2023 Annual Financial Report

UNIVERSITY OF
NORTHERN COLORADO

About the Cover Photo

In April and May 2023, UNC's iconic bronze bear was clothed in a giant crochet sweater created by Dr. Stephanie Spindler and her 3D Design class in UNC's School of Art and Design (SOAD). The class wanted to bring awareness to mental health issues through art activism. Crochet is proven to improve hand dexterity and often used as a meditative practice to help calm anxiety.

Messages of love and support were pinned to the sweater and visitors were encouraged to snap a photo to post with the hashtags #URLovedSOAD and #MentalHealth.

#URLovedSOAD
#MentalHealth

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Message from President Feinstein

Fellow Bears,

At the University of Northern Colorado, we are guided in all we do by the vision and goals stated in our ten-year strategic plan, Rowing, Not Drifting 2030. Achieving our intended outcomes requires that we maintain our financial stability, address core resource needs, and invest in our strategic priorities. As we reflect on Fiscal Year 2023 and look ahead to 2024, I am optimistic about what we will continue to achieve in support of our students, staff, faculty, and the communities we serve.

Since we began implementing our strategic plan in 2020, we have achieved many successes. Our accomplishments include demonstrating our commitment as a Students First University by adding offerings to our academic portfolio, enhancing student learning through the use of career-specific and high-impact practices, bolstering support services outside the classroom, and overhauling our financial aid awarding process by directing resources to students with the greatest financial need. We have also directed additional resources to our dedicated employees in the form of compensation increases and through benefits such as an extended winter break and a modified summer schedule. Additionally, we are investing in our infrastructure, including renovating our dining facilities and creating new spaces for students, faculty, and staff to gather.

These are just a few examples of how we are directing resources to support our strategic priorities. Across each vision element — Students First, Empower Inclusivity, Enhance & Invest, Innovate & Create, and Connect & Celebrate — we will continue to work diligently in pursuit of our shared commitment of being a Students First University and lay the foundation for a bright future at UNC.

Over the course of Fiscal Year 2024, we will conclude work on Phase II of our plan and identify the next set of key actions and tactics we will prioritize in the third phase. I look forward to working with the university community to collectively identify the next steps we will take to position UNC for continued success.

Rowing, Not Drifting,

Andy Feinstein
President

UNIVERSITY OF NORTHERN COLORADO

Management's Responsibility for Financial Reporting

The accompanying financial statements of the University of Northern Colorado for the year ended June 30, 2023, were prepared by management in conformity with generally accepted accounting principles.

The management of the University is responsible for the integrity and objectivity of these financial statements, which are presented on the accrual basis of accounting and, accordingly, include some amounts based upon judgment. Other financial information in the annual financial report is consistent with that in the financial statements. The system of internal accounting controls is designed to assure that the financial reports and the books of accounts properly reflect the transactions of the institution, in accordance with established policies and procedures as implemented by qualified personnel.

The Board of Trustees of the University of Northern Colorado monitors the financial and accounting operations of the institution, including the review and discussion of periodic financial statements, the evaluation and adoption of budgets, and the reporting of independent certified public accountants.

Dale Pratt
Vice President
for Finance & Administration
and Chief Financial Officer

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Independent Auditors' Report

Board of Trustees and Members of the Legislative Audit Committee
University of Northern Colorado
Greeley, Colorado

Report On The Audit Of The Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the University of Northern Colorado (the University), and its discretely presented component unit, collectively as an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University and its discretely presented component unit as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Northern Colorado Foundation (the Foundation), the University's discretely presented component unit, which represents 100% of total asset, total revenues of the discretely presented component as of June 30, 2023. Those statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report has been furnished to us, and our opinions, insofar as it relates to amounts included for the Foundation, is based solely on the report of the other auditors.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Governmental Auditing Standards*.

Emphasis Of Matters

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

As discussed in Notes 1, 5 and 7 to the financial statements, the University implemented the provisions of Governmental Accounting Standards Board Number 96, *Subscription-Based Information Technology Arrangements* as of July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of the University's Proportionate Share of Public Employees' Retirement Association of Colorado (PERA) Net Pension Liability and PERA Other Post-Employment Benefits (PERA OPEB) Net Liability and the Schedules of the University's Contributions to PERA Pension and PERA OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the operating budget summary; actual and projected net revenues available for debt service; general financial information and operating data; enrollment, admissions, student charges and faculty data and the Board of Trustees and administration information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

RubinBrown LLP

January 12, 2024

Overview

Management's Discussion and Analysis

We are pleased to present this financial discussion and analysis of the University of Northern Colorado (the University or UNC). It is intended to make the University's financial statements easier to understand and to communicate its financial situation in an open and accountable manner. It provides an objective analysis of the University's financial position and results of operations as of and for the fiscal year ended June 30, 2023, with comparative information for the fiscal years 2022 and 2021. University management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, related footnote disclosures, and schedules of supplementary information.

The presented information relates to the financial activities of the University, a public comprehensive baccalaureate and specialized graduate research university, and focuses on the financial condition and results of operations as a whole. The financial statements for the University of Northern Colorado Foundation, Incorporated (UNC Foundation or the Foundation), a legally separate organization whose operations benefit the University, are discretely presented within the University's financial statements. Unless otherwise noted, the information and financial data included in management's discussion and analysis relate solely to the University.

Understanding the Financial Statements

Financial highlights are presented in this discussion and analysis to help your assessment of the University's financial activities. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements, which have the following parts:

- ***Independent Auditors' Report*** presents an unmodified opinion prepared by the University's auditors (an independent certified public accounting firm, RubinBrown LLP) on the fairness, in all material respects, of the University and its discretely presented component unit's respective financial position.

- ***Statement of Net Position*** presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at a point in time (June 30, 2023). Its purpose is to present a financial snapshot of the University. This statement aids readers in determining the assets available to continue the University's operations; evaluating how much the University owes to vendors, employees, investors, and lending institutions; and understanding the University's net position and its availability for expenditure by the University.

- ***Statement of Revenues, Expenses, and Changes in Net Position*** presents the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time (the fiscal year ended June 30, 2023). Its purpose is to assess the University's operating results.

- ***Statement of Cash Flows*** presents University cash receipts and payments during a period of time (the fiscal year ended June 30, 2023). Its purpose is to assess the University's ability to generate net cash flows and meet its payment obligations as they come due.

- ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as Notes. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found. University management suggests that the readers of this annual report combine this financial analysis with relevant nonfinancial indicators to assess the overall health of the University. Examples of nonfinancial indicators include trend and quality of applicants, freshman class size, student retention, building condition, and campus safety.

Financial Highlights

Selected financial highlights for the fiscal year ended June 30, 2023, include:

- University assets total $364.8 million, deferred outflows of resources total $17.5 million, liabilities total $259.6 million, and deferred inflows of resources total $10.0 million resulting in a net position of $112.7 million. Of the ending net position, $0.4 million is restricted for purposes for which the donor, grantor, or other external party intended and $134.6 million is related to investments in capital assets. The remaining deficit of $22.2 million, which is unrestricted net position, is comprised of a deficit of $77.4 million from the impact of *GASB 68: Accounting and Financial Reporting for Pensions* and a deficit of $3.6 million from the implementation of *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, offset by positive net position of $58.8 million, which may be used to meet the University's ongoing obligations.

- Total operating revenues of $198.8 million, less total operating expenses of $215.0 million, resulted in a net operating loss of $16.2 million. This operating loss was offset by net nonoperating revenues of $7.2 million and other changes of $14.2 million, resulting in a $5.1 million increase in net position. Other changes of $14.2 million include capital appropriations and contributions from the State of Colorado of $5.2 million, student capital fee revenue of $6.3 million, capital gifts and grants of $1.8 million, and a gain on the sale of property of $0.9 million.

- Per GASB guidance, the University implemented GASB 96, *Subscription-Based Information Technology Agreements (SBITAs),* in fiscal year 2023. GASB 96 increases the usefulness of governmental financial statements by requiring recognition of certain subscription assets and liabilities. Prior to issuance of GASB 96, there was no accounting or financial reporting guidance specifically for government end users of SBITAs. GASB 96 establishes a definition for SBITAs and provides guidance on the accounting and financial reporting for such arrangements. GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's IT software for a specified period of time, alone or in combination with tangible IT assets, in an exchange or exchange-like transaction.

  The University implemented GASB 96 effective July 1, 2022. As prior year balances do not reflect this change in accounting standard, only fiscal year 2023 is presented in the financial statements and notes. Three years of information are included in the Management's Discussion and Analysis section. With the implementation of GASB 96, fiscal year 2023 includes right-to-use subscription assets and right-to-use subscription liabilities. Fiscal years 2022 and 2021 were not restated to reflect balances that pertain to GASB 96.

- As demonstrated in the table below, net position increased $5.1 million on the Statement of Revenues, Expenses, and Changes in Net Position. The increase in net position is primarily attributable to the change in the University's net pension liability and associated deferred outflows and inflows of resources on pensions, which decreased by a net total of $7.8 million from fiscal year 2022 to 2023. In fiscal year 2023, the net pension liability increased by $29.2 million, but this was offset by an increase in deferred outflows on pensions of $9.6 million and a decrease in deferred inflows of $27.4 million, both of which contributed positively to net position. The net pension liability of $88.2 million represents the University's proportionate share of the PERA State Division Trust Fund net pension liability. The changes in deferred outflows and inflows in fiscal year 2023 are primarily related to expected versus actual investment earnings in the State Division Trust Fund.

Summary of Changes in Net Position
as of June 30 (in millions)

	2023
Overall change in net position:	
Current year GASB 68 impact on net position	$ 7.8
Current year GASB 75 impact on net position	0.7
Current year impact from University operations	(3.4)
Total change in net position	**$ 5.1**
Detail of change in net position:	
Net pension liability - GASB 68	
Increase in net pension liability	$ (29.2)
Net decrease in deferred outflows and inflows related to pension	37.0
Change in net position from GASB 68	**$ 7.8**
Net OPEB liability - GASB 75	
Decrease in net OPEB liability	$ 0.1
Net decrease in deferred outflows and inflows related to OPEB	0.6
Change in net position from GASB 75	**$ 0.7**
Change in net position from University operations	
Decrease in cash used to cover operating deficits and capital construction	$ (3.2)
Increase in restricted cash for drawdown of Campus Commons bond funds	-
Net decrease in student accounts receivable, other receivables, loans, inventory, and other assets	(2.7)
Decrease in capital assets net of depreciation	(0.1)
Net increase in compensated absences and other liabilities	(1.4)
Decrease in accounts payable, accrued liabilities and unearned revenues	0.5
Decrease in bonds and capital leases payable	2.2
Decrease in Perkins Loan Program liquidation liability	0.6
Net decrease in deferred outflows and inflows related to bond refundings and right-to-use assets	0.7
Change in net position from University operations	**$ (3.4)**

Statement of Net Position

The Statement of Net Position is a financial snapshot of the University as of June 30, 2023. It presents the fiscal resources of the University (assets), the consumption of net position that applies to future periods (deferred outflows of resources), the claims against those resources (liabilities), the acquisition of net position that applies to future periods (deferred inflows of resources), and the residual available for future operations (net position). Assets and liabilities are classified by liquidity as either current or noncurrent. Net Position is classified into three categories: net investment in capital assets, restricted, and unrestricted. The Statement of Net Position presents information on all of the University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the financial statement elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the strength of the financial position of the University.

Condensed Statements of Net Position
as of June 30,

	2023	2022	2021
Assets			
Current assets	$ 85,836,737	$ 90,672,204	$ 72,693,418
Capital assets, net	272,698,922	272,769,396	273,024,984
Other noncurrent assets	6,296,816	7,313,042	4,459,390
Total assets	364,832,475	370,754,642	350,177,792
Deferred outflows of resources			
Deferred amounts on debt refundings	2,228,989	2,447,509	2,035,866
Deferred amount on pensions (GASB 68)	14,931,782	5,291,213	10,609,119
Deferred amount on OPEB[1] (GASB 75)	319,534	192,380	161,747
Total deferred outflows of resources	17,480,305	7,931,102	12,806,732
Liabilities			
Current liabilities	31,443,639	29,779,212	27,833,768
Bonds payable, noncurrent	122,022,723	128,924,828	134,272,064
Net pension liabilities (GASB 68)	88,229,517	58,983,574	86,476,674
OPEB[1] liabilities (GASB 75)	2,226,533	2,351,885	3,031,644
Perkins liquidation liability, noncurrent	765,490	1,133,488	1,668,520
Other noncurrent liabilities	14,864,019	11,125,978	11,058,661
Total liabilities	259,551,921	232,298,965	264,341,331
Deferred inflows of resources			
Deferred amounts on debt refundings	634,729	672,250	709,770
Deferred amounts on right-to-use lease assets (GASB 87 & 96)	3,589,419	4,488,602	-
Deferred amount on pensions (GASB 68)	4,110,453	31,470,998	31,224,814
Deferred amount on OPEB[1] (GASB 75)	1,692,854	2,121,409	2,072,546
Total deferred inflows of resources	10,027,455	38,753,259	34,007,130
Net Position			
Net investment in capital assets	134,620,118	133,040,960	129,524,159
Restricted - nonexpendable	307,555	307,555	307,555
Restricted - expendable	46,175	421,552	3,232,412
Unrestricted (GASB 68)	(77,408,188)	(85,163,359)	(107,092,369)
Unrestricted (GASB 75)	(3,599,852)	(4,280,914)	(4,942,443)
Unrestricted	58,767,596	63,307,726	43,606,749
Total net position	$ 112,733,404	$ 107,633,520	$ 64,636,063

1. OPEB - Other post employment benefits

Assets

Current Assets

Current assets decreased $4.8 million for fiscal year 2023, increased $18.0 million for fiscal year 2022, and decreased $19.7 million for fiscal year 2021.

Unrestricted cash and cash equivalents and capital assets are the largest portions of the University's total assets. On June 30, 2023, 2022, and 2021, cash and cash equivalents were $71.2, $74.4, and $56.5 million which comprised 19.5%, 20.1%, and 16.1%, of the University's total assets, respectively. The majority of the cash is held in the State Treasury and includes operating, restricted, agency, and other cash funds.

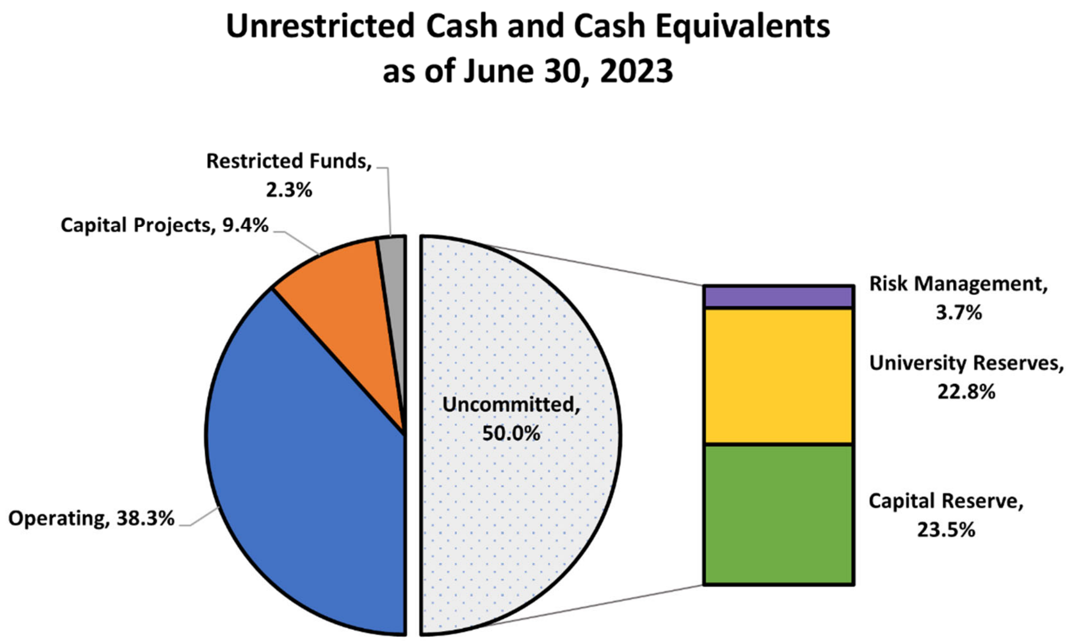
The committed capital projects cash balance as of June 30, 2023 and 2022, includes only the remaining cash expenditures expected to complete projects approved from the prior fiscal years. Funds are transferred at the beginning of each fiscal year from reserves to capital projects to fund that year's projects, as needed.

Internally, management designates the unrestricted cash into committed and uncommitted within each category of operating, capital, and restricted funds. Committed operating cash is used to support the annual operating budget and strategic investment projects. Committed capital project cash is funded annually from sources such as capital reserves, state capital appropriations, and bond proceeds. These balances carry forward until project completion. Uncommitted capital reserves are funded from University reserves, donor capital funds, student capital fees (net of debt service), and a portion of auxiliary revenues. Committed restricted cash includes Perkins loan funds and funds to cover grant-related expenses. By nature, restricted funds are committed so there is no uncommitted balance.

The following table indicates the expected uses of cash and cash equivalents:

University of Northern Colorado
Unrestricted Cash and Cash Equivalents
as of June 30,

	2023	2022	Change
Operating			
Committed Operating	$ 27,244,305	$ 36,880,126	$ (9,635,821)
Uncommitted University Reserves	16,274,786	14,920,752	1,354,034
Uncommitted Risk Management Reserves	2,650,000	2,650,000	-
Total Operating Cash	46,169,091	54,450,878	(8,281,787)
Capital			
Committed Capital Projects	6,681,163	6,679,135	2,028
Uncommitted Capital Reserves	16,719,120	12,864,338	3,854,782
Total Capital Cash	23,400,283	19,543,473	3,856,810
Restricted Funds			
Committed Restricted	1,663,970	424,873	1,239,097
Total Restricted Cash	1,663,970	424,873	1,239,097
Total unrestricted cash and cash equivalents	$ 71,233,344	$ 74,419,224	$ (3,185,880)



Student accounts receivable is one of the largest current assets and is presented net of allowance for doubtful accounts. Net student accounts receivable as of June 30, 2023, 2022, and 2021, was $4.9, $5.2, and $5.5 million, respectively. The net student accounts receivable decreased $0.3 million or 6.0% from fiscal year 2022 to 2023, decreased $0.3 million or 5.7% from fiscal year 2021 to 2022, and decreased $1.9 million or 25.8% from fiscal year 2020 to 2021.

Other receivables consist primarily of amounts due to the University from reimbursable grants and contracts. The majority of these are federal, state, or UNC Foundation agreements that have a very high probability of collection. In most cases, these awards are spent on a cost-reimbursable basis. The University incurs the cost, then bills the sponsoring agency for reimbursement. Other receivables were $8.2 million in fiscal year 2023, $9.2 million in fiscal year 2022, and $9.1 million in fiscal year 2021.

Right-to-use leases receivable, inventories, loans to students, and prepaid expenses make up the remainder of current assets. These four categories combined were $1.5 million in fiscal year 2023, $1.9 million in fiscal year 2022, and $1.7 million in fiscal year 2021.

Capital Assets

Capital assets are defined as any asset used in operations with an initial useful life extending beyond one year. The University's single largest fiscal resource is its campus facilities. As of June 30, 2023, capital assets of $666.9 million, net of $394.2 million accumulated depreciation/amortization, totaled $272.7 million.

As of June 30, 2022, capital assets of $651.7 million, net of $378.9 million accumulated depreciation/amortization, totaled $272.8 million. As of June 30, 2021, capital assets of $634.4 million, net of $361.4 million accumulated depreciation, totaled $273.0 million.

The University ended fiscal year 2023 with $14.3 million in construction in progress. The larger projects in progress at year end, that will be completed and capitalized in fiscal year 2024, include the Candelaria chiller replacement, Michener chiller replacement, and Boiler #3 replacement.

Additional information on additions, disposals, and transfers of capital assets can be found in *Note 5: Capital Assets*. A summary of the capital asset balances is reflected in the following table:

Capital Assets Net of Accumulated Depreciation
as of June 30,

	2023		2022		2021	
Land and improvements	$ 19,167,827	7.0%	$ 19,438,374	7.1%	$ 19,023,548	7.0%
Buildings and improvements	218,389,301	80.1%	224,388,379	82.2%	231,216,605	84.7%
Construction in progress	14,282,786	5.2%	11,532,254	4.2%	5,422,773	2.0%
Library books	10,190,405	3.7%	10,377,500	3.8%	10,478,257	3.8%
Equipment	3,674,936	1.3%	4,568,064	1.7%	5,109,117	1.9%
Art and historical treasures	1,774,684	0.7%	1,774,684	0.7%	1,774,684	0.6%
Right-to-use lease assets	691,120	0.3%	690,141	0.3%	-	0.0%
Right-to-use subscription assets	4,527,863	1.7%	-	0.0%	-	0.0%
Total capital assets net of accumulated depreciation/amortization	$ 272,698,922	100.0%	$ 272,769,396	100.0%	$ 273,024,984	100.0%

With the implementation of GASB 96, *Subscription-Based Information Technology Agreements,* effective July 1, 2022, the University recognized $4.5 million in right-to-use subscription assets, net of accumulated amortization.

Other Noncurrent Assets

Other noncurrent assets consist of loans to students, restricted investments, and right-to-use leases receivable. Restricted investments consist of $0.5 million of gifts directly donated to the University of Northern Colorado in the past that cannot be legally transferred to the UNC Foundation. The value of this donation portfolio changes minimally each year based on the market gains or losses on the investments.

Loans to students which are not expected to be received within one year are included in other noncurrent assets. These are primarily federal Perkins loans that are managed under the appropriate federal guidelines through a third-party loan processor. Loans to students, net of allowance for doubtful accounts, that are due after June 30, totaled $2.3, $2.5, and $2.8 million on June 30, 2023, 2022, and 2021, respectively.

The non-current portion of right-to-use leases receivable totaled $3.6 and $4.3 million on June 30, 2023 and 2022, respectively. The University implemented GASB 87, *Leases*, effective July 1, 2021. As of June 30, 2023, the University recognized right-to-use leases receivable as lessor under four identified lease arrangements. More information about these arrangements can be found in *Note 4: Accounts, Contributions, and Loans Receivable*.

Liabilities

Non-Debt Related Liabilities

The University's non-debt obligations and commitments arising from past events that are expected to result in a consumption of resources include amounts owed to vendors, personnel commitments, and unearned revenue. *Note 6: Liabilities and Unearned Revenue* provides more detailed information for current liabilities expected to be paid within one year and noncurrent liabilities expected to be paid after one year.

The net pension liability of $88.2 million represents the University's proportionate share of the PERA State Division Trust Fund net pension liability. The liability increased $29.2 million from fiscal year 2022 to 2023. The University is required by GASB 68 to recognize its proportionate share of the net pension liability and its related deferred outflows and inflows of resources, but UNC is only statutorily obligated to pay the employer contribution, plus the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). Detailed information on the changes in the Plan is included in *Note 8: Defined Benefit Pension Plan*.

The net OPEB liability of $2.2 million represents the University's proportionate share of the PERA Health Care Trust Fund (HCTF). The liability decreased $0.1 million from fiscal year 2022 to 2023. The University implemented *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions* in fiscal year 2018. Under GASB 75, the University is required to recognize its proportionate share of the net OPEB liability and its related deferred outflows and inflows of resources. PERA diverts 1.02% of the basic employer contribution to fund the HCTF. Detailed information on other postemployment benefits is included in *Note 11: Other Postemployment Benefits (OPEB).*

The Perkins liquidation liability of $1.3 million for fiscal year 2023 decreased $0.6 million from fiscal year 2022. The liability was first recorded in fiscal year 2018 and is based on the University's estimate of the return of the Federal portion of funding for the Perkins loan program to the United States Department of Education. More information on the sunset of the Perkins loan program is included in *Note 6: Liabilities and Unearned Revenue.*

Accounts payable and accrued liabilities of $9.6 million for fiscal year 2023 decreased $0.5 million from fiscal year 2022, remaining largely consistent with the prior year.

Current unearned revenue of $9.8 million includes tuition and fees and certain auxiliary revenues received by June 30, 2023, which are for services to be provided in fiscal year 2024. It also includes revenues received from grant and contract sponsors and the UNC Foundation that have not yet been earned. These amounts will be recognized as revenue in future periods after all conditions have been satisfied.

Compensated absences are an estimate of the amounts payable to employees in the future for their vested rights under the various leave and retirement programs. This estimate is based on personnel policies that define vacation and sick leave to which the employees may be entitled (see *Note 1: Nature of Operations and Summary of Significant Accounting Policies*). The noncurrent liability for compensated absences was $5.7, $4.3, and $4.5 million as of June 30, 2023, 2022, and 2021, respectively.

University Debt

The largest liability for the University is outstanding bonds payable. The University has seven fixed rate bond issues outstanding for a total principal of $123.5 million. The carrying value of these bonds includes $5.0 million in premiums that will be amortized over the remaining life of the bonds; consequently, the combined current and noncurrent liability on the Statement of Net Position is $128.5 million.

Debt-Related Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the future consumption of net assets and deferred inflows of resources represent the acquisition of net assets that applies to future periods. The University has $2.2 million of deferred outflows of resources and $0.6 million of deferred inflows of resources from the refunding activities of bonds payable.

The deferred amounts resulting from refunding bonds payable originate from the difference in the carrying value of the bonds (principal plus unamortized discount or premium) and the amount it costs to retire or refinance the bonds. A book loss on refunding is classified as a deferred outflow of resources and a book gain is classified as a deferred inflow of resources. As each is amortized, the expense or reduction of expense is recognized over the same period that the University is realizing the economic gain from reduced interest expense related to the refunding transactions.

Other Debt-Related Liabilities

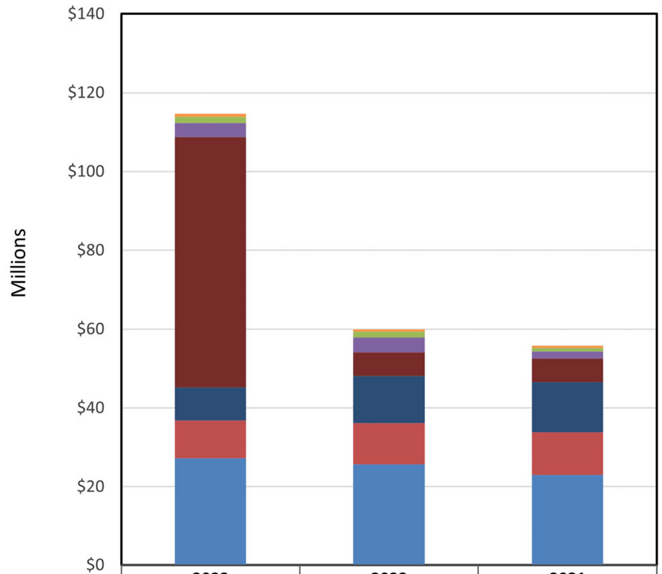
Notes payable, lease obligations, and subscription obligations comprise the remaining $10.4 million of the University's debt. A more detailed schedule, including debt coverage ratios, is included in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable.* A summary of University debt and the related deferred outflows and inflows of resources is presented in the following table:

Summary of Debt Outstanding and Debt-Related Deferred Outflows and Inflows of Resources
as of June 30,

	2023	2022	2021
Revenue bonds	$ 128,547,723	$ 134,524,828	$ 139,417,064
Deferred outflows of resources	(2,228,989)	(2,447,509)	(2,035,866)
Deferred inflows of resources	634,729	672,250	709,770
Notes payable, lease obligations, and subscription obligations	10,371,527	6,629,072	6,140,469
Total	137,324,990	139,378,641	144,231,437
Less current portion of debt	(9,209,090)	(6,658,225)	(5,790,390)
Total long-term debt and deferred outflows and inflows of resources	$ 128,115,900	$ 132,720,416	$ 138,441,047

The debt service payments on the revenue bonds are made from pledged revenues comprised of auxiliary housing, food service, parking, and other sales, plus identified pledged student fees, Extended Campus net revenues, and a portion of student tuition revenues. Extended Campus net revenues consist primarily of tuition revenues for online programs.

Pledged Revenues for Bonds Payable



	2023	2022	2021
Indirect Cost Recoveries	682,169	563,227	503,792
Parking Fees	1,657,217	1,420,931	878,948
Other Auxiliary Sales and Services	3,470,131	3,750,372	1,797,481
Pledged Student Tuition	63,584,110	6,022,297	5,990,225
Extended Campus Net Revenues	8,348,588	12,008,724	12,755,027
Pledged Student Fees	9,648,777	10,385,315	10,771,954
Housing and Food Sales	27,224,005	25,734,232	23,048,453

In November 2022, the University of Northern Colorado Board of Trustees approved a resolution to amend the University's tuition revenue pledge from 10% to 100% of tuition revenues, effective in fiscal year 2023. The pledged revenues, net of expenses of $26.3 million, and bond coverage ratios are included in *Note 7: Bonds, Notes Payable and Right-To-Use Leases Payable.*

Net Position

The University's net position may have restrictions imposed by external parties, such as donors, or it may be invested in capital assets (property, plant, and equipment). To help understand the nature of the University's net position, it is classified into the following categories:

Net Investment In Capital Assets

Net investment in capital assets is the gross cost of assets less accumulated depreciation, amortization, and outstanding debt service related to the acquisition of the assets. It represents the University's investment in campus facilities and equipment necessary to fulfill academic, student housing and food service, athletics, and other purposes related to the mission of the institution. This is the University's largest class of net position, which comprises $134.6, $133.0, and $129.5 million of the University's net position for fiscal years 2023, 2022, and 2021, respectively. The University capitalized $11.9, $10.5, and $21.0 million of new assets in fiscal years 2023, 2022, and 2021, respectively, and ended fiscal year 2023 with $14.3 million in construction in progress.

Restricted Nonexpendable

The University's restricted nonexpendable net position is comprised of endowment funds for which the donor has required that the original principal is set aside for perpetual investment. The University's restricted nonexpendable net position has remained at $0.3 million for the last three fiscal years and includes only those endowment funds that cannot be legally transferred to the University of Northern Colorado Foundation, Incorporated. The majority of the endowment assets benefiting the University are held by the Foundation, which is a discretely presented component unit in the financial statements.

Restricted Expendable

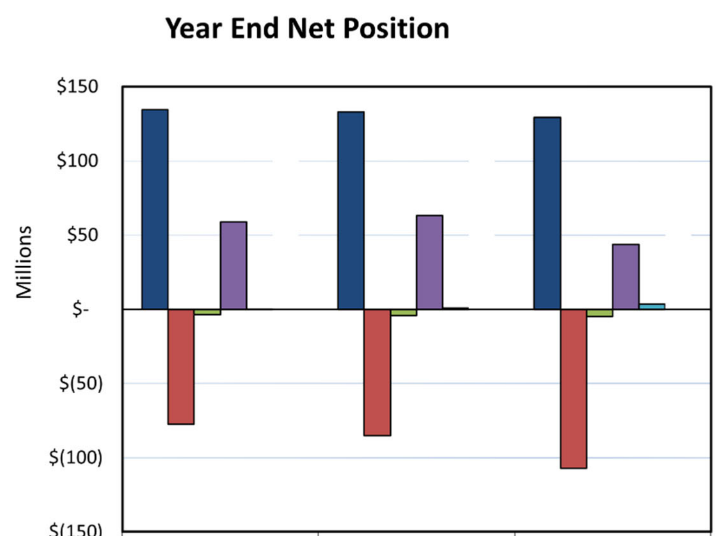
The University's restricted expendable net position is comprised of resources that may be fully expended, but only for specific purposes identified by the donor or entity originally providing the funds.

The University's restricted expendable net position as of June 30, 2023, 2022, and 2021, was $0.05, $0.40, and $3.20 million, respectively.

For fiscal year 2021, the majority of the restricted expendable net position category consisted of unexpended Foundation funding for capital projects, including the new Sports Performance Center.

Unrestricted

Unrestricted net position is usually available to be used for any lawful purpose under the full discretion of management. However, the University may place some limitations on future use by designating unrestricted net position for certain purposes during the annual budget process. The unrestricted net position deficit of $22.2 million is comprised of a deficit of $77.4 million from the impact of GASB 68 and a deficit of $3.6 million from GASB 75, offset by positive net position of $58.8 million, which may be used to meet the University's ongoing obligations.



	2023	2022	2021
Net Investment in Capital Assets	$134,620,118	$133,040,960	$129,524,159
Unrestricted GASB 68	(77,408,188)	(85,163,359)	(107,092,369)
Unrestricted GASB 75	(3,599,853)	(4,280,914)	(4,942,443)
Unrestricted	58,767,597	63,307,726	43,606,749
Restricted	353,730	729,107	3,539,967
Total	$112,733,404	$107,633,520	$64,636,063

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the financial activity of the University over the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. A key component of this statement is the differentiation between operating and nonoperating activities. The tables and charts related to the Statement of Revenue, Expenses, and Changes in Net Position that follow have been adjusted, for comparative purposes, to include the impact of *GASB 68: Accounting and Financial Reporting of Pensions*, which was implemented in fiscal year 2015. The tables also reflect the impact of *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions* which was implemented in fiscal year 2018.

Operating revenues are earned by providing goods and services to the various customers of the University. Operating expenses are paid to acquire or produce goods and services necessary to carry out the mission of the University. They are directly related to the generation of operating revenues.

Nonoperating and other revenues include investment income, state appropriations (other than student-related COF or Fee for Service), and Pell Grant revenue. These revenues are not earned from the sale of goods and services and are considered nonoperating. Nonoperating expenses include the repayment of prior federal capital contributions for the Federal Perkins Loan program, bond issue costs, and closing costs on the sale of property, when applicable. In fiscal year 2018, all the Institutions of Higher Education of the State of Colorado began presenting revenue from student capital fees in nonoperating revenues as a capital financing activity rather than part of tuition and fees.

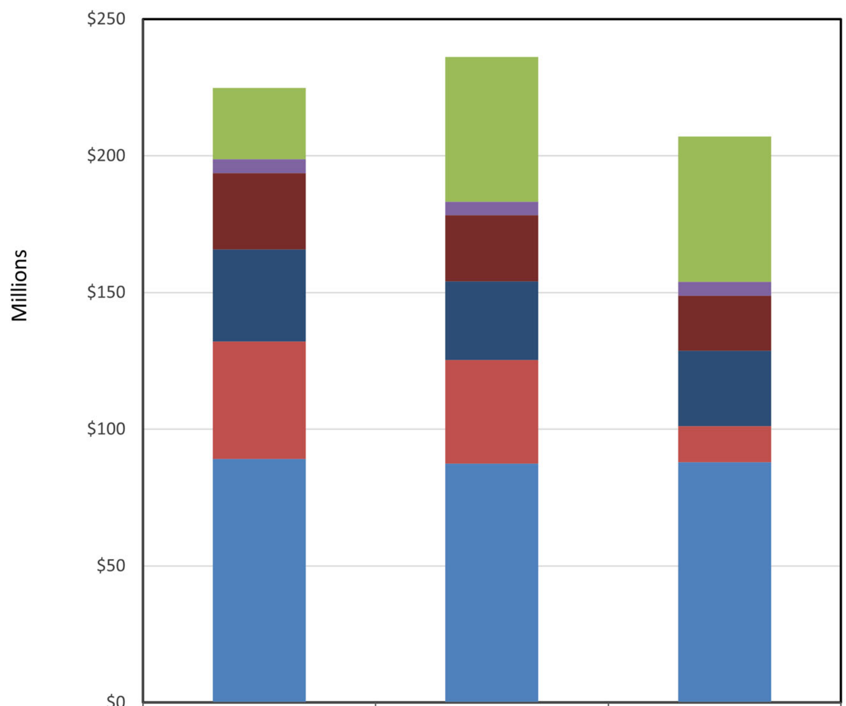
Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30

	2023	2022	2021
Operating revenues			
Net tuition and fees	$ 89,164,599	$ 87,478,291	$ 87,846,945
Fee-For-Service	42,978,042	37,813,185	13,290,665
Grants and contracts	33,520,552	28,730,279	27,521,495
Auxiliary	27,978,843	24,224,416	20,127,011
Other	5,168,870	4,860,412	5,065,590
Total operating revenues	198,810,906	183,106,583	153,851,706
Operating expenses			
Education and general	168,734,033	163,095,508	152,224,871
Operating expenses (GASB 68)	(6,146,422)	(21,929,010)	(38,534,429)
Operating expenses (GASB 75)	(681,062)	(661,529)	(492,994)
Auxiliary	33,310,557	29,118,345	25,602,148
Depreciation/amortization	19,829,512	18,476,328	18,369,273
Total operating expenses	215,046,618	188,099,642	157,168,869
Operating gain (loss)	(16,235,712)	(4,993,059)	(3,317,163)
Nonoperating revenues (expenses)			
Federal grants and contracts	8,843,679	9,476,007	10,311,251
Federal grants and contracts - COVID-19 Relief	-	28,804,736	32,391,390
Perkins return of Federal loan contributions	(113,947)	(77,990)	(211,056)
Other nonoperating revenue	2,949,186	2,692,666	42,135
Other nonoperating expense	(18,965)	(235,277)	(381,634)
Nonoperating capital interest expense	(4,508,849)	(4,791,598)	(5,405,717)
Net nonoperating revenue (expense)	7,151,104	35,868,544	36,746,369
Gain (Loss) before other items	(9,084,608)	30,875,485	33,429,206
State support for pensions	1,608,750	613,471	-
Capital appropriations	3,578,434	1,723,435	1,945,466
Capital grants and gifts	1,755,887	2,957,976	1,015,047
Student capital fee revenue	6,335,659	6,827,090	7,405,075
Gain on disposal of assets	905,762	-	-
Total other changes	14,184,492	12,121,972	10,365,588
Increase (decrease) in Net Position	5,099,884	42,997,457	43,794,794
Net Position - beginning of year	107,633,520	64,636,063	20,841,269
Net Position - end of year	$ 112,733,404	$ 107,633,520	$ 64,636,063

Total Revenues

Total University revenues of $224.8, $236.2, and $207.0 million, in fiscal years 2023, 2022, and 2021, respectively, consist of operating revenue, federal grants and contracts (including Pell grants), gifts, other nonoperating revenue, capital appropriations and contributions, capital grants and gifts, student capital fee revenue and the gain on the disposal of assets. Total revenues decreased $11.4 million or 4.8% from fiscal year 2022 to 2023 and increased $29.2 million or 14.1% from fiscal year 2021 to 2022.

Total Revenues



	2023	2022	2021
Nonoperating	25,958,394	53,095,381	53,110,364
Other Revenues	5,168,870	4,860,412	5,065,590
Auxiliary Revenue	27,978,843	24,224,416	20,127,011
Grants & Contracts	33,520,552	28,730,279	27,521,495
Fee-For-Service	42,978,042	37,813,185	13,290,665
Tuition and Fees	89,164,599	87,478,291	87,846,945

Operating Revenues

Operating revenue for fiscal years 2023, 2022, and 2021, of $198.8, $183.1, and $153.9 million, respectively, is derived from tuition and fees, auxiliary activity, grants and contracts, the State Fee-For-Service contract, and other operating revenues. The proportion of operating revenue to total revenue for fiscal years 2023, 2022, and 2021, has been 88.4%, 77.5%, and 74.3%, respectively.

Tuition and fee revenue increased $1.7 million between fiscal years 2022 and 2023 and decreased $0.4 million between fiscal years 2021 and 2022. The increase from fiscal year 2022 to 2023 is the result of revisions to the financial aid awarding structure for undergraduate students, which increased aid funding from the state and decreased the amount of institutional aid expended. The slight decrease in revenue from fiscal year 2021 to 2022 is the result of an increase of $7.4 million in College Opportunity Fund (COF) revenue received from the Colorado Department of Higher Education (CDHE) offset by enrollment declines and the increase in scholarship allowances discussed in the next two paragraphs.

The FTE enrollment and credit hours referenced in this paragraph are based on the calculations UNC uses for bond compliance. Annual credit hours are based on fall, interim, spring, and summer terms in that order.

Undergraduate:

- Undergraduate full-time equivalent headcount (FTE) is calculated using full-time headcount plus part-time credit hours divided by 12.
- Undergraduate resident tuition increased 2.0%, 7.0%, and 0.0%, in fiscal years 2023, 2022, and 2021, respectively. Undergraduate non-resident tuition increased 3.0%, 7.0%, and 0.0%, in fiscal years 2023, 2022, and 2021, respectively.
- UNC's fall final 2022 undergraduate FTE enrollment was down 9.4% from the prior fall. The undergraduate fall final FTE decreased 12.5% in 2021 and 12.8% in 2020.

Graduate:

- Graduate FTE is calculated using full-time headcount plus part-time credit hours divided by 9.
- Graduate tuition is tiered by program of study. Graduate tuition increased 2.0%, 3.0%, and 0.0% in fiscal years 2023, 2022, and 2021, respectively.
- The graduate fall final 2022 FTE was down 12.0% from the prior fall. The graduate fall final FTE decreased 0.4% in 2021 and 0.5% in 2020.

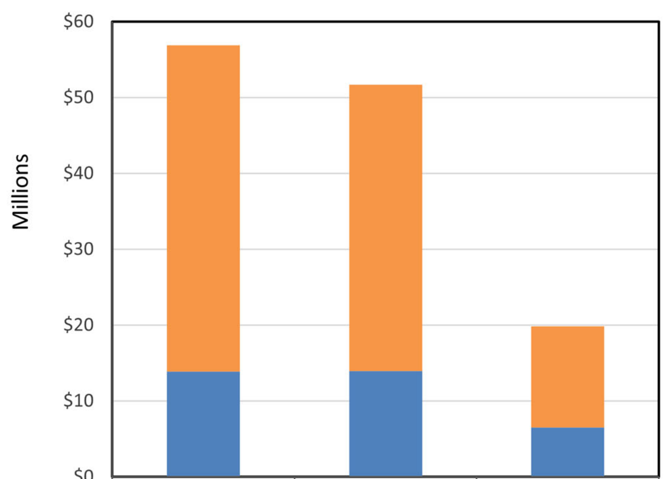
Tuition and fee revenue is shown net of $25.5, $35.8, and $31.3 million in scholarship allowances for fiscal years 2023, 2022, and 2021, respectively. Auxiliary revenue for fiscal years 2023, 2022, and 2021 is net of $6.1, $7.8, and $6.4 million in scholarship allowances, respectively. Scholarship allowances are those portions of the University's tuition and fees which are paid by other revenues, primarily federal and state grants for financial aid and general institutional scholarships. The scholarship allowance calculation includes all scholarships from sources such as the Foundation, institution, state, and federal funds.

During fiscal years 2023, 2022, and 2021, the Colorado Department of Higher Education (CDHE) provided the University $56.9, $51.7, and $19.8 million, respectively, in College Opportunity Fund (COF) and Fee-For-Service (FFS) contract revenue. COF is included in tuition revenue and FFS has a separate line on the financial statements. COF and FFS are both classified as operating revenue.

- The College Opportunity Fund provides a stipend to qualified undergraduate students. The students use the stipend to pay for a portion of their tuition. The COF stipend provided to students was $104, $94, and $40 per credit hour in fiscal years 2023, 2022, and 2021, respectively. In fiscal years 2023, 2022, and 2021, the University applied $13.9, $13.9, and $6.5 million of COF stipends against student tuition bills, respectively. This amount is included in tuition revenues on the Statement of Revenues, Expenditures, and Changes in Net Position.

- State FFS contract revenue helps to support graduate and specialized undergraduate education services. These funds are in addition to tuition paid by students. During fiscal years 2023, 2022, and 2021 the Colorado Department of Higher Education provided the University $43.0, $37.8, and $13.3 million of contract revenue, respectively.

State Support



	2023	2022	2021
Fee-For-Service	$42,978,042	$37,813,185	$13,290,665
College Opportunity Fund	$13,897,857	$13,911,385	$6,526,210

Room and Board revenue, a component of auxiliary revenue, increased $0.5 million, or 1.9%, between fiscal years 2022 and 2023, primarily due to rate increases for room and board of 5% and 7%, respectively, offset by a slight decrease in housing occupancy. Room and Board revenue increased $1.7 million, or 8%, between fiscal years 2021 and 2022 primarily due to higher housing occupancy following a return to more normal on-campus activities after the restrictions necessitated by the pandemic during the previous fiscal year.

Other auxiliary revenues, which include catering, conferences, parking permits, retail sales, recreation center memberships and athletic game guarantees, increased $1.6 million in fiscal year 2023 and $3.7 million in fiscal year 2022. The increase in fiscal year 2023 was primarily due to a $2 million investment from the University's dining services vendor per terms of the service agreement.

The auxiliary scholarship allowance decreased $1.7 million in fiscal year 2023 and increased $1.4 million in fiscal year 2022. The decrease in fiscal year 2023 is the result of revisions to the financial aid awarding structure for undergraduate students, which increased aid funding from the state and decreased the amount of institutional aid expended.

Auxiliary revenue is a major source of support for the University's debt service payments. A schedule of net pledged revenues and bond coverage ratios for debt service is included in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable*.

Other operating revenues include the operating agreement between UNC and the Foundation, accounts receivable service charges, and various other charges for services. Generally, the largest single source of revenue in this classification is the unrestricted support of University scholarships from the UNC Foundation, which has been $1.6 million since fiscal year 2018.

Grants and Contracts Revenue

On June 30, 2023, 2022, and 2021, grants and contracts revenue comprised $42.4, $67.0, and $70.2 million or 18.8%, 28.4%, and 33.9%, of the University's total revenues, respectively. Grants and contracts revenue is presented in the table below in two categories: restricted and financial aid. The restricted sources are from sponsored programs and UNC Foundation support. Financial aid is received by the University from federal, state, foundation, and other private sponsors. The financial aid reported as revenue is based on generally accepted accounting principles for proper financial statement recognition and is not a comprehensive measure of all financial aid available to students. It does not include amounts received by students from third parties, institutional support, or loans.

Grants and Contracts Revenue
For the Years Ended June 30,

	2023	2022	2021
Federal grants	$ 7,145,264	$ 5,629,853	$ 4,625,515
Federal grants - COVID-19 Relief	-	28,804,736	32,391,390
State and local grants	1,840,001	1,564,806	718,567
UNC Foundation grants and gifts	6,073,825	5,610,473	6,718,244
Other private grants	650,184	517,563	267,840
Total restricted grants and contracts	15,709,274	42,127,431	44,721,556
Federal financial aid	871,269	1,012,015	1,297,466
Federal Pell financial aid	8,843,679	9,476,007	10,311,251
State and non-gov't financial aid	10,912,865	9,642,902	9,291,507
UNC Foundation named and endowed	5,352,260	4,431,117	4,168,199
UNC Foundation scholarships	674,884	321,550	434,158
Total financial aid	26,654,957	24,883,591	25,502,581
Total grants, contracts and financial aid revenue	$ 42,364,231	$ 67,011,022	$ 70,224,137

Restricted Grants and Contracts

In fiscal year 2023, federal funding for restricted grants and contracts made up $7.1 million, or 45.5%, of the total restricted grants and contracts revenue. Federal funding, excluding COVID-19 Relief funding, increased $1.5 million, or 26.9%, from fiscal year 2022 to fiscal year 2023.

Federal grants revenue received for COVID-19 Relief, including from Higher Education Emergency Relief Fund (HEERF), ended after fiscal year 2022. Federal grant revenue for COVID-19 Relief totaled $28.8 million in fiscal year 2022 and $32.4 million in fiscal year 2021.

In fiscal year 2023, state and local funding for restricted grants and contracts made up $1.8 million, or 11.7%, of the total restricted grants and contracts revenue. State and local funding increased $0.3 million, or 17.6%, from fiscal year 2022 to 2023.

Other private funding in restricted grants and contracts was $0.7 million, or 4.1%, of the total restricted grants and contracts revenue in fiscal year 2023. Other private funding increased $0.1 million, or 25.6%, from fiscal year 2022 to 2023.

UNC Foundation funds are generally donated for program support and scholarships. Grants and program support are included in the top portion of the Grants and Contracts Revenue table and were $6.1, $5.6, and $6.7 million in fiscal years 2023, 2022, and 2021, respectively. UNC recognizes revenue and expense as the University utilizes the donor funds. The Foundation recognizes revenue when the funds are donated. Fiscal year 2023 UNC Foundation grants and gifts is a combination of $0.6 million of specific project grants and $5.5 million in gifts and endowment earnings utilized for program support in athletics and the colleges within the University.

Financial Aid

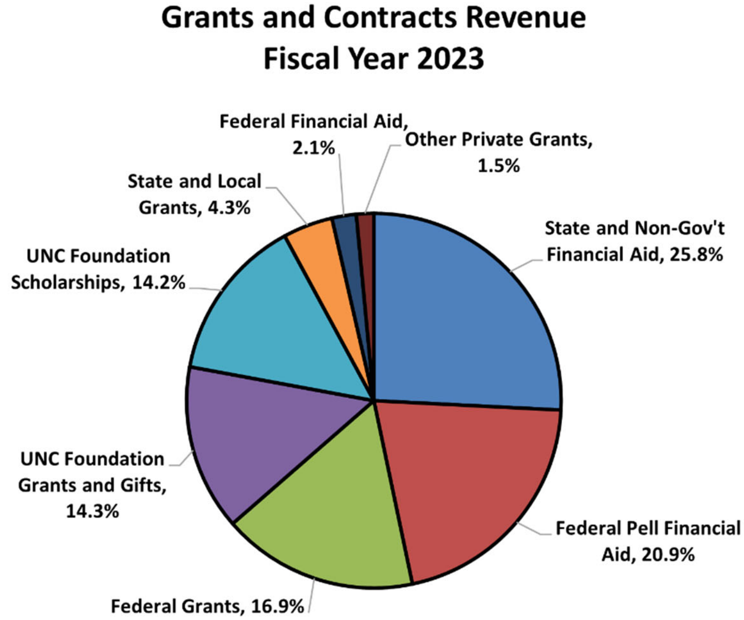
Federal Pell financial aid was 33.2%, 38.1%, and 40.4%, of total financial aid revenue in fiscal years 2023, 2022, and 2021, respectively. Federal Pell Grant financial aid is considered nonoperating revenue but is included in this analysis of all grants and contracts revenue.

The Federal Pell Grant Program is awarded to eligible students based on financial need. All students who are eligible for the Pell Grant are awarded the money; therefore, the University is not limited to a certain amount of Pell Grant awards in an academic or fiscal year. The variance in Pell Grant revenue from academic year to academic year is based on changes in the eligibility of our students and federal legislation. Pell awards were $8.8, $9.5, and $10.3 million in fiscal years 2023, 2022, and 2021, respectively.

State financial aid increased from $9.6 million in fiscal year 2022 to $10.9 million in fiscal year 2023. These annual amounts are based on state appropriations and the allocation models used to distribute resources among Colorado colleges and universities.

The UNC Foundation Named and Endowed Scholarships are from donations given by specific individuals or organizations for a specific type of scholarship, such as baseball or tennis in athletics, or a program like the Cumbres Learning Community, Early Childhood Education, Music, Chemistry, or Math. Some scholarships are from annual donations and others are funded with endowment earnings.

The UNC Foundation Scholarships line item in the Grants and Contract Revenue chart represents annual donations that are primarily for athletic scholarships.



Operating Expenses

For fiscal year 2023, operating expenses were $215.0, an increase of 14.3% from fiscal year 2022. Operating expenses increased 19.7% in fiscal year 2022 and decreased 10.6% in fiscal year 2021.

Natural Classification

Natural classification is a method of grouping expenses according to the type of costs that are incurred. The classifications tell what was purchased rather than why an expense was incurred. Natural classifications provide users additional insight into how the University expends its resources. As is common in higher education, the largest portion of expenses relate to personnel costs. The information below also highlights the impact of pension (GASB 68) and other postemployment benefits (GASB 75) on total operating expenses.

Operating Expenses by Natural Classification
For the Years Ended June 30,

	2023		2022		2021	
Personnel costs	$ 137,955,545	64.2%	$ 131,471,569	69.9%	$ 129,930,114	82.6%
Personnel costs (GASB 68)	(6,146,422)	-2.9%	(21,929,010)	-11.7%	(38,534,429)	-24.5%
Personnel costs (GASB 75)	(681,062)	-0.3%	(661,529)	-0.3%	(492,994)	-0.3%
Cost of goods sold	10,465,533	4.9%	2,834,283	1.5%	1,823,430	1.2%
Other current expenses	53,623,512	24.9%	57,908,001	30.8%	46,073,475	29.3%
Depreciation	19,829,512	9.2%	18,476,328	9.8%	18,369,273	11.7%
Total Operating expenses	$ 215,046,618	100.0%	$ 188,099,642	100.0%	$ 157,168,869	100.0%

The primary reasons for the increase in operating expenses from fiscal year 2022 to 2023 were the $22.2 million increase in personnel costs, net of negative GASB 68 and 75 costs, and the $7.6 million increase in cost of goods sold related to the vendor agreement with Sodexo, which provided outsourced dining hall and retail food and beverage services.

Other current expenses represent all remaining operating expenses, including supplies, purchased services, utilities, and travel. It decreased $4.3 million from fiscal year 2022 to 2023 and increased $11.8 million from fiscal year 2021 to 2022.

Wages and Benefits
For the Years Ended June 30,

	2023	2022	2021
Faculty	$ 39,883,667	$ 40,715,563	$ 41,866,544
Administrative	38,474,131	33,485,487	30,184,869
Graduate and Teaching Assistants	10,611,112	10,427,360	10,242,193
Classified	13,483,270	14,192,736	15,488,651
Student	6,583,787	5,097,081	4,611,285
Other	473,531	834,829	709,158
Subtotal wages	109,509,498	104,753,056	103,102,700
Fringe benefits	28,446,046	26,718,513	26,827,414
Fringe benefits (GASB 68)	(6,146,422)	(21,929,010)	(38,534,429)
Fringe benefits (GASB 75)	(681,061)	(661,529)	(492,994)
Total wages and benefits	$ 131,128,061	$ 108,881,030	$ 90,902,691

In fiscal year 2023, effective July 1, 2022, salaries were increased with an overall 3.0% salary pool for exempt and state classified positions. Faculty received a Flat increase ranging from $1,200 to $1,750; with some receiving additional increases for Promotion and Parity. In addition, effective January 1, 2023, all full-time faculty, exempt and state classified staff received a $1,500 increase to their base salary. For part-time staff the increase was prorated. The minimum wage for staff remained at $15/hour and the minimum wage for student employees was increased to $14.50/hour.

In fiscal year 2022, effective July 1, 2021, salaries were increased with an overall 3.0% salary pool for faculty, exempt and state classified positions. In addition, effective January 1, 2022, all full-time faculty, exempt and state classified staff received a $1,500 increase to their base salary. For part-time staff the increase was prorated. The minimum wage for staff was increased to $15/hour as well and the minimum wage for student employees was increased to $14/hour.

In fiscal year 2021, overall salary increases were not provided for faculty, exempt or classified staff.

In addition to salary increases, each year the University assesses human resource allocations and makes targeted investments in positions consistent with the University-wide staffing plan. The annual staffing plan is a position-by-position assessment of the most effective way to accomplish University priorities. Vacant positions may be restructured or eliminated.

The changes in net pension liability related to GASB 68 have a non-cash impact. This resulted in a net reduction to benefit expenses of $6.1 million, $21.9 million, and $38.5 million for fiscal years 2023, 2022, and 2021 respectively. Pursuant to generally accepted accounting principles, the University recognizes a proportionate share of the State Division Trust Fund PERA net pension liability with related deferred outflows and inflows of resources. The expense impact of these changes to the Statement of Net Position is recognized in benefits expense. More information related to PERA is in *Note 8: Defined Benefit Pension Plan* and *Note 9: Other PERA Retirement Plans*.

Functional Classification

UNC, like many public higher education entities, reports its operating expenses by functional classification on the Statement of Revenues, Expenses, and Changes in Net Position. As defined by the National Association of College and University Business Officers (NACUBO), functional expense classification is a method of grouping expenses according to the purpose for which the costs are incurred. The classifications tell why an expense was incurred rather than what was purchased. Reporting expenses in this manner helps donors, granting agencies, creditors, and other readers of the financial statements to understand the various mission-related activities of the institution and their relative importance.

Operating Expenses by Functional Classification
For the Years Ended June 30,

	2023		2022		2021	
Instruction	$ 58,540,143	27.2%	$ 60,285,881	32.0%	$ 53,780,656	34.2%
Research	8,723,624	4.1%	2,587,616	1.4%	2,362,894	1.5%
Public service	2,627,910	1.2%	1,722,554	0.9%	1,113,367	0.7%
Academic support	25,629,728	11.9%	19,267,366	10.2%	14,291,757	9.1%
Student services	20,075,996	9.3%	17,043,096	9.1%	14,310,024	9.1%
Institutional support	19,751,364	9.2%	16,562,091	8.8%	11,745,542	7.5%
Operation of plant	12,758,994	5.9%	6,751,959	3.6%	3,594,233	2.3%
Scholarships and fellowships	13,489,317	6.3%	16,284,406	8.7%	15,628,823	9.9%
Auxiliary operating expenditures	33,620,030	15.7%	29,118,345	15.5%	21,972,300	14.0%
Depreciation/amortization	19,829,512	9.2%	18,476,328	9.8%	18,369,273	11.7%
Total operating expenses	$ 215,046,618	100.0%	$ 188,099,642	100.0%	$ 157,168,869	100.0%

The impact of GASB 68 and GASB 75 distorts the University's Operating Expenses by Functional Classification, so the following table is presented with the impact of GASB 68 and GASB 75 removed, so the true changes in expense can be examined:

Operating Expenses by Functional Classification
(without GASB 68 and GASB 75)
For the Years Ended June 30,

	2023		2022		2021	
Instruction	$ 55,698,589	27.0%	$ 67,889,660	32.2%	$ 66,913,966	34.1%
Research	8,672,787	4.2%	2,722,217	1.3%	2,594,574	1.3%
Public service	2,595,211	1.3%	1,809,492	0.9%	1,263,210	0.6%
Academic support	24,673,236	12.0%	21,839,089	10.4%	18,740,500	9.6%
Student services	19,512,353	9.4%	18,549,476	8.8%	16,910,801	8.6%
Institutional support	18,257,729	8.8%	20,561,745	9.8%	18,655,345	9.5%
Operation of plant	11,046,255	5.3%	11,338,332	5.4%	11,517,652	5.9%
Scholarships and fellowships	13,489,317	6.5%	16,284,406	7.7%	15,628,823	8.0%
Auxiliary operating expenditures	32,835,396	15.9%	31,219,436	14.7%	25,602,148	13.0%
Depreciation/amortization	19,829,512	9.6%	18,476,328	8.8%	18,369,273	9.4%
Total operating expenses	$ 206,610,385	100.0%	$ 210,690,181	100.0%	$ 196,196,292	100.0%

When looking at expenditures without the impact of GASB 68 and GASB 75, operating expenditures decreased $4.1 million dollars from fiscal year 2022 to fiscal year 2023.

In fiscal year 2023, scholarships decreased by $2.8 million. The need-based financial aid model is based on a matrix of academic preparedness and financial need. The University of Northern Colorado serves a large first-generation student population with high financial need and the institution continues to refine its scholarship modeling to make education accessible and affordable to all its students. In fiscal year 2023, the University adjusted its financial aid awarding process to take advantage of aid from more state and federal sources, reducing the burden on institutional resources.

A matrix in *Note 13: Operating Expenses by Function Compared with Operating Expenses by Natural Classification* demonstrates how much expense by natural classification is included in each functional classification and includes the impact of GASB 68 and GASB 75.

Nonoperating Revenues and Expenses

The largest source of nonoperating revenue is federal grants and contracts revenue. In fiscal year 2023, nonoperating federal grants and contracts revenue consists entirely of Pell Grant revenue of $8.8 million. In fiscal year 2022, federal grants and contracts revenue consisted of Pell Grant revenue of $9.5 million and COVID-19 Relief revenue of $28.8 million from Higher Education Emergency Relief Fund (HEERF). COVID-19 Relief funding revenue for the University ended in fiscal year 2022. The amount of Pell Grant revenue is based on student need and several other factors set by the federal government. The University Office of Financial Aid works with all eligible students to help them determine if they qualify for this aid.

The University's nonoperating revenues also consist of investment income and activities that are not earned from the sale of goods and services, such as broadband lease revenue, purchasing card rebate revenue, oil and gas lease royalties, and utility rebate revenue from the use of the west campus generator. The expenses in this category include the refunds of the Federal Capital Contributions required by the Federal Perkins Loan program. Also in this category is investment income, net of expense, which represents both recognized and unrecognized gains or losses on cash invested in the State Treasury Pool. *Note 2: Cash and Cash Equivalents* discusses the State Treasury Pool in more detail.

Total other nonoperating revenues, net of expenses, decreased from $5.2 million in fiscal year 2022 to $2.1 million in fiscal year 2023 as the result of a decrease of $3.3 million in oil and gas lease royalty payments. In fiscal year 2022, the University received $4.6 million in oil and gas lease royalty payments, $3.3 million of which was from cumulative production over the prior two years. Nonoperating interest expense on capital asset related debt decreased $0.3 million from fiscal year 2022 to 2023. The change is mostly related to a decrease in expense for bond interest payments and the amortization of premiums/discounts.

The interest expense on capital-related debt and the investment income in the Statement of Revenues, Expenses, and Changes in Net Position is slightly different from what is reflected in the Statement of Cash Flows. The Statement of Cash Flows represents the cash payments, where the Statement of Revenues, Expenses, and Changes in Net Position includes the cash payments, the non-cash amortization transactions related to bond refundings, capitalized interest on construction projects and the non-cash change in investments.

Other Changes

In fiscal year 2023, the University received a total of $3.6 million in state capital appropriations. In fiscal year 2022, the University received a total of $1.7 million in state capital appropriations. In fiscal year 2021, the University received a total of $2.6 million in state capital appropriations. *Note 14: Legislative Appropriations* provides detailed information on capital appropriations from the State of Colorado.

Effective July 1, 2018, the State is required to contribute $225 million (actual dollars) each year to PERA, of which the University records a proportionate share. In fiscal year 2023, the University received state support for pensions of $1.6 million related to the University's proportionate share of the $225 million direct distribution made to the SDTF.

In fiscal year 2022, the University received state support for pensions of $0.6 million related to the University's proportionate share of the $225 million direct distribution made to the SDTF.

In fiscal year 2021, the University did not receive any state support for pensions as specified by state law. House Bill (HB) 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year. This was rectified by House Bill 22-1029, signed into law on June 7, 2022, which recompensed the public employees' retirement association (PERA) for the cancellation of the previously scheduled July 1, 2020, direct distribution of $225 million, by requiring an additional direct distribution to PERA of $380 million to be made on the effective date of the act or as soon as possible thereafter.

Other Changes for fiscal year 2023 also included capital grants and gifts of $1.8 million, student capital fee revenue of $6.3 million, and gain on disposal of capital assets of $0.9 million.

Economic Outlook

The University's financial (or economic) position is impacted primarily by student enrollment and funding from the State, as well as the ways in which University leaders, faculty, and staff manage resources in response to enrollment and other operational and strategic factors. The University, like many higher education institutions, has experienced declining enrollment in recent years; however, recent data and actions indicate a turning point for enrollment at the University. The new-first-time undergraduate student cohort for fall 2023 increased 2% from the fall 2022 cohort, and new-first-time fall-to-fall retention rates in the last two years have been at the highest levels in the University's history. Initially launched in 2022, the University's Strategic Enrollment Management (SEM) plan and related initiatives are providing the positive impact needed for the outlook for enrollment and retention. Actions supporting these ongoing improvements include additional, well-trained, and highly engaged recruiting and admissions staff; focused orientation, onboarding, and marketing efforts; the introduction of an admissions guarantee policy in fall 2023, a tuition promise program for fall 2024, and the engagement of our alumni community, faculty, and staff for greater outreach to prospective and current students. With additional resources and targets, the SEM plan is designed to optimize recruitment, retention, persistence, and graduation rates with focused efforts on diversity, equity, and inclusion, in alignment with the University's strategic plan, Rowing, Not Drifting 2030.

In fiscal year 2023, the combination of tuition, fees, and auxiliary revenue generated from students is 51.9% of the University's operating revenue. State funding for the College Opportunity Fund and the Fee-For-Service contract comprised 28.6% of the University's operating revenues, an increase of $5.2 million from the prior year for these state-funded revenues.

Looking forward to fiscal year 2024, state funding for higher education increase 11.5% overall, or $120 million, providing an additional $5.7 million over fiscal year 2023. Corresponding increases in state financial aid provide a much-needed benefit to students, thereby supporting the ongoing commitment to meaningful provisions of institutional aid. UNC was also able to secure state funding for $5.9 million in capital construction, controlled maintenance, and IT projects, which includes chiller replacements for Gunter and Ross, Michener roof replacement, and the modernization and cloud migration for our Banner ERP system.

For additional information regarding this report please contact:

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Financial Statements

Statement of Net Position

As of June 30, 2023

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
ASSETS		
Current Assets		
Cash and cash equivalents	$ 71,233,344	$ 1,711,493
Student accounts receivable, net	4,863,539	-
Pledges receivable, net, current portion	-	2,447,304
Right-to-use leases receivable, current portion	113,039	-
Other receivables, net	8,227,412	89,506
Inventories	1,130,848	-
Loans to students, net, current portion	113,066	-
Prepaid Expenses	155,489	-
Other assets	-	151,221
Total Current Assets	85,836,737	4,399,524
Noncurrent Assets		
Restricted investments	452,604	-
Pledges receivable, net, noncurrent portion	-	4,079,506
Right-to-use leases receivable, noncurrent portion	3,572,471	-
Loans to students, net, noncurrent portion	2,271,741	-
Investments, noncurrent portion	-	152,841,195
Capital assets, net	272,698,922	730,638
Total Noncurrent Assets	278,995,738	157,651,339
TOTAL ASSETS	364,832,475	162,050,863
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on debt refundings	2,228,989	-
Deferred amount on pensions	14,931,782	-
Deferred amount on other post-employment benefits	319,534	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,480,305	-
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	9,620,022	1,009,507
Unearned revenue	9,837,689	-
Bonds payable, current portion	6,525,000	-
Notes (formerly capital leases) payable, current portion	640,965	-
Right-to-use leases payable, current portion	489,730	-
Right-to-use subscriptions payable, current portion	1,553,395	-
Funds held for the University of Northern Colorado	-	450,587
Perkins liquidation liability, current portion	552,712	-
Other current liabilities	2,224,126	-
Total Current Liabilities	31,443,639	1,460,094
Noncurrent Liabilities		
Unearned revenue	60,000	-
Bonds payable, noncurrent portion	122,022,723	-
Notes (formerly capital leases) payable, noncurrent portion	4,481,636	-
Right-to-use leases payable, noncurrent portion	202,089	-
Right-to-use subscriptions payable, noncurrent portion	3,003,712	-
Other noncurrent liabilities	1,431,120	-
Net pension liabilities	88,229,517	-
Net other postemployment benefits liabilities	2,226,533	-
Perkins liquidation liability, noncurrent portion	765,490	-
Annuity obligations	-	95,250
Compensated absence liabilities	5,685,462	-
Total Noncurrent Liabilities	228,108,282	95,250
TOTAL LIABILITIES	259,551,921	1,555,344
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on debt refundings	634,729	-
Deferred amount on right-to-use leases receivable	3,589,419	-
Deferred amount on pensions	4,110,453	-
Deferred amount on other postemployment benefits	1,692,854	-
TOTAL DEFERRED INFLOWS OF RESOURCES	10,027,455	-
NET POSITION		
Net investment in capital assets	134,620,118	730,638
Restricted for:		
Nonexpendable		
Scholarships and fellowships	306,155	63,473,769
Academic support	1,400	-
Other	-	47,698,480
Expendable		
Scholarships and fellowships	139,999	10,078,918
Loans	(368,491)	-
Other	274,667	23,531,581
Unrestricted	(22,240,444)	14,982,133
TOTAL NET POSITION	$ 112,733,404	$ 160,495,519

See notes to the financial statements

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
Operating Revenues		
Student tuition and fees, net	$ 89,164,599	$ -
Contributions	-	9,775,983
Contributed services and donations of property	-	17,595
Federal grants and contracts	8,016,533	-
State and local grants and contracts	12,752,866	-
State Fee-For-Service contract	42,978,042	-
Nongovernmental grants and contracts	12,751,153	-
Sales and services of educational activities	318,879	-
Auxiliary operating revenue	27,978,843	-
Interest and dividends	-	3,503,447
Net realized and unrealized gain (loss)	-	13,751,438
Other operating revenue	4,849,991	133,125
Total Operating Revenues	198,810,906	27,181,588
Operating Expenses		
Educational and general		
Instruction	58,849,616	-
Research	8,723,624	-
Public service	2,627,910	-
Academic support	25,629,728	-
Student services	20,075,996	-
Institutional support	20,216,302	-
Operation of plant	12,294,056	-
Scholarships and fellowships	13,489,317	-
Program	-	14,233,335
Management and general	-	981,917
Pledges receivable write off	-	64,075
Auxiliary operating expenditures	33,310,557	-
Depreciation/amortization	19,829,512	-
Total Operating Expenses	215,046,618	15,279,327
Operating Income (Loss)	(16,235,712)	11,902,261
Nonoperating Revenues (Expenses)		
Investment income, net of investment expense	808,563	-
Interest on capital asset related debt	(4,508,849)	-
Federal grants and contracts revenue - PELL	8,843,679	-
Perkins return of federal loan program contributions (expense)	(113,947)	-
Other nonoperating revenue (expense)	2,121,658	-
Net Nonoperating Revenues (Expenses)	7,151,104	-
Income (Loss) Before Other Revenues (Expenses) or Gains (Losses)	(9,084,608)	11,902,261
Other Changes		
State appropriations - direct distribution / on behalf to PERA	1,608,750	-
Capital appropriations	3,580,361	-
Capital contribution - certificates of participation	(1,927)	-
Capital grants and gifts	1,755,887	-
Student capital fee revenue	6,335,659	-
Gain (Loss) on disposal of capital assets	905,762	-
Total Other Changes	14,184,492	-
Increase (Decrease) in Net Position	5,099,884	11,902,261
Net Position, Beginning of year	107,633,520	148,593,258
Net Position, End of Year	$ 112,733,404	$ 160,495,519

See notes to the financial statements

Statement of Cash Flows

For the Year Ended June 30, 2023

Operating Activities	
Cash Received	
Tuition and fees	$ 90,324,074
State Fee-For-Service contract	42,978,042
Sales and services of educational activities	32,908
Sales and services of auxiliary activities	28,256,216
Grants and contracts	11,144,097
Federal financial aid	811,674
State financial aid	10,912,865
UNC Foundation grants	559,564
UNC Foundation gifts	5,514,261
UNC Foundation scholarships	6,027,144
Other receipts	4,604,006
Student loans collected	550,687
Cash Payments	
Payments to or for employees	(135,859,097)
Payments to suppliers	(52,431,189)
Scholarships disbursed	(13,465,039)
Student loans disbursed	(200,415)
Net cash used by operating activities	(240,202)
Noncapital Financing Activities	
Federal Pell grant nonoperating funds	8,843,679
Other nonoperating revenues (expenses) - rental, lease, other	1,423,192
Agency inflows - campus organizations and scholarships	6,935,558
Agency outflows - campus organizations and scholarships	(7,102,870)
Agency inflows - student loans	54,123,265
Agency outflows - student loans	(54,123,265)
Net cash provided by noncapital financing activities	10,099,559
Capital and Related Financing Activities	
Acquisition and construction of capital assets	(13,949,757)
Proceeds from state capital appropriations	3,364,577
Proceeds from UNC Foundation for capital gifts	1,753,960
Proceeds from Student Capital Fee	6,335,659
Proceeds from sale of capital assets	1,507,533
Principal paid on bonds payable	(5,600,000)
Principal paid on notes payable	(632,925)
Principal paid on leases and subscription agreements	(2,035,672)
Interest paid on capital debt	(4,615,379)
Net cash used by capital and related financing activities	(13,872,004)
Investing Activities	
Investment and utilization of endowment proceeds	18,204
Investment earnings	808,563
Net cash provided by investing activities	826,767
Decrease in Cash and Cash Equivalents	(3,185,880)
Cash and Cash Equivalents, Beginning of Year	74,419,224
Cash and Cash Equivalents, End of Year	$ 71,233,344

See notes to the financial statements

Statement of Cash Flows

For the Year Ended June 30, 2023

Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities

Operating loss	$	(16,235,712)
Depreciation/amortization expense		19,829,512
Changes in the net pension liability and related deferred outflows and inflows		(6,827,483)
Changes in operating assets and liabilities		
Student accounts receivable, net		312,288
Other receivables, net		1,225,080
Inventories		54,124
Loans to students, net		345,933
Other current assets		79,798
Accounts payable		(1,247,751)
Accrued payroll		657,517
Unearned revenues		68,733
Other current liabilities		61,520
Accrued compensated absences		1,436,239
Net cash used by operating activities	$	(240,202)

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Notes to the Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Governance

The University of Northern Colorado (the University or UNC) is a public institution of higher education offering a broad general curriculum, along with preparation for selected professions within the fields of business, education, health services, and music. UNC also offers programs for pre-professions such as pre-law, pre-medicine, and others. The University is an institution of the State of Colorado with operations funded largely through student tuition, fees, and the State of Colorado College Opportunity Fund. As an institution of the State of Colorado, the University's operations and activities are funded in part through Fee-For-Service contracts with the State.

The University also engages in research, offers student financial aid, and provides other services which are funded through grants and contracts, including grants from the University of Northern Colorado Foundation, Incorporated.

The Board of Trustees is the governing body of the University and is comprised of seven members appointed by the Governor plus one faculty member elected by the faculty and one student member elected by the student body.

Reporting Entity and Component Units

The financial statements of the University include all of the integral parts of the University's operations. The University applied various criteria to determine if it is financially accountable for any organization that would require that organization to be included in the University's reporting entity. These criteria include fiscal dependency, financial benefit/burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The financial statements present the University (the primary government) and its discretely presented component unit in accordance with generally accepted accounting principles in the United States of America. The component unit is included in the University's reporting entity because of the significance of its operational and financial relationships with the University, in accordance with Statements No. 39 and 61 of the Governmental Accounting Standards Board (GASB), The Financial Reporting Entity. The University has one discretely presented component unit, the University of Northern Colorado Foundation, Incorporated (the Foundation).

The University of Northern Colorado Foundation, Incorporated

The University of Northern Colorado Foundation, Incorporated is a legally separate, tax-exempt component unit of the University, incorporated under Article 40, Title 7 of the Colorado Revised Statutes of 1973. The Foundation was established in February 1966 to promote the welfare, development, and growth of the University and to permit the Foundation to engage in activities that may be beyond the scope of the Board of Trustees of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can be used only by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. Complete financial statements of the Foundation may be obtained from its Administrative Office located at 501 20th Street, Carter Hall Suite 1002, Greeley, Colorado 80639.

Adoption of Accounting Pronouncements Per GASB guidance, the University implemented three new GASB pronouncements effective July 1, 2022.

GASB 91, *Conduit Debt Obligations,* changes the financial reporting requirements of governmental entities that issue debt instruments for the benefit of third parties that are primarily liable for the repayment. GASB 91 provides a single method of reporting conduit debt obligations in required footnote disclosures and clarifies that these obligations are not government liabilities. As of June 30, 2023, the University has no conduit debt obligations.

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* establishes uniform guidance and standards of accounting and financial reporting for public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and provides definitions for PPPs and APAs. The statement fully supersedes GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)*. As of June 30, 2023, the University had no contractual arrangements that fall under GASB 94.

GASB 96, *Subscription-Based Information Technology Agreements (SBITAs),* increases the usefulness of governmental financial statements by requiring recognition of certain subscription assets and liabilities. Prior to issuance of GASB 96, there was no accounting or financial reporting guidance specifically for government end users of SBITAs. GASB 96 establishes a definition for SBITAs and provides guidance on the accounting and financial reporting for such arrangements. GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's IT software for a specified period of time, alone or in combination with tangible IT assets, in an exchange or exchange-like transaction. Under this standard, the University is required to recognize a subscription liability and an intangible right-to-use subscription asset. The University implemented GASB 96 effective July 1, 2022. As prior year balances do not reflect this change in accounting standard, only fiscal year 2023 is presented in the financial statements and notes.

Basis of Accounting and Presentation

The basic financial statements of the University have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues from exchange transactions are recognized when earned and expenses from exchange transactions are recorded when an obligation is incurred. All significant intra-agency transactions are eliminated. The University prepares its financial statements as a business-type activity in conformity with all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The Foundation reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. For presentation purposes, modifications have been made to the Foundation's net assets, shown as net position, in the University's financial statements.

Unrestricted Cash and Cash Equivalents

For purposes of reporting cash flows, the University defines cash and cash equivalents as cash on hand, demand deposit accounts with financial institutions, pooled cash with the State Treasury, and all highly liquid investments with original maturities of three months or less. As of June 30, 2023, cash equivalents consisted primarily of funds invested through the State Treasury cash management program.

Restricted Cash and Cash Equivalents

Assets are reported as restricted when restrictions on asset use change the nature or normal understanding of the availability of the assets. For the University, restricted cash and cash equivalents include amounts restricted by bond covenants, as well as unspent bond proceeds from the issuance of bonds that are to fund future costs of construction.

Investments and Investment Income

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of interest and dividend income plus the current year change in unrealized gain (loss) on the fair value of investments.

The University's investments generally include direct obligations of the U.S. government and its agencies, money market funds, mutual funds, and guaranteed investment contracts. Endowments are pooled to the extent possible under gift agreements. The Foundation manages certain endowments for the University in accordance with its investment policy.

The classification of investments as current or noncurrent is based on the underlying nature and restricted use of the asset. Current investments are those without restrictions imposed by third parties that can be used to pay current obligations of the University. Noncurrent investments include restricted investments and those investments designated to be used for long-term obligations.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable and other receivables are recorded net of estimated uncollectible amounts.

Leasing Arrangements

The University implemented GASB Statement No. 87, *Leases*, effective July 1, 2021. For arrangements where the University is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

For arrangements in which the University is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

The University uses an estimated incremental borrowing rate that represents the rate at which it could borrow funds for terms equivalent to the lease agreements when the rate implicit in the lease is not known. The University includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the University will exercise the option. The University has elected to combine lease and nonlease components for all lease contracts and has not recognized RTU assets and lease liabilities for leases with terms for 12 months or less.

Subscription-Based Information Technology Agreements (SBITAs)

The University implemented GASB Statement 96, *Subscription-Based Information Technology Agreements (SBITAs)*, effective July 1, 2022. The implementation of this statement had no impact on the University's net position at July 1, 2022.

For subscription agreements that meet the criteria of a SBITA, a subscription liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the subscription term. RTU assets represent the University's right to use an underlying asset for the subscription term and subscription liabilities represent the University's obligation to make subscription payments arising from the subscription agreement. RTU assets and liabilities are recognized at the subscription commencement date based on the estimated present value of subscription payments over the subscription term.

The University uses an estimated incremental borrowing rate that represents the rate at which it could borrow funds for terms equivalent to the subscription agreements when the rate implicit in the agreement is not known. The University includes extension and termination options in the term if, after considering relevant economic factors, it is reasonably certain the University will exercise the option. The University has not recognized SBITA assets and liabilities for agreements with terms for 12 months or less.

Inventories

Inventories consisting of computer products, books, food, and other consumable supplies are carried at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) basis.

Loans to Students

The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans netted against loans to students was $559,907 as of June 30, 2023.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. The University's capitalization policy includes items with a value of $10,000 or more and an estimated useful life greater than one year.

Renovations to buildings and other improvements that significantly increase the value and extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to expenses. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

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

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 years for buildings and improvements, 20 years for land improvements, 3 years for software, 10 years for library books, and 3-10 years for equipment and vehicles. Depreciation expense is not allocated among functional categories.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position contains a separate section for deferred outflows of resources. This separate financial statement element represents the consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources until that time.

Unearned Revenue

The University prorates the summer session revenues on a 50% split between two fiscal years. Tuition, fees, and certain auxiliary revenues received before June 30, but determined by this proration to be earned in the following year, are recorded as unearned revenue. Unearned revenue also includes amounts received from grant and contract sponsors that have not met all the applicable eligibility requirements.

Classification of Revenues

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

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises; (3) contracts and grants for research activities; and (4) interest on student loans.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations, investment income, and other revenue sources that are defined as nonoperating revenues by *GASB 9: Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and *GASB 34: Basic Financial Statements and Management's Discussion and Analysis*.

Pell grants of $8,843,679 on June 30, 2023, are recorded as nonoperating revenue as defined by the 2007 amendment of the GASB Comprehensive Implementation Guide regarding the nonoperating presentation of Pell grants (Question 7.72.10).

Tax-Exempt Status and Income Taxes

As an Institute of Higher Education of the State of Colorado, the income of the University is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, any income unrelated to the exempt purpose of the University is subject to tax under Section 511(a)(2)(B) of the Internal Revenue Code.

The University had no income tax liability related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2023. These activities include the taxable portion of sponsorship agreements that are considered advertising by the Internal Revenue Service tax code definitions. It also includes taxable income related to the rental of campus facilities for weddings, conferences, and other activities unrelated to the mission of the institution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates. Significant estimates have been made regarding compensated absences expense, scholarship allowances, and bad debt allowances for accounts receivable as described below.

Compensated Absence Liabilities

University policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Vacation and sick leave benefits taken as paid time off are recognized as an expense when the time off occurs. Accrued compensated absence liabilities are recognized based upon estimated cash payments due to employees upon termination or retirement. The limitations on such payments are defined by the rules associated with the personnel systems of the University. Employees accrue and vest in vacation and sick leave earnings based on their hire date and length of service. Vacation accruals are paid in full upon separation, whereas only a portion of sick leave is paid upon specific types of separation, such as retirement.

Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the financial statement date plus an additional amount for compensation-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date.

Scholarship Discounts and Allowances

Student tuition, fee revenues, and certain other revenues from students are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental financial aid programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded scholarship allowances. The scholarship allowances on tuition and fees and auxiliary charges, for the fiscal year ended June 30, 2023, are detailed below.

Scholarship Allowance	Tuition and Fees	Auxiliary Revenues	Total
Gross revenue	$ 114,620,249	$ 34,120,798	$ 148,741,047
Scholarship allowances:			
Federal	5,891,029	1,421,391	7,312,420
State	5,869,012	3,301,661	9,170,673
Private	11,707	2,825	14,532
Institutional	13,683,902	1,416,078	15,099,980
Total allowances	25,455,650	6,141,955	31,597,605
Net revenue	$ 89,164,599	$ 27,978,843	$ 117,143,442

Bad Debt Allowance

Bad debt is recorded as a contra-revenue. It is estimated using information about the age of the accounts receivable balance and historical collection rates.

Note 2: Cash and Cash Equivalents

Unrestricted Cash and Cash Equivalents

For operating purposes, the University holds unrestricted cash and cash equivalent deposits in several bank accounts at U.S. financial institutions. The University also maintains unrestricted cash on hand for petty cash and change funds.

Unrestricted Cash and Cash Equivalents	2023
Cash on hand	$ 10,651
Cash with U.S. financial institutions	22,408,065
Cash with Colorado State Treasury	52,460,110
Unrealized gain (loss) - cash with State Treasury	(3,645,482)
Total unrestricted cash and cash equivalents	$ 71,233,344

State Treasury Pool

The University deposits its cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited with the Treasury are invested until the cash is needed. As of June 30, 2023, the University had cash on deposit with the State Treasurer of $52.5 million, which represented approximately 0.28% of the total $18,810.9 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2023, the Pool's resources included $35.0 million of cash on hand and $18,775.8 million of investments.

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

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

Custodial Credit Risk – Cash and Cash Equivalents

Custodial credit risk for cash and cash equivalents exists when, in the event of the failure of a depository financial institution, the University may be unable to recover deposits or recover collateral securities that are in the possession of an outside party. Under *GASB 40: Deposit and Investment Risk Disclosures*, deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance and the deposits are (a) uncollateralized or (b) collateralized, with securities held by the pledging financial institution or the pledging financial institution's trust department or agent, but not in the depositor government's name. To manage custodial credit risk, unrestricted cash and cash equivalents with the State Treasury and U.S. financial institutions are made in accordance with University policy and state law, including the Public Deposit Protection Act (PDPA). PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102% of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under the PDPA are considered to be collateralized with securities held by the pledging institution in the University's name.

As of June 30, 2023, all of the cash and cash equivalents held by the State Treasury and U.S. financial institutions were therefore not subject to custodial credit risk. The State Treasury Pool was not subject to foreign currency risk or concentration of credit risk in fiscal year 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of the investment. In addition to statutory limitations on the types of investments, the State Treasurer's investment policy mitigates interest rate risk through the use of maturity limits set to meet the needs of the individual fund if the Treasurer is investing for a specific fund rather than the pool.

The Treasurer actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs of the participating funds. The Treasurer further limits investment risk by setting a minimum/maximum range for the percentage of investments subject to interest rate risk and by laddering maturities and credit ratings.

Credit Quality Risk

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

Note 3: Investments

University of Northern Colorado

The University's investments on June 30, 2023, include certain endowments held at the Foundation which are restricted by the donors. In fiscal year 2016, the $8.9 million of proceeds from the energy performance capital lease was invested with the escrow agent, BOKF, N.A. in the Cavanal Hill U.S. Treasury Fund, which is a money market portfolio of U.S. Government Obligations. These investments were subject to Colorado Revised Statutes Title 15, Article 1, Part 11 "Uniform Prudent Management of Institutional Funds Act" or UPMIFA.

Fair value of investments held on June 30, 2023 are detailed in the table below:

Investment Types	2023	Maturity
Fixed Income U.S. Government Obligations	$ 286,940	1-5 years
Fixed Income U.S. Government Obligations	98,286	Less than 1 year
Money Market Funds	67,378	N/A
Total University restricted investments	$ 452,604	

Fair Value Measurements

GASB 72: Fair Value Measurement and Application, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.
- Level 2: Inputs to the valuation methodology include:
    - Quoted prices for similar assets or liabilities in active markets
    - Quoted prices for similar assets or liabilities in inactive markets
    - Inputs other than quoted prices that are observable for the asset or liability
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's data.

When available, quoted prices are used to determine fair value by the University. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The University Level 1 investments primarily consist of investments in mutual funds and cash equivalents, which are classified as Level 1. The University's fixed income obligations are classified as Level 2.

The University investment custodians generally use a multi-dimensional relational model when determining the value of fixed-income securities (Level 2). Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Therefore, exposure arises if the securities are uninsured, are not registered in the University's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent, but not in the University's name. The University does not have a formal investment policy regarding custodial credit risk.

The University's endowment funds are managed by the Foundation according to the custodial agreement between the University and the Foundation approved on December 14, 1988. These securities are held in the Foundation's name as an agent of the University and are not subject to custodial credit risk.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes if the market rate of interest will adversely affect the value of an investment. Interest rate risk applies only to debt investments. Interest rate risk can be controlled by managing the duration to effective maturity and/or the weighted-average maturity of the investments.

The duration method uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The weighted-average maturity method measures the time to maturity in years weighted to reflect the dollar size of the individual investments within an investment type.

The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The duration to effective maturity and weighted-average maturity of each investment type held by the University is identified in the maturities and credit ratings table below.

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. Credit risk applies only to debt investments. Mutual funds and certain other investments are not categorized as to credit quality risk because ownership is not evidenced by a security. The risk is assessed by national rating agencies, which assign a credit quality rating for many investments.

State law limits investments in securities, at the time of purchase, to securities with the top two ratings issued by nationally recognized statistical rating organizations. The University does not have a formal policy related to investment credit quality risk that would further limit its investment choices. All of the University's investments have a Standard & Poor's rating of AA+ or better. Credit quality risk is not available for the Foundation.

Maturities and credit ratings for the University's investments held as of June 30, 2023 are detailed below:

Maturities and Credit Ratings by Investment Type	2023 Fair Value	Duration to Maturity	Weighted - Average	S&P Credit Rating
U.S. Government Obligations	$ 385,226	2.25	2.38	AAA
Money Market Funds	67,378	N/A	N/A	Unrated
Total University investments as of June 30	$ 452,604			

University of Northern Colorado Foundation

Fair Value of Financial Instruments

The carrying amount reported on the Foundation's Statement of Financial Position for cash and cash equivalents, accounts payable and accrued expenses, and certain other liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments. The following methods and assumptions were used by the Foundation in estimating the fair value of its other financial instruments:

Pledges – The fair value of pledges is determined by discounting multi-year pledges to net present value using a discount rate commensurate with the payment terms of the pledge. The Foundation also takes into consideration past collection experience and other relevant factors.

Beneficial interest in long-term trusts held by others – The fair value of the beneficial interest in long-term trusts held by others is determined by the fair value of the underlying investments held by the third-party trustees, less the net present value of future cash outflows to lifetime recipients.

Life insurance policies – The fair value of life insurance policies is based upon the estimated cash surrender value of the underlying insurance policy.

Obligations under gift annuity agreements – The fair value of obligations under gift annuity agreements is based upon the payments to be made over the estimated remaining lives of the income beneficiaries and is discounted to present value using discount rates ranging from 2.4% to 5.8%.

Assets held for others – The fair value of assets held for others is determined by the fair value of the underlying investments held by the Foundation, which are securities valued as described on the next page.

Investments – The Foundation values its investments at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted in active markets but are corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest level priority to Level 3 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

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

Equity securities and mutual funds (cash, equities, fixed income, commodities) – Valued at the closing price as reported on the active market on which the individual securities or funds are traded.

Fixed income (bond funds or individual bonds) – Valued based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Student-managed funds – These funds are managed by students through a class offered at the University. It comprises equity securities, mutual funds, and individual bonds, which are valued as described above.

Beneficial interest in long-term trusts held by others – Valued based on the underlying investments held by the trusts, less the net present value of future cash outflows to lifetime recipients.

Alternative Investments: low correlated hedge, real estate, illiquid credit, and private equity – Valued at net asset value (NAV) of the limited partnership investments as provided by the investment manager. The definition of NAV includes an ownership interest in partners' capital to which a proportionate share of the investment's net assets is attributed. The NAV is used as a practical expedient to estimate fair value.

There were no changes to the valuation techniques used during the period.

The UNC Foundation's investments held as of June 30, 2023 are detailed below:

University of Northern Colorado Foundation
Summary of Investments
as of June 30,

	2023
Cash and cash equivalents	$ 100,707
Equities	72,965,149
Fixed income	12,855,996
Alternative investments	47,353,343
Other	18,566,000
Total Foundation investments	$ 151,841,195

The UNC Foundation's investments by level as of June 30, 2023 are detailed below:

University of Northern Colorado Foundation
Investments by Level
as of June 30, 2023

Description	Level 1	Level 2	Level 3	Total
Investments				
Cash equivalent mutual funds	$ 100,707	$ -	$ -	$ 100,707
Equities				
Large cap	27,862,168	-	-	27,862,168
International	22,640,177	-	-	22,640,177
Small/mid cap	10,410,617	-	-	10,410,617
Emerging markets	6,957,464	-	-	6,957,464
Energy	5,094,723	-	-	5,094,723
Fixed income				
Domestic	12,403,392	-	-	12,403,392
Opportunistic	-	452,604	-	452,604
Student-managed funds	-	755,014	-	755,014
Stock/bond mixed mutual funds	981,432	-	-	981,432
Alternative investments				
Real estate	8,546,762	-	-	8,546,762
Total Investments	94,997,442	1,207,618	-	96,205,060
Beneficial interest in long-term trusts held by others	-	-	8,282,792	8,282,792
Alternative investments measured at NAV	-	-	-	47,353,343
Total	$ 94,997,442	$ 1,207,618	$ 8,282,792	$ 151,841,195

In addition to the investments valued at fair value on a recurring basis, the University of Northern Colorado Foundation, Incorporated, holds another limited partnership investment valued on a non-recurring basis at a value of $1,000,000 as of June 30, 2023. This investment cannot be redeemed by the Foundation. The value of the investment in this category is based on the initial partnership contribution.

Net investment earnings consist of the following for the years ended June 30, 2023:

University of Northern Colorado Foundation
Investment Earnings

	2023
Interest and dividends	$ 3,503,447
Realized and unrealized gains (losses) on investments, net of taxes	11,655,791
Less investment management fees	(356,010)
	$ 14,803,228

The following is the reconciliation of the beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ending June 30, 2023:

University of Northern Colorado Foundation
Level 3 Investment Changes

Beneficial Interest in Long-Term Trusts Held by Others

	2023
Beginning balance	$ 8,657,172
Net investment income (loss)	(374,380)
	$ 8,282,792

The following table includes information on investments in certain entities that calculate net asset value:

University of Northern Colorado Foundation
Investments in Certain Entities that Calculate Net Asset Value
as of June 30, 2023

Fund Description	Fair Value	Unfunded	Redemption	Redemption
Low correlated hedge	$ 6,502,188	$ -	Monthly, quarterly, semi-annually*	60-100 days
Low correlated hedge	18,364,710	-	Quarterly, semi-annually*	95 days, annual one-year lock up
Illiquid credit	8,695,020	853,168	Upon fund termination	N/A
Private equity	9,927,996	4,436,273	Upon fund termination	N/A
Real estate	3,863,429	819,334	Upon fund termination	N/A
Total	$47,353,343	$ 6,108,775		

*Subject to restrictions

Note 4: Accounts, Contributions, and Loans Receivable

Accounts and loans receivable are shown, net of allowances for doubtful accounts, in the Statement of Net Position. Net receivables as of June 30, 2023 are detailed below:

Accounts, Contributions, and Loans Receivable	2023
Student accounts receivable - current	$ 18,283,428
Allowance for doubtful accounts	(13,419,889)
Subtotal student accounts receivable - net	4,863,539
Student loans receivable - current	372,957
Allowance for doubtful accounts	(259,891)
Subtotal student loans receivable - net	113,066
Student loans receivable - noncurrent	2,571,757
Allowance for doubtful accounts	(300,016)
Subtotal noncurrent student loans receivable - net	2,271,741
Other receivables - current	
Sponsored programs - federal grants receivable	1,089,616
Sponsored programs - nonfederal grants receivable	523,354
Student loans program - federal loans receivable	-
Accounts receivable related party - the Foundation	1,328,476
Accounts receivable - State of Colorado	217,710
Other accounts receivable	5,068,256
Subtotal other receivables - current	8,227,412
Total University accounts, loans & other receivables	$ 15,475,758

Right-To-Use Leases Receivable

As a result of the implementation of GASB 87, *Leases*, the University, serving in a lessor capacity, is required to recognize a lease receivable and a deferred inflow of resources for certain lease transactions. Right-to-use leases receivables as of June 30, 2023 are detailed below:

	2023				
Changes in Right-To-Use Leases Receivable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Right-to-use leases receivable	4,549,345		863,835	3,685,510	113,039
Total receivable	$ 4,549,345	$ -	$ 863,835	$ 3,685,510	$ 113,039

On March 29, 2022, the University of Northern Colorado Board of Trustees entered into a lease agreement with New Cingular Wireless PCS, LLC to lease approximately one thousand one hundred twenty (1,120) square feet of land, including the air space above such rooftop space, owned by the University and located at 2310 13th Avenue, Greeley, Colorado 80639, to be used by New Cingular for the placement of a communication facility. The initial term of the lease will be five (5) years, commencing on March 29, 2022. The lease will automatically renew for five (5) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the University of $4,000, with rent payments increasing two percent (2.0%) on an annual basis. The outstanding lease receivable on June 30, 2023, is $1,443,785.

On October 25, 2021, the University of Northern Colorado Board of Trustees entered into a lease agreement with Wells Fargo Bank, N.A. to lease space owned by the University and located in the University Center, 2101 10th Avenue, Greeley, Colorado 80639, to be used by Wells Fargo for the placement of an ATM facility. The initial term of the lease will be five (5) years, commencing on July 1, 2021. The lease may be renewed for one (1) additional five (5) year term with written notice from the tenant no later than ninety (90) days prior to the expiration of the initial term. The lease requires fixed monthly lease payments to the University of $1,000 and the outstanding lease receivable on June 30, 2023, is $35,699.

On April 28, 2017, the University of Northern Colorado Board of Trustees entered into the First Amendment to Rooftop Lease Agreement with T-Mobile West, LLC to lease space owned by the University and located on the roof of Lawrenson Hall, 2300 12th Avenue, Greeley, Colorado 80639, to be used by T-Mobile for the placement of an Antenna facility. The amendment extended the term of the lease by twenty-five (25) years effective July 1, 2017, to include an initial five (5) year term, and four (4) additional five (5) year renewal options at T-Mobile's sole discretion, with written notice from the tenant no later than thirty (30) days prior to the expiration of the current renewal term if they are electing not to renew for another term. Subsequently, on August 11, 2022 a second amendment was executed which revised the base rent and adjusted the annual rent escalation from 3% to 2.5%, effective August 1, 2022. As amended, the lease requires monthly lease payments to the University of $4,216, with rent payments increasing two and one-half percent (2.5%) on an annual basis. The outstanding lease receivable on June 30, 2023, is $1,071,180.

On March 12, 2018, the University of Northern Colorado Board of Trustees entered into the Second Amendment to PCS Lease Agreement with Sprint Spectrum Realty Company, LLC to lease space owned by the University and located on the roof of Lawrenson Hall, 2300 12th Avenue, Greeley, Colorado 80639, to be used by Sprint for the placement of an Antenna facility. The amendment extended the term of the lease for five (5) years effective July 1, 2018 and will be automatically renewed for two (2) additional five (5) year terms and, and through mutual agreement, another two (2) five (5) year terms. The lease requires monthly lease payments to the University of $4,260, with rent payments increasing two and one-half percent (2.5%) on an annual basis. The outstanding lease receivable on June 30, 2023, is $1,134,846.

Related Party Receivable

Gifts and grants receivable from the Foundation to the University were $970,045 as of June 30, 2023.

Foundation Contributions and Pledges Receivable

Foundation gifts of cash and other assets are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the Foundation's stand-alone financial statements.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the net present value of estimated future cash flows. The discounted rate used in this calculation is the five-year U.S. Treasury note rate as of June 30 of the fiscal year in which the commitment was made, ranging from 0.29 percent to 4.13 percent. An allowance for uncollectible contributions is established by Foundation management based on management's analysis of specific pledge receivables.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Foundation Pledges Receivable	2023
Amounts due in:	
Less than one year	$2,481,704
One to five years	$4,221,727
More than five years	48,500
Subtotal	6,751,931
Less allowance for uncollectible pledges	(34,400)
Less present value discounts	(190,721)
Total pledges receivable	$6,526,810

Note 5: Capital Assets

During fiscal year 2023, the University transferred $9.0 million from construction in progress to land improvements and buildings and improvements. Completed projects include renovation in Butler Hancock, dish machine replacement in the Holmes dining hall, and the atrium replacement and dining renovations at the University Center. The following is a summary of University capital asset activity as of June 30, 2023:

Capital Assets and Accumulated Depreciation/Amortization	2023 Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets					
Land	$ 10,231,078	$ -	$ (462,300)	$ -	$ 9,768,778
Land improvements	23,134,981	-	(169,078)	1,165,086	24,130,989
Non-depreciable land improvements	4,264,026	-	-	-	4,264,026
Buildings and improvements	509,528,933	-	(190,085)	7,843,631	517,182,479
Equipment and vehicles	28,625,752	355,398	-	-	28,981,150
Software	5,247,223	260,447	-	-	5,507,670
Library materials	54,706,359	1,834,405	(4,330,442)	-	52,210,322
Non-depreciable art/historical	1,774,684	-	-	-	1,774,684
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	1,185,300	41,593	-	-	1,226,893
Right-to-use lease assets-equipment	428,996	1,056	-	-	430,052
Right-to-use subscription assets	5,683,666	425,346	-	-	6,109,012
Construction in progress	11,532,254	11,759,249	-	(9,008,717)	14,282,786
Total capital assets	657,402,984	14,677,494	(5,151,905)	-	666,928,573
Less accumulated depreciation/amortization					
Land improvements	18,191,711	804,255	-	-	18,995,966
Buildings and improvements	285,583,053	13,429,467	(219,342)	-	298,793,178
Equipment and vehicles	24,999,365	1,106,257	-	-	26,105,622
Software	4,305,546	402,716	-	-	4,708,262
Library materials	44,328,859	2,021,500	(4,330,442)	-	42,019,917
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	338,657	340,466	-	-	679,123
Right-to-use lease assets-equipment	142,999	143,703	-	-	286,702
Right-to-use subscription assets	-	1,581,149	-	-	1,581,149
Total accumulated depreciation/amortization	378,949,922	19,829,513	(4,549,784)	-	394,229,651
Net capital assets	$ 278,453,062	$ (5,152,019)	$ (602,121)	$ -	$ 272,698,922

As a result of the implementation of GASB 96, *Subscription-Based Information Technology Agreements (SBITAs)*, $5,683,666 in right-to-use subscription assets has been added to the beginning balance presented above for June 30, 2023. As these subscription assets are offset by an equal amount of subscription liabilities, the University does not report a restatement of beginning net position for the implementation of GASB 96.

The following is a summary of Foundation capital asset activity for the years ended June 30, 2023:

Foundation Capital Assets	2023
Capital assets	
Buildings and improvements	$ 1,310,556
Equipment and vehicles	20,115
Total capital assets	1,330,671
Less accumulated depreciation	(600,033)
Net investment in capital assets	$ 730,638

Note 6: Liabilities and Unearned Revenue

The following is a summary of liabilities as of June 30, 2023:

The University Liabilities and Unearned Revenue	2023
Accounts payable and accrued liabilities	
Accounts payable	$ 2,630,259
Accrued salaries and benefits	6,210,913
Accrued interest expense	456,035
Retainage payable and other liabilities	322,815
Total accounts payable and accrued liabilities	9,620,022
Current unearned revenue	
Summer tuition and other activities	6,136,021
Restricted grants and contracts	3,239,199
Foundation contract	-
Auxiliary and housing	462,469
Total current unearned revenue	9,837,689
Other current liabilities	
Deposits held	949,944
Insurance liability	177,000
Deposits held in custody for agency funds	311,740
Compensated absences liability	778,215
Perkins liquidation liability	552,712
Nursing loan program liability	7,227
Total other current liabilities	2,776,838
Other noncurrent liabilities	
Unearned revenue	60,000
Long-term deposit liabilities held	62,940
Compensated absences liability	5,685,462
Net pension liability	88,229,517
Other postemployment benefits liability	2,226,533
Perkins liquidation liability	765,490
Nursing loan program liability	1,368,180
Total other noncurrent liabilities	98,398,122
Bonds and right-to-use leases	
Current bonds and right-to-use leases	9,209,090
Noncurrent bonds and right-to-use leases	129,710,160
Total bonds and right-to-use leases	138,919,250
Total liabilities and unearned revenue	$ 259,551,921

Effective October 1, 2017, the United States Department of Education (DOED) did not renew the Federal Perkins Loan Program. As a result, after a brief transition period, no new loans can be disbursed to students. The current guidance provided by the DOED stipulates that as cash is collected by the University from loans disbursed prior to October 1, 2017, such funds are to be remitted back to DOED on a proportional basis (the Perkins program was originally funded by DOED with a small percentage matched by the University). Given this recent guidance, the University has determined that it is probable that DOED, as the provider of the original resource, will require the University to return all of the resources originally received under this program. At the time of the receipt of the resources, the University recorded nonexchange revenues, and thereby, the balance of the resources provided by DOED resided in the University's net position.

Pursuant to the guidance provided by *GASB 33: Accounting and Financial Reporting of Nonexchange Transactions* and based on the University's estimate that the return of these resources is probable, a liability of $1,318,202 was recorded for fiscal year end June 30, 2023.

The University recorded a net OPEB liability of $2,226,533 for fiscal year 2023. More information is available in *Note 11: Other Postemployment Benefits (OPEB).*

The Foundation – Liabilities and Unearned Revenue

The following is a summary of Foundation liabilities as of June 30, 2023:

The Foundation Liabilities and Unearned Revenue	2023
Accounts payable and accrued liabilities	$ 1,009,507
Funds held for the University	450,587
Annuity obligations	95,250
Total liabilities and unearned revenue	$ 1,555,344

Charitable Gift Annuity Obligations

The Foundation has entered into several charitable gift annuity contracts. These contracts require the Foundation to make fixed payments to the beneficiaries over their lifetimes. Under a charitable gift annuity contract, the assets received by the Foundation are not held in trust separately from other investments of the Foundation. On the date each charitable gift annuity was established, the Foundation recorded a contribution equal to the difference between the amount transferred from the donor and the present value of the future cash flows expected to be paid to the specified beneficiaries, using a discount rate equal to the then current applicable federal rate. At the end of these contracts, the majority of these assets are to be endowed and are included in nonexpendable restricted net position as of June 30, 2023 as follows:

Charitable Gift and Annuity Contracts	2023
Assets held under gift contracts	$ 142,662
Less associated liabilities	(95,250)
Present value of assets held under contracts	$ 47,412

Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable

Bonds, Notes Payable, Right-To-Use Leases Payable, and Right-To-Use Subscriptions Payable

The following table provides a summary of bonds, notes payable, right-to-use leases payable, and right-to-use subscriptions payable as of June 30, 2023:

Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable Summary	Interest Rates	Final Maturity	Balance 2023
Non-Direct Borrowings and Placements			
Fixed rate bonds	2.0% - 5.0%	2046	$ 90,840,000
Fixed rate - unamortized premiums			5,032,723
Total non-direct borrowings and placements			95,872,723
Direct Borrowings and Placements			
Fixed rate bonds	1.77% - 2.29%	2035	32,675,000
Total direct borrowings and placements			32,675,000
Total bonds payable			128,547,723
Notes payable	2.69% - 3.69%	2031	5,122,601
Right-to-use leases payable	0.29% - 2.25%	2028	691,819
Right-to-use subscriptions payable	1.98% - 3.24%	2029	4,557,107
Total bonds, notes payable, right-to-use leases payable and right-to-use subscriptions payable			$ 138,919,250

Changes in Bonds, Notes Payable, Right-To-Use Leases Payable, and Right-To-Use Subscriptions Payable

The table below presents the summary of changes in bonds, notes payable, right-to-use leases payable, and right-to-use subscriptions payable for the fiscal year ended June 30, 2023:

	2023				
Changes in Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds payable-non-direct borrowings and placements	$ 96,165,000	$ -	$ 5,325,000	$ 90,840,000	$ 6,205,000
Bonds payable-direct borrowings and placements	32,950,000	-	275,000	32,675,000	320,000
Plus unamortized premiums	5,409,828	-	377,105	5,032,723	-
Total revenue bonds payable	134,524,828	-	5,977,105	128,547,723	6,525,000
Notes payable	5,495,079	260,447	632,925	5,122,601	640,965
Right-to-use leases payable	1,133,993	41,593	483,767	691,819	489,730
Right-to-use subscriptions payable	5,683,666	425,346	1,551,905	4,557,107	1,553,395
Total bonds, notes payable, right-to-use leases payable and right-to-use subscriptions payable	$ 146,837,566	$ 727,386	$ 8,645,702	$ 138,919,250	$ 9,209,090

As a result of the implementation of GASB 96, *Subscription-Based Information Technology Agreements (SBITAs),* $5,683,666 in subscription liabilities for right-to-use subscription assets has been added to the beginning balance presented above. As these subscription liabilities are offset by an equal amount of subscription assets, the University does not report a restatement of beginning net position for the implementation of GASB 96.

Revenue and Refunding Bonds

A general description of each revenue bond issue, original issuance amount, and the amount outstanding as of June 30, 2023, are detailed in the table "Revenue Bond Detail". The fixed rate revenue bonds interest is payable semi-annually and principal payments are paid annually. The bonds are not secured by any encumbrance, mortgage, or other pledge of property, except pledged revenues.

Bond provisions require the University to maintain compliance with certain rate covenants related to the bonds. The Master Enterprise Bond Resolution authorizing the issuance of Institutional Enterprise Revenue Bonds, and adopted by the University's Board of Trustees, specifies debt service coverage requirements. The debt service coverage provisions require net pledged revenues to be equal to the combined principal and interest payments of the revenue bonds due during any subsequent fiscal year for the life of the associated revenue bonds. These debt service requirements are detailed in the table "Total Debt Service Requirements" in this footnote. In November 2022, the University's Board of Trustees approved a resolution to amend the University's tuition revenue pledge from 10% to 100% of tuition revenues, effective in fiscal year 2023.

The Master Enterprise Bond Resolution also includes a covenant which provides that during the period in which the bonds are outstanding and subject to applicable law, the University will continue to impose such fees and charges as are included within the gross revenue and will continue the present operation and use of the University's facilities. The University will continue to maintain reasonable fees, rental rates, and other charges for the use of all facilities and for services rendered by the University and will return annually gross revenues sufficient to pay all amounts required with respect to prior bond obligations, to pay operation and maintenance expenses, and to pay the annual debt service requirements of the bonds and any parity obligations payable from net revenues. The University believes it is in compliance with all existing pledged revenue requirements of its outstanding bonds.

The 2014A, 2015A, 2016A, 2018A, 2018B, 2019A, and 2021A bonds are also secured by a pledge of the revenues derived from net Extended Campus revenues and gross facility and administrative indirect cost recoveries. The University has pledged these revenues through 2046 to repay $90,840,000 in outstanding non-direct borrowing revenue bonds plus interest and $32,675,000 in outstanding direct borrowing revenue bonds plus interest. As of June 30, 2023 total pledged revenue and the associated debt service coverage are summarized in the table below:

Net Pledged Revenue Available for Revenue Bond Debt Service	2023
Gross auxiliary facility and student fee revenues	$ 42,000,130
Less auxiliary facility and student fee operating expenses	(26,298,065)
Net auxiliary and student fee facility revenue	15,702,065
Other pledged tuition and revenue	
100% of tuition revenue	63,584,110
Indirect cost recoveries	682,169
Extended campus net revenue	8,348,588
Subtotal other pledged tuition and revenue	72,614,867
Total Net Pledged Revenue	$ 88,316,932
Series 2014A, 2015A, 2016A, 2018A, 2018B, 2019A and 2021A	10,165,372
Total Net Debt Service	$ 10,165,372
2014A, 2015A, 2016A, 2018A, 2018B, 2019A and 2021A bond debt service coverage	8.69x
Total net debt service as a percentage of gross auxiliary facilities and student fee revenues	24.2%
Total net debt service as a percentage of total net pledged revenues	11.5%

Revenue Bond Activity

On June 24, 2022, Standard and Poor's affirmed its 'A-' underlying rating on the University's debt outstanding. The outlook remains negative.

On December 30, 2021, University of Northern Colorado Board of Trustees issued Institutional Enterprise Revenue Refunding Bonds Taxable Convertible to Tax-Exempt, Series 2021A for $33,035,000. Bond proceeds of $32,995,005 were used to advance refund a portion of outstanding principal balance on the Institutional Enterprise Revenue Refunding Bonds, Series 2014A, totaling $30,215,000 as of June 30, 2021. The Series 2021A Bonds shall initially be issued as a Taxable Obligation and bear interest at the taxable rate of 2.29% per annum, and will convert to, and be reissued as, a Tax-Exempt Obligation bearing interest at a rate of 1.77% per annum on or after March 5, 2024, upon satisfaction of certain agreed upon conditions. The Series 2021A bonds are guaranteed by the State Intercept program and are set to mature on June 1, 2035. Bond proceeds were also used to pay the cost of issuance totaling $150,160. As of December 30, 2021, the Series 2014A Bonds will have a remaining outstanding principal balance of $11,080,000.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $970,969 and was recorded as a loss on the refunding of the bonds. The deferred amount on refunding is reported in the accompanying statements of net position as a deferred outflow of resources and is being charged to operations through fiscal year 2035. The University completed the advanced refunding to reduce its total debt service payments by $4,576,628 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,037,656.

On March 24, 2021, Standard and Poor's affirmed its 'A-' underlying rating on the University's debt outstanding. The outlook remains negative.

On April 29, 2020, Standard and Poor's revised the outlook on the University's underlying rating of "A-" from stable to negative. Due to the impact of COVID-19 and the related recession, Standard and Poor's revised the outlook from stable to negative for over 30 public universities citing concerns about future cuts to state funding.

On August 29, 2019, University of Northern Colorado Board of Trustees issued Institutional Enterprise Revenue Refunding Bonds, Series 2019A for $32,855,000. Bond proceeds of $32,580,053 were used to refund the Auxiliary Facilities System Revenue Refunding Bonds, Series 2011A, with an outstanding principal balance of $30,590,00 as of June 30, 2019. The underwriter's discount and cost of issuance totaled $274,947. The Series 2019A bonds are guaranteed by the State Intercept program, have coupon rates of 1.9% to 2.6%, and are set to mature on June 1, 2031.

On July 18, 2019, Moody's Investors Service assigned the University an "A3" underlying and Aa2 enhanced rating to the University's proposed $32.8 million Institutional Enterprise Revenue Refunding Bonds Taxable Series 2019A (fixed rate, maturing 2031). The outlook on the underlying rating and enhanced ratings is stable.

On May 31, 2018, Moody's Investors Service assigned the University an "A3" underlying with a stable outlook on the outstanding Series 2011A, Series 2014A, Series 2015A, Series 2016A, and Series 2018A bonds, and assigned an "Aa2" enhanced rating with a stable outlook to the University's outstanding fixed-rate bonds and for the Series 2018B bonds.

The downgrade to "A3" cited the University's cash flow and debt service coverage, and declining liquidity which is constraining the University's ability to restore reserves. The enhanced rating outlook, based on the University's participation in the Colorado Higher Education Revenue Bond Intercept Program, remains at "Aa2" with a stable outlook, which is based on the State of Colorado's current "Aa1" rating and outlook.

When a University qualifies to issue bonds under the state intercept program, the bonds are additionally secured by the State with a provision that the State Treasurer will pay the principal and interest on the revenue bonds if the institution of higher education is unable to make the payment on the due date.

On April 20, 2018, Standard and Poor's assigned the University an underlying rating of "A-" with a stable outlook and an enhanced rating of "AA-" with a negative outlook, citing operating deficits, declining liquidity, and weak fundraising history relative to the University's peers. This is offset by the positives of FTE enrollment increases, experienced and stable management, and a manageable debt burden. The long-term rating of "AA-/Negative" is based on the University's participation in the Colorado Higher Education Revenue Bond Intercept Program. Standard and Poor's assigned these ratings to the 2014A fixed-rate bonds.

Revenue Bond Detail	Original Issuance	Outstanding Balance 2023
Fixed Rate Revenue Bonds		
Non-Direct Borrowings and Placements		
Series 2014A 2.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued April 2, 2014, in the original amount of $52,465,000 and maturing in varying amounts through June 1, 2035. Proceeds from the sale of these bonds were used to advance refund a portion of the Auxiliary Facilities System Revenue Refunding and Improvement Bonds, Series 2005.	$ 52,465,000	$ 7,020,000
Series 2015A 4.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued June 3, 2015, in the original amount of $21,510,000 and maturing in varying amounts from June 1, 2036 to June 1, 2040. Proceeds from the sale of these bonds were used to refund the unrefunded portion of the Auxiliary Facilities System Revenue Refunding and Improvement Bonds, Series 2005.	21,510,000	21,510,000
Series 2016A 3.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued November 9, 2016, in the original amount of $23,470,000 and maturing in varying amounts from June 1, 2020 to June 1, 2046. Proceeds from the sale of these bonds are being used to fund the construction of Campus Commons building.	23,470,000	21,540,000
Series 2018A 3.60%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued July 18, 2018, in the original amount of $7,110,000 and maturing in varying amounts from June 1, 2019 to June 1, 2041. Proceeds from the sale of these bonds were used to refund the Auxiliary Facilities System Revenue Refunding Bonds, Series 2008, as well as a portion of the Institutional Enterprise Revenue refunding Bonds, Series 2011B.	7,110,000	4,565,000
Series 2018B 4.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued July 18, 2018, in the original amount of $12,020,000 and maturing in varying amounts from June 1, 2024 to June 1, 2036. Proceeds from the sale of these bonds were used to refund the Institutional Enterprise Revenue Refunding Bonds, Series 2011B.	12,020,000	12,020,000
Series 2019A 1.90%-2.60% Institutional Enterprise Revenue Refunding Bonds, issued August 29, 2019, in the original amount of $32,855,000 and maturing in varying amounts from June 1, 2020 to June 1, 2031. Proceeds from the sale of these bonds were used to refund the Auxiliary Facilities Refunding Bonds, Series 2011A.	32,855,000	24,185,000
Direct Borrowings and Placements		
Series 2021A Institutional Enterprise Revenue Refunding Bonds Taxable Convertible to Tax Exempt, issued December 30, 2021, in the original amount of $33,035,000 and maturing in varying amounts from June 1, 2022 to June 1, 2035. The taxable interest rate is 2.29%, with a conversion date of March 4, 2024 or after, and a tax exempt interest rate of 1.77%. Proceeds from the sale of these bonds were used to refund a portion of the Institutional Enterprise Revenue Refunding Bonds, Series 2014A.	33,035,000	32,675,000
Total Fixed Rate Revenue Bonds	182,465,000	123,515,000
Add unamortized premium		5,032,723
Total Outstanding Fixed Rate Revenue Bonds Payable	$ 182,465,000	$ 128,547,723

Debt Service Requirements on Revenue Bonds

The future minimum revenue bonds debt service requirements as of June 30, 2023 are reported in the tables below:

Total Debt Service Requirements - Non-Direct Borrowings and Placements			
Year Ending June 30	**Principal**	**Interest**	**Total**
2024	$ 6,205,000	$ 3,618,097	$ 9,823,097
2025	6,485,000	3,371,755	9,856,755
2026	4,310,000	3,130,072	7,440,072
2027	6,985,000	2,994,212	9,979,212
2028	4,585,000	2,769,090	7,354,090
2029-2033	18,305,000	11,543,809	29,848,809
2034-2038	22,025,000	8,325,581	30,350,581
2039-2043	17,590,000	2,778,913	20,368,913
2044-2047	4,350,000	442,000	4,792,000
Total	$ 90,840,000	$ 38,973,529	$ 129,813,529

Total Debt Service Requirements - Direct Borrowings and Placements			
Year Ending June 30	**Principal**	**Interest**	**Total**
2024	$ 320,000	$ 707,668	$ 1,027,668
2025	455,000	572,684	1,027,684
2026	2,875,000	564,630	3,439,630
2027	395,000	513,743	908,743
2028	3,010,000	506,751	3,516,751
2029-2033	16,870,000	1,714,333	18,584,333
2034-2038	8,750,000	233,020	8,983,020
2039-2043	-	-	-
2044-2047	-	-	-
Total	$ 32,675,000	$ 4,812,829	$ 37,487,829

Regarding terms specified in the Series 2021A direct borrowing and placement debt agreement related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses, these were not invoked because the Series 2021A bonds were issued on parity with all of the University's other outstanding non-direct debt.

Notes Payable

On January 29, 2016, the University of Northern Colorado Board of Trustees entered into an agreement with Banc of America Public Capital Corporation with an acquisition price of $8,850,000 for energy performance improvements in numerous buildings on campus including steam trap upgrades, control improvements, lighting improvements, plumbing retrofitting, and a chiller replacement. The agreement term is 15 years with final maturity in January 2031. The agreement has a fixed tax-exempt interest rate of 2.69% with monthly payments of $59,806 and a purchase option of $1.00 upon the expiration of the term and payment in full of all payments. The outstanding notes payable on June 30, 2023, is $4,918,150.

On September 8, 2022, the University of Northern Colorado Board of Trustees entered into an agreement with Dell Technologies with an acquisition price of $260,477 for computer hardware. The agreement term is four years with final maturity in November 2026. The agreement has a fixed tax-exempt interest rate of 3.69% with annual payments of $55,996. The outstanding notes payable on June 30, 2023, is $204,451.

The University debt service payments, including interest, required for the notes payable as of June 30, 2023 are detailed below:

Notes Payable Minimum Payments

Fiscal Years Ending June 30,	Principal	Interest	Total
2024	$ 640,965	$ 132,699	$ 773,664
2025	658,918	114,746	773,664
2026	677,380	96,284	773,664
2027	696,363	77,301	773,664
2028	659,887	57,781	717,668
2029-2032	1,789,088	64,887	1,853,975
Total	$ 5,122,601	$ 543,698	$ 5,666,299

Right-to-Use Lease Liabilities

On January 1, 2017, the University of Northern Colorado Board of Trustees entered into a lease agreement with Jetz Service Company, Inc. to provide new laundry equipment in residence halls across campus. The initial term of the lease commenced on January 1, 2017 and terminated on June 30, 2017. The lease may be renewed by the University for up to seven (7) one (1) year terms with ownership of the equipment remaining with Jetz Service Company, Inc. during the term of the lease. The lease requires monthly lease payments of $11,996 with an incremental borrowing interest rate of 0.287%. The outstanding lease liability on June 30, 2023, is $143,728.

On December 18, 2019, the University of Northern Colorado Board of Trustees entered into a lease agreement with BTT, LLC to lease twelve thousand (12,000) square feet of building space within their premises located at 2915 Rocky Mountain Avenue, Loveland, Colorado 80538, to be used by the University for office space and classrooms. The term of the lease commenced on January 1, 2020 and expires on December 31, 2024. The lease requires monthly lease payments of $28,360 with an incremental borrowing interest rate of 0.287%. The outstanding lease liability on June 30, 2023, is $509,322.

On February 1, 2023 the University of Northern Colorado Board of Trustees entered into a lease agreement with NDTCO as custodian FBO Novar Garcia IRA to lease approximately twelve hundred (1,200) square feet of garage space within the premises located at 1945 8th Avenue, Greeley, Colorado, 80631. The initial term of the lease commenced on February 1, 2023 and expires on December 31, 2028. The lease requires monthly lease payments of $625 with an incremental borrowing interest rate of 2.247%. The outstanding lease liability on June 30, 2023 is $38,769.

The University debt service payments, including interest, required for these right-to-use leases payable as of June 30, 2023 are detailed below:

Right-to-Use Lease Minimum Payments

Fiscal Years Ending June 30,	Principal	Interest	Total
2024	$ 489,730	$ 2,042	$ 491,772
2025	176,867	793	$ 177,660
2026	7,005	495	$ 7,500
2027	7,164	336	$ 7,500
2028	7,327	173	$ 7,500
2029-2032	3,726	24	$ 3,750
Total	$ 691,819	$ 3,863	$ 695,682

Right-to-Use Subscription Liabilities

On November 9, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Anthology Inc. of NY for the use of student engagement software. The term of the lease commenced on November 1, 2021 and expires on October 31, 2024. The agreement requires annual payments beginning at $16,000 for the first year with 4% increases in each of the following years, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $16,969.

On September 29, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Blackbaud Inc. for the use of its Higher Ed Pro software. The term of the lease commenced on September 19, 2021 and expires on September 18, 2024. The agreement requires annual payments of $85,702, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $84,036.

On September 22, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Cornerstone OnDemand Inc. for the use of Cornerstone Performance software. The term of the lease commenced on September 30, 2021 and expires on September 29, 2024. The agreement requires annual payments of $23,810, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $23,347.

On December 20, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Cornerstone OnDemand Inc. for the use of its Learning and Recruiting software. The term of the lease commenced on December 31, 2021 and expires on September 29, 2024. The agreement requires annual payments of $44,400, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $32,653.

On November 3, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Hyland Software, Inc. for the use of OnBase information management software. The term of the lease commenced on November 1, 2021 and expires on October 31, 2024. The agreement requires annual payments of $94,110, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $92,281.

On May 20, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Oracle Credit Corporation for the use of its software. The term of the lease commenced on May 20, 2021 and expires on May 19, 2024. The agreement requires annual payments of $20,672, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $20,270.

On July 27, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Oracle America, Inc. for the use of its software. The term of the lease commenced on July 1, 2021 and expires on June 30, 2026. The agreement requires quarterly payments of $27,858, with an incremental borrowing rate of 2.256%. The outstanding liability on June 30, 2023 is $322,354.

On June 18, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Qualys Inc. for the use of its vulnerability management software. The term of the lease commenced on June 30, 2021 and expires on June 29, 2024. The agreement requires annual payments of $8,724, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $8,554.

On April 7, 2020, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Rave Wireless Inc. for the use of mobile safety software. The term of the lease commenced on April 1, 2020 and expires on March 31, 2025. The agreement requires annual payments of $18,400, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $18,042.

On September 30, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Technolutions Inc. for the use of admissions software. The term of the lease commenced on June 15, 2021 and expires on June 30, 2026. The agreement requires semi-annual payments of $5,000, with an incremental borrowing rate of 2.256%. The outstanding liability on June 30, 2023 is $28,850.

On May 20, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with TouchNet Information Systems, Inc. for the use of its payment software. The term of the lease commenced on July 1, 2021 and expires on June 30, 2026. The agreement requires annual payments beginning at $134,952 for the first year with 4% increases in each of the following years, with an incremental borrowing rate of 2.256%. The outstanding liability on June 30, 2023 is $435,579.

On June 11, 2019, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Vivantech, Inc. (dba Streamlyne) for the use of its Research software. The term of the lease commenced on June 1, 2019 and expires on May 31, 2024. The agreement requires annual payments of $42,960, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $38,615.

On March 16, 2020, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Watermark Insights, LLC for the use of SmartCatalog software. The term of the lease commenced on May 1, 2020 and expires on April 30, 2025. The agreement requires annual payments beginning at $13,650 for the first year with 5% increases in each of the following years, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $16,269.

On July 1, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with HonorLock, Inc. for the use of auto proctoring software. The term of the lease commenced on August 1, 2021 and expires on July 31, 2024. The agreement requires annual payments beginning at $15,000 for the first year with 3% increases in each of the following years, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $15,604.

On August 12, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with EasyVista, Inc. for the use of SAAS service management software. The term of the lease commenced on September 25, 2022 and expires on September 24, 2025. The agreement requires annual payments of $66,605, with an incremental borrowing rate of 3.242%. The outstanding liability on June 30, 2023 is $127,001.

On June 22, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Ellucian Company LP for the use of its mobile platform. The term of the lease commenced on July 1, 2022 and expires on June 30, 2024. The agreement requires annual payments beginning at $9,604 for the first year with a 5% increase in the following year, with an incremental borrowing rate of 1.982%. The outstanding liability on June 30, 2023 is $9,888.

On June 22, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Ellucian Company LP for the use of Banner HR and Finance software. The term of the lease commenced on July 1, 2022 and expires on June 30, 2025. The agreement requires annual payments beginning at $133,754 for the first year with a 6% increase in each of the following years, with an incremental borrowing rate of 2.154%. The outstanding liability on June 30, 2023 is $282,805.

On June 22, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Ellucian Company LP for the use of Banner document management and other software. The term of the lease commenced on July 1, 2022 and expires on June 30, 2027. The agreement requires annual payments beginning at $298,687 for the first year with a 5% increase in each of the following years, with an incremental borrowing rate of 2.372%. The outstanding liability on June 30, 2023 is $1,273,418.

On April 18, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Instructure for the use of cloud storage. The term of the lease commenced on July 1, 2022 and expires on June 30, 2027. The agreement requires annual payments beginning at $230,899 for the first year with a 5% increase in each of the following years, with an incremental borrowing rate of 2.372%. The outstanding liability on June 30, 2023 is $984,412.

On June 27, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with LinkedIn Corporation for the use of LinkedIn Learning for Higher Education. The term of the lease commenced on July 1, 2022 and expires on June 30, 2025. The agreement requires annual payments of $25,300, with an incremental borrowing rate of 2.154%. The outstanding liability on June 30, 2023 is $49,011.

On July 18, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Velocity EHS for the use of chemical management software. The term of the lease commenced on August 29, 2022 and expires on August 28, 2025. The agreement requires annual payments beginning at $10,007 for the first year with a 3% increase in each of the following years, with an incremental borrowing rate of 2.410%. The outstanding liability on June 30, 2023 is $20,187.

On March 9, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Watermark Insights, LLC for the use of Faculty Success software. The term of the lease commenced on July 1, 2022 and expires on June 30, 2025. The agreement requires annual payments beginning at $42,687 for the first year with a 5% increase in each of the following years, with an incremental borrowing rate of 2.154%. The outstanding liability on June 30, 2023 is $88,976.

On April 28, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with AppSpace for the use of its platform features and cloud storage. The term of the lease commenced on May 16, 2023 and expires on May 15, 2025. The agreement requires semi-annual payments of $13,695, with an incremental borrowing rate of 2.937%. The outstanding liability on June 30, 2023 is $39,907.

On October 5, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Terra Dotta, LLC for the use of the following softwares: Study Abroad, AlertTraveler, International Student Services, and Agreement/Partnership Management. The term of the lease commenced on July 1, 2022 and expires on June 30, 2029. The agreement requires annual payments beginning at $48,079 for the first year with a 3% increase in each of the following years, with an incremental borrowing rate of 2.704%. The outstanding liability on June 30, 2023 is $291,398.

On January 31, 2023, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Watermark Insights, LLC for the use of Student Learning and Licensure software. The term of the lease commenced on February 1, 2023 and expires on January 31, 2026. The agreement requires annual payments beginning at $48,000 for the first year with a 5% increase in each of the following years, with an incremental borrowing rate of 2.226%. The outstanding liability on June 30, 2023 is $147,943.

On May 24, 2021, the University of Northern Colorado Board of Trustees entered into a subscription agreement with Teamworks Innovations, Inc. for the use of its athletics platform. The term of the lease commenced on July 1, 2021 and expires on June 30, 2026. The agreement requires annual payments beginning at $12,300 for the first year, then $19,807.50 for the second year followed by 4.25% increases in each of the following years, with an incremental borrowing rate of 2.256%. The outstanding liability on June 30, 2023 is $61,810.

On September 13, 2022, the University of Northern Colorado Board of Trustees entered into a subscription agreement with JumpForward, LLC for the use of its athletics software. The term of the lease commenced on July 1, 2022 and expires on June 30, 2025. The agreement requires annual payments of $13,900, with an incremental borrowing rate of 2.154%. The outstanding liability on June 30, 2023 is $26,928.

Right-to-Use Subscription Minimum Payments

Fiscal Years Ending June 30,	Principal	Interest	Total
2024	$ 1,553,395	$ 77,910	$ 1,631,305
2025	1,237,263	46,533	$ 1,283,796
2026	979,127	22,546	$ 1,001,673
2027	678,627	4,631	$ 683,258
2028	52,798	1,987	$ 54,785
2029-2032	55,897	504	$ 56,401
Total	$ 4,557,107	$ 154,111	$ 4,711,218

Note 8: Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan description

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

Benefits provided as of December 31, 2022

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of the member's highest average salary and also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the

PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions provisions as of June 30, 2023

Eligible employees of the University of Northern Colorado and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of July 1, 2022 through June 30, 2023 are summarized in the table below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employee contribution (all employees except State Troopers)	11.00%	11.00%
State Troopers only	13.00%	13.00%

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

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer contribution rate	11.40%	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SDTF	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.17%
Total employer contribution rate to the SDTF	**20.48%**	**20.55%**

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the University of Northern Colorado is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the University of Northern Colorado were $7,523,760 for the year ended June 30, 2023.

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

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

At June 30, 2023, the University of Northern Colorado reported a liability of $88,229,517 for its proportionate share of the net pension liability. The amount recognized by the University of Northern Colorado as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the University of Northern Colorado were as follows:

University of Northern Colorado's proportionate share of the net pension liability	$ 88,229,517
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the University of Northern Colorado	$ -
Total	$ 88,229,517

At December 31, 2022, the University of Northern Colorado proportion was 0.81 percent, which was an increase of 0.01 from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the University of Northern Colorado recognized negative pension expense of $231,412 and revenue of $1,608,750 for support from the State as a nonemployer contributing entity.

On June 30, 2023, the University of Northern Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,182,929
Net difference between projected and actual earnings on pension plan investments	11,216,930	-
Change in Proportionate Share	694,399	2,896,769
Difference in Total Employer Contribution and Proportionate Share Contribution	-	30,755
Contributions subsequent to the measurement date	3,020,453	-
Total	$ 14,931,782	$ 4,110,453

$3,020,453 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2024	$ (4,453,069)
2025	1,487,050
2026	4,137,365
2027	6,629,530
2028	-
Thereafter	-
TOTAL	$ 7,800,876

Actuarial assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Troopers	3.30-10.90%
State Troopers	3.20-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve

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

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

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

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

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

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019**.**

- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.

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

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

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

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

Sensitivity of the University of Northern Colorado's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 112,791,168	$ 88,229,517	$ 67,568,512

Pension plan fiduciary net position

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

Payables to the pension plan

The University of Northern Colorado did not report payables to the SDTF as of June 30, 2023.

Note 9: Other PERA Retirement Plans

Voluntary Investment Program (401(k) Defined Contribution Plan)

Plan Description

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

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings.

Defined Contribution Retirement Plan (DC Plan)

Plan Description

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

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy

All participating employees in the PERA DC Plan and the University of Northern Colorado are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period July 1, 2022 through June 30, 2023 are summarized in the tables below:

	July 1, 2022 Through December 31, 2022	**January 1, 2023 Through June 30, 2023**
Employee Contribution Rates		
Employee contribution (all employees except State Troopers)	11.00%	11.00%
State Troopers only	13.00%	13.00%
Employee Contribution Rates		
Employee contribution (all employees except State Troopers)	10.15%	10.15%
State Troopers only	12.85%	12.85%

Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101

Additionally, the employers are required to contribute AED and SAED to the SDTF as follows:

	July 1, 2022 Through December 31, 2022	**January 1, 2023 Through June 30, 2023**
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411[1]	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411[1]	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413[1]	1.00%	1.00%
Defined Contribution statutory contribution as specified in C.R.S. § 24-51-1505[1]	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.17%
Total employer contribution rate to the SDTF[1]	**11.35%**	**11.42%**

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $8,014.

Note 10: University Retirement Plans

On March 1, 1993, the Board of Trustees adopted an Optional Retirement Plan (ORP) for faculty and exempt-administrative staff. On the date of adoption, eligible University employees were offered the choice of remaining in PERA or participating in the ORP. New faculty and administrative staff members are required to enroll in the ORP unless they have one year or more of service credit with PERA at the date of hire.

The ORP is a defined contribution plan with three vendors: MetLife, TIAA-CREF, and VALIC. These vendors provide a range of investment accounts for participants. For fiscal year 2023, the employee contributed 8 percent and the University contributed 11.5 percent. The University's contributions to the ORP were $7,086,722 in fiscal year 2023. All contributions are immediately invested in the employee's account. Normal retirement age for the ORP is 65. Benefits available to the employee at retirement are not guaranteed and are determined by contributions and the decisions made by participants for their individual investment accounts.

The University provides a 403(b) deferred compensation plan to the University President. The Board of Trustees approved a contribution of $57,000 for fiscal year 2023 for the President.

Note 11: Other Postemployment Benefits (OPEB)

OPEB

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

Plan Description

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

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF).

The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the University of Northern Colorado is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the University were $289,250 for the year ended June 30, 2023.

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

On June 30, 2023, the University of Northern Colorado reported a liability of $2,226,533 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The University of Northern Colorado's proportion of the net OPEB liability was based on the University of Northern Colorado's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

As of December 31, 2022, the University of Northern Colorado's proportion was 0.27 percent, consistent with its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the University of Northern Colorado recognized negative OPEB expense of $391,576.

At June 30, 2023, the University of Northern Colorado reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 289	$ 538,450
Changes of assumptions or other inputs	35,786	245,740
Net difference between projected and actual earnings on pension plan investments	135,992	-
Change in Proportionate Share	-	906,746
Difference in Total Employer Contribution and Proportionate Share Contribution	-	1,918
Contributions subsequent to the measurement date	147,467	-
Total	$ 319,534	$ 1,692,854

$147,467 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	$ (560,710)
2025	(481,390)
2026	(276,155)
2027	(113,852)
2028	(74,767)
Thereafter	(13,913)
TOTAL	$ (1,520,787)

Actuarial assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30%-10.90%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

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

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

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

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

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

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

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

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

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

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

Sensitivity of the University of Northern Colorado's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$2,163,512	$2,226,533	$2,295,106

Discount rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the University of Northern Colorado's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 2,581,211	$ 2,226,533	$ 1,923,168

OPEB plan fiduciary net position.

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

Note 12: Deferred Outflows and Inflows of Resources

Deferred inflows and outflows result from deferred amounts on refunding bonds, right-to-use leases receivable, and transactions related to the University of Northern Colorado share of the Colorado Public Employees' Retirement Association (PERA) net pension and OPEB liabilities. Additional information on the University's debt portfolio can be found in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable*. Additional information related to the PERA pension plan and related net pension liability can be found in *Note 8: Defined Benefit Pension Plan,* while additional information related to other postemployment benefits and related OPEB liability can be found in *Note 11: Other Postemployment Benefits (OPEB).*

Deferred Outflows and Inflows on Debt Refundings

The deferred amounts from refunding bond issues result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the life of the refunding debt. As of June 30, 2023, the University had deferred outflows on debt refundings of $2,228,989 and deferred inflows related to debt refundings of $634,729.

Deferred Inflows Related to Leases

As a result of the implementation of GASB 87*, Leases*, the University, serving in a lessor capacity, is required to recognize a lease receivable and a deferred inflow of resources for certain lease transactions. The deferred inflows of resources on right-to-use leases receivable are amortized over the life of the lease arrangement. As of June 30, 2023, the University had deferred inflows related to leases of $3,589,419.

Deferred Outflows and Inflows Related to Pension and OPEB

The deferred outflows and deferred inflows of resources that are related to the PERA net pension liabilities and the net OPEB liabilities result from circumstances that affect the net pension liability such as:

- Changes in benefit terms
- Changes in economics and demographic assumptions
- Differences between economic and demographic assumptions and actual experience

- Differences between expected and actual investment returns

Deferred outflows and deferred inflows of resources can also result from changes in University of Northern Colorado's proportionate share of the net pension and OPEB liabilities, which is based on University of Northern Colorado's contributions as a percentage of total employer contributions during the measurement period of the Plan.

Deferred inflows of resources or deferred outflows of resources are amortized to expense over a five-year period or the average remaining service period of plan members, which changes annually. The PERA and OPEB net pension liabilities have a measurement date of December 31 annually. Each year the contributions that University of Northern Colorado makes after the Plan measurement date from January 1 to June 30 will be recorded as a deferred outflow of resources and will be recognized as a reduction of the net pension and OPEB liabilities in the following fiscal year. As of June 30, 2023, the University had deferred outflows related to pensions of $14,931,782 and deferred inflows related to pensions of $4,110,453. As of June 30, 2023, the University had deferred outflows on OPEB of $319,534 and deferred inflows on OPEB of $1,692,854.

Note 13: Operating Expenses by Function Compared with Operating Expenses by Natural Classification

For the Year Ended June 30, 2023								
	Wages and Benefits	Cost of Sales	Other Current Expenses	Scholarships and Fellowships	Utilities	Travel	Depreciation	Total
Instruction	$ 52,881,369	$ (28,834)	$ 5,362,915	$ 1,218	$ -	$ 632,948	$ -	$ 58,849,616
Research	7,299,498	-	1,139,096	2,463	-	282,567	-	8,723,624
Public Service	1,831,699	90,732	673,638	1,000	-	30,841	-	2,627,910
Academic Support	20,287,151	3,751	5,221,542	-	-	117,284	-	25,629,728
Student Services	13,996,966	108,371	5,257,174	61,849	368,964	282,672	-	20,075,996
Institutional Support	12,624,362	309,649	7,037,787	-	-	244,504	-	20,216,302
Operation of Plant	8,283,959	-	503,382	-	3,505,139	1,576	-	12,294,056
Scholarships	81,300	-	8,911	13,398,509	-	597	-	13,489,317
Auxiliary	13,841,757	9,981,864	3,649,400	-	3,098,398	2,739,138	-	33,310,557
Depreciation	-	-	-	-	-	-	19,829,512	19,829,512
Total Operating Expenses	$ 131,128,061	$ 10,465,533	$ 28,853,845	$ 13,465,039	$ 6,972,501	$ 4,332,127	$ 19,829,512	$ 215,046,618

Summary of Wages and Benefits

Wages and Benefits
For the Year Ended June 30, 2023

	2023
Faculty	$ 39,883,667
Administrative	38,474,131
Graduate and Teaching Assistants	10,611,112
Classified	13,483,270
Student	6,583,787
Other	473,531
Subtotal wages	109,509,498
Fringe benefits	28,446,046
Fringe benefits (GASB 68)	(6,146,422)
Fringe benefits (GASB 75)	(681,061)
Total wages and benefits	$ 131,128,061

Note 14: Legislative Appropriations

Appropriated Funds

The Colorado State Legislature establishes spending authority to the University in its annual Long Appropriations Bill. For the year ended June 30, 2023, the University had a total appropriation of $56,875,899 and appropriated expenditures were within the authorized spending authority.

The University's appropriated funds consisted of $13,897,857 received from students who qualified for stipends from the College Opportunity Fund and $42,978,042 as Fee-For-Service contract revenue. All other revenues and expenses reported by the University represent non-appropriated funds and are excluded from the annual appropriations bill. Non-appropriated funds include tuition and fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues, and other revenue sources.

State Capital Appropriations

Capital appropriations from the state generally fall into three categories: capital construction, cash-funded appropriated projects, and controlled maintenance. The revenue is recognized in the Statement of Revenues, Expenses, and Changes in Net Position to the extent of expenditures in the current year. UNC recognized $3,580,361 in capital appropriations revenue in fiscal year 2023.

The following table outlines the projects that are currently appropriated for the University of Northern Colorado, the cumulative amount expended on those projects through June 30, 2023, and the unexpended balance:

State Capital Appropriations

Project	Category	Total Appropriation	Expended as of 6/30/2023	Balance Remaining as of 6/30/2023
Boiler replacement	State Appropriation - Controlled Maintenance	3,779,372	3,779,372	-
Boiler replacement	State Appropriation - Cash Funded	46,800	46,800	-
Subtotal Boiler replacement		3,826,172	3,826,172	-
Fire sprinkler-McKee Hall	State Appropriation - Controlled Maintenance	996,364	906,195	90,169
Fire sprinkler-Gunter	State Appropriation - Controlled Maintenance	863,187	696,505	166,682
Fire sprinkler-Frasier (Phase I)	State Appropriation - Controlled Maintenance	1,611,931	1,190,046	421,885
Frasier tunnel piping abatement	State Appropriation - Controlled Maintenance	339,146	290,676	48,470
Michener Chiller Replacement	State Appropriation - Controlled Maintenance	922,705	212,018	710,687
Candelaria Chiller Replacement	State Appropriation - Controlled Maintenance	902,545	118,701	783,844
Next Gen Cyber Secure Network	State Appropriation - Software	1,191,077	642,828	548,249
Next Gen Cyber Secure Network	State Appropriation - Cash Funded	11,910	-	11,910
Total		$ 10,665,037	$ 7,883,141	$ 2,781,896

	State Appropriation - Capital Construction	$ -	$ -	$ -
	State Appropriation - Cash Funded	46,800	46,800	-
	State Appropriation - Controlled Maintenance	9,415,250	7,193,513	2,221,737
	State Appropriation - Software	11,910	-	11,910
		$ 9,473,960	$ 7,240,313	$ 2,233,647

Note 15: Commitments and Contingencies

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The utilization of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Collateral for State Treasury Certificates of Participation

On November 6, 2008, the State Treasury entered into a lease purchase agreement under which a trustee issued $230,845,000 of State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation, Series 2008. The University's Butler-Hancock interior renovation project was funded with $11,591,235 from the lease purchase agreement as a state appropriation and Parsons Hall was provided as collateral.

In November 2017, UNC's Board of Trustees approved collateralization of the Jackson Soccer Team building (Current Replacement Value is $2.8 million) for financing UNC's Senate Bill 17-267 Controlled Maintenance projects. The State Treasury issued Certificates of Participation under the Senate Bill in late September 2018. UNC has three capital projects approved for $2.1 million.

During the 2020 legislative session, House Bill 20-1377 specified that proceeds related to Senate Bill 17-267 lease purchase agreement be credited to the capital construction fund and appropriated for controlled maintenance projects. House Bill 20-1408 appropriated $3.8 million to the University for the replacement of a boiler.

Note 16: Risk Management

The University is subject to risks of loss from liability for accident, property damage, and personal injury. To mitigate these risks the University has purchased the following insurance:

- General liability, including law enforcement legal liability, covered by Philadelphia for an aggregate of $3,000,000 and per occurrence of $1,000,000 with no deductible.
- Professional liability covered by Philadelphia for an aggregate of $3,000,000 with a $25,000 deductible.
- Automobile liability covered by Philadelphia for $1,000,000 with no deductible.
- Educator's errors and omissions covered by RSUI Group, Inc. for $3,000,000 with a $50,000 deductible.
- Employment practices liability covered by RSUI Group, Inc. for $3,000,000 with a $75,000 deductible.
- Worker's compensation covered by Pinnacol Assurance for $500,000/$500,000/$500,000 with a $1,000 deductible.
- Umbrella liability covered by Philadelphia for $5,000,000 with a self-insured retention of $10,000.
- Fidelity (employee dishonesty) covered by Travelers for $3,000,000 with a $25,000 deductible.
- Other property covered by Philadelphia with full limits of $859,465,628 for buildings, $96,705,512 for property, and $105,253,880 for business income, with a $50,000 deductible, a water deductible of $100,000, and wind/hail deductible of 2%.

The University became fully insured through several insurance companies in 2006 and is covered by insurance for everything above its reserve and deductible. The coverage in fiscal year 2023 is consistent with previous years and there have been no significant reductions in coverage. There have been no settlements exceeding coverage. The University uses a fringe benefit and risk management fund to pay expenses related to workers compensation and other liability insurance. The University's liability on June 30, 2023, was $177,000 which represents deductibles based on an analysis of claims.

Note 17: Other Disclosures

Multi-Year Employment Contracts

During fiscal year 2023, the University had four multi-year employment contracts for athletic coaches. The intent of the multi-year terms (four years) is to allow the coaches sufficient time to recruit and build successful athletic teams. These contracts are subject to termination for just cause and funds availability.

Note 18: Subsequent Events

Standard & Poor's Outlook

On September 18, 2023, Standard & Poor's Global Ratings revised its outlook to stable from negative and affirmed its 'A-' underlying rating for the University's outstanding bond debt. They maintained the 'AA' long-term rating and stable outlook on the University's 2014A bonds based on the University's participation in the Colorado Higher Education State Aid Intercept Program.

University President

On December 8, 2023, the University of Northern Colorado Board of Trustees approved a new employment agreement for President Andrew Feinstein, beginning July 1, 2024, and ending June 30, 2029. The current employment agreement ends June 30, 2024.

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Required Supplementary Information

University of Northern Colorado
Schedule of Required Supplementary Information
June 30, 2023

Schedule of University's Proportionate Share of PERA Pension Liability*

Measurement Date*	Proportion of Collective Net Pension Liability (A)	Proportionate Share of Collective Net Pension Liability (B)	Covered Payroll (C)	Proportionate Share of Net Pension Liability as a percentage of covered payroll (B/C)	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability
December 31, 2014	1.32%	$ 124,356,394	$ 35,490,833	350.39%	59.84%
December 31, 2015	1.27%	$ 134,262,416	$ 35,609,043	377.05%	56.11%
December 31, 2016	1.26%	$ 231,167,892	$ 36,078,990	640.73%	42.59%
December 31, 2017	1.20%	$ 239,421,801	$ 35,339,262	677.50%	43.20%
December 31, 2018	1.10%	$ 127,932,022	$ 34,392,235	371.98%	55.11%
December 31, 2019	1.02%	$ 99,147,013	$ 32,633,433	303.82%	62.24%
December 31, 2020	0.91%	$ 86,476,674	$ 30,281,029	285.58%	65.34%
December 31, 2021	0.80%	$ 58,983,574	$ 26,938,570	218.96%	73.05%
December 31, 2022	0.81%	$ 88,229,517	$ 28,611,779	308.37%	60.63%

Schedule of University's Contributions to PERA Pension*

As of June 30*	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
2015	$ 6,451,658	$ 5,990,532	$ -	$ 35,762,254	16.75%
2016	$ 6,691,529	$ 6,286,794	$ -	$ 35,566,846	17.68%
2017	$ 7,047,703	$ 6,692,426	$ -	$ 36,058,201	18.56%
2018	$ 7,006,658	$ 6,654,918	$ -	$ 35,065,038	18.98%
2019	$ 6,685,480	$ 7,237,401	$ -	$ 33,493,592	21.61%
2020	$ 6,444,633	$ 6,897,878	$ -	$ 31,925,965	21.61%
2021	$ 5,736,499	$ 5,459,922	$ -	$ 27,933,542	19.55%
2022	$ 5,751,763	$ 6,104,246	$ -	$ 27,845,563	21.92%
2023	$ 6,206,972	$ 7,523,760	$ -	$ 29,322,770	25.66%

*GASB Statement No. 68 was implemented during fiscal year 2015. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2023 Changes in actuarial assumptions or other inputs

There were no changes made to actuarial methods or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

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

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

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

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

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

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

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

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

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

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

University of Northern Colorado
Schedule of Required Supplementary Information
June 30, 2023

Schedule of University's Proportionate Share of PERA OPEB Liability*

Measurement Date*	Proportion of Collective Net OPEB Liability (A)	Proportionate Share of Collective Net OPEB Liability (B)	Covered Payroll (C)	Proportionate Share of OPEB Liability as a percentage of covered payroll (B/C)	Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability
December 31, 2016	0.45%	$ 5,857,937	$ 35,675,310	16.42%	16.84%
December 31, 2017	0.43%	$ 5,574,596	$ 34,823,924	16.01%	17.53%
December 31, 2018	0.40%	$ 5,437,725	$ 33,803,091	16.09%	17.03%
December 31, 2019	0.36%	$ 4,000,432	$ 32,002,030	12.50%	24.49%
December 31, 2020	0.32%	$ 3,031,644	$ 29,503,550	10.28%	32.78%
December 31, 2021	0.27%	$ 2,351,885	$ 26,106,609	9.01%	39.40%
December 31, 2022	0.27%	$ 2,226,533	$ 27,672,575	8.05%	38.57%

Schedule of University's Contributions to PERA OPEB*

As of June 30*	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
2018	$ 351,740	$ 351,740	$ -	$ 34,484,267	1.02%
2019	$ 335,242	$ 335,242	$ -	$ 32,866,862	1.02%
2020	$ 319,000	$ 319,000	$ -	$ 31,274,510	1.02%
2021	$ 276,810	$ 276,810	$ -	$ 27,138,236	1.02%
2022	$ 275,757	$ 275,757	$ -	$ 27,035,000	1.02%
2023	$ 289,250	$ 289,250	$ -	$ 28,357,843	1.02%

*GASB Statement No. 75 was implemented during fiscal year 2017. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

Notes to Required Supplementary Information (Other Post-Employment Benefits) – Fiscal Year 2023
Changes in benefit terms and actuarial assumptions

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

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

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
    - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
    - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

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Other Budget, Financial, and Enrollment Data

Operating Budget Summary

	FY23 Budget	FY23 Forecast	FY24 Budget	Budget Change from Forecast
OPERATING REVENUES				
Undergraduate Tuition and Fees	$ 75,190,792	$ 76,307,284	$ 77,319,658	$ 1,012,374
Undergraduate Institutional Grants and Scholarships	(19,585,123)	(17,835,153)	(18,350,281)	(515,128)
Undergraduate Net Tuition and Fee Revenue	**55,605,669**	**58,472,131**	**58,969,377**	**497,246**
Graduate Tuition and Fees	34,254,014	30,947,485	30,623,171	(324,314)
Graduate Institutional Scholarships and Waivers	(5,363,693)	(4,629,108)	(4,950,499)	(321,391)
Graduate Net Tuition and Fee Revenue	**28,890,321**	**26,318,377**	**25,672,672**	**(645,705)**
Room and Board	24,857,241	24,637,426	28,456,699	3,819,273
Room and Board Waivers	(1,134,914)	(903,952)	(1,088,135)	(184,183)
Room and Board Net Revenue	**23,722,327**	**23,733,474**	**27,368,564**	**3,635,090**
Net Student Revenue	**108,218,317**	**108,523,982**	**112,010,613**	**3,486,631**
State Funding	56,984,728	57,049,728	62,736,615	5,686,887
Foundation Restricted Gifts for Operations	4,609,587	5,460,109	6,491,264	1,031,155
Foundation Restricted Capital Gifts	-	861,646	42,610	(819,036)
Foundation Unrest (design. for scholarships)	1,610,000	1,610,000	1,610,000	-
Subtotal State & Foundation	**63,204,315**	**64,981,483**	**70,880,489**	**5,899,006**
Other Auxiliary Services (Athletics, Food serv., Senior meals)	6,741,247	9,808,809	7,637,379	(2,171,430)
Other Revenue (Orientation, Serv. Chgs., misc.)	5,563,300	4,186,726	5,138,701	951,975
Net Non-Operating Rev. (Interest, rebates, broad band lease)	2,555,725	3,339,770	3,205,949	(133,821)
Subtotal Other Revenue	**14,860,272**	**17,335,305**	**15,982,028**	**(1,353,277)**
Total Non-Student Revenue	**78,064,587**	**82,316,788**	**86,862,517**	**4,545,729**
NET OPERATING REVENUES	**186,282,904**	**190,840,770**	**198,873,130**	**8,032,360**
OPERATING EXPENSES				
Faculty Salaries	40,057,086	38,877,989	39,693,251	815,262
Exempt Salaries	37,007,050	36,391,273	39,868,000	3,476,727
Classified Salaries	12,926,306	13,351,906	13,738,978	387,072
Graduate Stipends	4,845,453	4,726,999	4,940,814	213,815
Student and Other Wages	3,697,238	3,620,520	3,249,909	(370,611)
Fringe Benefits	27,823,404	25,877,381	26,623,253	745,872
Subtotal Personnel Expenses	**126,356,537**	**122,846,068**	**128,114,205**	**5,268,137**
Cost of Sales	9,210,502	9,913,705	11,095,366	1,181,661
Utilities	5,821,318	7,049,910	6,866,574	(183,336)
Travel	3,625,287	4,328,819	3,874,418	(454,401)
Services, Supplies, and Other Non-personnel	32,218,355	30,363,936	30,348,121	(15,815)
Subtotal Non-personnel Expenses	**50,875,462**	**51,656,370**	**52,184,478**	**528,108**
Debt Service on Bonds	10,165,372	10,165,372	10,850,765	685,393
Notes Payable	803,709	717,668	717,668	-
Multiyear Projects	3,160,756	2,273,539	3,319,746	1,046,207
Subtotal Debt & Notes Payable, Multiyear	**14,129,837**	**13,156,579**	**14,888,179**	**1,731,600**
TOTAL OPERATING EXPENSES	**191,361,836**	**187,659,017**	**195,186,862**	**7,527,845**
Foundation Capital Transfer(s)	-	861,646	42,610	(819,036)
Institutionally Funded Capital Transfer(s)	3,766,222	5,926,000	3,528,289	(2,397,711)
TOTAL EXPENSES	**195,128,058**	**194,446,663**	**198,757,761**	**4,311,098**
TOTAL OPERATING INFLOW / (OUTFLOW)	**(8,845,154)**	**(3,605,893)**	**115,369**	**3,721,262**
Balance Sheet Changes/Timing	(10,000)	1,153,727	1,130,751	(22,976)
OPERATING SURPLUS/(DEFICIT)	**$ (8,855,154)**	**$ (2,452,166)**	**$ 1,246,120**	**$ 3,698,286**

Actual and Projected Net Revenues Available for Debt Service

	Actual FY 2021	Actual FY 2022	Actual FY 2023	Projected[4] FY 2024	Projected[4] FY 2025
OPERATING REVENUES					
Housing and food contracts[5]	$ 22,414,697	$ 24,128,611	$ 24,594,239	$ 28,456,699	$ 29,310,400
Short-term room and board[6]	633,757	1,605,621	2,804,766	1,299,237	1,338,214
Student fees[7]	10,771,954	10,385,315	9,468,777	9,525,838	9,811,613
Parking fees	878,948	1,420,931	1,657,217	1,700,000	1,751,000
Other auxiliary sales and services[6]	1,724,278	3,703,683	3,351,264	3,719,452	3,831,036
Other auxiliary investment revenues	73,202	46,689	118,867	108,000	111,240
Gross revenues	**36,496,836**	**41,290,850**	**41,995,130**	**44,809,226**	**46,153,503**
Operating expenses[8]					
Cost of sales	2,037,021	3,762,052	10,307,231	11,458,596	11,802,354
Personal services[9]	8,386,237	7,253,446	5,367,859	6,475,121	6,636,999
Other general expenses	5,950,960	9,935,452	6,897,026	6,897,014	7,103,924
Utilities	2,288,013	2,959,558	3,395,848	3,194,104	3,289,927
Room and board scholarships	2,000	928,870	(1,000)	-	-
Travel and subsistence	-	-	8,635	23,638	24,347
Capital outlay, operations	-	-	309,473	-	-
Total operating expenses	**18,664,231**	**24,839,378**	**26,285,072**	**28,048,473**	**28,857,552**
Net auxiliary and student fee facility revenues	**17,832,605**	**16,451,472**	**15,710,058**	**16,760,753**	**17,295,951**
10% of tuition revenues[1, 10]	5,990,225	6,022,697	-	-	-
100% of tuition revenues[1, 10]	-	-	63,584,110	64,427,416	66,360,238
Other net revenues					
Indirect cost recoveries[2]	503,792	563,227	682,169	535,000	551,050
Extended Campus net revenues	12,753,284	12,008,787	8,348,105	10,801,265	11,125,303
Other pledged tuition and revenues	**19,247,301**	**18,594,711**	**72,614,384**	**75,763,681**	**78,036,591**
TOTAL NET PLEDGED REVENUES	**37,079,906**	**35,046,183**	**88,324,442**	**92,524,434**	**95,332,543**
Debt service					
Series 2014A debt service	3,861,713	3,173,425	2,490,637	2,496,637	2,492,137
Series 2015A debt service	910,400	910,400	910,400	910,400	910,400
Series 2016A debt service	1,596,100	1,596,850	1,597,150	1,597,000	1,596,000
Series 2018A debt service	752,388	752,388	756,138	748,388	144,638
Series 2018B debt service	566,350	566,350	566,350	1,246,350	1,247,350
Series 2019A debt service	2,816,768	2,824,453	2,815,142	2,824,322	3,466,230
Series 2021A debt service[3]	-	402,310	1,029,555	1,027,668	1,027,683
TOTAL DEBT SERVICE	**$ 10,503,719**	**$ 10,226,176**	**$ 10,165,372**	**$ 10,850,765**	**$ 10,884,438**
Debt service coverage	**3.53 x**	**3.43 x**	**8.69 x**	**8.53 x**	**8.76 x**

[1] Tuition revenues include general fund tuition. Extended Campus tuition is included in Extended Campus net revenues. In November 2022, the Board approved a resolution to amend UNC's revenue pledge from 10% to 100% of tuition revenues.

[2] Indirect cost recoveries are also commonly referred to as grant facilities & administrative costs.

[3] Starting in FY 2022 a portion of the Series 2014A bonds were refinanced into the 2021A bond issue.

[4] FY 2024 Projected and FY 2025 Projected include the following assumptions:

[5] Housing and food contracts revenue is based on a tiered rate structure and occupancy estimates. Room and board rates increased 6% and 9.5% respectively in FY 2024 and are expected to increase 3% for FY 2025.

[6] Short term room and board & other auxiliary sales were impacted by the pandemic in FY 2021 and by outsourcing dining to Sodexo in FY 2023. Revenue is expected to stabilize in FY 2024.

[7] Student fees were increased 5% in FY 2024 and assumed a 3% rate increase in FY 2025.

[8] Dining was outsourced to Sodexo in FY 2023 which resulted in a shift in operating expenses from personal services & other general expenses to cost of sales.

[9] Personnel for FY 2024 includes a 3% salary increase for Faculty, Exempt and Classified staff. A 3% salary increase is also expected in FY 2025.

[10] Resident and non-resident undergraduate tuition rates increased 6% and WUE rates remained flat for FY 2024, while graduate tuition rates increased by 5%. In FY 2025, all undergraduate and graduate tuition rates are projected to increase 3%.

General Financial Information and Operating Data

State Support

The State of Colorado provides support to public higher education through two avenues. The College Opportunity Fund provides per-credit-hour stipends to qualified resident undergraduate students to pay a portion of their tuition. The State of Colorado also enters into Fee-for-Service contracts with higher education institutions to support graduate and specialized undergraduate educational services. The following table is a five-year history of UNC's state support expressed as a percentage of total operating revenue:

State Support as a Percentage of Total Operating Revenue

Fiscal Year	College Opportunity Fund	Fee-For-Service	Total State Support	Total Operating Revenue	Total Support as a % of Total Revenues
2018-2019	16,561,615	25,931,111	42,492,726	206,559,570	21%
2019-2020	17,613,396	29,466,067	47,079,463	195,464,100	24%
2020-2021	6,526,210	13,290,665	19,816,875	153,851,706	13%
2021-2022	13,911,385	37,813,185	51,724,570	183,106,583	28%
2022-2023	13,897,857	42,978,042	56,875,899	198,978,228	29%

Projected Net Revenues for Debt Service

The following sections of this report provide additional information to supplement the actual, budgeted, and projected net revenues available for debt service included in the table on the previous page.

University Housing and Dining Facilities

The University provides economical and convenient housing accommodations for more than 3,000 students, including undergraduate, graduate and students with families. All residence halls and apartments are managed by professional staff members who are trained to provide support to students and encourage a successful academic experience at the University.

Student Housing Utilization

Fiscal Year	Capacity[1]	Utilization Rate
2018-2019	3,068	86.7%
2019-2020	3,068	69.3%
2020-2021	3,066	56.7%
2021-2022	3,148	58.7%
2022-2023	3,148	57.9%

[1] Capacity does not include Arlington Park Apartments

A five-year history of Room and Board revenues is summarized below:

Room and Board Rates and Revenues
(in dollars)

Fiscal Year	Low Room Rate [1]	High Room Rate [1]	Arlington Park Apartments	Typical Board Rate [2]	Total Revenue
2018-2019	2,545	3,458	556/month	2,950	32,519,883
2019-2020	2,545	3,458	556/month	2,950	25,047,121
2020-2021	2,596	3,408	567/month	2,695	22,414,697
2021-2022	2,700	3,544	590/month	2,803	24,128,611
2022-2023	2,835	3,721	631/month	2,999	24,594,239

[1] Room rates are per semester & vary depending upon the room style and amenities. The lowest and highest rates are reflected to provide a range for the semester. Single occupancy in a room carries an additional charge of $250 for a small room, $525 for a large room and $550 for a room buyout.

[2] Typical Board Rate defined as meal plan used for Financial Aid packaging. It was 19 meals/week in FY19 & FY20 and 14 meals/week in FY21 thru FY23.

Housing and Dining facilities also generate revenue from summer conferences and youth camps as well as other special events. The table below displays the short-term revenues from these events.

Short-Term Room and Board

Fiscal Year	Total Revenue
2018-2019	2,510,110
2019-2020	1,620,658
2020-2021	633,757
2021-2022	1,605,621
2022-2023	2,804,766

Student Activity Fee

The University charges a mandatory student activity fee that is assessed on all credits up to a maximum of ten credits per semester for all students. A portion of the revenue from this mandatory student fee is pledged as part of gross revenues for the operation, maintenance, programming, and debt service associated with the facilities. These facilities consist of the University Center, the Campus Recreation Center, the Sports and Recreation Complex, the Student Health Center, the Counseling Center and Campus Commons. The following table depicts the total student activity fee as well as the pledged portion of the fee. The fee amounts below do not include technology, library, or other fees.

Student Activity Fees
(in dollars)

Fiscal Year	Academic Year Student Fee [1]	Academic Year Capital Fee	Total Student Fee Revenue [2]	Pledged Student Fee Revenue	Pledged Student Services Fee	Pledged Capital and Facilities Student Fee	Pledged Student Fees Used To Pay Debt Service	Pledged Student Fees Transferred to Reserves for Capital
2018-2019	935	910	15,621,258	10,501,199	3,493,235	7,007,964	2,495,328	5,063,535
2019-2020	962	937	14,825,028	9,929,578	3,276,897	6,652,681	2,964,533	4,148,905
2020-2021	1,017	937	14,561,458	10,045,094	3,509,537	6,535,557	2,960,461	4,276,999
2021-2022	1,202	966	14,972,384	9,687,425	3,707,666	5,979,759	2,925,750	3,771,683
2022-2023	1,237	995	13,935,571	8,979,539	3,441,435	5,538,104	2,896,451	3,287,611

[1] Includes LEAF Fee
[2] Includes Capital Fee Revenue which was moved to a non operating revenue in fiscal year 2018

Parking Fees

The University has 34 parking lots at its Greeley, Colorado campus, with over 5,300 parking spaces. Total annual parking revenues for the last five fiscal years are presented in the table below.

Parking Permits and Fines Revenues
(in dollars)

Fiscal Year	Permit Basic Fee	Total Revenue
2018-2019	285	2,153,626
2019-2020	285	1,541,971
2020-2021	285	883,401
2021-2022	285	1,437,880
2022-2023	314	1,670,089

Other Auxiliary Sales and Services

A variety of other revenue streams are generated by the operations of the residence halls, dining halls, University Center, Campus Recreation Center, Sports and Recreation Complex, Student Health Center, and Counseling Center. These include catering, cash foods sales, retail operations, space rental, recreation class fees, health care charges, counseling session charges, and campus vending sales.

Other Auxiliary Sales and Services Revenues (in dollars)

Fiscal Year	Revenue
2018-2019	5,530,125
2019-2020	4,129,807
2020-2021	1,719,825
2021-2022	3,686,734
2022-2023	3,347,235

Enrollment, Admissions, Student Charges, and Faculty Data

ENROLLMENT					
Fall	**2018**	**2019**	**2020**	**2021**	**2022**
HEADCOUNT (Fall Final)					
Total Headcount	13,437	12,930	11,460	10,348	9,380
% Change	*0.3%*	*-3.8%*	*-11.4%*	*-9.7%*	*-9.4%*
Undergraduate Headcount	10,232	9,810	8,494	7,357	6,728
% Change	*1.4%*	*-4.1%*	*-13.4%*	*-13.4%*	*-8.5%*
% Undergraduate Headcount	*76.1%*	*75.9%*	*74.1%*	*71.1%*	*71.7%*
Full Time Undergraduate Headcount	8,064	7,752	6,726	5,948	5,377
% Change	*-3.2%*	*-3.9%*	*-13.2%*	*-11.6%*	*-9.6%*
% Full time Undergraduate Headcount	*78.8%*	*79.0%*	*79.2%*	*80.8%*	*79.9%*
Part Time Undergraduate Headcount	2,168	2,058	1,768	1,409	1,351
% Change	*22.9%*	*-5.1%*	*-14.1%*	*-20.3%*	*-4.1%*
% Part time Undergraduate Headcount	*21.2%*	*21.0%*	*20.8%*	*19.2%*	*20.1%*
Graduate Headcount	3,205	3,120	2,966	2,991	2,652
% Change	*-3.1%*	*-2.7%*	*-4.9%*	*0.8%*	*-11.3%*
% Graduate Headcount	*23.9%*	*24.1%*	*25.9%*	*28.9%*	*28.3%*
Extended Campus Headcount	3,677	3,640	3,073	2,813	2,467
% Change	*11.3%*	*-1.0%*	*-15.6%*	*-8.5%*	*-12.3%*
FTE (Fall Final)					
Total FTE	11,179	10,720	9,596	8,643	7,779
% Change	*-1.4%*	*-4.1%*	*-10.5%*	*-9.9%*	*-10.0%*
Undergraduate Resident FTE	7,612	7,394	6,524	5,704	5,185
% Change	*-0.6%*	*-2.9%*	*-11.8%*	*-12.6%*	*-9.1%*
Undergraduate Non-Resident FTE	728	647	503	440	414
% Change	*-0.5%*	*-11.1%*	*-22.3%*	*-12.5%*	*-5.9%*
Undergraduate WUE FTE	683	636	536	474	399
% Change	*-7.2%*	*-6.9%*	*-15.7%*	*-11.6%*	*-15.8%*
Undergraduate Total FTE	9,023	8,677	7,563	6,618	5,998
% Change	*-1.2%*	*-3.8%*	*-12.8%*	*-12.5%*	*-9.4%*
% Undergraduate FTE	*80.7%*	*80.9%*	*78.8%*	*76.6%*	*77.1%*
Graduate Resident/WICHE FTE	1,496	1,403	1,444	1,415	1,268
% Change	*-2.2%*	*-6.2%*	*2.9%*	*-2.0%*	*-10.4%*
Graduate Non-Resident FTE	660	640	589	610	513
% Change	*-2.7%*	*-3.0%*	*-8.0%*	*3.6%*	*-15.9%*
Graduate Total FTE	2,156	2,043	2,033	2,025	1,781
% Change	*-2.4%*	*-5.2%*	*-0.5%*	*-0.4%*	*-12.0%*
% Graduate FTE	*19.3%*	*19.1%*	*21.2%*	*23.4%*	*22.9%*
For the section above we used the following rationale for figuring FTE (For UG: UG Full Time Headcount + UG Part Time Total Credit hours /12. For GR: GR Full Time Headcount + GR Part Time Total Credit Hours/9.)					

	2018	2019	2020	2021	2022
Credit Hours (Complete Year: Fall, Interim, Spring, Summer)					
Total Annual Credit Hours	308,659	294,875	263,522	237,371	211,869
% Change	*-2.1%*	*-4.5%*	*-10.6%*	*-9.9%*	*-10.7%*
Credit Hours by Residency					
Main campus - Resident/WICHE	213,918	206,068	185,883	167,072	152,433
Main campus - Nonresident	22,942	20,129	15,987	15,224	13,805
Main campus - WUE	18,785	17,559	14,658	12,878	10,729
Extended Campus	53,014	51,119	46,994	42,197	34,902
Credit Hours by Term					
Fall	147,663	141,666	125,913	112,836	101,644
Interim	1,917	1,837	1,319	1,204	842
Spring	129,519	123,053	110,128	99,691	88,964
Summer	29,560	28,319	26,162	23,640	20,419
Credit Hours by Student Level and Campus					
Undergraduate - Main Campus	235,907	223,873	195,962	175,261	158,075
% Change	*-3.3%*	*-5.1%*	*-12.5%*	*-10.6%*	*-9.8%*
Undergraduate - Extended Campus	20,180	19,488	16,630	12,980	11,525
% Change	*20.2%*	*-3.4%*	*-14.7%*	*-21.9%*	*-11.2%*
Graduate - Main Campus	19,738	19,883	20,566	19,913	18,892
% Change	*-6.3%*	*0.7%*	*3.4%*	*-3.2%*	*-5.1%*
Graduate - Extended Campus	32,834	31,631	30,364	29,217	23,377
% Change	*-1.9%*	*-3.7%*	*-4.0%*	*-3.8%*	*-20.0%*

ADMISSIONS					
Fall	**2018**	**2019**	**2020**	**2021**	**2022**
New Domestic First-Time UG Admissions (Fall Final)					
New Domestic First-Time UG Applicants	8,253	9,250	9,114	10,037	8,333
% Change	*10.9%*	*12.1%*	*-1.5%*	*10.1%*	*-17.0%*
New Domestic First-Time UG Acceptances	7,496	8,398	8,005	9,186	7,820
% Accepted	*90.8%*	*90.8%*	*87.8%*	*91.5%*	*93.8%*
New Domestic First-Time UG Matriculants	1,948	1,806	1,349	1,249	1,180
% Matriculated	*26.0%*	*21.5%*	*16.9%*	*13.6%*	*15.1%*
Matriculants / Applicants	*23.6%*	*19.5%*	*14.8%*	*12.4%*	*14.2%*
% Instate Students	*84.0%*	*87.1%*	*87.1%*	*85.4%*	*83.6%*
New Domestic Transfer Student Admissions (Fall Final)					
New Transfer Applicants	1,588	1,552	1,343	1,519	1,092
% Change	*-7.0%*	*-2.3%*	*-13.5%*	*13.1%*	*-28.1%*
New Transfer Acceptances	1,534	1,509	1,297	1,446	1,056
% Accepted	*96.6%*	*97.2%*	*96.6%*	*95.2%*	*96.7%*
New Transfer Matriculants	711	713	612	607	538
% Matriculated	*46.3%*	*47.2%*	*47.2%*	*42.0%*	*50.9%*
Matriculants / Applicants	*44.8%*	*45.9%*	*45.6%*	*40.0%*	*49.3%*
% Instate Students	*77.3%*	*80.5%*	*80.5%*	*78.7%*	*80.3%*
International Undergraduate Student Admissions (Fall Final)					
International UG Applicants	138	168	104	136	247
% Change	*-26.2%*	*21.7%*	*-38.1%*	*30.8%*	*81.6%*
International UG Acceptances	136	164	98	130	224
% Accepted	*98.6%*	*97.6%*	*94.2%*	*95.6%*	*90.7%*
International UG Matriculants	94	93	29	24	54
% Matriculated	*69.1%*	*56.7%*	*29.6%*	*18.5%*	*24.1%*
Matriculants / Applicants	*68.1%*	*55.4%*	*27.9%*	*17.6%*	*21.9%*
Graduate Student Admissions (Fall Final)					
Graduate Applicants	3,134	2,628	2,455	2,919	1,846
% Change	*9.7%*	*-16.1%*	*-6.6%*	*18.9%*	*-36.8%*
Graduate Acceptances	1,646	1,783	1,726	1,780	1,507
% Accepted	*52.5%*	*67.8%*	*70.3%*	*61.0%*	*81.6%*
Graduate Matriculants	954	1,061	1,025	1,038	815
% Matriculated	*58.0%*	*59.5%*	*59.4%*	*58.3%*	*54.1%*
Matriculants / Applicants	*30.4%*	*40.4%*	*41.8%*	*35.6%*	*44.1%*
% Instate Students	*60.3%*	*59.0%*	*59.0%*	*64.0%*	*66.5%*

NOTE: Domestic counts represent degree-seeking undergraduate applicants only. International counts include both degree-seeking and non-degree applicants. Counts include summer applications.

NEW FIRST-TIME UG STUDENT QUALITY INDICATORS					
Fall	**2018**	**2019**	**2020**	**2021**	**2022**
SAT Scores	1,088	1,080	1,090	1,098	1,092
ACT Scores	22.4	22.4	22.8	23.3	23.9
% of New Students in Top 25% of their H.S.	*35%*	*37%*	*40%*	*41%*	*42%*
NEW FIRST-TIME FULL TIME UG RETENTION AND GRADUATION RATES					
Cohort Year (First Fall at UNC)	**Fall 2018**	**Fall 2019**	**Fall 2020**	**Fall 2021**	**Fall 2022**
Retention Rate (First Fall to Next Fall)	*72.3%*	*70.1%*	*69.1%*	*75.2%*	*74.3%*
Cohort Year (First Fall at UNC)	**Fall 2015**	**Fall 2016**	**Fall 2017**	**Fall 2018**	**Fall 2019**
Graduation Rate (within 4 years)	*35.5%*	*36.8%*	*36.9%*	*37.9%*	*36.2%*
Cohort Year (First Fall at UNC)	**Fall 2014**	**Fall 2015**	**Fall 2016**	**Fall 2017**	**Fall 2018**
Graduation Rate (within 5 years)	*48.8%*	*49.6%*	*49.9%*	*49.4%*	*49.0%*
Cohort Year (First Fall at UNC)	**Fall 2013**	**Fall 2014**	**Fall 2015**	**Fall 2016**	**Fall 2017**
Graduation Rate (within 6 years)	*52.2%*	*51.7%*	*51.9%*	*51.9%*	*51.3%*

* The data is from official enrollment freeze data that is used for government reporting and saved on the official freeze date. Official UG Retention and Graduation Rates are sent to IPEDS every year. The New First-Time Full Time UG Retention and Graduation Rates section is updated to make sure all percents in this table match our official IPEDS Retention and Graduation Rates when available.

STUDENT CHARGES - UNDERGRADUATE					
Fiscal Year/Academic Fall & Spring	2018-19	2019-20	2020-21	2021-22	2022-23
Tuition - Resident (15 cr hrs per sem)	$7,596	$7,596	$7,596	$8,127	$8,289
% Change	*3.0%*	*0.0%*	*0.0%*	*7.0%*	*2.0%*
Tuition - Nonresident (15 cr hrs per sem)	$19,464	$19,854	$19,854	$21,246	$21,885
% Change	*2.7%*	*2.0%*	*0.0%*	*7.0%*	*3.0%*
Room and Board (Tier 1 Dorm and 19 meals)	$10,990	$10,990	$11,092	$11,536	$12,236
% Change	*2.0%*	*0.0%*	*0.9%*	*4.0%*	*6.1%*
Required Fees and Charges* (15 cr hrs per sem)	$2,322	$2,390	$2,465	$2,539	$2,615
% Change	*6.9%*	*2.9%*	*3.1%*	*3.0%*	*3.0%*
Total Costs Charged - Resident	$20,908	$20,976	$21,153	$22,202	$23,140
% Change	*2.9%*	*0.3%*	*0.8%*	*5.0%*	*4.2%*
Total Costs Charged - Nonresident	$32,776	$33,234	$33,411	$35,321	$36,736
% Change	*2.7%*	*1.4%*	*0.5%*	*5.7%*	*4.0%*

*Includes student services, technology, library and capital fees. As of FY22 UNC no longer charges a separate library fee.

TUITION CHARGES - GRADUATE*					
Fiscal Year/Academic Fall-Spring	2018-19	2019-20	2020-21	2021-22	2022-23
Tuition Master's Low - Resident	$9,540	$10,080	$10,080	$10,386	$10,602
% Change	*5.0%*	*5.7%*	*0.0%*	*3.0%*	*2.1%*
Tuition Master's High - Resident	$11,340	$11,340	$11,340	$11,682	$11,916
% Change	*1.9%*	*0.0%*	*0.0%*	*3.0%*	*2.0%*
Tuition Doctoral Low - Resident	$10,440	$10,800	$10,800	$11,124	$11,340
% Change	*5.3%*	*3.4%*	*0.0%*	*3.0%*	*1.9%*
Tuition Doctoral High - Resident	$11,970	$11,970	$11,970	$12,330	$12,582
% Change	*2.3%*	*0.0%*	*0.0%*	*3.0%*	*2.0%*
Tuition Master's Low - Nonresident	$15,948	$16,488	$16,488	$16,974	$17,316
% Change	*3.0%*	*3.4%*	*0.0%*	*2.9%*	*2.0%*
Tuition Master's High - Nonresident	$21,276	$21,276	$21,276	$21,906	$22,338
% Change	*1.0%*	*0.0%*	*0.0%*	*3.0%*	*2.0%*
Tuition Doctoral Low - Nonresident	$21,528	$21,888	$21,888	$22,536	$22,986
% Change	*2.5%*	*1.7%*	*0.0%*	*3.0%*	*2.0%*
Tuition Doctoral High - Nonresident	$22,644	$22,644	$22,644	$23,328	$23,796
% Change	*1.2%*	*0.0%*	*0.0%*	*3.0%*	*2.0%*

*Academic year amount (based on 9 credit hours per semester). Programs in some cases have rate amount and percentage changes different from indicated, due to consolidation of tiers in various years.

FACULTY DATA - FALL CENSUS					
Fall	2018	2019	2020	2021	2022
Total Faculty	872	821	731	747	687
Full time Faculty	514	482	441	421	397
Part time Faculty	358	339	290	326	290
Student to Faculty Ratio*	17	17	16	14	14

*[(Full time Students + 1/3 Part time Students) / (Full time Faculty + 1/3 Part time Faculty)] from IPEDS Fall Enrollment Report

University Administration

ADMINISTRATION AS OF JUNE 30, 2023

Andy Feinstein
President

Kirsty Fleming
Provost & Executive Vice President

Dale Pratt
Vice President & Chief Financial Officer
Treasurer to the Board of Trustees

Daniel Satriana, Jr.
Interim Vice President & General Counsel
Secretary to the Board of Trustees

Darren Dunn
Director of Athletics

Cedric Howard
Vice President for Student Affairs & Enrollment Services

Tobias Guzmán
Vice President for Diversity, Equity & Inclusion

Allie Steg Haskett
Vice President for University Advancement

Jennifer Almquist
Chief of Staff

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

The Members of the Legislative Audit Committee
University of Northern Colorado Board of Trustees
Greeley, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the University of Northern Colorado (the University), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated January 12, 2024. Our report includes a reference to other auditors who audited the financial statements of the University of Northern Colorado Foundation, Incorporated (the Foundation) as described in our report on the University's financial statements. The financial statements of the Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

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

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

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

RubinBrown LLP

January 12, 2024

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UNIVERSITY OF
NORTHERN COLORADO

Vision

The 10-year strategic plan—Rowing, Not Drifting 2030—was developed following an extensive, collaborative process with university stakeholders. In 2019, UNC developed a comprehensive vision that will serve the university over the next decade. The vision is composed of the vision statement, five vision elements, and 2030 outcomes that serve as the foundation in support of and in service to UNC's students, faculty, staff, alumni, and extended community. It also guides the work of our five phases over the next decade, as well as the implementation of our supporting key actions and tactics.

Vision Statement

The University of Northern Colorado will be the institution that Colorado looks to as the future of higher education. Our students will experience a personalized education grounded in liberal arts and infused with critical and creative inquiry; establish relationships with faculty and staff that nurture individual development; gain the skills and knowledge that provide upward mobility among alumni; and share a commitment to the values of inclusion, equity, and diversity.

Five Vision Elements

The Five Vision Elements are the major building blocks of our vision, each of which describes an institutional priority. Each vision element outlines specific outcomes that will be achieved by 2030.

UNIVERSITY OF
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