

2019 Financial Accountability Report



COLORADO STATE UNIVERSITY



THROUGH ITS MISSION OF ACCESS to education, discovery, and engagement, Colorado State University touches the lives of people across Colorado and around the world. We have a duty to all we serve to foster an environment of accountability and responsibility, grounded in integrity, equity, and transparency.

Contained within this report is an overview of Colorado State’s audited financial statements. We present this information to provide those who invest in us – our students and their families, Colorado taxpayers, and alumni and other supporters – fundamental information about how our institution manages its resources.

As Colorado State University grows, we must critically evaluate our operations and processes to ensure we are maximizing the exceptional value our university returns to the state of Colorado and its citizens. Sharing this information helps inform this conversation.

We appreciate your interest in this information and deeply value your support of Colorado State.

Sincerely,

Joyce McConnell
President



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ABOUT COLORADO STATE UNIVERSITY

COLORADO STATE UNIVERSITY, the flagship campus of the CSU System, is a major public research university in Fort Collins, Colorado.

A doctorate-granting institution established in 1870, CSU is the state's land-grant university, with a mission to offer access to an excellent education, provide outreach that serves society, and conduct research that serves the public interest and advances our world.

In 2019, CSU was ranked as the best four-year college in Colorado by Schools.com and was the first university to receive a Platinum rating – the highest available – under STARS (Sustainability Tracking, Assessment & Rating System, administered by the Association for the Advancement of Sustainability in Higher Education). CSU earned its third Platinum designation in January 2020.

CSU also was ranked the second-best university for veterans by Military Times in 2020, and the third best veterinary medicine program in the nation in 2019 by U.S. News & World Report.

CSU welcomed some 34,200 students in fall of 2019, 68 percent of whom are Colorado residents. With more than 7,600 employees statewide, it is the largest single employer in Northern Colorado. CSU offers 76 fields of undergraduate study, 136 graduate degree programs (64 master's, 21 professional, and 51 doctoral, including a professional degree in veterinary medicine), and 43 graduate certificates.

ECONOMIC VALUE AND IMPACT

COLORADO STATE UNIVERSITY generates \$465.2 million in yearly tax revenue for the state of Colorado, according to a 2017 study. More recently, Emsi, a market analytics firm, conducted a study that measured CSU's economic impact in Northern Colorado during FY 2017-18. The study found that:

- CSU added \$2.7 billion in income to the Larimer/Weld counties economy, about 8.2% of the region's total gross regional product.
- CSU's impact supported 33,093 jobs, or one out of every 12 jobs in Larimer and Weld counties.
- CSU employed 6,401 full-time and part-time faculty and staff.
- CSU payroll/benefits amounted to \$763.9 million.
- CSU spent another \$137.7 million on day-to-day expenses (facilities, supplies, and professional services).

In addition, for every \$1 invested in CSU during FY 2017-18:

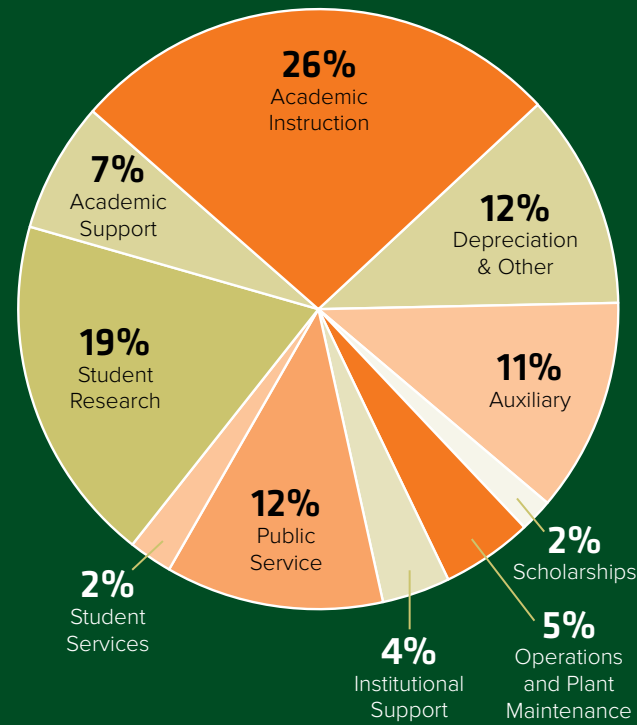
- CSU students will earn back \$3 over the course of their working lives.
- Taxpayers will get back \$5 in added tax revenue and public sector savings over the course of the students' working lives.

A COMMITMENT TO ACCOUNTABILITY



THE CHARTS THAT FOLLOW 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, production of research to support the needs of our society and our world, and outreach and engagement to extend the University's educational and research capacity to areas of statewide need.

CSU SPENDING PRIORITIZES CORE MISSION AREAS



CSU MANAGES ITS BUDGETS TO PRIORITIZE TEACHING, RESEARCH, AND ENGAGEMENT ACROSS COLORADO

OPERATING AND NONOPERATING REVENUES

(Amounts expressed in thousands)

	2015*	2018	2019
Operating revenues			
Student tuition and fees (net of scholarship allowance)	319,087	410,106	431,859
State COF tuition stipends	36,171	37,154	40,031
State fee for service contract	71,706	85,522	95,878
Grants and contracts	261,659	323,486	341,054
Sales and service of educational activities	33,750	42,724	42,948
Auxiliary enterprises (net of scholarship allowance)	144,810	182,883	194,868
Other operating revenue	6,662	7,157	7,562
Total operating revenues	\$873,845	\$1,089,032	\$1,154,200
Nonoperating revenues			
State appropriations	2,355	2,768	—
Gifts, capital gifts, and grants	74,970	136,680	73,410
Student facility fees (net of scholarship allowance)	8,336	12,529	12,348
Federal nonoperating grants and contracts	23,989	26,216	27,484
State capital contributions	3,084	59,351	14,211
Other nonoperating revenues (expenses)	13,432	(6,205)	32,895
Total nonoperating revenues	\$126,166	\$231,339	\$160,348
Extraordinary items			
Extraordinary items	—	—	—
Total revenues	\$1,000,011	\$1,320,371	\$1,314,548
Total tuition and fees	\$355,258*	\$447,260	\$471,890

* Reclassified per review of Student Facility Fees to be more in line with other institutions of higher education.

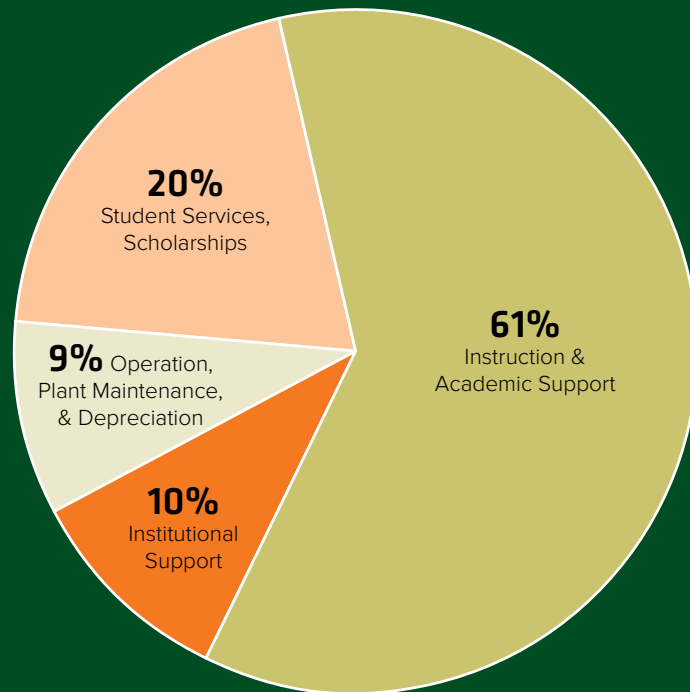
Note: 2018 Other nonoperating revenues is a credit (expense) due to a large expenditure in 2018.

INVESTING IN THE FUTURE | WHERE DO YOUR CSU TUITION DOLLARS GO?

Your tuition check: More than 80 percent of the cost of a Colorado State University education goes into academics, student services, and scholarships. (The chart below focuses ONLY on revenues generated by student enrollments, NOT CSU's total revenue budget. As a result, the percentages in this chart differ from totals listed elsewhere in this report.)

YOUR FY2019-2020 TUITION CHECK **\$9,426** per year + STATE TAX SUPPORT (COF) **\$2,820** at \$94 per credit hour = THE TOTAL CSU RECEIVES **\$12,246** from tuition and the state to educate one student for one year.

THE UNIVERSITY SPENDS THIS MONEY ON . . .



STUDENT FEES SUPPORT GOES 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.

\$1,803
General Fees

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.

\$50
University Tech Fee

Funds campus computer labs, library computing, and other technology services.

\$623
University Facility Fee

Funds classroom improvements, renovations, and construction of new, student-focused buildings.

Figures reflect annual costs for a full-time, resident student at 30 credit hours per year. Colorado State University FY19-20 Education and General Budget data. This is a subset of CSU Education and General Budget, from E&G Budget Data Book Expenditures by NACUBO Code.

CSU COSTS ARE COMPARABLE TO COSTS AT PEER UNIVERSITIES

TUITION, FEES, ROOM AND BOARD, BASED ON 12 CREDIT HOURS PER TERM

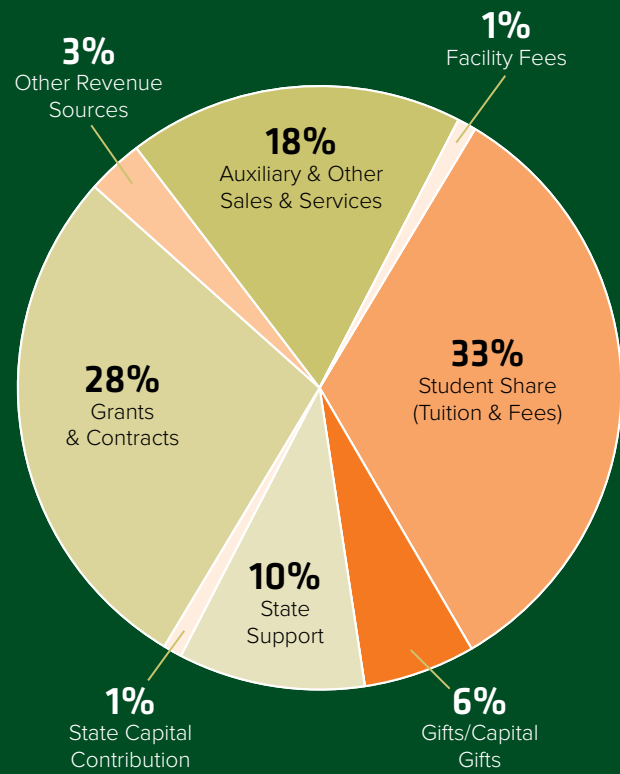
INSTITUTION	TUITION RESIDENT	NON-RESIDENT	FEES	ROOM AND BOARD [†]	TOTAL RESIDENT	TOTAL NON-RESIDENT
Michigan State University	14,460	39,766	67	11,072	\$25,599	\$50,905
University of Illinois, Urbana	12,036	29,178	4,174	11,480	\$27,690	\$44,832
U.C. Davis*	11,442	41,196	3,053	16,749	\$31,245	\$60,999
Virginia Tech	11,420	29,960	2,271	9,510	\$23,201	\$42,345
University of Tennessee	11,332	29,522	1,932	10,550	\$23,814	\$42,119
University of Colorado	10,728	36,546	2,006	14,778	\$27,512	\$53,330
Washington State University	10,510	25,088	1,330	11,122	\$22,962	\$37,540
Texas A & M University	10,498	37,527	–	10,400	\$20,898	\$47,927
Peer Average	9,838	29,446	1,971	11,360	\$23,028	\$42,687
Colorado State University	9,426	28,147	2,413	12,430	\$24,269	\$42,990
Purdue University	9,208	28,010	784	10,258	\$20,250	\$39,052
Iowa State University	8,042	23,230	1,350	9,565	\$18,957	\$34,145
Oregon State University*	7,932	23,757	2,219	12,780	\$22,931	\$38,756
Kansas State University	7,500	20,201	945	9,870	\$18,315	\$31,016
North Carolina State University	6,535	26,654	2,566	10,670	\$19,771	\$39,890
Oklahoma State University	6,089	21,609	2,929	10,230	\$19,248	\$34,769

* Trimester system tuition and fees – AY based on autumn/fall, winter, spring quarters.

[†] Room and Board includes max meal plan where applicable, in accordance with Common Data Set instructions.



CSU REVENUE SOURCES



COLORADO STATE UNIVERSITY IS FISCALLY RESPONSIBLE. Revenue is generated from several sources that support teaching, research, and outreach.

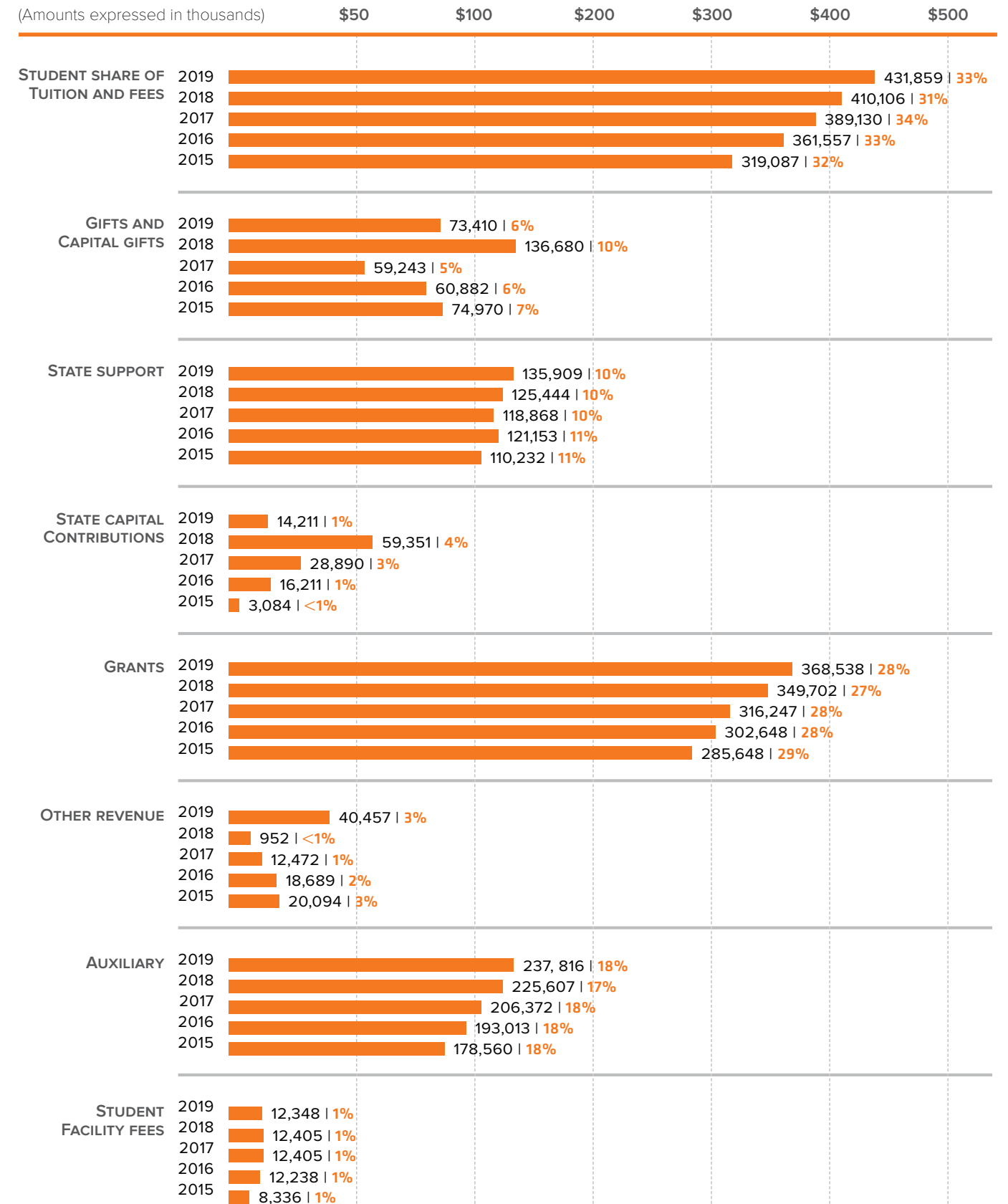
Colorado State University's academic program is mostly funded by two sources: state support (in the form of College Opportunity Fund stipends and Fee for Service funding) and student tuition and fees.

The total University budget (including research and donor funding) generates revenue that is directed in large part to a specific activity such as research projects or endowed chairs. These funds do not support the core teaching operations of the University.



CSU REVENUE BY AMOUNT AND PERCENTAGE

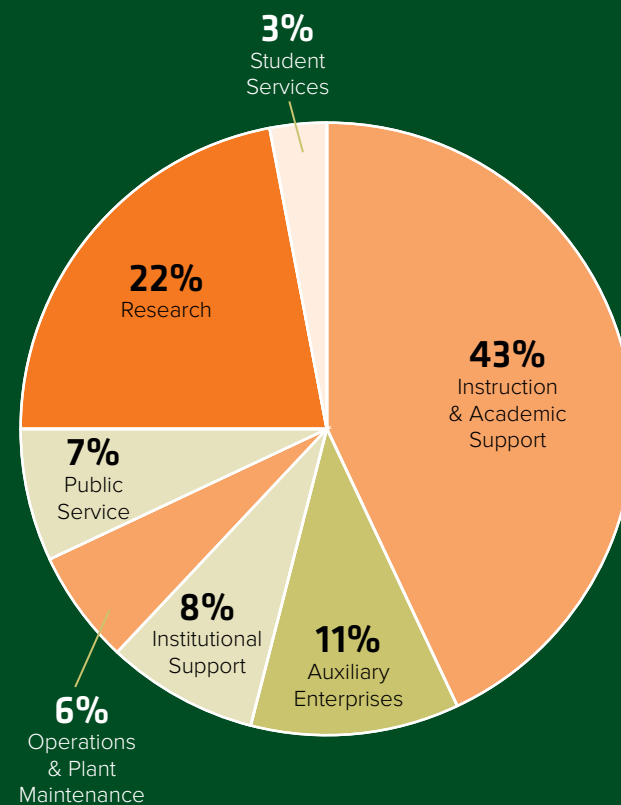
(Amounts expressed in thousands)



CSU INVESTS IN PEOPLE

TO ACHIEVE LONG-TERM STAFFING STABILITY, Colorado State University has:

- Implemented a living wage increase in the fall of 2018 for its lowest-paid employees, assuring an annual income of \$30,000 as a baseline for salaried employees.
- Continued to address affordable housing issues for employees by exploring innovative partnership opportunities to create new, attainable housing options.
- Addressed childcare challenges for students, faculty, and staff with a childcare center adjacent to campus to be operated through a public-private agreement with preference for CSU families of students and employees. The Sunshine House Early Learning Academy 2 is slated to open in mid-summer 2020.



SALARIES MAKE UP THE GREATEST SHARE OF CSU'S COSTS

IN 2019, MORE THAN HALF of CSU's total budget was dedicated to salaries and benefits for Colorado State's nearly 7,700 employees.

Salary expenses make up the greatest share of CSU's costs because higher education is a labor-intensive business.

Recruiting and retaining an exceptional workforce is a top University priority. High-performing people are central to Colorado State's success, and the University must compete for talent. An additional challenge is the cost of living in Fort Collins. Costs for housing, food, and other amenities are higher than the national average.

Colorado State University's annual salary equity study to assess potential salary differences by gender or minority status for tenured and tenure-track faculty shows no statistically significant differences at any rank in FY19.

CSU EXPENSES AND EXPENDITURES BY CATEGORY

OPERATING EXPENSES

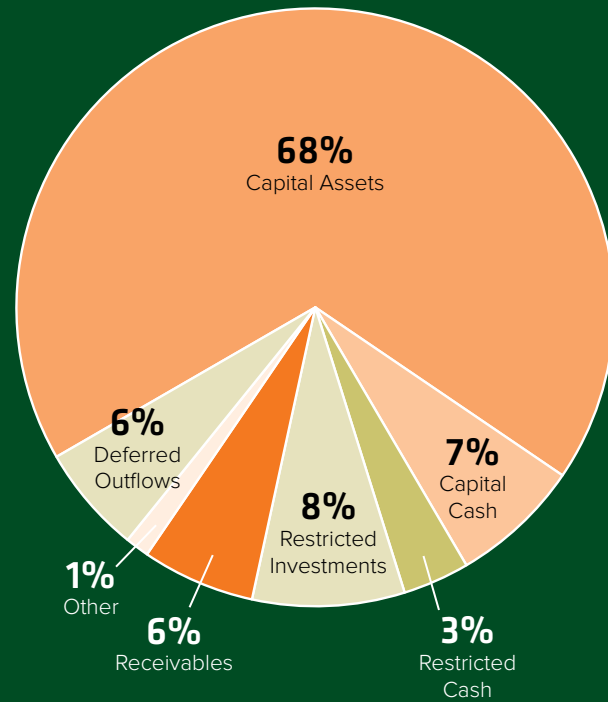
(Amounts expressed in thousands)	2015	2018	2019
Instruction	261,240	378,568	308,488
Research	186,132	246,346	217,982
Public service	90,495	143,454	136,328
Academic support	71,354	101,488	81,675
Student services	29,482	38,242	27,333
Institutional support	45,299	72,465	42,516
Operation and maintenance of plant	67,844	91,410	57,075
Scholarships and fellowships	9,952	15,043	20,660
Auxiliary enterprises	130,258	176,302	133,553
Depreciation	82,575	82,292	92,535
Total operating expenses	\$974,631	\$1,345,610	\$1,118,145

EXPENDITURES BY CATEGORY

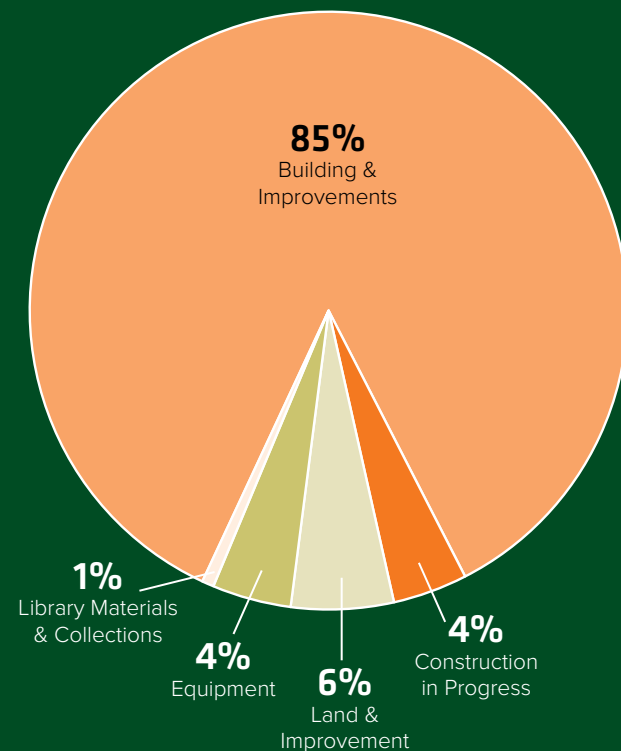
(Amounts expressed in thousands)	2015	2016	2017	2018	2019
Depreciation and other	108,144	116,971	117,984	122,139	134,678
Auxiliary	130,258	134,268	152,577	176,302	133,553
Scholarships	9,952	10,835	12,338	15,043	20,660
Operation and maintenance of plant	67,844	65,927	77,186	91,410	57,075
Institutional support	45,299	48,347	65,629	72,465	42,516
Public service	90,495	101,895	118,783	143,454	136,328
Student services	29,482	31,478	37,645	38,242	27,333
Research	186,132	200,819	230,685	246,346	217,982
Academic support	71,354	76,908	92,792	101,488	81,675
Instruction	261,240	280,646	338,793	378,568	308,488
Unusual items	—	—	—	—	—
Total	\$1,000,200	\$1,068,094	\$1,244,412	\$1,385,457	\$1,160,288

A SNAPSHOT OF CSU ASSETS

FISCAL YEAR 2018 TOTAL ASSETS



FISCAL YEAR 2018 CAPITAL ASSETS



LAND AND REAL ESTATE ASSETS

The property on which the University operates represents a significant asset to the state of Colorado. Preserving, maintaining, and growing these assets is CSU's obligation as a responsible steward of public resources.

COLORADO STATE UNIVERSITY INCLUDES:

The **708**-acre Main Campus, which includes the **301**-acre South Campus encompassing the James L. Voss Veterinary Teaching Hospital and the Natural Resources Research Center

1,439-acre Foothills Campus

1,065-acre Agricultural Research, Development, and Education Center

1,200-acre CSU Mountain Campus

4,038 acres of land for research centers and Colorado State Forest Service stations outside of Larimer County

2.7 million books, journals, documents, and electronic materials in Library holdings

CSU ASSETS | PRESERVING, MAINTAINING, AND GROWING PUBLIC RESOURCES

CURRENT AND NONCURRENT ASSETS

(Amounts expressed in thousands)

	2015	2018	2019
Current assets			
Cash and cash equivalents	289,898	367,821	182,863
Short-term investments	—	—	44,409
Student accounts receivable, net	23,590	28,485	32,308
Grants and other accounts receivable, net	47,000	90,055	108,547
Student loans receivable, net	2,602	3,190	3,351
Inventories	8,205	8,644	8,119
Assets held for resale	—	—	4,307
Prepaid expenses	6,874	7,604	9,824
Total current assets	\$378,169	\$505,799	\$393,728
Noncurrent assets			
Restricted cash and cash equivalents	362,956	40,388	42,193
Restricted investments	25,470	27,109	51,519
Student loans receivable, net	18,003	17,424	14,435
Long term investments	—	—	169,008
Interest rate swap agreement	—	654	—
Other noncurrent assets	11,154	653	2
Net OPEB assets, noncurrent	—	9,463	15,267
Nondepreciable capital assets			
Land	31,634	43,338	46,447
Construction in progress	81,265	170,869	71,027
Collections	3,283	5,460	7,314
Total nondepreciable capital assets	\$116,182	\$219,667	\$124,788
Depreciable capital assets			
Land improvements	28,373	42,964	46,782
Building and improvements	914,981	1,383,353	1,503,706
Leasehold improvements	2,182	184	536
Equipment	97,219	74,404	75,146
Library materials	5,763	4,125	3,956
Total depreciable capital assets (net of A/D)	\$1,048,518	\$1,505,030	\$1,630,126
Total noncurrent assets	\$1,582,283	\$1,820,388	\$2,047,338
Deferred outflows			
Deferred outflows – debt refundings	34,266	53,663	50,545
Deferred outflows – pensions	21,829	203,714	89,095
Deferred outflows – OPEBs	—	3,092	7,255
Deferred outflows – other	—	—	5,063
Total deferred outflows	\$56,095	\$260,469	\$151,958
Total assets and deferred outflows	\$2,016,547	\$2,586,656	\$2,593,024

The Current and Noncurrent Assets table of revenue and expenditures provide information about activities occurring within each fiscal year. The schedules of CSU's assets, liabilities, and net position provide a fiscal snapshot of the University as of the end of each fiscal year presented.

Colorado State University holds fiscal obligations relating to bonds and capital leases. These obligations relate to the financing of the capital assets that are critical to support the University's land-grant mission of teaching and learning, research and discovery, and outreach and public service.

CSU OBLIGATIONS AND LIABILITIES

(Amounts expressed in thousands)	2015	2018	2019
Current liabilities			
Accounts payable	40,289	60,679	52,994
Accrued liabilities	71,842	28,597	33,183
Unearned revenue	30,909	40,777	44,185
Deposits held for others, current	5,466	6,471	6,500
Commercial paper	—	10,000	49,200
Bonds payable and certificates of participation, current	18,333	24,121	25,312
Capital leases payable, current	3,013	2,690	2,342
Other noncurrent liabilities, current	2,343	5,352	1,955
Compensated absences liabilities, current	2,354	3,074	3,129
Total current liabilities	\$174,549	\$181,761	\$218,800
Noncurrent liabilities			
Bonds payable and certificates of participation	919,057	1,070,582	1,069,128
Capital leases payable	17,956	16,837	15,918
Deposits held for others	23,039	19,382	22,712
Other noncurrent liabilities	5,822	12,982	17,052
Interest rate swap agreement	—	—	5,029
Compensated absences liabilities	47,494	46,955	48,727
Net pension liability	483,348	998,052	563,371
Net OPEB liability	—	48,612	25,430
Total noncurrent liabilities	\$1,496,716	\$2,213,402	\$1,767,367
Deferred inflows of resources			
Deferred inflows – pensions	1,216	39,898	294,896
Deferred inflows – OPEBs	—	1,903	8,683
Deferred inflows – other	309	674	—
Total deferred inflows of resources	\$1,525	\$42,475	\$303,579
Total liabilities and deferred inflows of resources	\$1,672,790	\$2,437,638	\$2,289,746
Net position	\$343,757	\$149,018	\$303,278
Total liabilities, deferred inflows of resources, and net position	\$2,016,547	\$2,586,656	\$2,593,024

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(Amounts expressed in thousands)	2015*	2018	2019
Operating revenues	873,845	1,089,032	1,154,200
Operating expenses	974,631	1,345,610	1,118,145
Operating loss	(\$100,786)	(\$256,578)	\$36,055
Nonoperating revenues (net of expenses)	59,146	64,713	62,705
Loss before other revenues (net of expenses)	(\$41,640)	(\$191,865)	\$98,760
Other revenues	41,451	126,779	55,500
Special items	—	—	—
Extraordinary items	—	—	—
Increase (Decrease) in net position	(\$189)	(\$65,086)	\$154,260
Net position, beginning of year	792,245	261,269	149,018
Change in accounting principle	(448,299)	(47,165)	—
Net position, end of year	\$343,757	\$149,018	\$303,278

* Reclassified per review of Student Facility Fees to be more in line with other Institutions of Higher Education.

CONDENSED STATEMENT OF NET POSITION

(Amounts expressed in thousands)	2015	2018	2019
Current assets	378,169	505,799	393,728
Noncurrent assets	1,582,283	1,820,388	2,047,338
Deferred outflows	56,095	260,469	151,958
Total assets	\$2,016,547	\$2,586,656	\$2,593,024
Current liabilities	174,549	181,761	218,800
Noncurrent liabilities	1,496,716	2,213,402	1,767,367
Deferred inflows	1,525	42,475	303,579
Total liabilities	\$1,672,790	\$2,437,638	\$2,289,746
Net position	\$343,757	\$149,018	\$303,278



THE VALUE OF A CSU EDUCATION

IN RECENT YEARS, many students and families have grown increasingly anxious about the cost of higher education. They hear about the rising cost of a college degree and how graduates are burdened by debt. Some have become convinced they simply cannot afford a degree.

Public funding for higher education has declined for decades in Colorado and across the nation. Twenty years ago, state funding covered as much as two-thirds of the cost of a CSU education, with about one-third of the burden falling to students and their families. Those numbers have more than flipped. Today, students and families cover at least three-quarters of the cost.

However, there is good news. While a Colorado resident graduating from CSU with a bachelor's degree leaves with an average debt of about \$25,000, approximately the price of a new car, they also enter the workplace earning an average starting salary of almost \$50,000.

And with a bachelor's degree – as opposed to only a high school diploma – those graduates will earn, on average, a million dollars more over their working lifetimes.

The return on state funding invested in students also makes a difference in the economy, even considering only the expanded tax base from the higher earnings of graduates.

So dollars spent on a university education turn out to be a pretty good investment, both for the state and the individual. Earning a high-quality CSU degree at a relatively low cost continues to be one of the best deals in higher education.



ACCOUNTABILITY AT COLORADO STATE UNIVERSITY

THIS ANNUAL ACCOUNTABILITY REPORT provides public access to Colorado State University's assets and expenses, derived from CSU's audited financial documents. Additional resources related to institutional performance, costs, and accountability can be found at:

CSU ACCOUNTABILITY WEBSITE

Current and past copies of this report, college and division operating budget summaries, Fact Book data.
accountability.colostate.edu

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