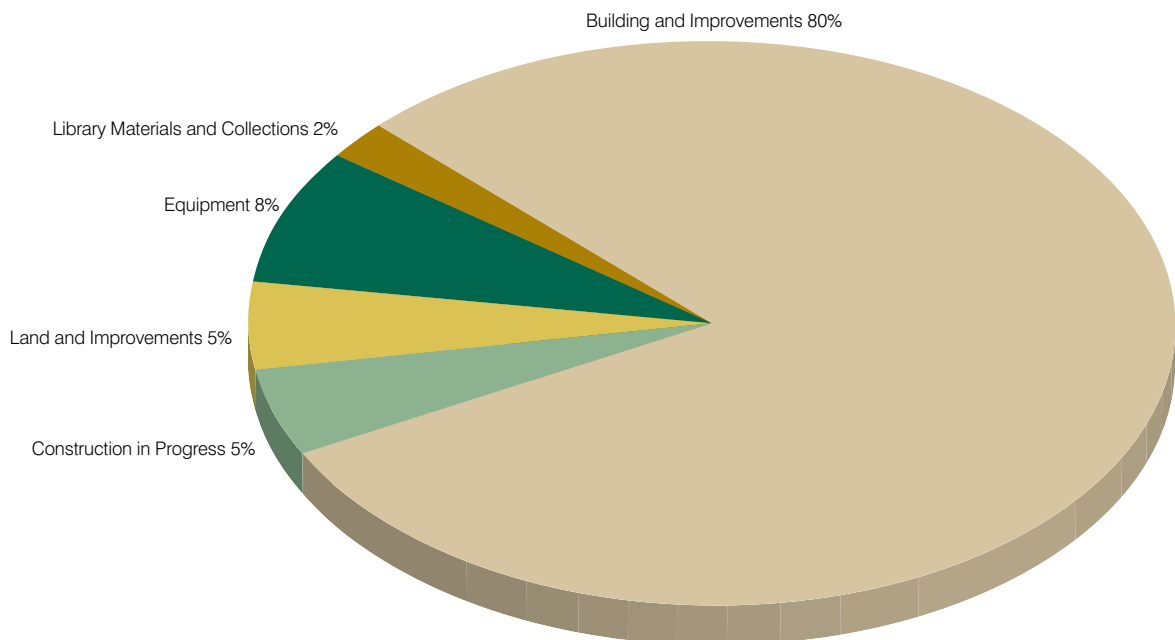
Colorado State University includes:

- ❖ A 586-acre main campus, including 101 acres for the Veterinary Teaching Hospital
- ❖ A 1,438-acre foothills campus
- ❖ A 1,575-acre agricultural campus
- ❖ A 1,177-acre Pingree Park mountain campus
- ❖ 4,043 acres of land for research centers and Colorado State Forest Service stations outside of Larimer County

The University has Library holdings including more than 2 million books, bound journals, and government documents, along with additional materials including computers.

While the State of Colorado has not been able to provide funding for capital construction and improvements in recent years, the University's students voted in 2005 to assess themselves a University Facilities Fee to support capital construction and renovations that enhance the quality of student life and learning. The allocation of that fee is governed by a student-run University Facility Fee, Advisory Board, (<http://uffab.colostate.edu>).

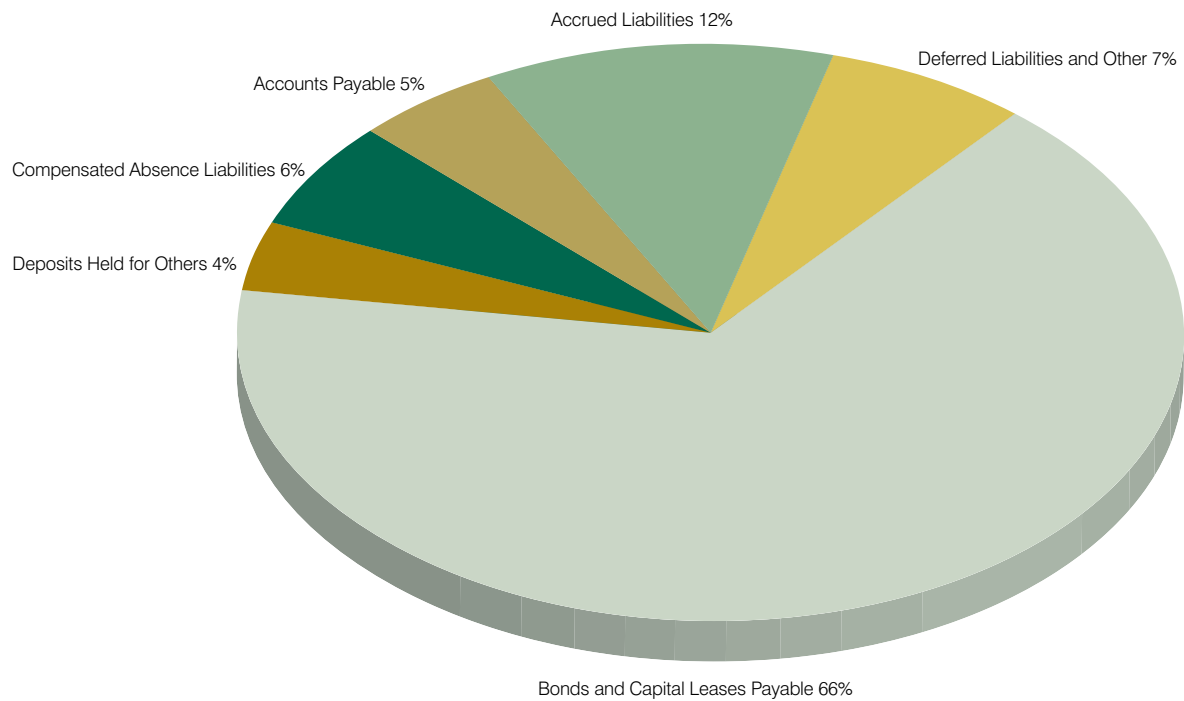
## FISCAL YEAR 2011



# Total Liabilities

The chart below provides the allocation of the University's liabilities.

## FISCAL YEAR 2011



# University Overview

Colorado State University is a land-grant institution and a Carnegie Research University.

## Academic Colleges

- ❖ College of Agricultural Sciences
- ❖ College of Applied Human Sciences
- ❖ College of Business
- ❖ College of Engineering
- ❖ College of Liberal Arts
- ❖ College of Natural Sciences
- ❖ College of Veterinary Medicine and Biomedical Sciences
- ❖ Warner College of Natural Resources

## Enrollment

- ❖ More than 26,000 students from every state and 91 countries
- ❖ 79 percent of all students are Colorado residents
- ❖ 15 percent of U.S. students are ethnic minorities
- ❖ 1,133 foreign students and scholars from 91 countries
- ❖ 6,176 degrees awarded in 2010-11

## Employment

- ❖ 1,559 faculty members; the student-faculty ratio is 18 to 1
- ❖ 2,357 administrative professionals (866 are research associates)
- ❖ 1,940 state-classified personnel
- ❖ Largest employer in Fort Collins and Larimer County

## Tuition and Fees

- ❖ Average resident undergraduate base tuition and fees for 2010-2011 are \$8,042; \$23,742 for nonresidents

## Public Service and Engagement

- ❖ CSU Extension is supported by 59 of 64 Colorado counties
- ❖ The Colorado State Forest Service has 17 district offices statewide
- ❖ The Colorado Agricultural Experiment Station has seven research centers statewide
- ❖ Continuing Education (Online Plus) offers credit and noncredit education opportunities on campus and off
- ❖ The Colorado Water Institute focuses academic expertise on the state's evolving water conditions





## Research

- ❖ Annual research expenditures of \$331 million in FY11

## Highlights

- ❖ CSU ranks in the top tier of the nation's best universities and is one of the top 20 that makes writing a priority as a critical element of student success, according to the 2012 *U.S. News and World Report* "America's Best Colleges" edition.
- ❖ *U.S. News and World Report* ranked CSU's veterinary medicine professional doctorate program in the College of Veterinary Medicine and Biomedical Sciences in the top three among programs of its kind throughout the United States. The graduate program in the Department of Occupational Therapy in the

College of Applied Human Sciences - a "Program of Excellence" designated by the state of Colorado - ranked 8th in the nation.

- ❖ CSU annually ranks as one of the most productive research universities in the nation in terms of research funding per faculty member
- ❖ CSU was named as one of the country's best institutions for undergraduate education, according to *The Princeton Review*. The education services company features the school in the new 2012 edition of its annual college guide, "The Best 376 Colleges."
- ❖ CSU is one of the top 100 colleges in the nation for quality education and affordability in *Kiplinger's Personal Finance Magazine's* annual "100 Best Values in Public Colleges" rankings.



## ACCOUNTABILITY AT COLORADO STATE

This annual report is designed to provide widespread public access to the audited financial statements of Colorado State University. Additional, online resources are also available:

- ❖ Budget Updates and Communications:  
<http://www.president.colostate.edu/budget/index.aspx>
- ❖ CSU policies and compliance:  
<http://policies.colostate.edu/Default.aspx>
- ❖ Institutional Research:  
<http://www.ir.colostate.edu>



# Colorado State University

[www.pres.colostate.edu](http://www.pres.colostate.edu)