

Colorado State University



Accountability Report

2013 Colorado State University Annual Report





Contents

How Did We Do? Accountability in Focus	2-5
The Shifting Burden for Public Higher Education	6
Public FTE Enrollment, Educational Appropriations, and Total Educational Revenue Per FTE–Colorado	7
States Where Students Pay a Greater Share of the Cost of Their Educations	8
State Support for Higher Education	9
The Life Cycle of Colorado’s Investment in Higher Education	10
Colorado’s Future – and What It Means for Higher Education	12
CSU2020: Planning for the Unknown	12
The Life Cycle of Your Tuition Check: Where Do Your Tuition Dollars Go?”	13
The Cost to Students	14
Private Support	16
Salary Trends	19
Revenues and Expenditures	20
Revenue Trends 2009-2013	23
Expenditures	24
Expenditure Trends 2009-2013	25
Assets	26
Liabilities	28
Budget and Planning Process	inside back cover

Accountability at Colorado State

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

- CSU Accountability Website
<http://accountability.colostate.edu>
- 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 holds itself to a high standard because those who support and invest in the University deserve nothing less. In everything we do, we strive for excellence and to be good stewards of the public trust – using resources wisely, efficiently, and for the greatest possible impact.

This annual report shines a spotlight on the University’s financial operations while also demonstrating the many ways in which Colorado State is fulfilling its mission as the state’s land-grant institution.

Accountability isn’t just about accounting, after all – it’s also a reflection of how well we uphold our promise to provide high-quality, accessible education; transformative research; and outreach that benefits our state, our planet, and the human condition.

Over the past year, I am proud to report, CSU has excelled in all these areas. We have also continued to demand transparency, integrity, and responsibility across all of our operations, never forgetting or underestimating how important these values are to a public institution.

Thank you for your interest in and support of Colorado State University!

Dr. Tony Frank
President

HOW DID WE DO?

ACCOUNTABILITY IN FOCUS

Student Access and Success

- Colorado State University continues to be the **first choice for Colorado high school students**, enrolling more Colorado high school students than any other college or university in the state.
- **Freshman retention at CSU was at 86.6 percent** in Fall 2013 – the highest rate ever at CSU and the largest one-year gain ever, thanks to the University’s ongoing focus on retention and student success.
- CSU’s **six-year graduation rate increased to 65 percent** in 2013 – indicating that a higher proportion of students are graduating – and graduating faster – which saves them tuition dollars and allows them to enter the workforce sooner.
- 76 percent of CSU undergraduates who **complete their program of study** do so **in 4.5 years**.
- **International student enrollment at CSU has risen 69 percent** in the last five years.
- **70 percent of Colorado State students secured their first-destination plans** (a job or graduate school) at graduation – 5 percent higher than the national average.
- The average **starting salaries for CSU graduates** (by college) ranged from **\$35,000 to \$59,000** in 2012-13.
- **CSU students** graduate with **debt loads that are well below the national average**.
- **91 percent** of CSU graduates say they **would choose CSU again** – and 92 percent rated their **overall CSU experience as good to excellent**.

Institutional Quality

- Colorado State University **successfully completed its 10-year reaccreditation** with the Higher Learning Commission in 2013. The process confirmed Colorado State's compliance with federal requirements and its fulfillment of all criteria for full accreditation with no concerns identified for further follow-up.
- Colorado State University **moved into the top 60 public universities in the country** in this year's *U.S. News and World Report's* annual America's Best Colleges rankings. CSU was also singled out as **one of only 19 universities nationwide that make writing a priority across the curriculum.** This ranking places CSU in the company of Brown University, Cornell, Duke, Harvard, Princeton, and Yale.
- Colorado State **faculty and students earned significant national and international awards and honors** this year in testament to their outstanding academic achievements and contributions to their disciplines.
- CSU set a **new private fundraising record** in FY2013 – raising **\$112.5 million** in support from donors.
- CSU is **one of only 16 U.S. institutions to have never had a major NCAA violation.**
- Colorado State **received the prestigious Senator Paul Simon Award for Internationalization** from NAFSA: Association of International Educators, for its successful and ongoing efforts to build international partnerships and exchanges.



HOW DID WE DO?

ACCOUNTABILITY IN FOCUS

Research Impact

- University **research expenditures exceeded \$300 million for the sixth straight year** in 2013. Total research awards in 2013 were up 11 percent from 2004.
- CSU researchers were named on **27 issued patents** in 2013, breaking the annual record.
- Since 2008, CSU has licensed nearly 271 technologies to private enterprise, driving innovation that supports expansion and job creation in the private sector. **Licenses of CSU technologies earned more than \$110 million** in net product sales in 2013, returning more than \$1.16M in licensing revenues back to CSU.
- **Eight startup companies formed in the last year**, which equates to more than two startup companies per \$100 million in CSU research expenditures – CSU’s highest startup-creation rate to date and among the highest of all research universities in the U.S.
- **89 percent of CSU’s active startup companies are based in Colorado.** These companies have created 1,250 peak new jobs, with at least another 1,000 jobs created based on the commercialization of CSU research.

	Last 5 Years	FY 2013
Inventions Disclosed	552	114
Patent Applications Filed	710	148
Patents Issued	56	27
New Startup Companies	21	8
Inventions Licensed to Colorado Companies	157	31
Inventions Licensed to Out-of-State Companies	67	16
Licensing Income	\$7.12M	\$1.16M

Operational Efficiency

- CSU spends only about **4 percent of its total expenditures on administration**, putting CSU below the national average.
- Colorado State University achieved the highest score among 129 reporting universities in the most recent STARS Report, a national survey of higher education institutions dedicated to sustainability measures and minimizing environmental impacts. **The University’s greenhouse gas footprint (per square foot) is down 13 percent** since 2010.

- CSU this year **earned a perfect score** in an assessment of its compliance with **Veterans Administration program rules**. The VA also noted that CSU's work to support prior credit for veterans and to promote department cooperation was among the best they have seen.
- The **Colorado State University Foundation reported investment returns of 11.6 percent** for the fiscal year ending June 30, 2013.

Service to the State

- The 2013 statewide survey of Colorado county commissioners **indicated overall satisfaction with CSU's Extension programs** – and increased satisfaction levels of three of the four areas assessed. The quality of CSU Extension programs and services received a median score of 4.01 on a 5-point scale, up from 3.93 in 2012; value of the services counties receive scored 3.86 compared to 3.66 in 2012; responsiveness and service levels of individual county offices scored 3.90 compared to 3.97 in 2012; and overall satisfaction with service to citizens went up to 3.94 from 3.82 in the previous year. The county response rate to this year's survey was 90 percent.
- Colorado State was **named to the 2013 President's Higher Education Community Service Honor Roll** by the U.S. government's Corporation for National and Community Service. The Honor Roll recognizes universities that demonstrate exemplary community service and achieve meaningful outcomes in their communities.
- **66 percent** of CSU seniors have **participated in community service or volunteer work**.
- The state of **Colorado invests about \$22 million each year** in CSU Extension, the Agricultural Experiment Station, and the Colorado State Forest Service – which these agencies **leverage into an additional \$8.6 million** in federal and research funding.
- CSU's **99,000-plus Colorado-based alumni** account for **more than \$5.2 billion in household income**, representing 3.7 percent of the state's total household income.

470 people

Employed by CSU startup companies mostly in Colorado as of July 1, 2013.

\$110 million

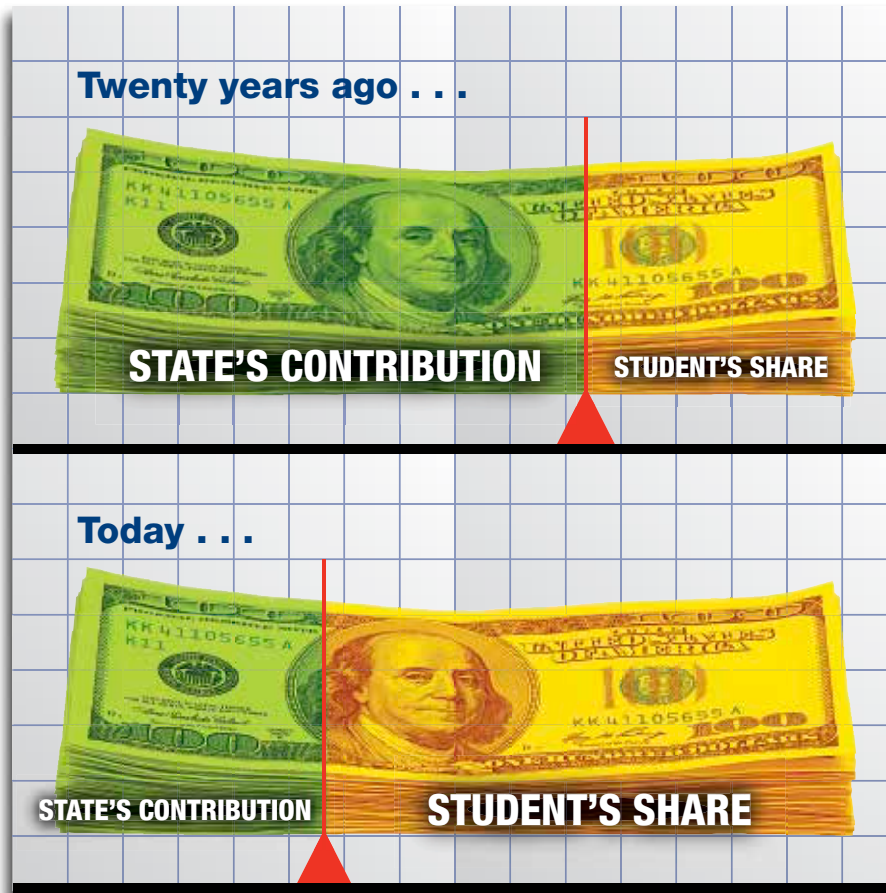
2013 net product sales based on licensed CSU technologies.

\$245 thousand

Awarded by CSU Ventures in 2013 to six proof-of-concept research projects under the Bioscience Discovery Evaluation Grant Program.

THE SHIFTING BURDEN

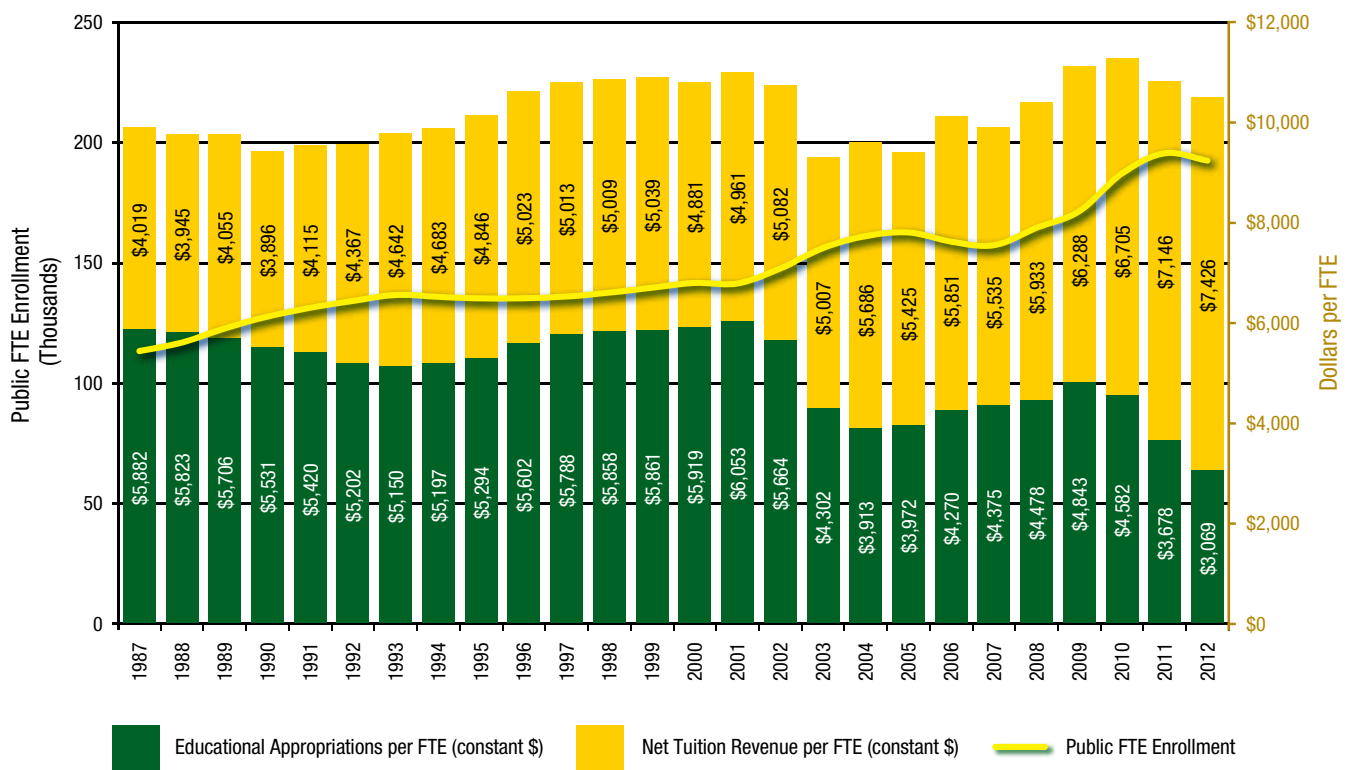
for Public Higher Education



- When adjusted for inflation, the **cost to educate a student at CSU hasn't gone up in 20 years.**
- But the cost burden has shifted: **20 years ago, the state of Colorado paid two-thirds of every student's education,** and students paid a third.
- **Today, students and their families pay two-thirds of the cost** – putting a greater financial burden on students and driving a rise in student loan debt.
- Over a lifetime, a **CSU graduate will pay more than \$10 in tax revenue for every dollar state taxpayers invest** in his or her education.

Public universities in Colorado rely on two funding sources to educate students: tuition and taxpayer support provided through the state's General Fund. The chart below shows how this balance has shifted over time.

Public FTE Enrollment, Educational Appropriations, and Total Educational Revenue Per FTE Colorado—Fiscal Years 1987-2012



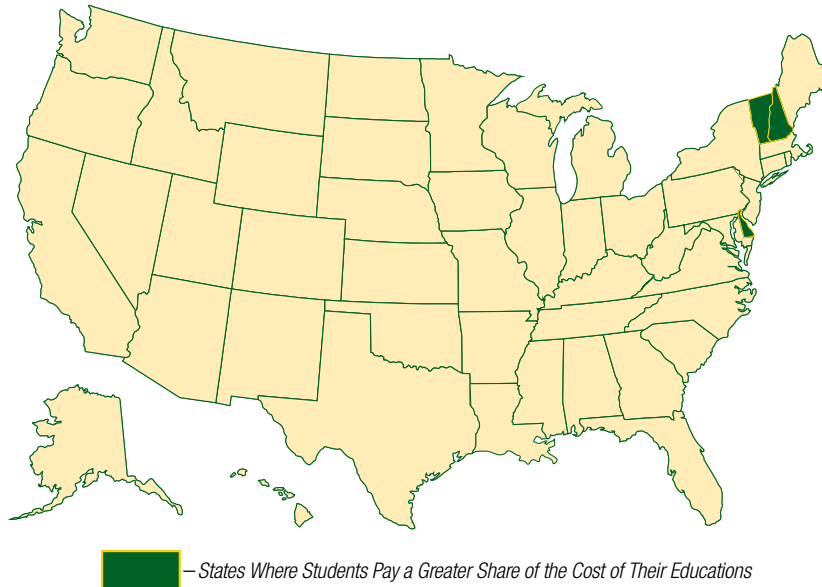
Note: Constant 2012 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA). Educational Appropriations include ARRA funds.
 Source: State Higher Education Executive Officers Association

THE SHIFTING BURDEN

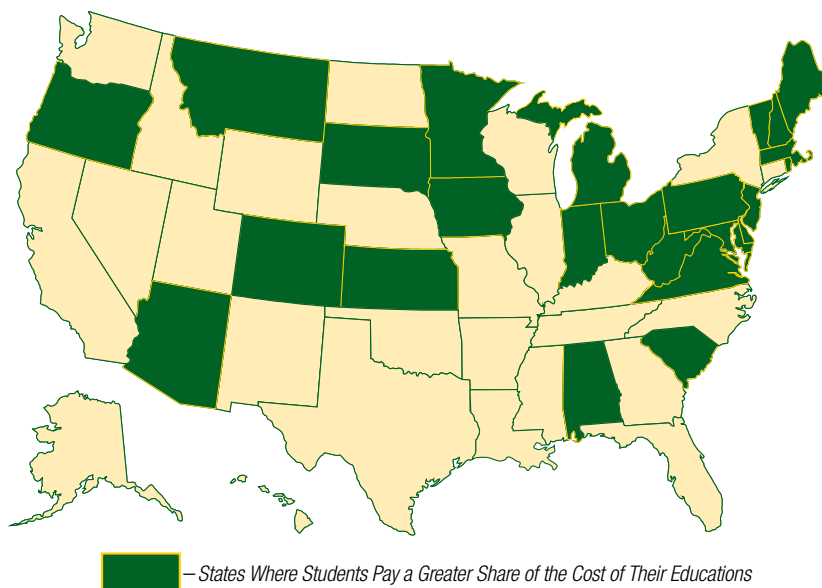
for Public Higher Education

Colorado isn't alone. In 2000, there were only three U.S. states where students paid more in tuition than the state contributed to fund public higher education. Today, students pay more in 24 states, and the number is growing.

Year 2000—States Where Students Pay a Greater Share of the Cost of Their Educations



Year 2012—States Where Students Pay a Greater Share of the Cost of Their Educations



Source: State Higher Education Executive Officers Association

STATE SUPPORT

Support for Higher Education

In the last four years, due to state funding cuts, Colorado State University has cut about \$39 million – about 30 percent from its expense budgets and about 6 percent of its nonfaculty workforce. Trends in state funding for higher education in Colorado and nationwide mean that universities like CSU need to be more innovative and strategic in planning for the future to ensure that public higher education stays affordable and accessible to people from all walks of life.

Institution	State appropriations as percent of core revenues (FY12)	Revenues from state appropriations per FTE (FY12)
Colorado State University - Fort Collins	0%	\$92
Iowa State University	26%	\$8,064
Michigan State University	15%	\$5,574
North Carolina State University at Raleigh	39%	\$15,074
Oklahoma State University-Main Campus	34%	\$10,332
Oregon State University	18%	\$5,511
Purdue University-Main Campus	21%	\$7,499
Texas A&M University-College Station	19%	\$9,655
The University of Tennessee	26%	\$13,297
University of California-Davis	16%	\$10,332
University of Colorado Boulder	0%	\$0
University of Illinois at Urbana-Champaign	13%	\$5,780
Virginia Polytechnic Institute and State University	22%	\$6,963
Washington State University	19%	\$5,604

Source: Integrated Postsecondary Education Data System

The Life Cycle of Colorado's Investment in Higher Education



Colorado taxpayers contribute \$7 billion annually in state tax revenue (includes income, sales and use, and other taxes).



* Source: Colorado State Treasurer



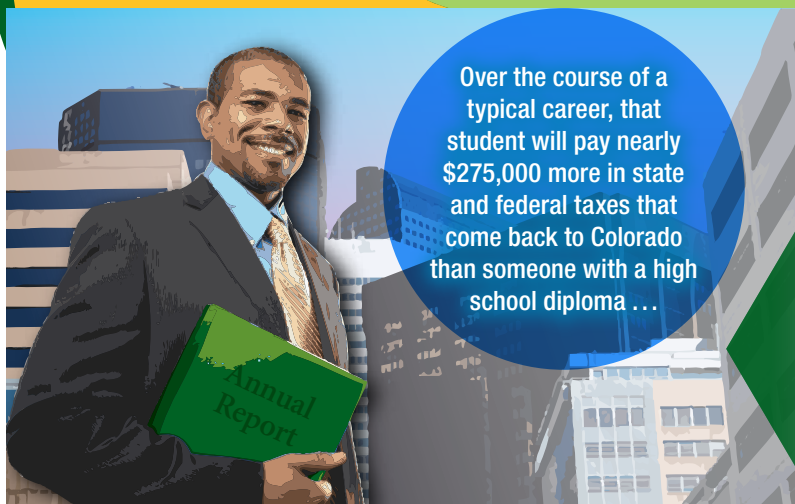
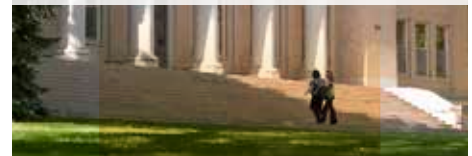
The state of Colorado collects that \$\$\$ and invests about \$543 million in higher education (community colleges, state colleges, and universities) every year – to educate about 220,000 students.

This is why CSU is a long-term revenue source for the state – not a cost center.

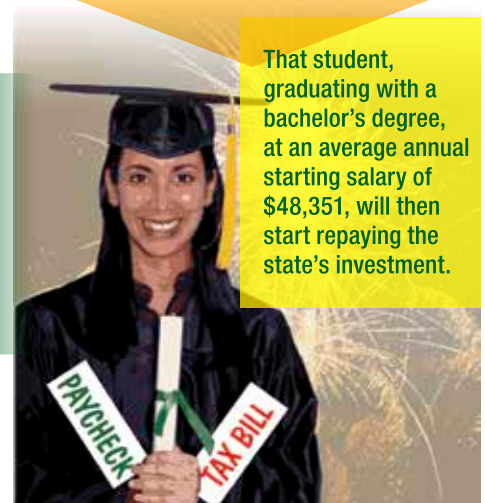
... which repays the state's investment in less than four years, and continues to fuel the state economy!



CSU receives \$1,920 of this to educate one student for one year (full-time resident @ 30 credit hours per year).



Over the course of a typical career, that student will pay nearly \$275,000 more in state and federal taxes that come back to Colorado than someone with a high school diploma ...



That student, graduating with a bachelor's degree, at an average annual starting salary of \$48,351, will then start repaying the state's investment.

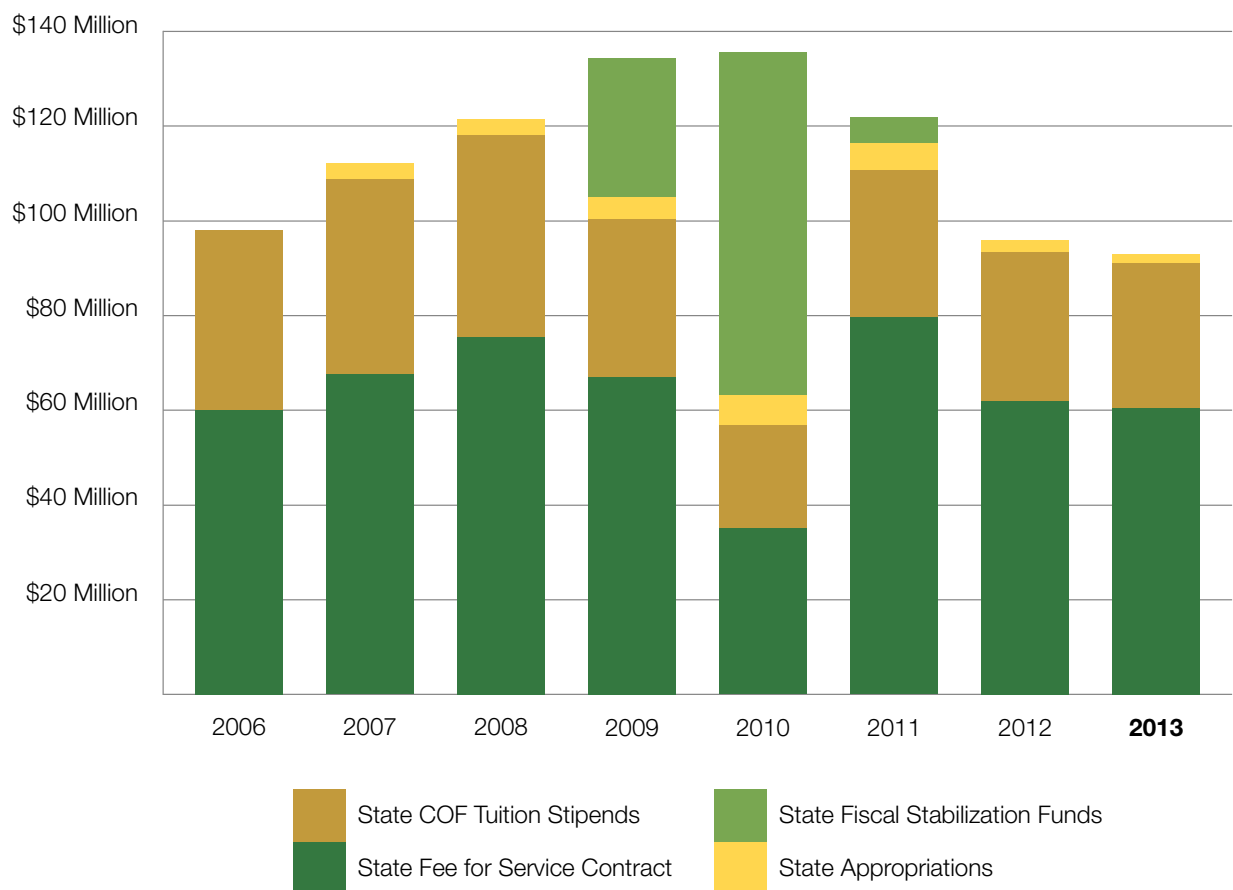
STATE SUPPORT

Prior to 2006, Colorado State received state funding in the form of a direct General Fund appropriation. In Fiscal Year 2006, that changed – today CSU receives its state support in the form of 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.

Due to the nationwide economic downturn that began in 2008, the state provided State Fiscal Stabilization Funds as “backfill” for State resources

beginning in Fiscal Year 2009 and continuing through FY2011. SFSF funds were a component of the American Recovery and Reinvestment Act enacted by the U.S. Congress in February 2009. Resources from the state are not expected to rise back to pre-economic downturn levels in future years. This continued and increasing suppression in state funding will result in continued pressure on the University’s tuition rates.

Fiscal Years 2006-2013



Colorado's Future – and What It Means for Higher Education

The Colorado Futures Center at Colorado State University has issued a comprehensive study looking at the long-term fiscal health of the state's government. The 2013 Colorado Sustainability Study examines the factors shaping the state's general fund for the decades ahead. While its findings are somewhat more positive than in past years, the updated 2013 forecast predicts a \$1.52 billion gap between the cost of state programs and the availability of state funds to support them by FY2024-25. This gap is anticipated to force cuts to a variety of state programs, with higher education taking a disproportionate share of the cut.

The 2013 Colorado Sustainability Study found that the recent recession eased pressure on some

drivers of government spending and improved government's revenue outlook, which would normally be good news for citizens, lawmakers, and the business community. However, a hospital provider fee created in 2009 to pay for the expansion of Medicaid in Colorado has unexpectedly exacerbated conflicts with Colorado's constitutional revenue and spending limits. This has set up a scenario in which significant long-term budget gaps remain and likely will force difficult cuts at the same time that citizens start receiving constitutionally mandated tax refunds under the TABOR Amendment.

All of this indicates a continuing, challenging future for higher education funding in Colorado over the next several decades.

CSU2020: Planning for the Unknown

Colorado State is looking ahead to its 150th anniversary in 2020 with a commitment to sustained excellence and service to society – even as uncertainty continues about the funding future of higher education.

A number of studies have projected that Colorado will become the first state ever to fully defund its colleges and universities. Colorado's leaders are working to address this challenge. Meanwhile, CSU is preparing for whatever the future holds – aiming to:

- simultaneously continue as Colorado's school of choice for resident students
- increase enrollment of nonresidents
- secure a financial foundation that allows us to reach for excellence in all we do, including

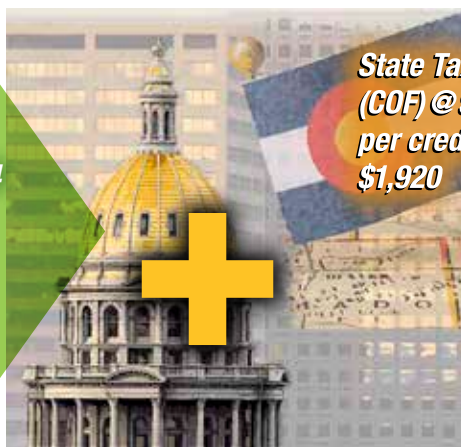
development of nontraditional revenue streams such as enhanced private fundraising.

To plan for various contingencies and ensure the University is on sound footing no matter what happens with state funding, the University has developed CSU2020 – an integrated model that considers assumptions around various variables related to enrollment, tuition, state funding, nontraditional revenues, and expenses. This planning model will help the University monitor and adjust its budgeting in light of changing events.

With this CSU2020 focus on strategic planning, increased efficiency, and more innovative approaches to funding, the University will remain strong and competitive, and continue to return great value to Colorado for our next 150 years.

THE COST TO STUDENTS

The Life Cycle of Your Tuition Check: Where Do Your Tuition Dollars Go?"



**State Tax Support
(COF) @ \$64
per credit hour =
\$1,920**



Student Support – Beyond the Classroom

- Student fees are charges that students choose to assess themselves for various services above and beyond what's covered by tuition. Students retain some decision making authority over how their fees are spent.
- Figures reflect annual costs for a full-time, resident student @ 30 credit hours per year.

General Fees: \$1,329

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.



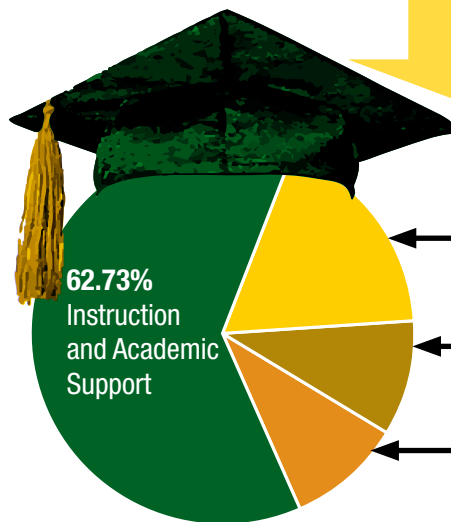
How Does the Cost of CSU Compare?

- National average in-state tuition and fees at public doctoral universities (2013-14) = **\$14,665**
- Tuition and fees at CSU (2013-14) = **\$9,313**
(includes general, facilities, and tech fees)

Source: College Board



**And here's where
your money goes . . . ***



* Colorado State University FY13-14 Education and General Budget Data. This is a subset of the CSU Education and General Budget, from E&G Budget Data Book Expenditures by NACUBO Code. For total University expenditures, see page 24.

THE COST TO STUDENTS

Educational Costs Per Student for 2013-14 Paid by Students

Tuition	\$7,494
General Fees	\$1,329
University Technology Fee	\$40
University Facility Fee	\$450

At \$9,313 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 institution comparison table on Page 15.)



Colorado Four-Year Institution Tuition Academic Year 2013-14 (student share after COF)

Institution	Full-time Undergraduate Tuition	
	Resident	Nonresident
Colorado School of Mines	\$14,400.00	\$30,330.00
University of Colorado Boulder	\$8,760.00	\$30,528.00
Colorado State University	\$7,493.60	\$23,347.20
University of Colorado Denver	\$6,768.00	\$20,892.00
University of Colorado Colorado Springs	\$5,976.00	\$17,388.00
University of Northern Colorado*	\$5,548.00	\$16,692.00
Western State Colorado University*	\$5,275.00	\$15,216.00
Fort Lewis College	\$5,232.00	\$16,072.00
Colorado Mesa University	\$5,150.40	\$13,740.96
CSU - Pueblo	\$4,893.84	\$14,712.00
Adams State College	\$4,872.00	\$15,504.00
Metropolitan State College	\$4,690.80	\$16,784.40

**UNC defines full-time tuition rate at 13 credit hours, Western State based on 15. All other tuition calculated at 12 credit hours.*

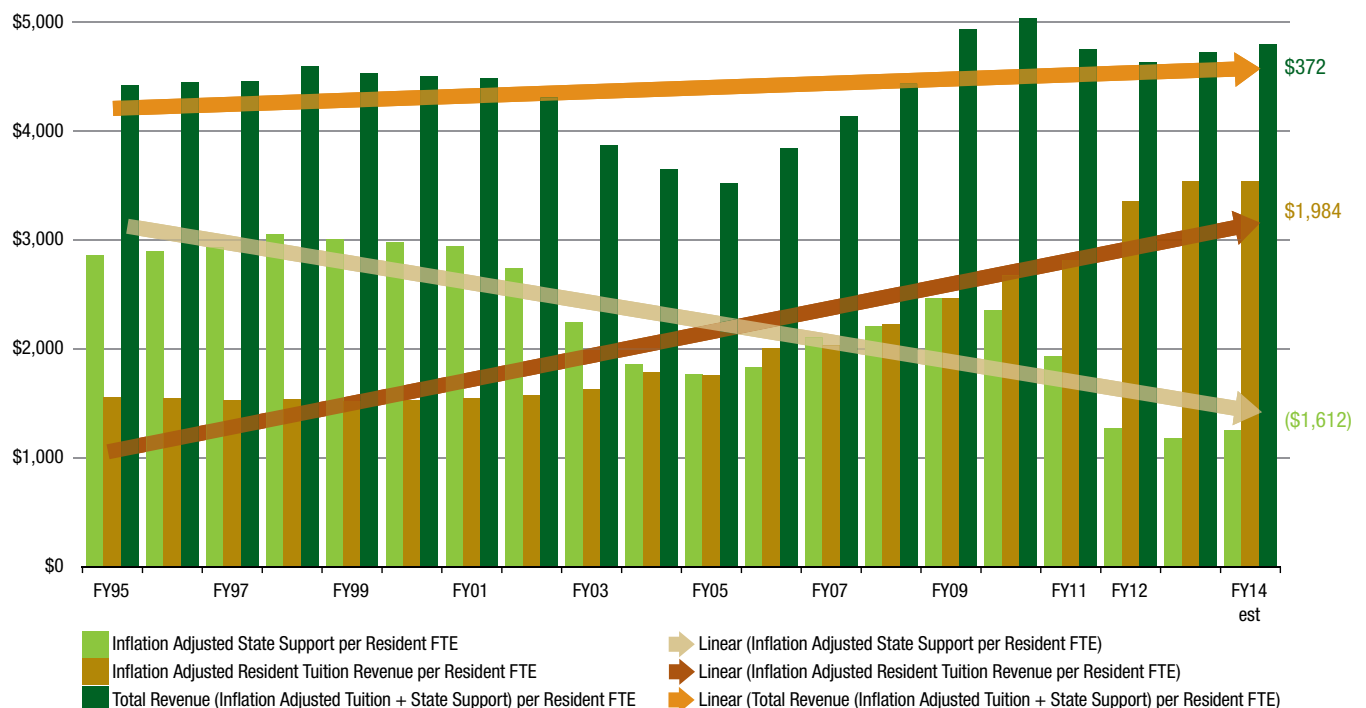
Peer Institution Comparison: Tuition, Fees, Room and Board—Academic Year 2013-14

Based on 12 credit hours per term.

Peer Groups			Tuition				Totals		
BOG	CDHE	BOTH	Institution	Resident	Nonresident	Fees	Room and Board†	Resident	Nonresident
			• U.C. Davis*	\$11,220.00	\$34,098.00	\$4,439.66	\$14,470.12	\$30,129.78	\$53,007.78
•			University of Illinois, Urbana	\$11,834.00	\$26,216.00	\$3,424.00	\$10,363.00	\$25,621.00	\$40,003.00
			• Washington State University	\$11,396.00	\$24,478.00	\$930.00	\$10,868.00	\$23,194.00	\$36,276.00
			University of Colorado	\$8,760.00	\$30,528.00	\$1,583.00	\$12,258.00	\$22,601.00	\$44,369.00
			• University of Tennessee	\$9,780.00	\$27,970.00	\$1,414.00	\$9,388.00	\$20,582.00	\$39,072.00
			• Purdue University	\$9,207.80	\$28,009.80	\$784.20	\$10,300.00	\$20,292.00	\$39,094.00
			Colorado State University	\$7,493.60	\$23,347.20	\$1,819.16	\$10,776.00	\$20,088.76	\$35,942.36
•			Michigan State University	\$10,290.00	\$27,000.00	\$58.00	\$9,406.00	\$19,754.00	\$36,464.00
			• Virginia Tech	\$9,617.00	\$24,769.00	\$1,838.00	\$7,824.00	\$19,279.00	\$35,035.00
			• Oregon State University*	\$6,876.00	\$22,068.00	\$1,446.09	\$10,578.00	\$18,900.09	\$34,092.09
			• Texas A & M University	\$5,296.50	\$21,916.50	\$3,209.18	\$9,922.00	\$18,427.68	\$35,047.68
			• North Carolina State University	\$6,038.00	\$19,493.00	\$2,168.16	\$9,434.00	\$17,640.16	\$31,095.16
			• Iowa State University	\$6,648.00	\$19,200.00	\$1,077.60	\$8,082.00	\$15,807.60	\$28,359.60
			• Kansas State University	\$6,264.00	\$16,620.00	\$755.40	\$7,760.00	\$14,779.40	\$25,135.40
			• Oklahoma State University	\$3,540.00	\$13,608.00	\$2,508.20	\$8,530.00	\$14,578.20	\$24,646.20

* Quarter-system tuition and fees—AY based on autumn/fall, winter, spring quarters. † Room and board includes max. meal plan, where applicable.

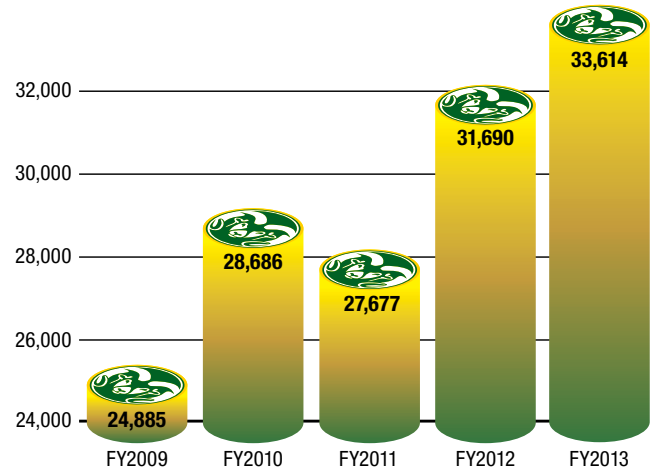
Trends: Inflation Adjusted Revenue per Resident FTE



PRIVATE SUPPORT

The culture of philanthropy is strong at Colorado State University. In Fiscal Year 2013, a record-setting \$112.5 million was given to the University by individuals, families, corporations, and foundations. Private support allows CSU to continue to elevate the level of academic excellence at one of our nation's best public research universities.

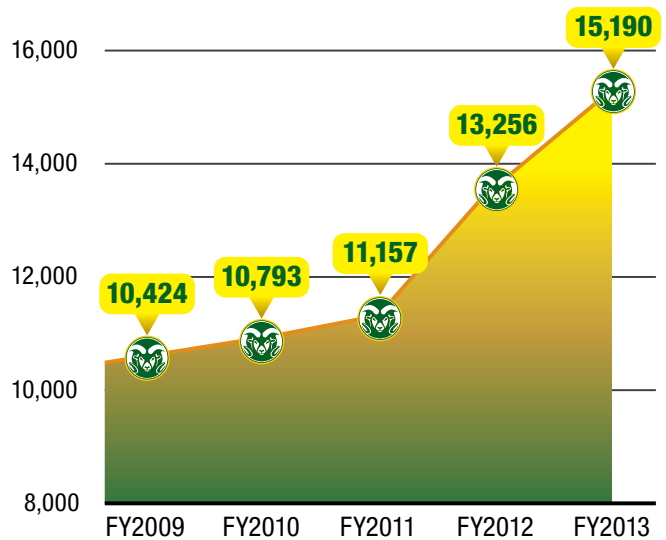
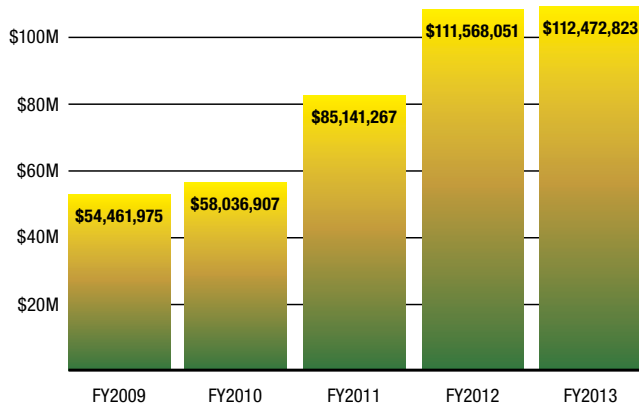
DONORS



ALUMNI DONORS

Gifts from CSU alumni increased by 15 percent in FY2013, and have increased by more than 45 percent in the past five years.

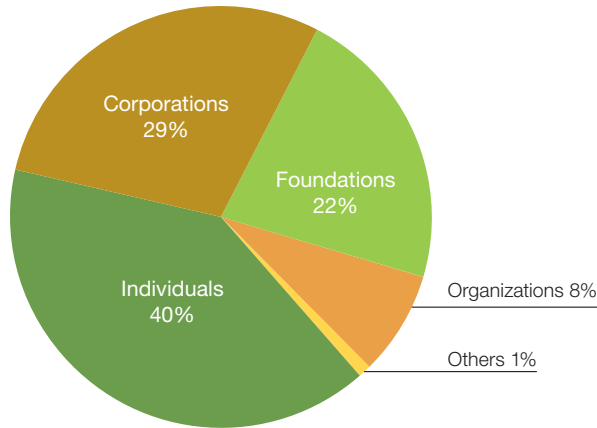
GIFTS



GIFTS BY SOURCE

in FY2013 (% in value)

CSU continues to rely more on gifts from individuals than any other source.



GIFTS BY PURPOSE

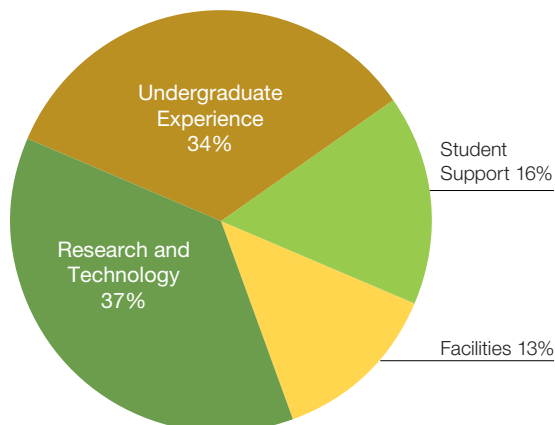
in FY2013

Gifts to support **Research and Technology** enable the University to foster and enhance the research enterprise, promote scholarship and artistry, and capitalize on opportunities to address global challenges.

Whether it is student organizations, internships, study abroad, or operations funds for academic areas, the **Undergraduate Experience** remains a top priority for both CSU and our donors.

Gifts to **Student Support** areas benefit students through merit- and need-based scholarships and graduate fellowships, enabling the University to maintain an avenue to access, an important part of its land-grant mission.

Private support for **Facilities** enables CSU to provide a physical environment conducive to learning and research that keeps our students and faculty at the cutting edge of innovation and discovery.



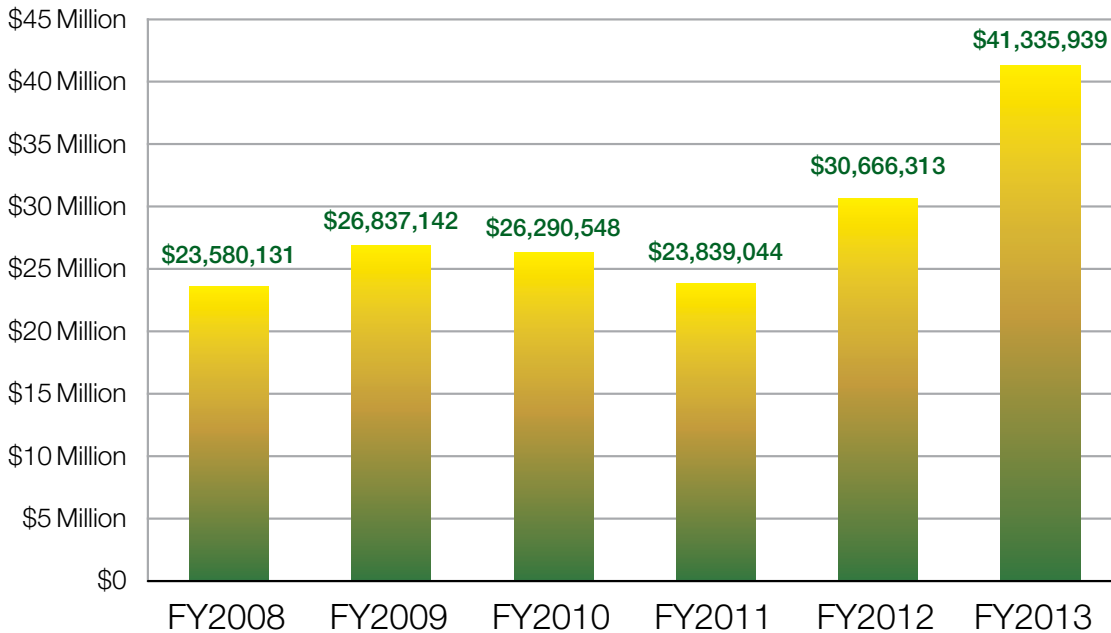
TOP TEN GIFT DESIGNATIONS

in FY2013 (% in value)

College of Veterinary Medicine and Biomedical Sciences	20%
College of Health and Human Sciences	19%
College of Engineering	13%
Universitywide Purposes	11%
College of Natural Sciences	7%
College of Agricultural Sciences	7%
Warner College of Natural Resources	6%
College of Business	5%
Athletics	5%
Morgan Library	2%

PRIVATE SUPPORT

Cash Transfer from the Colorado State University Foundation to CSU



The Colorado State University Foundation is a not-for-profit corporation created to assist in the promotion, development, and enhancement of the facilities and educational programs and opportunities of the faculty, students, and alumni of Colorado State University. CSUF receives, manages, and invests contributions, gifts, and bequests and applies the principal or income generated therefrom exclusively for charitable, scientific, literary, or educational purposes that will, directly or indirectly, benefit Colorado State.

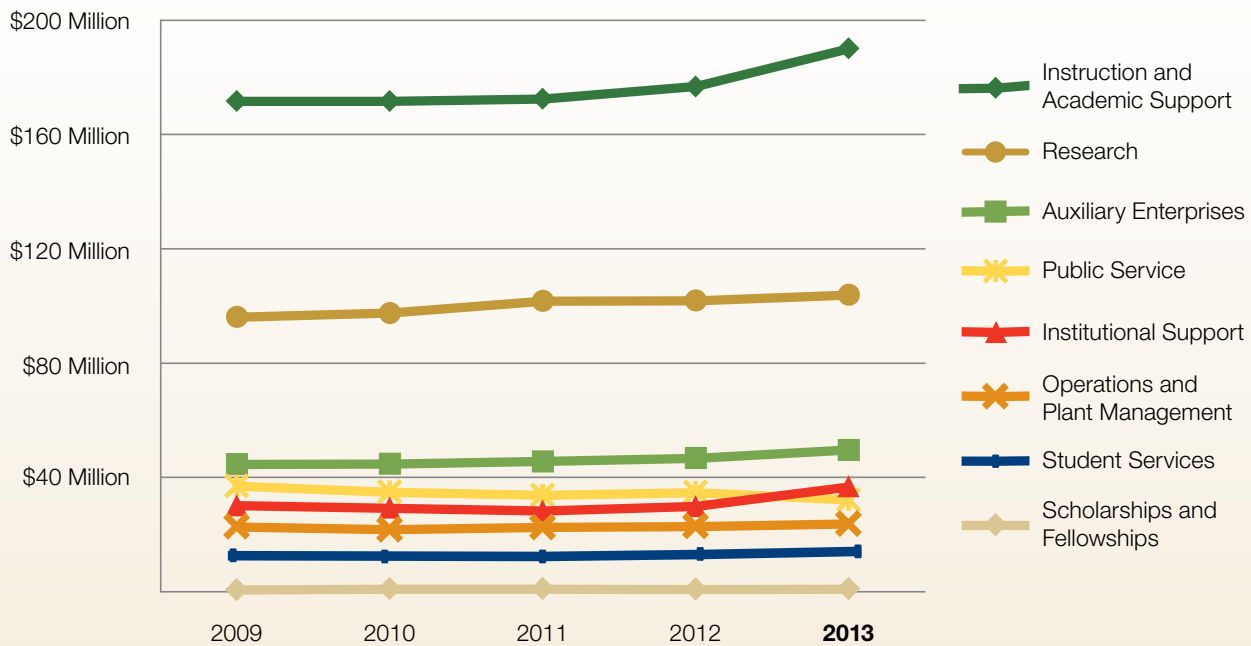
CSUF functions as Colorado State University's bank. Its goal is to enhance the purchasing power of the University's endowment while achieving the maximum total return consistent with the safety of the principal.

CSUF's board of directors has the fiduciary responsibility for the management and investment of charitable gifts for Colorado State University. The investment objectives of CSUF are designed to respond to changes in the economic environment, philosophy of the University and CSUF, and market conditions.

SALARY TRENDS

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

Fiscal Years 2009-2013



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 Nonoperating Revenues

(amounts expressed in thousands, as restated)

	FY2013	FY2012	FY2009
Operating revenues			
Student tuition and fees (net of scholarship allowance)	275,345	253,811	191,400
State COF tuition stipends	30,892	31,594	33,418
State fee for service contract	60,532	62,054	67,201
Grants and contracts	258,367	318,878	267,163
Sales and service of educational activities	30,260	25,046	20,159
Auxiliary enterprises (net of scholarship allowance)	126,064	125,701	115,730
Other operating revenue	6,457	5,802	4,889
Total operating revenues	787,917	822,886	699,960
Nonoperating revenues			
State appropriations	1,754	2,450	4,750
State fiscal stabilization	-	-	29,290
Gifts	67,467	91,809	35,824
Federal nonoperating grants and contracts	24,621	24,006	11,742
State capital contributions	852	360	30,979
Other nonoperating	6,916	13,304	12,280
Total nonoperating revenues	101,610	131,929	124,865
Extraordinary items			
Extraordinary items	2,192	1,153	-
Total extraordinary items	2,192	1,153	-
Total revenues	891,719	955,968	824,825

Operating Expenses

(amounts expressed in thousands, as restated)

	FY2013	FY2012	FY2009
Operating expenses			
Instruction	218,867	206,446	198,990
Research	189,603	186,384	173,975
Public service	69,065	131,909	88,315
Academic support	60,056	54,074	46,956
Student services	25,154	23,080	21,282
Institutional support	38,825	33,454	34,687
Operation and maintenance of plant	52,768	53,250	54,766
Scholarships and fellowships	9,414	8,098	6,349
Auxiliary enterprises	120,785	112,449	104,937
Depreciation	66,088	59,944	40,292
Total operating expenses	850,625	869,088	770,549

The programmatic use of expenses remained relatively consistent from Fiscal Year 2009 to Fiscal Year 2013.

Revenue, Expenses, and Changes in Net Position

(amounts expressed in thousands, as restated)

	2013	2012	2009
Operating revenues	787,917	822,886	699,960
Operating expenses	850,625	869,088	770,549
Operating loss	(62,708)	(46,202)	(70,589)
Nonoperating revenues (net of expenses)	49,831	52,103	80,560
Income (loss) before other revenues (net of expenses)	(12,877)	5,901	9,971
Other revenues	31,308	60,237	35,019
Special items	(6,536)	–	–
Extraordinary items	2,192	1,153	–
Increase in net position	14,087	67,291	44,990
Net position, beginning of year	795,518	728,227	608,398
Net position, end of year	809,605	795,518	653,388

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.

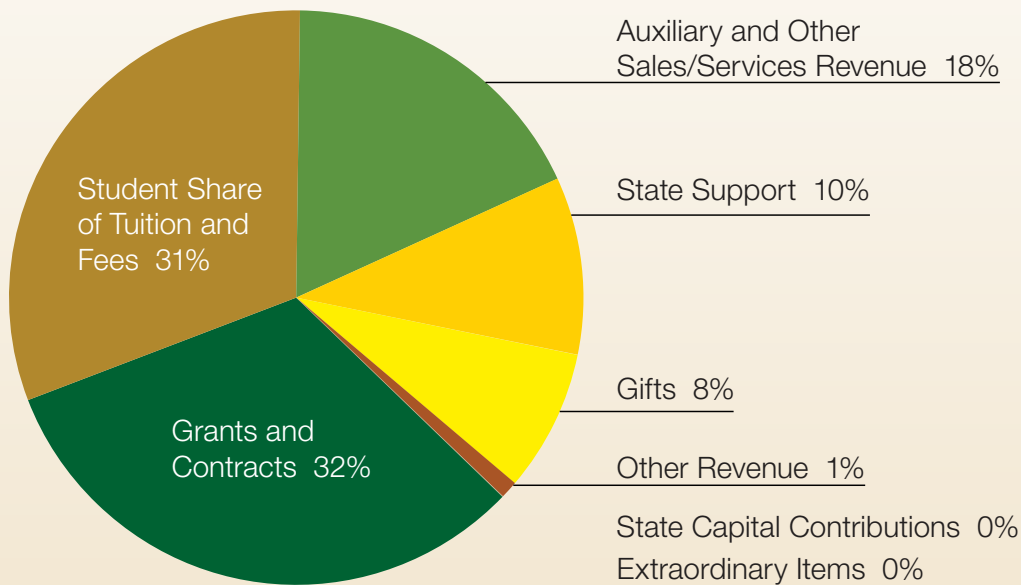
Large segments of the total University budget (including research and donor funding) generate revenue that is directed to a specific activity – to fund a particular research project or to endow a chair or scholarship, for example – and so these funds do not flow directly to the education and general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

The state provides the College Opportunity Fund 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 citizens of 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 2013



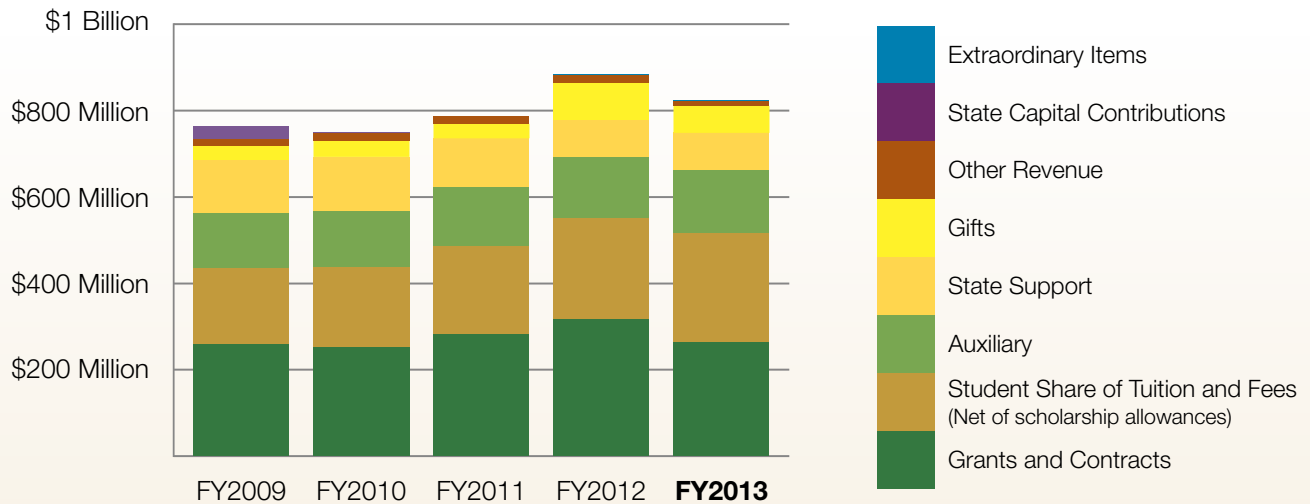
REVENUE TRENDS 2009-2013

The distribution among revenue categories has remained relatively consistent from year to year, as demonstrated by the chart "Revenue by Percentage" below.

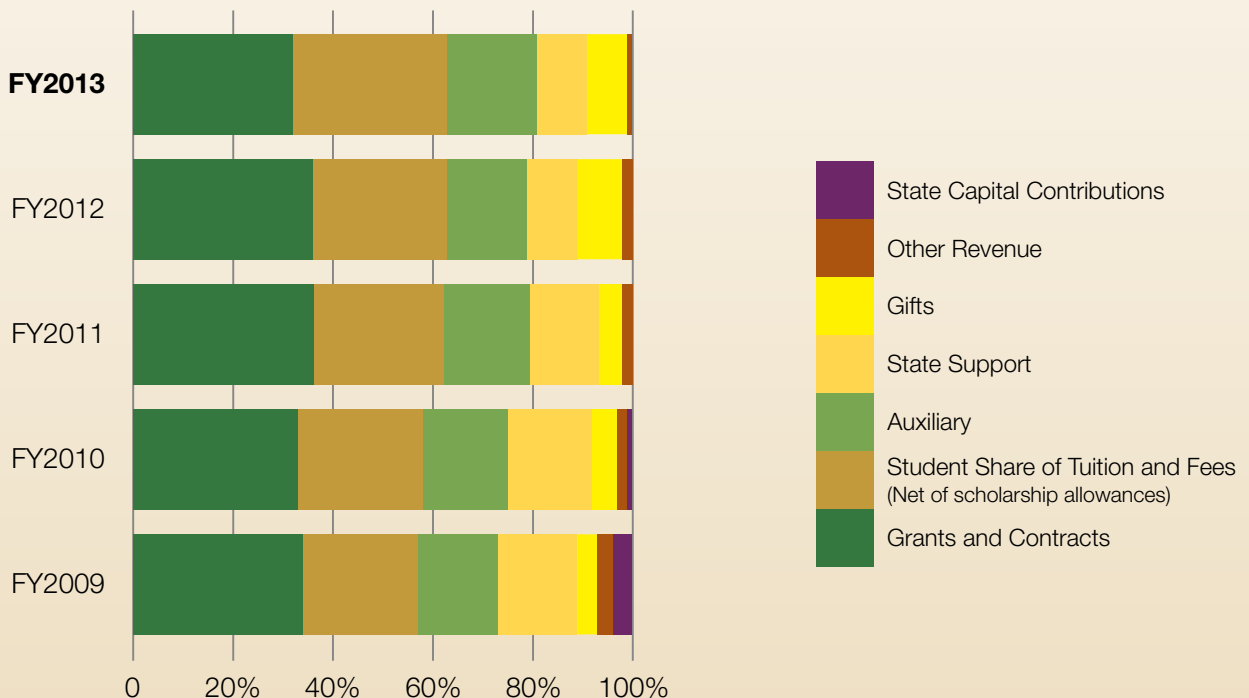
The areas reflected within the bottom chart experiencing the greatest changes are the combination of the Student

Share of Tuition and Fees along with State Support. Although when combined they are relatively stable, individually State Support is declining while the Student Share of Tuition is increasing.

Revenue by Amount



Revenue by Percentage



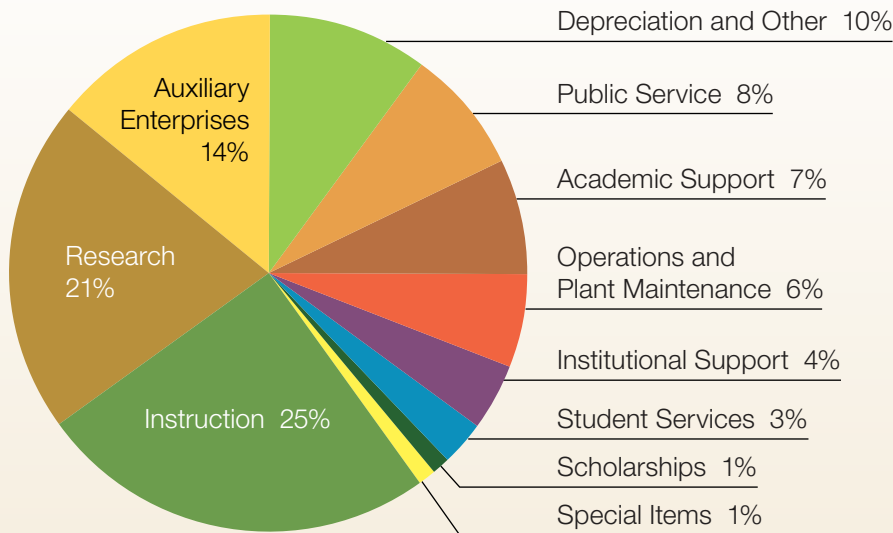
EXPENDITURES

Even during tight budget times, Colorado State University has focused on 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.

from \$770.5 million to \$850.6 million, an overall increase of about 10 percent from Fiscal Year 2009 to Fiscal Year 2013. The largest component of each category of expenditure is salary, which is depicted further in the following two charts.

As the University has grown over the past five years, the University’s total operating expenses have increased

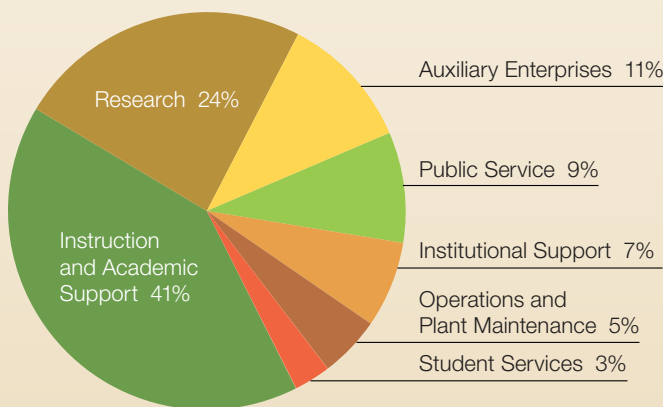
Fiscal Year 2013



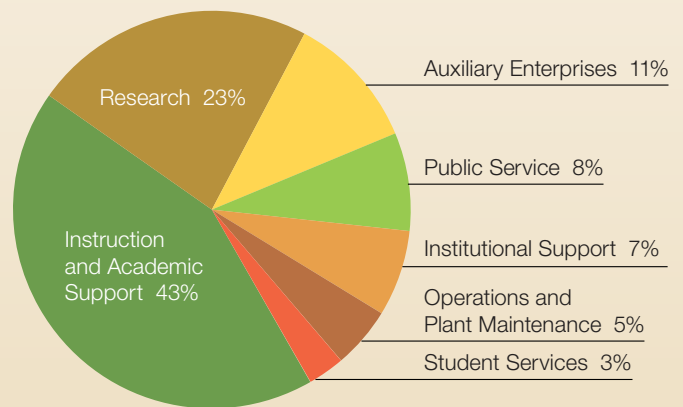
Salary Expenditures by Functional Area

Fiscal Years 2009 and 2013

2009



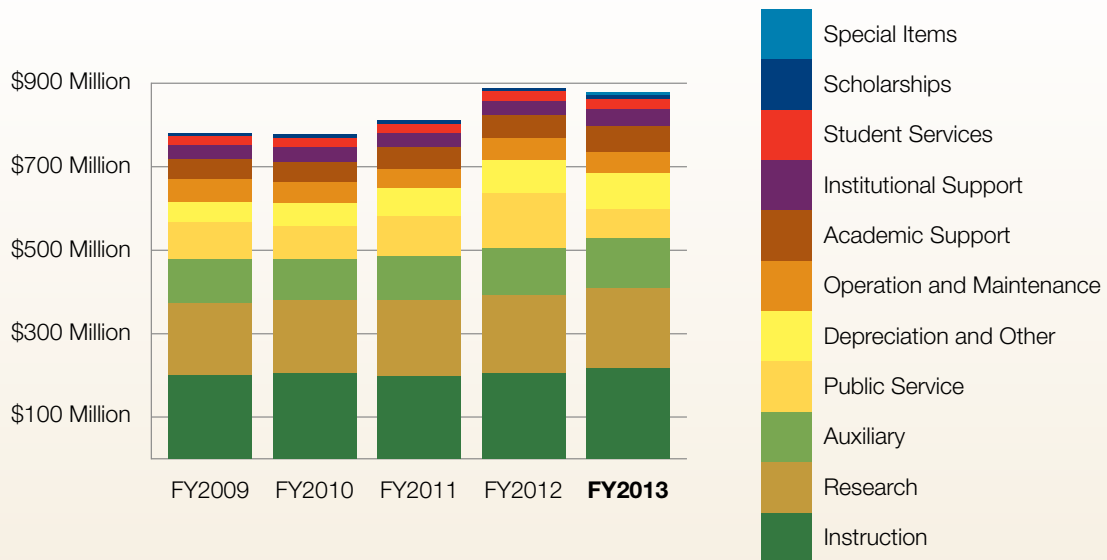
2013



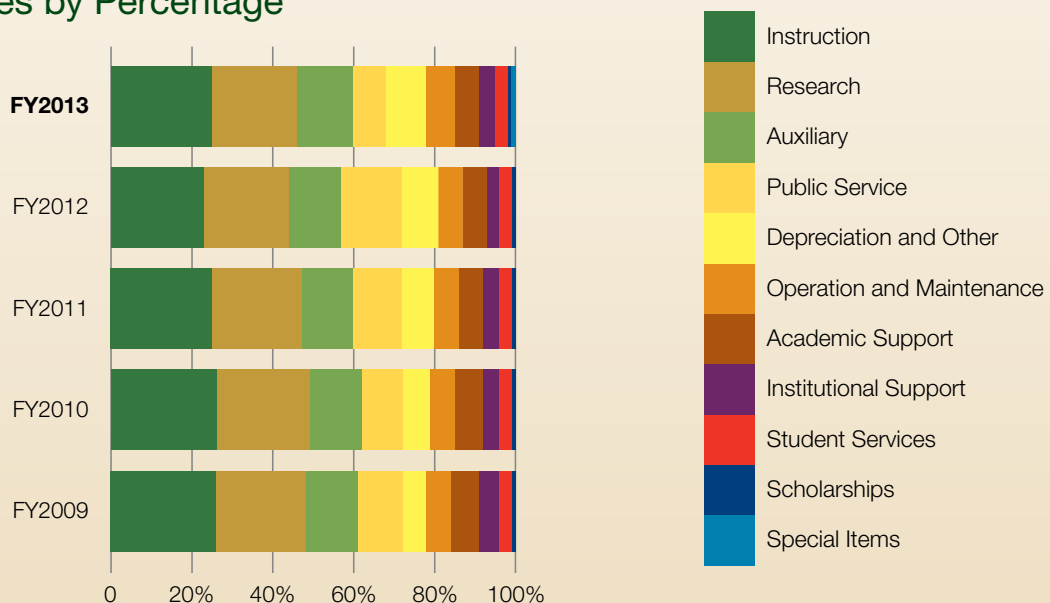
EXPENDITURE TRENDS 2009-2013

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 2009 and 2013, as shown by the chart “Expenditures by Percentage.”

Expenditures by Amount



Expenditures by Percentage



ASSETS

While the charts and graphs of revenue and expenditures provide information about activities occurring within each fiscal year, the schedules of our assets, liabilities, and net position, below and on Pages 27-28, provide a fiscal snapshot of the University as of the end of each fiscal year presented.

(amounts expressed in thousands, as restated)

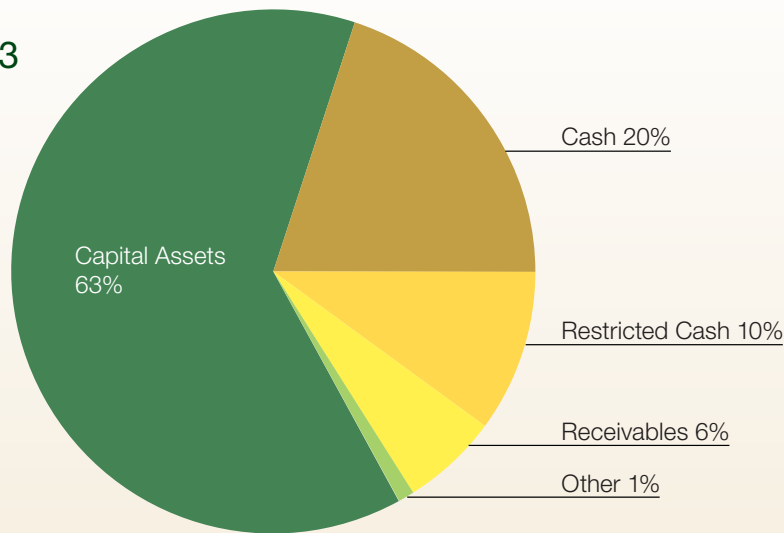
	FY2013	FY2012	FY2009
Current assets			
Cash and cash equivalents	319,139	331,247	245,784
Student accounts receivable, net	23,042	18,128	11,335
Grants and other accounts receivable, net	57,395	100,352	66,423
Student loans receivable, net	2,301	2,639	1,945
Inventories	6,635	8,572	8,286
Prepaid expenses	8,678	10,821	6,533
Total current assets	417,190	471,759	340,306
Noncurrent assets			
Restricted cash and cash equivalents	141,422	193,463	156,534
Restricted investments	23,714	22,483	16,613
Student loans receivable, net	18,076	17,543	17,846
Other noncurrent assets	3,942	23,552	8,994
Nondepreciable capital assets			
Land	24,216	24,240	16,431
Construction in progress	87,307	114,706	153,936
Collections	2,141	2,093	1,103
Total nondepreciable capital assets	113,664	141,039	171,470
Depreciable capital assets			
Land improvements	28,148	27,211	23,762
Building and improvements	751,657	645,883	400,883
Leasehold improvements	840	889	575
Equipment	107,415	102,517	54,466
Library materials	8,124	10,182	18,468
Total depreciable capital assets, (net of A/D)	896,184	786,682	498,154
Total noncurrent assets	1,197,002	1,184,762	869,611
Total assets	1,614,192	1,656,521	1,209,917

The University has Library holdings including more than 2 million books, bound journals, and government documents, along with additional materials including computers. Given limits on the state's ability to provide funding for capital construction and improvements in recent years, the University's students voted in 2005 to assess themselves a University Facility 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>).

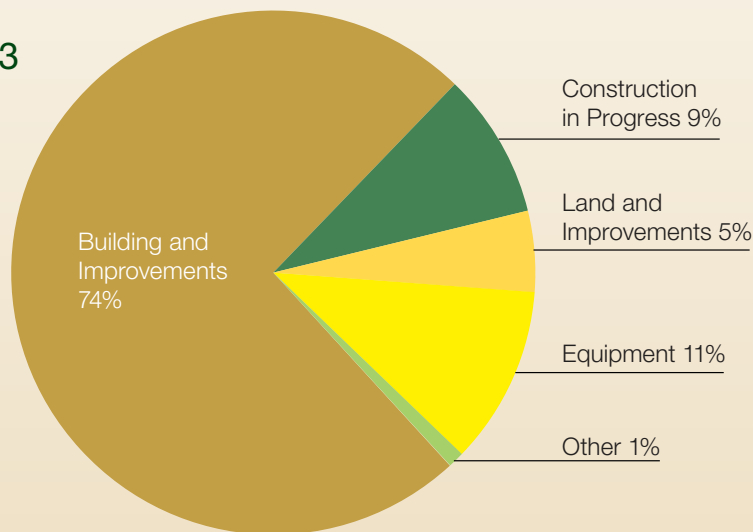
Colorado State University includes:

- The 586-acre main campus, which includes 101 acres for the James L. Voss Veterinary Teaching Hospital
- 1,433-acre foothills campus
- 1,575-acre agricultural campus
- 1,177-acre Pingree Park mountain campus
- 4,038 acres of land for research centers and Colorado State Forest Service stations outside of Larimer County.

Fiscal Year 2013 Total Assets



Fiscal Year 2013 Capital Assets



LIABILITIES

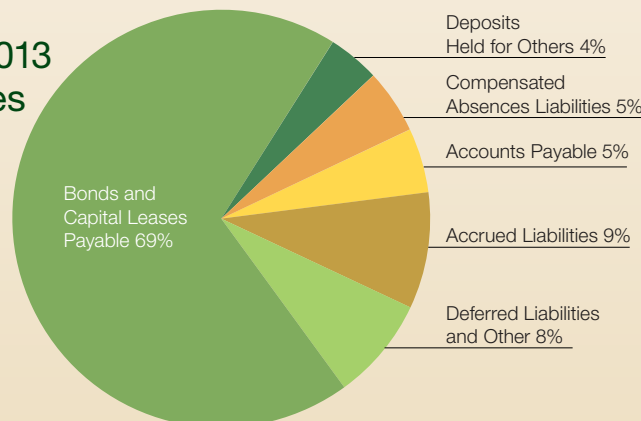
The primary liability of the University is its obligation relating to bonds and capital leases. These obligations relate to the financing of the capital assets discussed on the previous page, which are

critical to support our land-grant mission of teaching and learning, research and discovery, and outreach and public service.

(amounts expressed in thousands, as restated)

	FY2013	FY2012	FY2009
Current Liabilities			
Accounts payable	40,452	43,977	47,462
Accrued liabilities	69,595	116,927	61,940
Deferred revenue	30,950	26,065	21,488
Deposits held for others, current	6,015	5,644	4,842
Bonds payable and certificates of participation, current	15,504	10,217	5,895
Capital leases payable, current	1,725	1,407	1,154
Other noncurrent liabilities, current	2,236	2,102	2,483
Compensated absences liabilities, current	2,296	2,319	2,080
Total current liabilities	168,773	208,658	147,344
Noncurrent liabilities			
Bonds payable and certificates of participation	535,865	563,763	345,987
Capital leases payable	4,175	3,061	2,919
Deposits held for others	26,812	23,480	11,621
Other noncurrent liabilities	28,622	23,862	11,041
Compensated absences liabilities	40,340	38,179	37,617
Total noncurrent liabilities	635,814	652,345	409,185
Total liabilities	804,587	861,003	556,529
Net position	809,605	795,518	653,388
Total Liabilities and Net Position	1,614,192	1,656,521	1,209,917

Fiscal Year 2013 Total Liabilities



BUDGET AND PLANNING PROCESS

CSU's Budget and Planning Process: Opportunities 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 Colorado General Assembly and the Office of the Governor work together throughout the spring each year to finalize state budgets and appropriations, which determine the level of state support and tuition that the Board of Governors of the CSU System approves for each System campus.
- 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>.





Colorado State University

