KDUR AS A DEPARTMENT OF FORT LEWIS COLLEGE

Fiscal Year End
June 30, 2023 and 2022

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Accounting Office
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December 26, 2023

Fort Lewis College Board of Trustees,

I have audited the accompanying financial statements of the business-related activities of KDUR as a Department of Fort Lewis College as of and for the year-ended June 30, 2023 and 2022. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on the audit findings.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. The standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion to support these assertions.

The financial statements of KDUR are intended to present the financial position, the changes in financial position and the cash flows of only that portion of the business-related activities of Fort Lewis College that is attributable to the College radio station, KDUR. They do not purport to, and do not present the financial position of Fort Lewis College as of June 30, 2023 and 2022, the changes in its financial position, or its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic and historical context. Accordingly, I do not express an opinion on this information. I 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 my inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-related activities of KDUR as a Department of Fort Lewis College, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Cheryl L. Wiescamp

Cheryl L. Wiescamp, CPA

KDUR, volunteer-powered community radio, creates a bridge between Fort Lewis College and La Plata County Colorado, offering diverse music, alternative news, and local public affairs programming. KDUR also provides educational and training opportunities in a professional setting for Fort Lewis College students and community members.

KDUR is a department of the Student Services division of Fort Lewis College and, as such, is an integral part of the financial statements of the College. The KDUR department-only financial statements have been prepared on the basis of an independent entity, although KDUR as a department is controlled by the College. Accordingly, financial position and results of operations could vary significantly from what would have occurred had KDUR not been a department of the College.

For the purpose of defining the significant accounting policies that pertain to KDUR, the reader should recognize that all policies which are applicable to Fort Lewis College as a whole are applicable to KDUR as a department. Accordingly, KDUR reports as a Business Type Activity. Financial Statements include the Statement of Net Position, Statements of Revenue, Expense and Changes in Net Position, and the Statement of Cash Flows as required for Enterprise funds.

KDUR FINANCIAL HIGHLIGHTS

Year Ended June 30, 2023

- KDUR continues to remain an important part of Fort Lewis College and the Durango community, as both a media outlet and hub for community education and activity. The three annual meetings where people can apply to host their own radio program continues to have increased numbers of applicants, and involvement from Fort Lewis College students continues to grow; that involvement includes students that want to host radio programs, work in the music department, learn digital recording and production skills, or learn about station marketing. Events that the station promote and host, also continue to have high numbers of participants.
- Pledge drives remain successful. Both the Fall of 2022 and Spring of 2023 campaigns, which take place the first week of October and first week of April, resulted in over 200 people donating during each drive, with the fall drive exceeding its $25,000 goal, and the spring exceeding its $20,000 goal.
- KDUR received $146,040 from the Corporation for Public Broadcasting (CPB) Community Service Grants (CSG) in FY23. This funding allows KDUR to air nationally syndicated news programs that remain staples to the KDUR broadcast schedule, while also allowing KDUR to operate and maintain a professional, state of the art broadcast facility via the acquisition of the most modern equipment. This money also pays for staff that work in the news and music departments, as well as funding part-time, student workers. It is money that aids in the training of staff and volunteers, pays for equipment and programming, and overall funds station operations.
- KDUR received $3,000 from the Gay and Lesbian Fund for Colorado. This money comes in two parts; $1,500 comes at the beginning of the grant cycle, then another $1,500 as a match, coming after KDUR raises $1,500 in new dollars during its membership drive. KDUR exceeded this match amount in the Fall of 2022 by roughly $2,000.
- KDUR raised $2,700 dollars from car donations in FY23.

- All of our fundraisers continue to be successful. KDUR's "COVER NIGHT" where local musicians covered the music of Dolly Parton raised $1,200 for the station, while its Furniture as Art Auction raised $17,000.
- Membership drive dollars include healthy donations ($1,000 and above) from a handful of individual donors; those larger donations totaled over $18,000 in FY23.
- Underwriting totals for FY23 were almost $50,000 in cash, and over $15,000 in trade.

CONDENSED FINANCIAL STATEMENTS FOR THE COLLEGE

This report consists of three basic financial statements, including the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These statements are extracted from the College financial statements and modified appropriately to provide information specific to KDUR's financial position as of June 30, 2023.

The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows report financial position and financial activity using the accrual basis of accounting, reporting revenues and expenses when incurred rather than when cash is received or paid.

STATEMENT OF NET POSITION

The Statement of Net Position reports assets, liabilities, and net position (the difference between assets and liabilities.) A condensed Statement of Net Position is shown below.

Condensed Statement of Net Position
For Year Ended June 30, 2023

	2023 Totals	2022 Totals
Current Assets	$ 1,394,478	$ 1,337,536
Non-Current Assets	6,886	7,804
Current Liabilities	302,203	303,102
Net Position	$ 1,099,162	$ 1,042,239

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position report the results of operating and non-operating revenues and expenses during the year, as well as the resulting increase or decrease in net position at the end of the year.

Condensed Statement of Revenue, Expenses and Changes in Net Position
For Year Ended June 30, 2023

	2023 Total	2022 Restated
Operating Revenues		
Student Fee Allocation	$ 126,000	$ 129,235
Additions to Plant	-	-
Underwriting	64,168	84,689
Federal Work-Study	2,145	-
Colorado Work-Study	1,330	2,460
Private Grant/Contract	155,897	169,170
Inter-departmental Revenue	43,026	46,616
Total Operating Revenue	392,567	432,170
Operating Expenses	452,886	426,637
Operating Income (Loss)	(60,320)	5,534
Nonoperating Revenue		
Donations & Private Gifts	96,447	76,618
Interest Earnings	28,796	(65,383)
Total Nonoperating Revenue	125,243	11,236
Income before other revenue, expenses and transfers	64,923	16,769
Other revenue, expenses and transfers		
Capital Grant Revenue	-	-
Transfers	(8,000)	(5,000)
Increase/Decrease in Net Position	56,923	11,769
Net Position		
Net Position, Beginning of the year	1,042,238	1,030,469
Net Position, End of the year	$ 1,099,161	$ 1,042,238

CAPITAL ASSETS

As of June 30, 2023, KDUR had $6,887 invested in capital assets, net of accumulated depreciation of $466,685. Depreciation expense was $918 for the year ended June 30, 2023.

Capital Assets, Net, at Year End

	6/30/2023	6/30/2022
Equipment, Net	$ 6,887	$ 7,805
Total	$ 6,887	$ 7,805

Economic Outlook and KDUR Future

The economic outlook continues to look good for KDUR; donor dollars are up, especially donations from larger donors. KDUR has a healthy reserve fund which is helping the station grow. KDUR continues to host events that sell-out, aiding in the building of a solid donor base.

Durango and the surrounding area of La Plata County is growing. With that growth comes new businesses and new donors, and KDUR's outreach to both the business and individual community will result in growth in advertising and donor dollars.

KDUR remains in good standing with its few grant funders and anticipates receiving that annual funding for as long as it's offered.

KDUR's news presence, which continues to grow, is also aiding in the increase of donor dollars.

KDUR also looks to increase its collaborative efforts in programming and event planning. News programming is shared from the stations membership in Rocky Mountain Community Radio, a collective made up of stations from around the region, while the station also plans to continue hosting student events with departments from Fort Lewis College; these efforts strengthen campus relations and broaden our listener and potential donor base.

KDUR continues to have a strong relationship with Fort Lewis College (who owns the broadcast license), which continues to aid in the increase of student and community involvement. The station offers a great product and a great educational service, which the college community, Durango community, and beyond, continues to support! As the station approaches 50 years of broadcast (the license was granted in the fall of 1974, the first broadcast was in winter of 1975) there are planned celebrations which should ultimately increase donor dollars as past KDUR DJ's reconnect with the station.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide users of our financial statements with a general overview of KDUR's finances and to show its accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

- Fort Lewis College Accounting Office at 1000 Rim Drive, 140 Berndt Hall, Durango Colorado 81301 or call (970) 247-7364/7358.

- KDUR Radio Station, Ballantine Media Center, 1000 Rim Drive, Durango Colorado 81301 or call (970) 247-7261.

KDUR *AS A DEPARTMENT OF FORT LEWIS COLLEGE*
Statement of Net Position
Fiscal Year Ended June 30, 2023

	2023 Total	2022 Total
Current Assets		
Cash & Cash Equivalents	$ 1,394,478	$ 1,337,536
Other Receivables	-	-
Prepaid Expense	-	-
Due from Federal Sponsors	-	-
Total Current Assets	1,394,478	1,337,536
Non-Current Assets		
Equipment, Net	6,886	7,804
Total Non-Current Assets	6,886	7,804
Total Assets	1,401,364	1,345,341
Current Liabilities		
Accounts Payable	8,512	3,102
Accrued Liabilities	-	-
Unearned Revenue	293,690	300,000
Current Liabilities	302,203	303,102
Total Liabilities	302,203	303,102
Net Position		
Net Investment in Capital Assets	6,886	7,804
Unrestricted	1,092,275	1,034,434
Total Net Position	$ 1,099,162	$ 1,042,239

The accompanying notes are an integral part of this financial statement

KDUR *AS A DEPARTMENT OF FORT LEWIS COLLEGE*
Statement of Revenue, Expenses and Changes in Net Position
For Year Ended June 30, 2023

	2023 Total	**2022** Restated
Operating Revenues		
Student Fee Allocation	126,000	129,235
Underwriting	64,168	84,689
Federal Work-Study	2,145	-
Colorado Work-Study	1,330	2,460
Private Grant/Contract	155,897	169,170
Inter-departmental Revenue	43,026	46,616
Total Operating Revenue	392,567	432,170
Operating Expenditures		
Salaries & Benefits	291,114	259,206
Contract Services	9,120	13,454
Programming	26,263	27,967
Telecommunications	8,877	8,672
Advertising	20,042	12,816
Training	8,038	7,738
Equipment	5,271	17,781
Supplies	12,292	11,166
Other Program Expense	15,038	3,989
Rentals	560	494
Travel	5,293	2,320
Administrative and Facilities Support	50,061	60,117
Depreciation	918	918
Total Operating Expenses	452,886	426,637
Operating Income (Loss)	(60,320)	5,534
Non-Operating Revenue		
Donations & Private Gifts	96,447	76,618
Interest Earnings	28,796	(65,383)
Rental Income	-	-
Net Non-Operating Revenue	125,243	11,236
Income before other revenue, expenses and transfers	64,923	16,769
Other revenue, expenses and transfers		
Capital Grant Revenue	-	-
Transfers	(8,000)	(5,000)
Increase/Decrease in Net Position	56,923	11,769

Net Position		
Net Position, Beginning of the year	1,042,239	1,030,470
Net Position, End of the year	1,099,162	1,042,239
Increase/Decrease in Net Position	56,923	11,769

The accompanying notes are an integral part of this financial statement

KDUR *AS A DEPARTMENT OF FORT LEWIS COLLEGE*

Statement of Cash Flows

For Year Ended June 30, 2023

	2023 Total	2022 Re-Stated
Cash flows from operating activities		
Cash received:		
Student Fee Allocation	126,000	129,235
Sales of Service, Underwriting	64,168	84,689
Grants and Contracts	149,588	115,842
Other Operating Receipts	46,501	49,076
Cash payments:		
Payments to and for employees	(291,114)	(259,206)
Payments to Suppliers	(131,529)	(154,140)
Other Operating Payments	(23,915)	(12,661)
Net cash (used) by operating activities	(60,301)	(47,165)
Cash flows from capital and related financing activities		
Capital Gifts	-	-
Capital Grants and Contracts	-	-
Acquisition and Construction of Capital Assets	-	-
Net cash (used) by capital and related financing activities	-	-
Interest Earnings	28,796	(65,383)
Net cash provided by investing activities	28,796	(65,383)
Other revenue, expenses and transfers		
Transfers	(8,000)	(5,000)
Rental Income	-	-
Donations & Private Gifts	96,447	76,618
Net cash provided by other revenue, expenses and transfers	88,447	71,618
Net Increase/Decrease in Cash	56,942	(40,929)
Cash- Beginning of Year	1,337,537	1,378,466
Cash- end of year	1,394,479	1,337,537
Non-cash investing, capital and financing activities		
Contributed asset	-	-

Reconciliation of Net Operating Revenues (Expenses) to Net Cash

Operating income (Loss)	(60,320)	5,534
Adjustment to reconcile net income to net cash		
Depreciation expense	918	918
Change in assets and liabilities (operating portions):		
Prepaid Expenses	-	-
Accounts payable	5,411	(288)
Accrued liabilities	-	-
Deferred revenue	(6,310)	(53,328)
Net Cash Provided (Used) by Operating Activities	(60,301)	(47,165)

The accompanying notes are an integral part of these financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governance

Fort Lewis College (the College) is governed by the Board of Trustees for Fort Lewis College (the Board). The Board consists of nine voting and two non-voting members who are responsible for making policy for the College and overseeing its operation. One member is required to be an enrolled member of a Federally recognized Native American tribe. Voting members are appointed by the Colorado governor and require Colorado State Senate confirmation. They serve four-year terms. The two non-voting members are elected by the College's faculty and students. The faculty representative serves a two-year term. The student representative serves a one-year term.

The College President is appointed by and reports to the Board and is responsible for day-to-day management of the institution and its employees.

Reporting Entity and Component Unit

The College is a public institution of higher education of the State of Colorado. Thus, for financial reporting purposes, the College is included as part of the State of Colorado's primary government. A copy of the State Annual Comprehensive Financial Report may be obtained from the Office of the State Controller.

The College adheres to Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity,* and GASB Statement No. 34*, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* to provide additional guidance for determining whether certain organizations, such as not-for-profit foundations, should be included in the College's financial reporting entity. The College has determined that the Fort Lewis College Foundation (the Foundation) meets the GASB Statement No. 61 criteria for inclusion in the College's financial statements.

The Foundation is a legally separate, tax-exempt component unit of the College. In December 1969, the Foundation was organized and issued a Certificate of Incorporation under the Colorado Non-Profit Corporation Act. The purposes of the corporation are to "...assist in promoting, developing and enhancing the facilities and programs of Fort Lewis College...." (per Articles of Incorporation III). Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income that the Foundation holds and invests is restricted to the activities, facilities, and programs of the College by the donors. Because these restricted resources held by the Foundation can only be used for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation is a private nonprofit organization that reports under *Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)*, *Topic 958 Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial statements for these differences.

The amount transferred from the Foundation to the College, during the fiscal year ended June 30, 2023 for the purposes stated above was $4,914,899 which included $1,214,417 for scholarships, $327,986 for grant pass-through transactions, and $874,515 for capital gifts. The total transfer for the year ended June 30, 2022 for the purposes stated above was $3,254,820 which included $1,071,071 for scholarships, $303,428 for grant pass-through transactions, and $1,347 for capital gifts. Complete financial statements for the Foundation can be obtained from the Accounting Office at the College.

As defined by GASB Statement No. 61, the College is not financially accountable for any other entity, nor are there any other entities for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete.

Basis of Accounting

The College's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. All significant intra-agency transactions have been eliminated.

Any effort to reconcile this report with presentations made for other purposes, such as data submitted with the institutional budget documents, must take into consideration any differences in the basis of accounting and other requirements for the preparation of such other presentations.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State of Colorado Treasurer and all highly liquid investments with an original maturity of three months or less.

Restricted Cash and Cash Equivalents

Cash balances that are externally restricted such as endowments or agency funds, or for bond reserve, replacement, or rebate funds, or to purchase capital or noncurrent assets, are classified as current or noncurrent assets on the Statements of Net Position, as appropriate.

Investments and Investment Income

Investments are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Income Taxes

As a state institution of higher education, the income of the College is generally exempt from Federal and State income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of State law. However, the College is subject to federal income tax on any unrelated business taxable income. The College did not have any significant unrelated business taxable income in the years ended June 30, 2023 and 2022.

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

Estimates are made to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. Management is required 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 revenue and expense during the reporting period. Actual results could differ significantly from those estimates.

Capital Assets

Capital assets are stated at cost at the date of acquisition or at fair value at the date of donation. For equipment, the capitalization policy includes all items with a value of $5,000 or more, and an estimated useful life of greater than one year.

Intangibles and renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. For intangibles and renovations and improvements, the capitalization policy includes items with a value of $50,000 or more. Routine repairs and maintenance are charged to operating expense. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

All collections, such as works of art and historical artifacts, have been capitalized at cost at the date of acquisition or fair value at the date of donation. The nature of certain collections is such that the value and usefulness of the collections does not decrease over time. These collections have not been depreciated in the accompanying financial statements.

Assets under capital leases are recorded at the present value of future minimum lease payments and are amortized using the straight-line method over the shorter of the lease term or the estimated useful life. Such amortization is included as depreciation expense in the accompanying financial statements. Currently, the College does not have any capital leases.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets and half of the annual depreciation is expensed in the first and last year of service, regardless of when the asset was acquired. The useful lives of assets are as follows:

Asset Class	Years
Land Improvements	20-50
Buildings and Improvements	10-40
Equipment and Software	3-10
Library Materials	10

Unearned Revenue

Unearned revenues represent unearned student tuition and fees, event revenues, and advances on grants and contracts for which the College has not yet provided the associated services.

Compensated Absence Liabilities

Employees' compensated absences are recognized based on estimated balances due to employees upon termination or retirement. The limitations on such payments are defined by the rules associated with the personnel systems at the College. Employees accrue and vest in vacation and sick leave earnings based on their hire date, length of service and Full Time Equivalent (FTE) status. Full-time professional exempt employees accrue leave at the rate of 16 hours per month with a maximum accrual of 384 hours. Most part-time employees accrue leave that is pro-rated based on their hours worked. See accrual rates for classified employees in the chart below.

Accrual Rates:

Years of Service	Hours Earned Per Month	Maximum Accrual
1-36 months	8	192
37-60 months	9	216
61-120 months	11	264
121-180 months	13	312
181 months or greater	16	384

The liability and expense incurred are recorded at year-end as compensated absence liabilities in the Statements of Net Position and as a component of appropriate functional expense categories in the Statements of Revenues, Expenses, and Changes in Net Position. The current portion of this liability is estimated based on historical trends.

Deferred Outflows of Resources and Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a Statement of Net Position to include:

- Assets – resources with a present service capacity under the College's control.
- Deferred Outflows of Resources – consumption of net assets by the College that is applicable to a future reporting period.
- Liabilities – present obligations to sacrifice resources.
- Deferred Inflows of Resources – acquisitions of net assets by the College that is applicable to a future reporting period.
- Net Position – residual of all other elements presented in a Statement of Net Position.

See Notes 18 and 19 for detail of the composition of the College's deferred outflows and deferred inflows related to pension and other post-employment benefits.

Net Position

The College has classified its net position according to the following criteria:

Net Investment in Capital Assets – This category represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but the proceeds have not yet been expended for capital assets, such amounts are not included as a component of this category.

Restricted Net Position, Nonexpendable – This category consists of endowment funds that are required to be retained in perpetuity.

Restricted Net Position, Expendable – This category includes resources for which the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties, including unspent debt proceeds.

Unrestricted Net Position – Unrestricted Net Position are those funds that do not meet the definition of "Restricted" or "Net Investment in Capital Assets" as described above. Generally, these resources will be derived from student tuition and fees, State appropriations, sales and services of educational activities, and sales and services of certain auxiliary and self-funded activities. This category is a deficit due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

Classification of Revenues

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

Operating revenues – Operating revenues generally result from providing goods and services for instruction, public service, or related support services to an individual or entity separate from the College.

Nonoperating revenues – Nonoperating revenues are those revenues that do not meet the definition of operating revenues. Nonoperating revenues include Federal Pell grants, nonoperating Federal grants and contracts, gifts, investment income, and other nonoperating revenue.

Other revenues, expenses, or transfers include gain or loss on the disposal of assets, state capital and controlled maintenance appropriations, capital student fees, capital grants and gifts, State pension contributions, and additions to endowment.

Scholarship Allowance

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the Statements of Revenues, Expenses and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College 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 programs, are recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition and fees were $36.6 million and $38.9 million and scholarship allowances for auxiliary charges were $2.8 million and $2.8 million for the years ended June 30, 2023 and 2022, respectively.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources and then towards unrestricted resources, when both restricted and unrestricted resources are available to pay an expense.

Pensions

The College participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund 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 and additions to/deductions from the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions.

Other Post-Employment Benefits (OPEB)

The College 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 and additions to or deductions from the fiduciary net position 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.

Fiscal Rules

Colorado State Senate Bill 10-003, enacted by the General Assembly and signed by the Governor and effective June 9, 2010, amends Section 24-30-202, C.R.S. As amended, Section 24-30-202(13)(b), C.R.S., allows a governing board of an Institution of Higher Education that have adopted Fiscal Rules and have determined that such Fiscal Rules provide adequate safeguards for the proper expenditure of the moneys of the institution to elect to exempt the institution from the Fiscal Rules promulgated by the State Controller pursuant to Section 24-30-202. Pursuant to this change, on June 3, 2011, the College Board voted to opt out of the State of Colorado Fiscal Rules and establish its own set of Fiscal Rules. These rules were adopted by the Board of Trustees on June 3, 2011 and became effective July 1, 2011.

New Accounting Pronouncements

During 2022, the College adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases (GASB 87)*, which was created to increase visibility into lease obligations and remove ambiguity around lease obligations in financial disclosures. GASB 87 requires lessees to recognize a lease liability and an intangible asset. As part of the implementation, the College restated Fiscal Year 2021 financial statements for comparability.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

The College deposits most of its cash with the Colorado State Treasurer (the Treasurer) as allowed by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2023, and 2022, the College had cash on deposit with the State Treasurer of $37,852,665 and $40,002,054, respectively, which represented 0.19 percent and 0.19 percent of the total $18,810.9 million and $21,060.9 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.

Based on the College's participation in the Pool, the College reports as 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.

As of June 30, 2023, the carrying amount of the College's cash held locally was $4,794.850. The cash included petty cash and change funds of $6,167 and bank deposits of $9,084,178. The bank balance of deposits before reconciling items was $11,864,555. The entirety of the bank balance was covered by collateral held by the bank or its agent in the State's name.

As of June 30, 2022, the carrying amount of the College's cash held locally was $7,095,418. The cash included petty cash and change funds of $6,340 and bank deposits of $7,089,078. The bank balance of deposits before reconciling items was $7,869,393. The entirety of the bank balance was covered by collateral held by the bank or its agent in the State's name.

Investments

During the 2013 Colorado legislative session, the General Assembly passed legislation (HB 13-1297) which grants investment authority to the College. The Board exercised its investment authority during the fiscal year ended June 30, 2016. The College has authority to invest institutional funds in any investment deemed advisable by the Board per C.R.S. Section 23-52-103.

The following summarizes the College’s investments by type at June 30, 2023:

	Fair Value	Cost
Cash and cash equivalents - Money Market	$ 16,632	$ 16,632
Mutual Funds - Equity	5,295,085	4,705,501
Mutual Funds - Fixed Income	3,316,535	3,388,439
Total investments	$ 8,628,252	$ 8,110,573

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position is as follows:

Total dividends and interest (net of fees of $28,188)	$ 185,117
Net accrued income (current-prior)	$ 72
Unrealized Gains/Losses	$ 512,775.43
Total	$ 697,964

The following summarizes the College’s investments by type at June 30, 2022:

	Fair Value	Cost
Cash and cash equivalents - Money Market	$ 505,190	$ 505,190
Net accrued income (current-prior)	$ 7,730	$ 7,730
Mutual Funds - Equity	4,845,518	4,758,738
Mutual Funds - Fixed Income	2,647,153	2,666,431
Total investments	$ 8,005,591	$ 7,938,089

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position is as follows:

Total dividends and interest (net of fees of $24,966 and includes accrued income of $7,730)	$	175,591
Realized Gains/Losses	$	(10,375)
Unrealized Gains/Losses		(1,458,370)
Total	$	(1,293,154)

Credit Quality Risk - Credit quality risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical ratings organization (NRSRO). At June 30, 2023, the College held Equity Mutual Funds rated by Morningstar as follows: 2 Stars total fair value of $1,784,503 and 3 Stars total fair value of $3,510,582. At June 30, 2023, the College held Fixed Income Mutual Funds rated by Morningstar as follows: 3 Stars total fair value of $3,316,534 and 4 Stars total fair value of $2. At June 30, 2022, the College held Equity Mutual Funds rated by Morningstar as follows: 2 Stars total fair value of $1,197,772, 3 Stars total fair value of $3,245,978, 4 Stars total fair value of $235,151, and 5 Stars total fair value of $166,616. At June 30, 2022, the College held Fixed Income Mutual Funds rated by Morningstar as follows: 3 Stars total fair value of $2,645,707, 4 Stars total fair value of $863 and 5 Stars total fair value of $167,199.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Interest rate risk applies only to debt investments and the college does not have debt investments.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The College does not have a formal policy for custodial credit risk.

As of June 30, 2023, no individual bonds are held in the portfolio. As the portfolio consists entirely of mutual funds and equities, which are not rated, do not have a maturity and therefore also do not have a duration.

Investments at June 30, 2023 consisted of the following:

	Fair Value
Other Investments	
Bond Mutual Funds	3,316,535
Equity Mutual Funds	5,295,085
Money Market	16,632
Net Accrued Income	72
Total	8,628,324

Investments at June 30, 2022 consisted of the following:

	Fair Value
Other Investments	
Bond Mutual Funds	2,647,153
Equity Mutual Funds	4,845,518
Money Market	505,190
Net Accrued Income	7,730
Total	8,005,591

Fair Value of Investments

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2023:

- Money Market Funds of $16,632 are valued using quoted market prices (Level 1 inputs)
- Bond Mutual Funds of $3,316,535 are valued using quoted market prices (Level 1 inputs)
- Equity Mutual Funds of $5,295,085 are valued using quoted market prices (Level 1 inputs)

The College has the following recurring fair value measurements as of June 30, 2022:

- Money Market Funds of $505,190 are valued using quoted market prices (Level 1 inputs)
- Bond Mutual Funds of $2,647,153 are valued using quoted market prices (Level 1 inputs)
- Equity Mutual Funds of $4,845,518 are valued using quoted market prices (Level 1 inputs)

NOTE 3 - FORT LEWIS COLLEGE FOUNDATION FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes

the inputs as follows:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.
Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investment assets are classified within Level 1 because they comprise of equities or exchange-traded funds with readily determinable fair values based on daily redemption values. U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair values of beneficial interests in perpetual trust held by others are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. Preferred stock of a private company is based on an annual valuation performed. These are considered Level 3 measurements.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at June 30, 2023:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable inputs Level 3
Investments				
Cash and money market funds (at cost)	$ 2,246,419	$ -	$ -	$ -
Equities and mutual funds				
Domestic	7,349,122	7,349,122	-	-
International	4,895,267	4,895,267	-	-
Emerging markets	2,320,469	2,320,469	-	-
Exchange-traded funds				
Fixed income	14,362,455	14,362,455	-	-
Master limited partnerships	505,338	505,338	-	-
REIT	274,974	274,974	-	-
U.S. Government securities	942,753	-	942,753	-
Cryptocurrency	3,828,086	3,828,086	-	-
Preferred stock	32,777	-	-	32,777
At NAV				
Private equity funds	950,561	-	-	-
Private credit funds	1,590,156	-	-	-
	$ 39,298,377	$ 33,535,711	$ 942,753	$ 32,777
Beneficial interest in assets held by others	$ 609,316	$ -	$ -	$ 609,316

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

	Preferred Stock	Assets Held by Others
Balance at June 30, 2022	$ 142,296	$ 596,724
Contributions	12,420	-
Distributions	-	(40,000)
Change in value	(121,939)	52,592
Balance at June 30, 2023	$ 32,777	$ 609,316

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at June 30, 2022:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable inputs Level 3
Cash and money market funds (at cost)	$ 34,294	$ -	$ -	$ -
Equities and mutual funds				
Domestic	5,216,784	5,216,784	-	-
International	4,275,373	4,275,373	-	-
Emerging markets	1,676,222	1,676,222	-	-
Exchange-traded funds				
Equities	4,301,472	4,301,472	-	-
Fixed income	10,109,014	10,109,014	-	-
Master limited partnerships	313,736	313,736	-	-
U.S. Government securities	1,207,587	-	1,207,587	-
Cryptocurrency	1,124,655	1,124,655	-	-
Preferred stock	142,296	-	-	142,296
At NAV				
Private equity funds	860,971			-
Private credit funds	1,492,370	-	-	-
Total investments at fair value	$ 30,754,774	$ 27,017,256	$ 1,207,587	$ 142,296
Beneficial interest in assets held by others	$ 596,724	$ -	$ -	$ 596,724

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2022:

	Preferred Stock	Assets Held by Others
Balance at June 30, 2021	$ -	$ 762,842
Contributions	142,296	-
Distributions	-	40,000
Change in value	-	(206,118)
Balance at June 30, 2022	$ 142,296	$ 596,724

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2023 and 2022:

	Number of investments	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice
At June 30, 2023					
Private equity funds	7	$ 950,561	$ 2,254,500	Illiquid	None
Private credit funds	3	1,590,156	-	Quarterly	30 day
		$ 2,540,717	$ 2,254,500		
At June 30, 2022					
Private equity funds	4	$ 860,971	$ -	Illiquid	None
Private credit funds	3	1,492,370	293,000	Quarterly	30 day
		$ 2,353,341	$ 293,000		

Private equity funds focus on buyout, growth equity, and/or distressed debt. These investments are not readily redeemable, but a secondary market does exist. The distributions are received through the liquidation of the underlying assets in the fund. The terms of these investments range from 1 to 12 years.

Private credit funds – funds that target a range of private credit strategies with focus on current income by primarily investing in privately originated and negotiated U.S. senior secured floating rate loans.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts Receivable balances are presented net of estimated allowance for doubtful accounts in the accompanying Statements of Net Position. At June 30, 2023 and 2022, the Accounts Receivable balances are comprised of:

	2023	2022
Student Accounts Receivable	3,387,322	3,097,959
Less: Allowance for Doubtful Accounts	(1,837,032)	(1,715,576)
Student Accounts Receivable, Net	1,550,290	1,382,383
Accounts Receivable - Fort Lewis College Foundation	1,357,018	215,180
Other Accounts Receivable		
Sponsored Programs	986,531	1,972,299
Conferences & Summer Programs		75
Other	822,805	4,038,321
Total Other Accounts Receivable	1,809,336	6,010,696
Total Receivables, Net	$ 4,716,645	$ 7,608,259

*Other accounts receivable includes $135,006 and $362,734 for State of Colorado Fee for Service payments at June 30, 2023 and 2022, respectively.

NOTE 5 - CAPITAL ASSETS

KDUR's capital asset activity for the year ended June 30, 2023, was as follows:

	6/30/2022	Additions	Deletions	Transfers	Depreciation	6/30/2023
Equipment	$ 474,490	$ -	$ -	$ -	$ -	$ 474,490
Total	$ 474,490	$ -	$ -	$ -	$ -	$ 474,490
Less: Accumulated Depreciation	$ (466,685)	$ -	$ -	$ -	$ (918)	$ (467,603)
Capital Assets, Net	$ 7,805					$ 6,887

KDUR's capital asset activity for the year ended June 30, 2022, was as follows:

	6/30/2021	Additions	Deletions	Transfers	Depreciation	6/30/2022
Equipment	$ 474,490	$ -	$ -	$ -	$ -	$ 474,490
Total	$ 474,490	$ -	$ -	$ -	$ -	$ 474,490
Less: Accumulated Depreciation	$ (465,766)	$ -	$ -	$ -	$ (918)	$ (466,685)
Capital Assets, Net	$ 8,723					$ 7,805

NOTE 6 - FORT LEWIS COLLEGE FOUNDATION PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022
Land and buildings	$ 994,400	$ 994,400
Accumulated depreciation	(327,677)	(310,316)
Total property and equipment, net	$ 666,723	$ 684,084

Property and equipment includes the President's residence, which is the only remaining property as of June 30, 2023 and 2022.

NOTE 7 - ACCRUED LIABILITIES

KDUR had no accrued liabilities as of June 30, 2023 or June 30, 2022.

NOTE 8 - UNEARNED REVENUE

At June 30, 2023 and 2022, the types and amounts of unearned revenue, as presented on the Statements of Net Position, are comprised of:

Unearned Revenue, at Year End 6/30/23

	6/30/2023	6/30/2022
Grants & Contracts	$ 293,690	$ 300,000
Total	$ 293,690	$ 300,000

NOTE 9 - LONG-TERM LIABILITIES

The College's long-term liability activity for the year ended June 30, 2023, was as follows:

Bonds Payable:					
Revenue Bonds	47,434,519	-	(2,527,330)	44,907,189	2,614,293
Bond Premium/(Discount)	2,358,823	-	(165,473)	2,193,350	-
Total Bonds Payable	49,793,342	-	(2,692,803)	47,100,539	2,614,293
Other Liabilities:					
Lease Liabilities	264,347		(131,893)	132,454	132,454
SBITA Component Liabilities	-	5,079,466		5,079,466	949,392
Compensated Absences	2,361,487	-	(26,981)	2,334,506	360,528
Total Other Liabilities	2,625,834	5,079,466	(158,874)	7,546,426	1,442,374
Total Long-Term Liabilities	52,419,176	5,079,466	(2,851,677)	54,646,965	4,056,667

The College's long-term liability activity for the year ended June 30, 2022, was as follows:

	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022	Current Portion
Bonds Payable:					
Revenue Bonds	47,936,298	-	(501,779)	47,434,519	2,527,330
Bond Premium/(Discount)	2,524,296	-	(165,473)	2,358,823	-
Total Bonds Payable	50,460,594	-	(667,252)	49,793,342	2,527,330
Other Liabilities:					
Lease Liabilities	337,813	58,352	(131,818)	264,347	131,893
SBITA Component Liabilities		906,588		906,588	642,712
Compensated Absences	2,557,873	276,929	(473,315)	2,361,487	343,411
Total Other Liabilities	2,895,686	1,241,869	(605,133)	3,532,422	1,118,016
Total Long-Term Liabilities	53,356,280	1,241,869	(1,272,385)	53,325,764	3,645,346

NOTE 10 - BONDS PAYABLE

Revenue bond principal and interest are payable solely from net pledged revenues which consist of net revenues derived from the operation of the College's pledged operations, a portion of tuition, and pledged student fees as shown in the Schedules of Pledged Revenues and Expenses for Series 2012, 2016, 2019, and 2020 Revenue Bonds and Expenses in the Supplemental Information section of this report. Annual debt service payments are made in October and April of each year and are detailed below.

On February 28, 2012, the College issued the Series 2012 Revenue Bonds in the amount of $6,520,000 to finance various energy conservation improvements to the College campus. The 2012 Revenue Bonds bear interest at 3.8%.

On March 29, 2016, the College issued Series 2016A Enterprise Revenue Refunding Bonds to refund the Series 2007A Revenue Bonds as an in-substance defeasance. The face value of the old debt was $10,440,000 and the escrow deposit was $11,250,399. The par amount of the new debt was $10,555,000 with a premium of $792,619. The interest rate of the old debt ranged from 4.00% to 4.75% and the interest rate of the new debt ranges from 2.00% to 5.00%. The sum of the debt service of the old debt was $15,403,619 and the debt service of the new debt is $13,928,969, with a savings of $1,474,650 in cash flows. Present values of the debt service cash flow are $12,412,631 for the old debt versus $11,187,439 for the new debt, resulting in an economic gain of $1,225,192. The term of the new debt is the same as that of the remaining term of the old debt (18 years). Underwriting and other issuance costs were $97,381. Unrefunded debt for the Series 2007A Revenue Bonds amounted to $1,365,000.

On March 29, 2016, the College issued Series 2016B Enterprise Revenue Refunding Bonds to refund the Series 2007B1 Revenue Bonds as an in-substance defeasance. The face value of the old debt was $25,985,000 and the escrow deposit was $28,122,534. The par amount of the new debt was $25,400,000 and the premium was $2,957,037. The interest rate of the old debt ranged from 4.00% to 5.00% and the interest rate of the new debt ranges from 2.00% to 5.00%. The sum of the debt service of the old debt was $43,602,825 and the debt service of the new debt is $39,635,671, with a savings of $3,967,154 in cash flows. Present values of the debt service cash flow are $32,790,232 for the old debt versus $29,329,405 for the new debt, resulting in an economic gain of $3,460,827. The term of the new debt is the same as that of the remaining term of the old debt (23 years).

Underwriting and other issuance costs were $234,342. Unrefunded debt for the Series 2007A Revenue Bonds amounted to $3,395,000.
On March 29, 2016, the College issued Series 2016C Drawdown Bond in the amount of $4,060,000 with the Bank of the San Juans for the final phase of the Bader/Snyder Residence Hall renovations. This bond has a fixed interest rate of 2.96% and issuance costs were $60,000.

On April 11, 2019, the College issued the Series 2019A Enterprise Revenue Refunding Bonds to refund the Series 2007A Unrefunded Revenue Bonds as a defeasance. The face value of the old debt was $1,195,000 and the face value of the new debt was $1,197,178. The par amount of the new debt was $1,215,000. The interest rate of the old debt ranged from 4.25% to 5.00% and the interest rate of the new debt is 3.41%. The sum of the debt service of the old debt was $1,637,638 and the debt service of the new debt is $1,527,825, with a savings of $109,813 in cash flows. Present values of the debt service cash flow are $1,280,585 for the old debt versus $1,195,534 for the new debt, resulting in an economic gain of $85,051. The term of the new debt is the same as that of the remaining term of the old debt (14 years). Underwriting and other issuance costs were $17,821.

On April 11, 2019, the College issued the Series 2019B Enterprise Revenue Refunding Bonds to refund the Series 2007B Unrefunded Revenue Bonds as a defeasance. The face value of the old debt was $3,250,000 and the face value of the new debt was $3,305,000. The interest rate of the old debt ranged from 4.25% to 5.00% and the interest rate of the new debt is 3.73%%. The sum of the debt service of the old debt was $4,986,366 and the debt service of the new debt is $4,691,280, with a savings of $295,086 in cash flows. Present values of the debt service cash flow are $3,594,940 for the old debt versus $3,324,466 for the new debt, resulting in an economic gain of $270,474. The term of the new debt is the same as that of the remaining term of the old debt (19 years). Underwriting and other issuance costs were $48,941.

On September 23, 2020 the Board issued its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020A-1 in the aggregate principal amount of $685,000, its Enterprise Refunding Revenue Bonds, Taxable Series 2020A-2 in the aggregate principal amount of $1,150,000, its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020B-1 in the aggregate principal amount of $535,000, and its Enterprise Refunding Revenue Bonds, Taxable Series 2020B-2 in the aggregate principal amount of $2,560,000 to (a) pay and defease certain maturities of the College's outstanding Series 2016A Bonds, Series 2016B bonds, and Series 2016C bond, as set forth below, (b) refund other interest payable on certain of the remaining outstanding portions of the Series 2016A Bonds and Series 2016B bonds, and (c) to pay certain costs relating to the issuance of the Series 2020 bonds. Interest rates for Series 2020A-1 bonds range from 2 percent to 2.25 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020A-2 bonds range from 1.25 percent to 3 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020B-1 bonds range from 2 percent to 2.75 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2038. Interest rates for Series 2020B-2 bonds range from 1.25 percent to 3.25 percent, the first interest payment was due April 1, 2021, and the final maturity is October 1, 2038.

Bond Series	Maturities (October 1)	Par Amount to be Escrowed to Maturity
Series 2016A Bonds	2020	560,000
	2021	570,000
Series 2016B Bonds	2020	980,000
	2021	1,005,000
Series 2016C Bonds	2020	125,000
	2021	130,000
		$ 2,840,000

The face value of the defeased debt was $2,840,000 and the face value of the new debt is $4,930,000. The interest rate of the defeased debt ranged from 2 percent to 4 percent and the interest rate of the new debt ranges from 1.25 percent 3.25 percent. The sum of the debt service of the defeased debt was $4,743,582 and the debt service of the new debt is $6,293,282, with a loss of $1,549,700 in cash flows. Present values of the debt service cash flow resulted in an economic loss of $494,927. The difference between the present values of the old and new debt service requirements resulted in a loss of $1,891,185. Issuance costs were $119,299.

Total outstanding bonds, including premiums or discounts, are summarized below:

Issue	Date Issued	Amount Issued	2023	2022
2012 Revenue Bonds	2/28/2012	$ 6,520,000	4,262,189	$ 4,579,519
2016A Reveue Refunding Bonds	3/29/2016	10,555,000	6,820,000	7,390,000
2016B Revenue Refunding Bonds	3/29/2016	25,400,000	21,930,000	22,935,000
2016C Revenue Bonds	3/29/2016	4,060,000	3,340,000	3,470,000
2019A Revenue Refunding Bonds	4/11/2019	1,215,000	930,000	1,005,000
2019B Revenue Refunding Bonds	4/11/2019	3,305,000	2,980,000	3,125,000
2020A-1 Revenue Refunding Bonds	9/23/2020	685,000	635,000	685,000
2020B-1 Revenue Refunding Bonds	9/23/2020	535,000	510,000	535,000
2020A-2 Revenue Refunding Bonds	9/23/2020	1,150,000	1,065,000	1,150,000
2020B-2 Revenue Refunding Bonds	9/23/2020	2,560,000	2,435,000	2,560,000
Unamortized Premium/(Discount)		-	2,193,350	2,358,823
Total		$ 55,985,000	$ 47,100,539	$ 49,793,342

Principal and interest requirements on all outstanding bonds at June 30, 2023 are summarized in the table below.

Year Ending June 30,	Principal	Interest	Total
2023	$ 2,527,330	$ 1,733,008	$ 4,260,338
2024	2,614,293	1,656,673	4,270,966
2025	2,722,735	1,560,876	4,283,611
2026	2,847,724	1,456,801	4,304,525
2027	2,979,334	1,337,311	4,316,645
2028-2032	17,238,103	4,651,031	21,889,134
2033-2037	13,880,000	1,777,696	15,657,696
2038-2039	2,625,000	50,343	2,675,343
Total	$ 47,434,519	$ 14,223,739	$ 61,658,258

NOTE 11 – STATE OF COLORADO CERTIFICATES OF PARTICIPATION

On September 26, 2018, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2018A, with a par value of $500,000,000 and a premium of $47,369,000 and a discount of $526,000. The certificates have interest rates ranging from 1.84% to 5% percent and mature in 2037. Annual lease payments are made by the State and are subject to annual appropriation by the Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.

The 2018 certificates are secured by buildings or equipment acquired with the proceeds and any unexpended lease proceeds. Of the 2018 COP proceeds, $1,543,434 was designated for controlled maintenance projects at the College. These controlled maintenance projects include replacing the boiler and heating system equipment at Whalen Gymnasium as well as replacing the roof at Skyhawk Station (formerly Miller Student Services) along with other improvements to Skyhawk Station. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

On June 2, 2020, the State issued State of Colorado Rural Colorado Certificates of Participation, Series 2020A, with a par value of $500,000,000 and a premium of $111,008,605 and a discount of $1,119,010.59. The certificates have interest rates ranging from 3% to 5% and mature in 2039. Annual lease payments are made by the State and are subject to annual appropriation by the Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.

The 2020A certificates are secured by buildings or equipment acquired with the proceeds and any unexpended lease proceeds. Of the 2020A COP proceeds, $866,335 was designated for the second phase of a controlled maintenance project to replace heating and cooling lines for the northern section of campus. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

On February 24, 2021, the State entered into a lease-purchase agreement under which the trustee Zions Bancorporation issued State of Colorado Higher Education Lease Purchase Financing Program Lease-Purchase Agreement Series 2020 Certificates of Participation with a par value of $64,250,000 and a premium of $16,799,542.85 and a discount of $190,308.61. The certificates have interest rates ranging from 4% to 5% and mature in 2041. Annual lease payments are made by the State and are subject to annual appropriation by the

Legislature. As a result, this liability is recognized by the State and not included in the College's financial statements.
The 2020 certificates are secured by the College's leased properties as follows: Education/Business Hall, Pine Hall, and Skyhawk Hall which have a current replacement value of $25,867,802. Of the 2020 COP proceeds, $26,571,891 was designated for the capital construction of a new Health Science Center building, a 42,000 square-foot space that will house classrooms, labs, offices, and academic support areas. The underlying capitalized assets are contributed to the College from the State and are reflected in the accompanying financial statements.

NOTE 12 - CAPITAL LEASES

The College implemented GASB 87 effective as of June 30, 2021. The College has two major types of right to use assets that have been capitalized: buildings and vehicles. Right to Use Assets - Buildings were added in fiscal year ended June 30, 2021 and Right to Use – Vehicles were added in fiscal year ended June 30, 2022.

The College leased office space from the Main Mall, LLC, at 835 Main Avenue, Durango, CO, capitalized as a Right to Use Assets - Building. The lease is for 5 years and the term began on January 1, 2020 and ends on December 31, 2024. The term dates and payments are as follows:

Term Dates	Monthly Rent	Term Rent
1/1/20-6/30/20	$ 8,095	$ 48,572
7/1/20-6/30/21	8,417	101,007
7/1/21-6/30/22	8,417	101,007
7/1/22-6/30/23	8,613	103,356
7/1/23-6/30/24	8,817	105,809

The College also rented individual offices (Units A, C, D and E) for the same term. Term dates and payments are as follows:

Term Dates	Monthly Rent	Term Rent
1/1/20-6/30/20	$ 757	$ 4,545
7/1/20-6/30/21	786	9,438
7/1/21-6/30/22	786	9,438
7/1/22-6/30/23	804	9,649
7/1/23-6/30/24	823	9,870

The Right to Use Asset – Buildings was valued at $111,839 at June 30, 2023.

The College leases a number of vehicles including a Toyota RAV4 and a Toyota Highlander for two year terms and a GMC Acadia for a 3 year term. The vehicles were capitalized as Right to Use Assets – Vehicles. Terms and payments are as follows:

Vehicle	Term Dates	Monthly Payment
GMC Arcadia	8/4/21-7/4/24	$ 766
Toyota RAV 4	5/20/22-4/20/24	415
Toyota Highlander	5/20/22-4/20/24	452

The Right to Use Asset – Vehicles was valued at $17,831 at June 30, 2023.

The incremental borrowing rate at July 1, 2020 for four years was determined to be 0.25% for the Right to Use Buildings, the incremental borrowing rate at July 30, 2021 for 3 years was determined to be 0.176% for the GMC Arcadia, and the incremental borrowing rate at May 31, 2021 for 2 years was determined to be 1.881% for the Toyota RAV4 and Toyota Highlander.

NOTE 13 – Subscription-Based Information Technology Arrangements (SBITA)

The College implemented GASB 96 effective as of June 30, 2023 and restated fiscal year ended June 30, 2022 financial statements as appropriate. A subscription-based information technology arrangement is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in exchange or exchange-like transaction. Below is a summary of the contracts that FLC capitalized as an SBITA.

Lessor	Lease Commencement/ Adoption Date	Lease Termination Date	Lessee's Incremental Borrowing Rate	RTU Asset	Amortization
Insight Public Sector-Adobe	8/28/2022	8/27/2025	2.410%	281,642	(86,057)
Insight Public Sector-Microsoft	7/1/2021	8/31/2023	0.197%	232,917	(232,917)
Instructure-Canvas	7/1/2022	6/30/2027	2.372%	312,488	(62,498)
Technolutions-Slate	7/1/2021	6/30/2024	0.287%	175,209	(116,806)
TouchNet	12/31/2021	12/31/2024	0.449%	473,404	(249,852)
Workday- annual subscription	7/1/2022	7/29/2031	2.887%	6,948,932	(772,104)
Zoom Annual	7/1/2021	8/1/2024	0.287%	100,372	(66,915)
Ellucian	7/1/2021	7/1/2023	0.197%	273,745	(273,745)
Ellucian	7/1/2021	7/1/2023	0.197%	275,028	(275,028)

* Source of Rate-State of Colorado Treasury

SBITA Right-to-Use Assets in Progress - as of 6/30/23	$ 2,591,855
New RTU Asset - SBITA booked at 6/30/22	$ 1,530,676
New RTU Asset - SBITA booked at 6/30/23	$ 7,543,061

Maturity Schedules	Year 1		Year 2		Year 3	
	7/1/2023	6/30/2024	7/1/2024	6/30/2025	7/1/2025	6/30/2026
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Insight Public Sector-Adobe	$ 67,916	$ 3,666	$ 69,552	$ 1,996	$ 71,229	$ 286
Insight Public Sector-Microsoi	21	0	-	-	-	-
Instructure-Canvas	59,602	4,564	61,016	3,119	62,463	1,640
Technolutions-Slate	59,871	57	-	-	-	-
TouchNet	164,047	368	-	(0)	-	-
Workday- annual subscription	564,475	111,120	580,772	94,393	597,538	77,182
Zoom Annual	33,460	8	0	0	-	-
Ellucian	-	-	-	-	-	-
Ellucian	-	-	-	-	-	-
	$949,392	$119,783	$711,340	$ 99,508	$ 731,230	$ 79,109

	Year 4		Year 5		Year 6-10	
	7/1/2026	6/30/2027	7/1/2027	6/30/2028	7/1/2028	6/30/2033
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Insight Public Sector-Adobe	$ -	$ -	$ -	$ -	$ -	$ -
Insight Public Sector-Microsoi	-	-	-	-	-	-
Instructure-Canvas	63,945	126	-	-	-	-
Technolutions-Slate	-	-	-	-	-	-
TouchNet	-	-	-	-	-	-
Workday- annual subscription	614,789	59,475	632,538	41,256	1,376,318	25,872
Zoom Annual	-	-	-	-	-	-
Ellucian	-	-	-	-	-	-
Ellucian	-	-	-	-	-	-
	$678,734	$ 59,601	$632,538	$ 41,256	$1,376,318	$ 25,872

NOTE 14 - ENCUMBRANCES

KDUR had no encumbrances as of June 30, 2023. KDUR did have an encumbrance of $1,422 as of June 30, 2022.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

KDUR had no commitments or contingencies as of June 30, 2023 or June 30, 2022.

NOTE 16 –MAJOR SOURCES OF SUPPORT

The College provides direct and indirect support to KDUR without charge. The value of this support is estimated based on actual costs incurred by the College allocated among the various departments of the College including KDUR. The estimated value of administrative & facilities support for the years ended June 30, 2023 and June 30, 2022 is $43,026 and $46,616, expenses are offset by recognition of interdepartmental revenue of $43,026 and $46,616, respectively.

During the years ended June 30, 2023 and June 30, 2022, the major sources of revenue consisted of KDUR's allocation of student fees, grant funding from the Corporation for Public Broadcasting (CPB), and fundraising revenues with the Fort Lewis College Foundation. The student fee allocation represented 32% of the operating revenue, the CPB support represented 40% of the operating revenue, and the fundraising revenues represented 77% of the non-operating revenue in fiscal year 2023. The student fee allocation represented 30% of the operating revenue, CPB support represented 39% of operating revenue, and fundraising revenues represented 100% of the non-operating revenue in fiscal year 2022 (offset by an investment loss).

NOTE 17 - SCHOLARSHIP ALLOWANCE

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship allowances in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College 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 programs are recorded as either operating or nonoperating revenues in the College's financial statements. Also included in the scholarship allowance amounts are Native American Tuition Waivers, which are funded through the State. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance.

Tuition, fees, auxiliary revenue, and the related scholarship allowances for the year ended June 30, 2023 and 2022, were as follows:

	Tuition and Fees	Auxiliary Revenue	6/30/2023 Total	6/30/2022 Total
Gross Revenue	$ 49,429,480	$ 20,188,102	$ 69,617,582	$ 70,133,733
Scholarship Allowance:				
Federal	(4,902,985)	(983,276)	(5,886,261)	(6,232,668)
State (Includes Native American Tuition Waiver)	(23,941,764)	(279,277)	(24,221,041)	(25,566,838)
Private	(912,104)	(182,919)	(1,095,023)	(907,108)
Institutional	(6,813,880)	(1,366,500)	(8,180,380)	(8,981,041)
Total Scholarship Allowance	(36,570,733)	(2,811,972)	(39,382,705)	(41,687,655)
Net Revenue	$ 12,858,747	$ 17,376,130	$ 30,234,877	$ 28,446,078

NOTE 18 - DEFERRED OUTFLOWS AND INFLOWS

The College's Deferred Outflows and Inflows as of June 30, 2023 and 2022 were as follows:

Deferred Outflows	2023	2022
Accounting Loss on Bond Refunding	3,508,838	3,787,404
Pension Contributions Subsequent to Measurement Date	952,034	1,009,726
Pension Investments	3,554,707	-
EL PERA - Change in Employer Proportion	552,351	-
Pension Experience Gains and Losses	-	124,375
Pension Changes in Assumptions or Other Inputs	-	651,709
OPEB Expected vs. Actual Investment Earnings	90	1,104
OPEB Changes in Assumptions or Other Inputs	11,163	15,004
OPEB Projected vs Actual Investment Earnings	42,420	-
OPEB Employer Contributions vs. Employer Proportionate Share	15	23
OPEB Contributions Subsequent to Measurement Date	45,517	42,975
OPEB Change in Employer Proportion	9,830	-
Total	$ 8,676,965	$ 5,632,319

Deferred Inflows	2023	2022
Penion Expected vs Actual Experience	374,877	25,429
Pension Projected vs. Actual Investment Earnings	-	6,290,231
Pension Change in Employer Proportion	23,105	220,023
Pension Employer Contributions vs. Employer Proportionate Share	6,821	1,505
OPEB Expected vs. Actual Experience	167,960	171,838
OPEB Projected vs. Actual Investment Earnings	-	44,860
OPEB Changes in Assumptions or Other Inputs	76,654	39,311
OPEB Change in Employer Proportion	63,876	109,286
OPEB Employer Contributions vs. Employer Proportionate Share	545	497
Total	$ 713,838	$ 6,902,982

Additional information on Long-Term Liabilities and Bonds Payable can be found in Footnotes 9 and 10. Additional information on the Pension and OPEB Deferred Inflows and Outflows can be found in Footnotes 19 and 20.

NOTE 19 - SPENDING LIMITATIONS

In November 1992, Colorado voters passed Section 20 Article X of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to all local governments and the State of Colorado, including the College. During the year ended June 2004, the Colorado State Legislature determined that in Section 23-5-101.7 of the Colorado Revised Statutes, an institution of higher education may be designated as an enterprise for the purposes of TABOR so long as the institution's governing board retains authority to issue revenue bonds on its behalf and the institution receives less than ten percent of its total annual revenues in grants from all Colorado State and local governments combined. Further, so long as it is so designated as an enterprise, the institution shall not be subject to any of the provisions of TABOR.

In February 2005, the Board designated the College as a TABOR enterprise pursuant to the statute and in fiscal year 2006 the College began reporting its activity to the State as an enterprise. Designation is reviewed at the end of each year to determine if the College continues to meet TABOR-exempt criteria.

The table below shows the College's TABOR Enterprise state support calculation for the years ended June 30, 2023 and 2022:

	2023	2022
State Support:		
Capital Appropriations/Contributions	$ 1,825,834	$ 1,875,776
State/Local Grants (non-financial aid)	1,559,509	353,188
Institutional Share of COP Debt Payments	1,954,472	334,431
Institutional Share of PERA Direct Distribution	509,822	190,113
Total State Support	$ 5,849,637	$ 2,753,506
Total Revenues (gross operating, nonoperating, and other revenues)	$ 107,797,538	$ 94,946,287
Ratio of State Support to Total Revenues	5.43%	2.90%

The Colorado State Legislature establishes spending authority to the College in its annual Long Appropriations Bill. The Long Bill appropriated funds include an amount from the State of Colorado's College Opportunity Fund and Fee for Service. The Native American Tuition Waiver is not included in these amounts.

For the years ended June 30, 2023 and 2022, appropriated expenses were within the authorized spending authority. For the year ended June 30, 2023, the College had a total long bill appropriation of $17,111,407. For the year ended June 30, 2022, the College had a total long bill appropriation of $15,375,659. All other revenues and expenses reported by the College 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. These appropriations are not considered in the State support calculation for TABOR purposes.

NOTE 20 - EMPLOYMENT BENEFITS

Employees of the College participate in one of three retirement plans. Eligible student employees participate in a student retirement plan that is funded solely by contributions from the student employees. All other eligible employees of the College participate in either the Public Employees' Retirement Association of Colorado (PERA) plan or other defined contribution plans.

The College's total payroll for the fiscal years ended June 30, 2023 and 2022 was $44,902,995 and $40,493,702, respectively. The total payroll for employees covered by the PERA plan, the optional defined contribution plan, and the student retirement plan was $9,559,155, $31,199,853 and $473,718, respectively for June 30, 2023 and $8,760,788, $27,831,080 and $412,617 for June 30, 2022. The remaining employees were not eligible for participation in any of the College's plans.

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Fort Lewis College 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 Fort Lewis College 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 highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% 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, 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, Fort Lewis College 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 other than State Troopers)	11.00%	11.00%
State Troopers	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%**

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Fort Lewis College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Fort Lewis College were $2,400,740 and $1,705,350 for the years ended June 30, 2023 and 2022, respectively.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires the State to make an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed on July 1, 2023.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At June 30, 2023, Fort Lewis College reported a liability of $27,960,422 for its proportionate share of the net pension liability. The net pension liability for the SDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Fort Lewis College proportion of the net pension liability was based on Fort Lewis College 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 December 31, 2022, Fort Lewis College proportion was 0.257164649 percent, which was increase of 0.0093175341 percent from its proportion measured as of December 31, 2021.

At June 30, 2022, Fort Lewis College reported a liability of $18,278,821 for its proportionate share of the net pension liability. The net pension liability for the SDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The College's proportion of the net pension liability was based on the College's contributions to the SDTF for the calendar year 2021 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 December 31, 2021, Fort Lewis College's proportion was 0.2478471152 percent, which was a decrease of 0.0008930680 percent from its proportion measured as of December 31, 2020.

	Fiscal Year 2023		Fiscal Year 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	-	374,877	124,375	25,429
Changes of assumptions or other inputs	-	-	651,709	-
Net difference between projected and actual earnings on pension plan investments	3,554,707	-	-	6,290,231
Changes in proportion and differences between contributions recognized and proportionate share of contributions	552,351	29,926	10,053	221,528
Contributions subsequent to the measurement date	952,034	-	999,673	-
Total	$ 5,059,092	$ 404,803	$ 1,785,810	$ 6,537,188

For the year ended June 30, 2023 and 2022, the College recognized pension expense of ($2,124,808) and ($3,016,938). At June 30, 2023 and 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

$952,034 and $999,673 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date for fiscal year 2023 and 2022, respectively, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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	(307,964)
2025	598,131
2026	1,311,154
2027	2,100,935
2028	-
Thereafter	-

Actuarial assumptions. The TPL 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 AIR

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

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

Pre-retirement mortality assumptions for members 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 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.

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%**	

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

Discount rate. The discount rate used to measure the TPL 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:

- 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 Fort Lewis College 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%, 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%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability – 2023	$ 35,744,145	$ 27,960,422	$ 21,412,835
Proportionate share of the net pension liability – 2022	$ 25,781,622	$ 18,278,821	$ 11,971,392

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

Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The College does not match employee contributions. Employees are immediately vested in their own contributions and investment earnings.

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Employees of the State of Colorado hired on or after January 1, 2006, employees of certain community colleges hired on or after January 1, 2008, and certain classified employees of 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 PERA DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and Fort Lewis College 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:		
All employees other than State Troopers	11.00%	11.00%
State Troopers	13.00%	13.00%
Employer Contribution Rates:		
On behalf of all employees other than State Troopers	10.15%	10.15%
State Troopers	12.85%	12.85%

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

Additionally, t
he employers are required to contribute AED, SAED, and other statutory amounts, 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	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413	1.00%	1.00%
Additional statutory contribution as specified in C.R.S. § 24-51-401 and § 24-51-1505	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	**11.35%**	**11.42%**

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

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. 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.

Non-PERA Defined Contribution Plan

Certain full-time faculty and professional staff of the College are required to participate in a defined contribution plan as an alternative to PERA. Two vendor choices are offered through the defined contribution plan: Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and Variable Annuity Life Insurance Company (VALIC). The College's aggregate contribution to the above two vendors was equal to 11.4 percent of covered payroll or $3,556,783 for the fiscal year ended June 30, 2022, and $3,172,743 for the fiscal year ended June 30, 2022. The employee aggregate contribution to the above two vendors was equal to 8.0 percent of covered payroll or $2,495,988 for the fiscal year ended June 30, 2023, and $2,226,486 for the fiscal year ended June 30, 2022.

Student Employee Retirement Program

Eligible student employees contribute 7.5% of covered payroll to the student retirement program. All contributions are invested with one vendor, Teachers Insurance Annuity Association – College Retirement Equities Fund (TIAA-CREF). The contributions by student employees for the fiscal years ended June 30, 2023 and 2022 were $35,529 and $30,946, respectively. The College is not liable for any matching contributions to the student retirement program.

Health Insurance Programs

The College's contributions to the various health insurance programs for the fiscal years ended June 30, 2023 and 2022 were $5,387,948 and $4,926,414, respectively.

NOTE 21 - OTHER POSTEMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

OPEB. Fort Lewis College 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.

General Information about the OPEB Plan

Plan description. Eligible employees of the Fort Lewis College 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.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees 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 retirees 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 retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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% 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 Fort Lewis College is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Fort Lewis College were $90,588 for the year ended June 30, 2023.

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

At June 30, 2023 and 2022, Fort Lewis College reported a liability of $694,527 and 724,714, respectively for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Fort Lewis College proportion of the net OPEB liability was based on Fort Lewis College contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the Fort Lewis College proportion was 0.0850636868 percent, which was an increase of 0.0010198796 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023 and 2022, the College recognized OPEB expense of ($136,874) and ($131,274), respectively. At June 30, 2023 and 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Fiscal Year 2023		Fiscal Year 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	90	167,960	1,104	171,838
Changes of assumptions or other inputs	11,163	76,654	15,004	39,311
Net difference between projected and actual earnings on OPEB plan investments	42,420	-	-	44,860
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,845	64,421	23	109,783
Contributions subsequent to the measurement date	45,517		42,975	N/A
Total	$ 109,035	$ 309,035	$ 59,106	$ 365,792

$45,517 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 subsequent fiscal year. 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	(100,890)
2025	(78,837)
2026	(36,954)
2027	(8,095)
2028	(17,088)
2029	(3,653)
Thereafter	-

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

	State Division	School Division	Local Government Division	Judicial Division
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%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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 TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and 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	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		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		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		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 on 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 HCTF:

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

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

Several factors 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%**	

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

Sensitivity of Fort Lewis College 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[1]	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$674,869	$694,527	$715,917

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

Discount rate. The discount rate used to measure the TOL 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, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of Fort Lewis College 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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability - 2023	$ 805,163	$ 694,527	$ 599,898
Proportionate share of the net OPEB liability - 2022	$ 841,679	$ 724,714	$ 624,805

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

NOTE 22 - RISK FINANCING AND INSURANCE-RELATED ACTIVITIES

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

Coverage	Company	Limit ($)	Deductible ($)
Buildings, computers, equipment	Hanover Group	100,000,000	10,000
Building & personal property	United Specialty	300,000,000	-
Inland Marine	Hanover Group	6,687,016	1,000
Crime	Hanover Group	1,000,000	10,000
General Liability	Hanover Group	2,000,000	-
Sexual Misconduct or Molestation	Hanover Group	1,000,000	-
School Educators Legal Liability	Hanover Group	1,000,000	25,000
Employee Benefits Liability	Hanover Group	1,000,000	1,000
Law Enforcement Pro Liability	Hanover Group	1,000,000	2,500
Employment Practices Liability	Hanover Group	1,000,000	25,000
Fine Arts	Hanover Group	9,000,000	2,500
Commercial Auto	Hanover Group	1,000,000	1,000
Hired and Non-Owned Auto	Hanover Group	1,000,000	1,000
Workers' Compensation	Pinnacol Assurance	500,000	5,000
Excess	Hanover Group	10,000,000	-
Medical Professional	Hanover Group	3,000,000	-
Tenant Liability	Philadelphia	2,000,000	-
Foreign General Liability	AIG	6,000,000	-
Data Breach (Called Data Restoration)	Hanover Group	100,000	-
Cyber Security	HSB Specialty	1,000,000	25,000
Flood	Hanover Group	5,000,000	25,000
Earthquake	Hanover Group	5,000,000	25,000

The College became fully insured through several insurance companies for worker’s compensation in 2010 and for property and liability in 2011. The College is insured for everything above its deductible. The coverage for buildings, computers, equipment, and personal property was reduced from $572 million to $400 million in the current fiscal year as the probability of a catastrophic loss of the entire campus is unlikely. There have been no significant settlements exceeding coverages.

NOTE 23 – PRIOR PERIOD RESTATEMENT

Changes adopted to conform with GASB Statement No. 96 – Subscription-Based Information Technology (SBITA) Agreements generated a $47,625 increase in Net Position at June 30, 2022. As of July 1, 2022, the College made a restatement to net position as follows (in thousands).

Net Position at July 1, 2022, as originally reported	$	148,396,257
Increase in Net Position		47,625
Net Position at July 1, 2022, as restated	$	148,443,882