FORT LEWIS COLLEGE

FINANCIAL AND COMPLIANCE AUDIT

Fiscal Years Ended June 30, 2024 and 2023

DWC

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REPORT NUMBER 2404F

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The Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:

We have completed the financial statement audit of Fort Lewis College as of and for the year ended June 30, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

We were engaged to conduct our audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of state government. We also conducted testing of Fort Lewis College state funded financial aid program as required by Section 23-3.3-102(8), C.R.S. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

DWC

Grand Junction, Colorado

December 6, 2024

FORT LEWIS COLLEGE

TABLE OF CONTENTS

Page

Financial and Compliance Audit Report Summary 1
History, Mission, Enrollment, and Staffing 3
Independent Auditor's Report 5
Management's Discussion and Analysis (Unaudited) 8
Basic Financial Statements Section
Statements of Net Position............ 20
Statements of Financial Position – Fort Lewis College Foundation............ 22
Statements of Revenues, Expenses and Changes in Net Position 23
Statements of Activities – Fort Lewis College Foundation 25
Statements of Functional Expenses – Fort Lewis College Foundation 27
Statements of Cash Flows............ 28
Statements of Cash Flows – Fort Lewis College Foundation 30
Notes to the Financial Statements............ 31
Required Supplementary Information
Schedules of the College's Proportionate Share of the Colorado PERA Pension Plan Net Pension Liability (Unaudited)............ 86
Schedules of College Contributions to the Colorado PERA Pension Plan (Unaudited) 87
Schedules of the College's Proportionate Share of the Colorado PERA Other Post-Employment Benefit (OPEB) Health Care Plan Net OPEB Liability (Unaudited) 88
Schedules of College Contributions to the Colorado PERA OPEB Health Care Plan (Unaudited) . 89
Notes to the Required Supplementary Information (Unaudited)............ 90
Supplemental Information
Schedules of Pledge Revenues and Expenses for Series 2012, 2016, 2019 and 2020 Enterprise Revenue Bonds............ 96
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 97
Legislative Audit Committee Communications 99
State-Funded Student Financial Assistance Programs Section
Introduction 102
Independent Auditor's Report on the Statement of Appropriations, Expenditures, Transfers, and Reversions of the State-Funded Student Financial Assistance Programs 103
State-Funded Student Financial Assistance Programs - Statement of Appropriations, Expenditures, Transfers, and Reversions............ 105
State-Funded Student Financial Assistance Programs - Notes to Statement of Appropriations, Expenditures, Transfers, and Reversions............ 106
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Statement of Appropriations, Expenditures, Transfers, and Reversions of the State of Colorado State-Funded Student Financial Assistance Programs Performed in Accordance with *Government Auditing Standards* 107

FORT LEWIS COLLEGE
FINANCIAL AND COMPLIANCE AUDIT
REPORT SUMMARY

As of and for the Years Ended June 30, 2024 and 2023

Authority, Purpose and Scope

The Office of the State Auditor of the State of Colorado engaged DWC to conduct a financial and compliance audit of Fort Lewis College (the College) for the year ended June 30, 2024. DWC performed this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. We conducted our fieldwork from June through December 2024.

The purposes and scope of the audit were to:

- Express an opinion on the financial statements of the College as of and for the years ended June 30, 2024 and 2023. This includes a report on internal control over financial reporting and compliance and other matters based on the audit of the financial statements performed in accordance with *Government Auditing Standards*.
- Perform a financial and compliance audit of the Statement of Appropriations, Expenditures, Transfers, and Reversions of the College's State-Funded Student Financial Assistance Programs for the fiscal year ended June 30, 2024, including a review of the related internal control structure as required by generally accepted auditing standards and *Government Auditing Standards*.
- Evaluate compliance with laws, regulations, contracts, and grants governing the expenditure of federal and state funds.
- Evaluate the progress in implementing prior audit findings and recommendations, if any.

The College's schedule of expenditures of federal awards and applicable opinions thereon, issued by the Office of the State Auditor, State of Colorado, are included in the Fiscal Year 2024 Statewide Single Audit Report issued under separate cover.

Audit Opinion and Reports Summary

We expressed an unmodified opinion on the College's financial statements as of and for the year ended June 30, 2024.

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

We noted no matters involving the College's internal control over financial reporting and its operation that we consider to be material weaknesses.

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Summary of Findings and Recommendations

There were no reported findings or recommendations resulting from the audit of the College for the year ended June 30, 2024.

Summary of Progress in Implementing Prior Audit Findings

The College's audit report for the year ended June 30, 2023 did not include any findings or recommendations that were required to be implemented during the year ended June 30, 2024.

HISTORY

Fort Lewis College is named for Fort Lewis, a U.S. Army Post established in 1878 at Pagosa Springs, Colorado. Two years later, the military post moved to Hesperus, Colorado, a location more central to Native American settlements and pioneer communities. The U.S. government abandoned the site as a military post in 1891, and in its stead, established Fort Lewis as a school offering free education to Native American students.

By 1911, Congress had deeded the Hesperus site to the State of Colorado, which then established a high school of agriculture under the supervision of the State Board of Agriculture. The school began to offer some college-level courses in 1925, and in 1933, Fort Lewis began to offer college courses exclusively. In 1948, Fort Lewis was officially designated a junior college with its own president.

Fort Lewis moved to the Durango campus in 1956. The first baccalaureate degrees were granted in 1964. In 1986, Fort Lewis joined the Colorado State University System under the governance of the State Board of Agriculture. Colorado State University in Fort Collins and the University of Southern Colorado in Pueblo were sister institutions in the system. In 2002, the Board of Trustees for Fort Lewis College began governance of the College separate from the State Board of Agriculture.

Fort Lewis continues to honor its historic commitment to Native Americans by offering full tuition scholarships to all qualified Native Americans who meet admission requirements. It is the only college in Colorado to do so, as it has for more than 100 years.

Fort Lewis College's statutory authority is in the Colorado Revised Statutes (CRS) Section 23-52-101.

MISSION AND CORE VALUES

The following have been adopted by the Board of Trustees for Fort Lewis College:

Mission

Students are at the center of Fort Lewis College, where we create inclusive, experiential learning environments that foster innovation, growth, and community engagement.

Core Value Statements

<u>Academic Excellence</u>

- Honor our liberal arts roots by promoting, supporting, and inspiring students to action through interdisciplinary studies and experiential learning
- Respond to disparities in health, wellness, education, and economic outcomes by addressing moral, historical, and ethical aspects of these issues
- Provide a personalized education through work with high-quality faculty and staff
- Foster students' abilities to confront scientific, social, and environmental challenges through transferable skills in critical thinking, communication, and technical knowledge

Student-Centered Approach

- Value a diversity of cultures and perspectives as a source of intellectual strength and strive to create an inclusive, equitable environment in which students flourish and become resilient
- Challenge each other to think critically, communicate effectively, and solve complex problems
- Create an engaging, supportive, and inclusive environment through a culture of caring and personalization
- Provide accessible higher education to students from a wide variety of backgrounds

Community Engagement

- Honor our historic commitment to Native American and Alaska Native education and work towards reconciling our complicated past
- Connect faculty, staff, and student expertise to a range of community priorities and interests
- Build programs that respond to and serve regional and global needs
- Collaborate across settings to support economic and workforce development
- Learn from and engage in our diverse natural and cultural environments

ENROLLMENT

Enrollment data for the past three years are presented below as undergraduate student full-time equivalents (FTE). Each FTE is equal to 30 credit hours during the fiscal year.

	FY 2023-24	FY 2022-23	FY 2021-22
Resident FTE	1,332	1,219	1,246
Non-Resident FTE	1,518	1,586	1,722
Total FTE Students	2,850	2,805	2,969

STAFFING

Staffing data for the past three years are presented below as employee full-time equivalents (FTE). Each faculty FTE is equal to 24 credit hours taught during the fiscal year. Each staff FTE is equal to working 2,080 hours each fiscal year.

	FY 2023-24	FY 2022-23	FY 2021-22
Faculty FTE	239	239	226
Staff FTE	358	362	322
Total FTE	597	601	548

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INDEPENDENT AUDITOR'S REPORT

Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and discretely presented component unit, of Fort Lewis College (the College), an institution of higher education, State of Colorado, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, an institution of higher education, State of Colorado, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Fort Lewis College Foundation (the Foundation), a discretely presented component unit, discussed in Note 1 to the basic financial statements, which represents 100 percent of total assets, total revenues, and net assets of the aggregate discretely presented component units as of and for the years ended June 30, 2024 and 2023, respectively. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Foundation, are based solely on the report of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards.*

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the College, an institution of higher education, State of Colorado are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the discretely presented component unit of the State of Colorado that is attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the State of Colorado as of June 30, 2024 and 2023, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 19 be presented to supplement the basic financial statements. Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions,* requires that the Schedules of the College's Proportionate Share of the Colorado PERA Pension Plan Net Pension Liability and the Schedules of College Contributions to the Colorado PERA Pension Plan on pages 86 through 87 be presented to supplement the basic financial statements. Government Accounting Standards Board Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* requires that the Schedules of the College's Proportionate Share of the Colorado PERA Other Post-Employment Benefit (OPEB) Health Care Plan Net OPEB Liability and the Schedules of College Contributions to the Colorado PERA OPEB Health Care Plan on pages 88 through 89 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedules of Pledge Revenues and Expenses for Series 2012, 2016, 2019 and 2020 Enterprise Revenue Bonds (the Schedules) for the years ended June 30, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the College.

The Schedules are the responsibility of the College's management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

DWC

Grand Junction, Colorado

December 6, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

FORT LEWIS COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Years Ended June 30, 2024 and 2023

This section of Fort Lewis College's (the College) financial report presents management's discussion and analysis for the College's financial position and results of operations as of and for the years ended June 30, 2024 and 2023, with comparative information presented for the year ended June 30, 2022. This discussion focuses on current activities and known facts, and therefore should be read in conjunction with the accompanying financial statements and notes.

The presented information relates to the financial activities of the College, a public institution dedicated to the liberal arts and professional education and focuses on the financial condition and results of operations. The financial statements for the Fort Lewis College Foundation (the Foundation), a legally separate organization whose operations benefit the College, are discretely presented within the College's financial statements. Unless otherwise noted, the information and financial data included in management's discussion and analysis relate solely to the College.

The College was established under an agreement with the federal government whereby all qualified Native American students would be admitted tuition free and on terms of equality with other students. The Native American Tuition Funding, included in State and Local Grants and Contracts on the financial statements, represents reimbursement for tuition waived in the previous fiscal year. Tuition from Native American students, reimbursed by the State of Colorado, accounts for approximately 40% of the education and general budget.

Understanding the Financial Statements

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

- ***Report of Independent Auditors*** presents an unmodified opinion prepared by the College's auditors (an independent certified public accounting firm, DWC) indicating that the College's financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the Unites States of America.

- ***Statements of Net Position*** present the assets, liabilities, and net position of the College as of June 30, 2024 and 2023. Its purpose is to present a financial snapshot of the College. The statements aid readers in determining the assets available to continue the College's operations; evaluating how much the College owes to vendors and lending institutions; and understanding the College's net position and the availability of assets for expenditure by the College.

- ***Statements of Revenues, Expenses, and Changes in Net Position*** present the total revenues earned and expenses incurred by the College for operating, non-operating, and other related activities for the years ended June 30, 2024 and 2023. The statement's purpose is to assess the College's operating results.

- ***Statements of Cash Flows*** present the College's cash receipts and payments for the years ended June 30, 2024 and 2023. The statement's purpose is to assess the College's ability to generate net cash flows and meet its payment obligations as they come due.

- ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as the Note(s). The purpose of the Notes is to clarify and expand on the information in the financial statements.

• ***Required Supplementary Information (RSI)*** presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis as well as certain RSI required by Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75) including the following:

- Schedules of the College's Proportionate Share of the Colorado PERA Pension Plan Net Pension Liability (Unaudited)
- Schedules of College Contributions to the Colorado PERA Pension Plan (Unaudited)
- Schedules of the College's Proportionate Share of the Colorado PERA Other Post-Employment Benefit (OPEB) Health Care Plan Net OPEB Liability (Unaudited)
- Schedules of College Contributions to the Colorado PERA OPEB Health Care Plan (Unaudited)

The financial statements of the College include all integral parts of the College's operations. The College applied required criteria to determine whether any organization should be included in the College's reporting entity. Management of the College has considered the criteria described in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, paragraph 47, and management of the College has determined that the Foundation meets the criteria to be included in the College's financial statements as a discretely presented component unit.

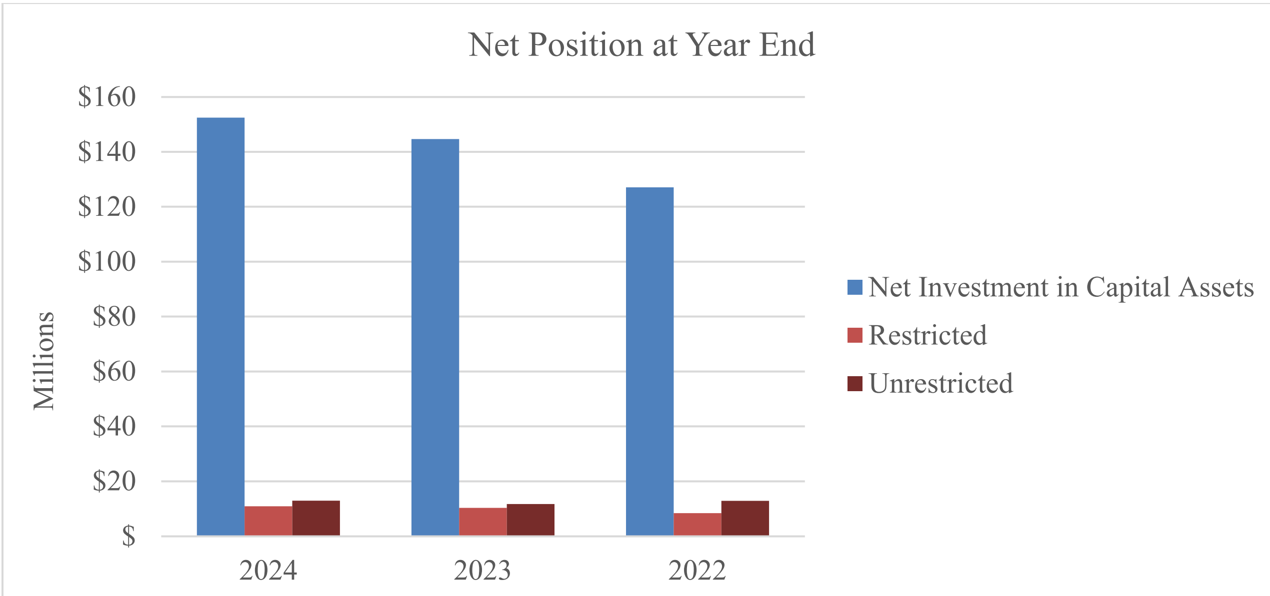
FINANCIAL HIGHLIGHTS

Year Ended June 30, 2024:

Net Position – The College's Net Position increased during the year ended June 30, 2024 by $9.6 million or 5.8%. The increase is coming from several different areas. Construction in progress increased $5.8 million, more information about significant capital projects that were in progress at June 30, 2024 are noted in the Capital Assets section below. Pension liability decreased $3.9 million. This information comes from PERA and can fluctuate significantly from year to year as annual fluctuations are based on PERA's information. Tuition and Fees increased by $1.8 million, information about enrollment increases is noted in the Enrollment section below. State Fee for Service Contract revenue increased by $1.2 million, additional details are noted in the State Funding section below. Capital Grants and Gifts increased by $2.5 million, with $1.6 million of the increase coming from the Foundation for the College's matching funds for the Health Sciences Center project. Gifts increased by $1.3 million. Investment income increased by $1.1 million.

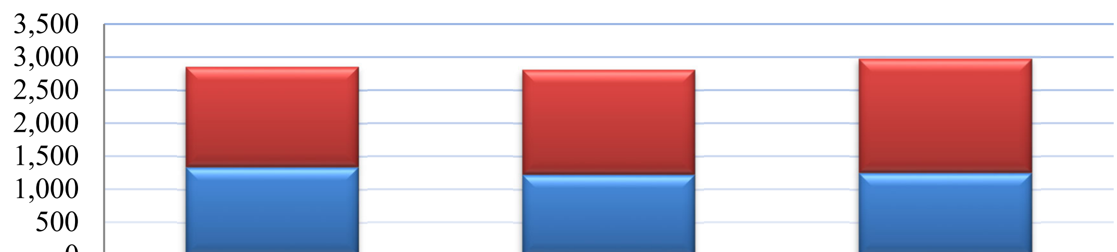
The unrestricted net position at June 30, 2024 was $13.0 million. Adjusted for the impacts of GASB 68 and GASB 75, unrestricted net position was $35.7 million at June 30, 2024. The effects on Net Position of these GASB statements are reflected in the tables below:

	2024	2023
Net Position (GAAP Basis)	176,296,369	166,683,064
Effects of GASB 68 - Pension	21,984,968	23,306,133
Effects of GASB 75 - OPEB	747,532	894,527
Net Position Excluding Pension and OPEB	$ 199,028,869	$ 190,883,724



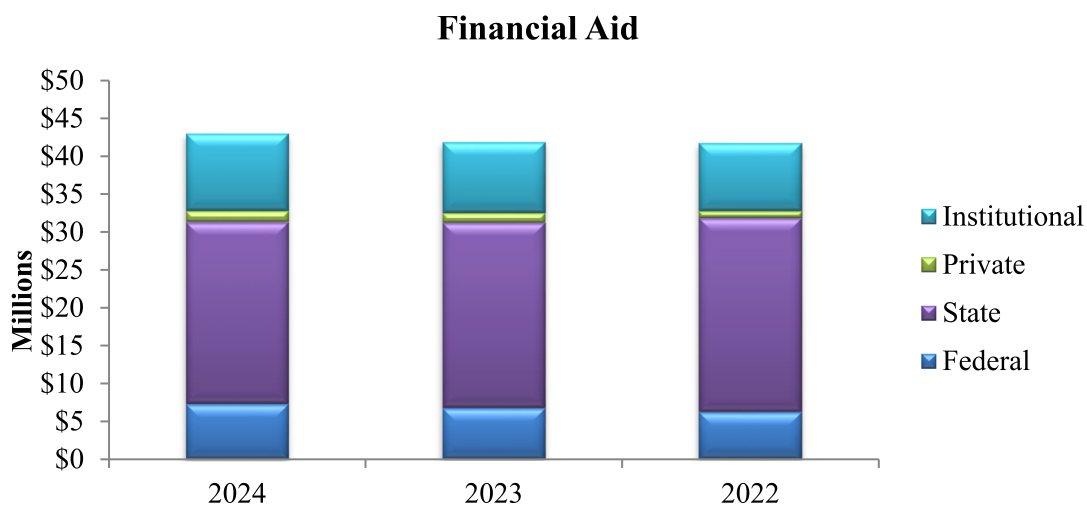
Enrollment – In fiscal year 2024, undergraduate full-time equivalent (FTE) enrollment increased by 1.6% (45 students); in-state enrollment increased by 9.27% while out-of-state enrollment decreased by 4.29%.

Undergraduate FTE Enrollment



	FY2023-24	FY2022-23	FY 2021-22
Non-Resident FTE	1,518	1,586	1,722
Resident FTE	1,332	1,219	1,246

Scholarships – The discount rate (scholarships and student aid as a percentage of total charges) for fiscal year 2024 (adjusted for the effect of the Native American Tuition Waiver) was 51.3%. Scholarship awards have been strategically awarded with the goal of increasing enrollment and retention. State-funded financial aid decreased by $0.45 million or 1.8% with the decrease coming from the Native American Tuition Waiver which went from $25.6 million in fiscal year 2023 to $22.3 million in fiscal year 2024. This will be discussed in more detail below in the State Funding section. Financial aid awards over the past three fiscal years are depicted below.



State Funding – Funding for Higher Education in the State of Colorado is allocated in two ways: College Opportunity Fund (COF) stipends and Fee for Service (FFS) contracts. The following table provides the combined COF and FFS received by the College between fiscal year 2024 and fiscal year 2023.

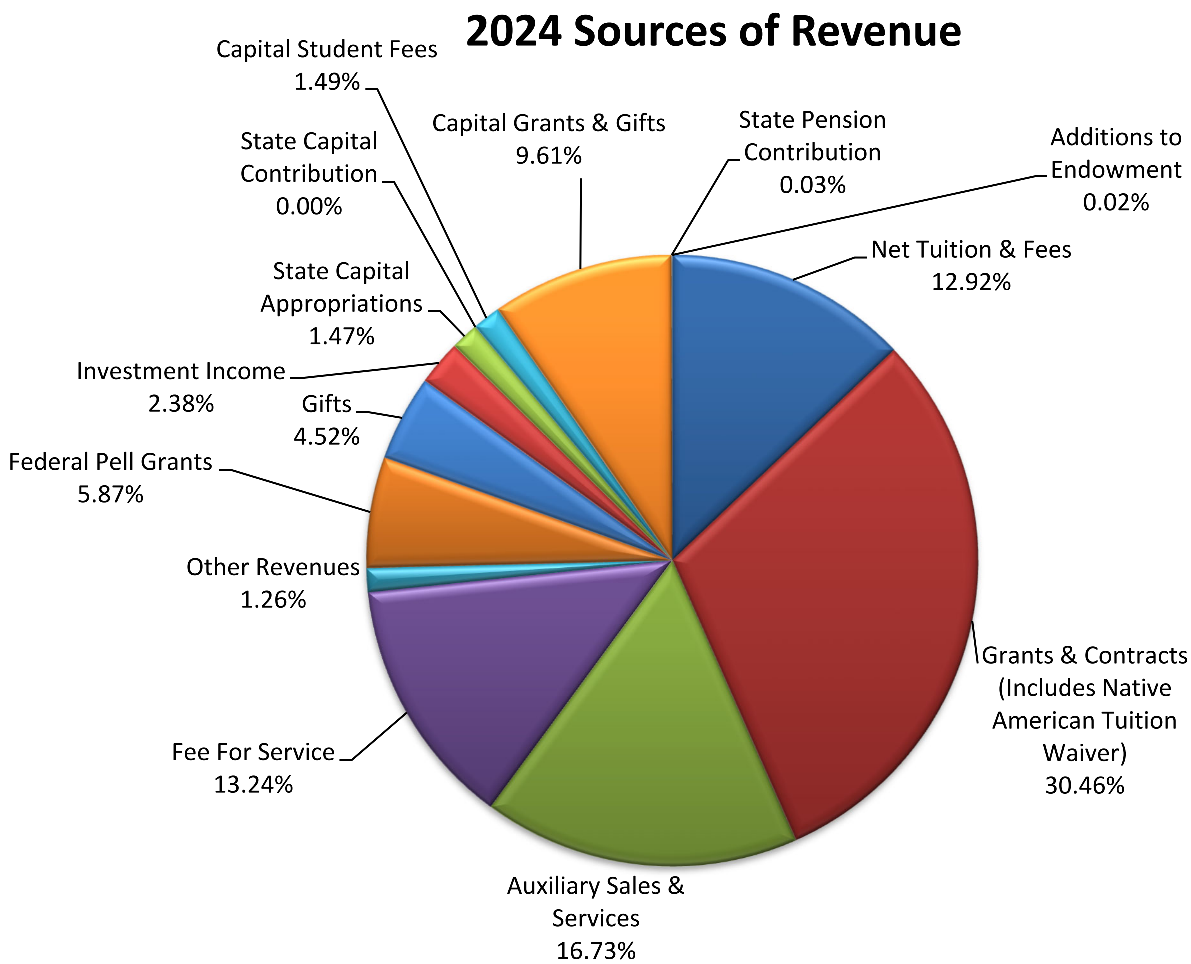
	2024	2023	2022
Total State Funding	$19,069,629	$17,114,672	$15,375,659
Change from Previous Year	11.4%	11.3%	

In addition to regular State funding, the College also receives reimbursement from the State for tuition waived to qualified Native American students, as a result of a 1911 Federal mandate. The reimbursement is funded one year in arrears; the tuition waived is paid in the following year. The funding received for Native American Tuition waivers is considered financial aid, as the waiver directly benefits the students and is reflected within the sources of revenue as part of grants and contracts. The College has pursued legislation that would require the Federal government to reimburse a portion of this tuition, without success to date. The following table represents the Native American tuition reimbursement received from fiscal year 2022 to fiscal year 2024.

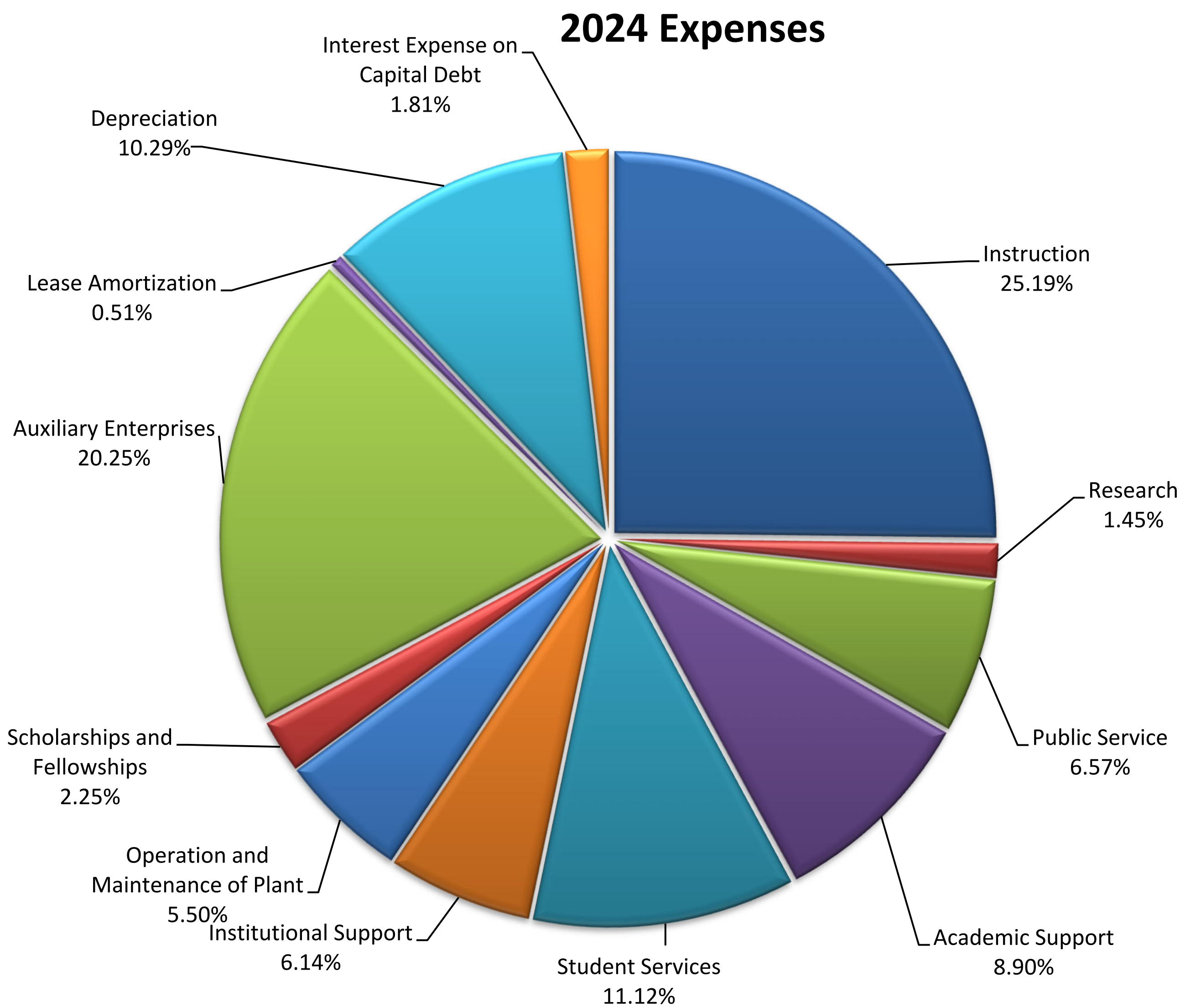
	2024	2023	2022
Native American Tuition Reimbursement	$22,264,858	$25,563,965	$24,045,076
Change from Previous Year	(12.9%)	6.3%	

Native American student enrollment declined in fiscal year 2023, resulting in a reduction in the Native American tuition reimbursement for fiscal year 2024.

Total revenues received in the fiscal years 2024 and 2023 were $113.2 million and $118.3 million, respectively. There are several factors contributing to the net decrease of $5.1 million. The most significant decline in revenue was related to State Capital Contributions of $12.3 million dollars. This is due to the majority of the State capital funding for the construction of the Health Science Center occurring in fiscal 2023. The total fiscal year 2024 revenues are depicted below without distinction as to whether they are classified as Operating or Nonoperating on the Statements of Revenues, Expenses, and Changes in Net Position.



Total expenses for fiscal year 2024 and 2023 were $103.6 million and $100.1 million, respectively. Total fiscal year 2024 expenses increased by approximately $3.5 million. Total fiscal year 2024 expenses are illustrated in the chart below without distinction as to whether they are classified as Operating or Nonoperating on the Statements of Revenues, Expenses and Changes in Net Position. The College invested $1.0 million in salary increases across the institution. Operating loss stayed flat from 2023 to 2024.



Year Ended June 30, 2023:

Net Position – The College's Net Position increased during the year ended June 30, 2023 by $18.2 million or 12.3%. There are several factors contributing to this increase. The State funding increased by $1.7 million which led to an increase in operating revenues, as well as an increase in Native American Tuition Waiver funding of $1.5 million as a result of the fiscal year 2023 academic enrollment. Capital Grants and Gifts increased by $5 million as a result of the funding from the State (through Federal American Rescue Plan Act (ARPA) funds) for the Workday Student implementation, $1.1 million from the State (through Federal ARPA funds) for capital construction projects, a $3.1 million transfer of art and historical assets from the Fort Lewis College Foundation, and a $0.88 million transfer for the matching portion of the new Health Sciences Center from the Fort Lewis College Foundation.

The unrestricted net position at June 30, 2023 was $11.7 million. Adjusted for the impacts of GASB 68 and GASB 75, unrestricted net position was $35.9 million at June 30, 2023.

Enrollment – In fiscal year 2023, undergraduate full-time equivalent (FTE) enrollment decreased by 5.51% (164 students); in-state enrollment declined by 2.19% while out-of-state enrollment decreased by 7.92%.

Scholarship – The discount rate (scholarships and student aid as a percentage of total charges) for fiscal year 2023 (adjusted for the effect of the Native American Tuition Waiver) was 48.7%. Scholarship awards have been strategically awarded with the goal of increasing enrollment and retention. State-funded financial aid increased by $1.5 million or 6.3% with the increase coming from the Native American Tuition Waiver which went from $24.0 million in fiscal year 2022 to $25.6 million in fiscal year 2023.

CONDENSED FINANCIAL STATEMENTS FOR THE COLLEGE

The financial statements and notes are presented for the reporting entity that includes the College and the Foundation, a discretely presented component unit. (See Note 1 for additional information on the reporting entity). Condensed Financial Statements for the College are presented below.

The Statements of Net Position report assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources.) Condensed Statements of Net Position are shown below:

	June 30, 2024	June 30, 2023	RESTATED June 30, 2022
Current Assets	$55,765,093	$55,229,508	$60,697,382
Noncurrent Assets	203,275,525	200,631,034	175,296,822
Total Assets	259,040,618	255,860,542	235,994,204
Deferred Outflows of Resources	6,587,369	8,676,965	5,632,319
Current Liabilities	15,564,502	17,895,359	17,595,706
Noncurrent Liabilities	72,265,659	79,245,247	68,683,953
Total Liabilities	87,830,161	97,140,606	86,279,659
Deferred Inflows of Resources	1,501,457	713,838	6,902,982
Net Position			
Net Investment in Capital Assets	152,426,435	144,641,397	127,079,549
Restricted	10,911,982	10,314,255	8,418,248
Unrestricted	12,957,952	11,727,411	12,946,085
Total Net Position	$176,296,369	$166,683,063	$148,443,882

The Statements 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.

	Year Ended June 30, 2024	Year Ended June 30, 2023	RESTATED Year Ended June 30, 2022
Operating Revenues			
Tuition and Fees, Net	$14,623,307	$12,858,747	$12,482,528
Grants and Contracts	34,285,508	35,965,369	32,711,479
Auxiliary Enterprises, Net	18,941,828	17,376,129	15,963,550
Other	16,418,716	14,478,131	13,270,458
Total Operating Revenues	84,269,359	80,678,376	74,428,015
Operating Expenses	101,728,938	98,134,837	89,929,366
Operating Income (Loss)	**(17,459,579)**	**(17,456,461)**	**(15,501,351)**
Non-operating Revenues (Expenses):			
Federal Pell Grants	6,647,877	6,311,765	6,564,141
Nonoperating Federal Grants and Contracts	204,962	993,870	6,385,639
Other Net Non-Operating Revenues (Expenses)	5,935,763	3,447,244	(1,716,657)
Net Non-operating Revenues	12,788,602	10,752,879	11,233,123
Income (Loss) Before Other Revenues, Expenses, or Transfers	**(4,670,977)**	**(6,703,582)**	**(4,268,228)**
State Capital Appropriations	1,664,224	2,016,990	1,875,776
State Capital Contribution	1,406	12,311,390	13,905,132
Capital Student Fees, Net	1,683,712	1,666,914	1,733,523
Capital Grants and Gifts	10,879,332	8,415,568	3,402,441
State Pension Contribution	38,557	509,822	190,113
Additions to Endowments	17,052	22,079	5,976
Increase (Decrease) in Net Position	**9,613,306**	**18,239,181**	**16,844,733**
Net Position – Beginning of Year	166,683,063	148,443,882	131,599,149
Net Position – End of Year	**$176,296,369**	**$166,683,063**	**$148,443,882**

CAPITAL ASSETS

At June 30, 2024, the College had approximately $200.4 million invested in capital assets, net of accumulated depreciation of $172.1 million and accumulated amortization of $5.1 million. Depreciation and amortization expense was $11.2 million for the year ended June 30, 2024. At June 30, 2023, the College had approximately $197.5 million invested in capital assets, net of accumulated depreciation of $164.0 million and amortization of $2.5 million. Depreciation and amortization expense was $10.2 million for the year ended June 30, 2023. GASB 96, Subscription-Based Information Technology Arrangements was implemented for the year ended June 30, 2022 resulting in additional assets for Subscription Based Information Technology Arrangements (SBITAs) as well as Work in Process items. The College's capital assets as of the years ended June 30, 2024, 2023, and 2022 are as follows:

	June 30, 2024	June 30, 2023	RESTATED June 30, 2022
Land	286,301	286,301	286,301
Construction in Progress	12,972,283	7,157,260	17,860,637
Right to Use Assets in Process - SBITAs	-	2,591,855	-
Collections	7,195,307	7,158,106	3,959,272
Land Improvements, Net	5,635,124	6,219,966	6,140,852
Buildings and Improvements, Net	159,024,626	162,111,397	140,896,014
Equipment, Net	5,237,957	4,546,060	3,868,329
Right to Use Subscription Based Information Technology Arrangement, Net	9,550,044	6,937,815	955,919
Leased Buildings and Vehicles, Net	111,686	129,670	-
Library Materials, Net	380,066	344,430	338,429
Total	200,393,394	197,482,860	174,305,753

Major capital additions completed in fiscal year 2024 and the resources that funded their acquisition include:

Health Sciences Center, FLC Matching Portion, funded by the College	$1,723,988
Workday Student, funded by the State with Federal ARPA	$2,361,544
Centennial Hall Roof Replacement, funded by the College	$2,120,611
Reed Library HVAC, funded by the College	$183,911

The following significant capital projects were in progress at June 30, 2024:

Berndt Hall Remodel/Improvements, funded by the State with Federal ARPA	$3,563,729
Aquatic Center Roof Replacement, funded by the State	$1,515,415
Centura Sports Performance Center, funded by the College	$1,501,763
Replace Whalen Roof, Phase 1, funded by the State with Federal ARPA	$1,361,793
Replace Fire Alarm Equipment, Phase 1, funded by the State	$1,331,838
North Campus Heating and Cooling lines phase 2, funded by the State	$776,263
Outdoor Recreation Improvements, funded by the College	$558,319
Classroom Update Program, funded by the College	$641,959
Student Union Kitchen Replacement, funded by the College	$411,672

Major capital additions completed in fiscal year 2023 and the resources that funded their acquisition include:

Health Sciences Center, funded by the State	$27,446,495
Workday HCM/Finance Implementation, funded by the State	$2,584,227
Reed Library, Academic Hub Renovation, funded by the College	$644,724
Dirks Athletic Field Lighting, funded by the College	$598,105

The following significant capital projects were in progress at June 30, 2023:

Workday Student Implementation, funded by the State with Federal ARPA	$2,591,855
Health Sciences Center, FLC Matching Portion, funded by the College	$2,077,917
Centennial Hall Roof Replacement, funded by the College	$1,237,563
Replace Whalen Roof, Phase 1, funded by the State with Federal ARPA	$778,589
North Campus Heating and Cooling lines phase 2, funded by the State	$775,915
Replace Fire Alarm Equipment, Phase 1, funded by the State	$648,961
Outdoor Recreation Improvements, funded by the College	$340,337
Berndt Hall Remodel/Improvements, funded by the State with Federal ARPA	$211,218
Student Union Kitchen Replacement, funded by the College	$204,543

DEBT

At June 30, 2024 and 2023, the College had approximately $44.3 and $47.1 million in bonds payable outstanding, respectively. The table below summarizes debt over the past three fiscal years.

	June 30, 2024	June 30, 2023	June 30, 2022
Auxiliary Revenue Bonds, Net	$44,320,503	$47,100,539	$49,793,342

OTHER HIGHLIGHTS

Strategic Plan – In 2024, FLC embarked on a journey to shape our future through a new strategic planning process. This effort, led by our Strategic Plan Steering Committee in collaboration with the President, Vice Presidents, and the Board of Trustees, reflects our commitment to listening to the diverse voices within our community and positioning FLC for continued success through 2025 and beyond. The Board has charged the College with advancing this process and will formally review and vote on the new strategic plan during the December 2024 Board meeting. The Board has approved five key directives to guide our community through this process: Academic Excellence, Basic Needs, Reconciliation, Student Readiness, and Community Connections.

FLC Vantage -The Board of Trustees approved the creation of the FLC Vantage Corporation, a nonprofit 501(c)3, a blended component unit on June 9, 2023. There was no activity for FLC Vantage for the fiscal year 2024. FLC Vantage can receive, hold, invest, and administer real and personal property for the benefit of the College. FLC Vantage will carry out its real estate investing activities through direct ownership, management, and operation of certain real estate assets. The Fort Lewis College Board of Trustees will appoint FLC Vantage's governing body, is able to impose its will on the organization and the organization provides its services entirely to the College. FLC Vantage will not issue standalone financial statements.

New Programs – The Board of Trustees approved the offering of an Associate of Arts and Associate of Applied Science in General Studies on April 7, 2023. The addition of these degrees enacts the Colorado Department of Higher Education "CORE: Colorado Re-Engaged Initiative" to provide students who have completed some college credit to have pathways to earning an Associate degree. These degrees are completion awards only, Fort Lewis College cannot market to or enroll students into associate degree programs.

The college coordinated with the University of Colorado Anschutz to start a nursing program, and the first class enrolled in the fall of 2023. The first two years of the student's experience is fully taught by Fort Lewis College faculty and the last two years will be taught by University of Colorado Anschutz faculty on the Fort Lewis College campus. The goal of this nursing program is to increase indigenous nursing graduates who will have the ability to return to their communities and increase health services in those areas.

ECONOMIC OUTLOOK & FORT LEWIS COLLEGE FUTURE

Enrollment

Enrollment (headcount) increased by 3.5% for the Fall 2024 semester, though much of that increase was due to increased numbers of dual enrollment and unclassified students, who do not typically take more than one course. Students of color constitute a majority of the student body, making up 54% of all students, compared to 58% in 2023. Native American students represent 37% of the student body, compared to 44% for Fall 2023. Incoming first year students decreased 8% over 2023.

Budget

The Board of Trustees assumed an enrollment decrease of 3.5%, given the enrollment data in the spring of 2024 and numbers of confirmations. Native American enrollment was assumed to decrease with impacts being felt in the fiscal 2025 budget. Total fall enrollment increased 3.5%, however, this includes a decline in the Native American enrollment of 4%. The impacts of the decrease in Native American enrollment will be felt in the fiscal 2025-2026 budget cycle as the reimbursement for Native American students will factor into the budget in that year.

Capital Construction

A new sports performance center is being completed in the old natatorium in partnership with Common Spirit Hospital. This center will provide student-athletes with a state-of-the-art facility to train, receive athletic training support, and help athletes compete at the NCAA Division II level. The center is scheduled for completion during the academic 2024-2025 year.

State Funding

As outlined earlier, the College receives funding from the State of Colorado for the College Opportunity Fund (COF), Fee for Service Contract (FFS) and the Native American tuition waiver reimbursement. The combination of this funding makes the College more dependent on State funding than most other colleges and universities in the State of Colorado.

This funding in the fiscal year 2025 budget increased by approximately 22%. As a result of decreases in Native American enrollment during the fiscal 2024 year, the fiscal year 2025 Tuition Waiver allocation decreased by .5% to approximately $22 million.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide users of our financial statements with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Fort Lewis College Accounting Office at Room 140 Berndt Hall, 1000 Rim Drive, Durango, Colorado, 81301, call (970) 247-7364, or email AskAccounting@fortlewis.edu.

BASIC FINANCIAL STATEMENTS SECTION

FORT LEWIS COLLEGE

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

ASSETS	**2024**	**2023**
Current Assets:		
Cash and Cash Equivalents	$ 34,400,384	$ 41,267,600
Investments	9,658,574	8,628,324
Student Accounts Receivable, Net	2,986,975	1,550,290
Accounts Receivable - Fort Lewis College Foundation, Net	359,713	1,339,465
Other Accounts Receivable	7,720,450	1,809,336
Inventories	81,794	78,286
Prepaid Expense	557,203	556,207
Total Current Assets	55,765,093	55,229,508
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	2,882,128	3,148,174
Nondepreciable Capital Assets:		
Land	286,301	286,301
Construction in Progress	12,972,283	7,157,260
Right to Use Assets in Process - SBITAs	-	2,591,855
Collections	7,195,307	7,158,106
Total Nondepreciable Capital Assets	20,453,891	17,193,522
Depreciable Capital Assets:		
Land Improvements, Net	5,635,124	6,219,965
Buildings and Improvements, Net	159,022,443	162,223,237
Equipment, Net	14,901,873	11,501,706
Library Materials, Net	380,066	344,430
Total Depreciable Capital Assets, Net	179,939,506	180,289,338
Total Noncurrent Assets	203,275,525	200,631,034
Total Assets	259,040,618	255,860,542
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources	6,587,369	8,676,965

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

LIABILITIES	**2024**	**2023**
Current Liabilities:		
Accounts Payable	2,695,190	3,671,900
Accrued Liabilities	4,694,387	4,839,319
Unearned Revenue	4,107,354	4,867,685
Deposits Held for Others	59,530	459,788
Bonds Payable, Current Portion	2,722,735	2,614,293
Leases Payable, Current Portion	40,779	132,454
SBITA Component Liability, Current Portion	902,144	949,392
Compensated Absence Liabilities, Current Portion	342,383	360,528
Total Current Liabilities	15,564,502	17,895,359
Noncurrent Liabilities:		
Bonds Payable, Net	41,597,768	44,486,246
Leases Payable	103,314	-
SBITA Component Liability	3,802,617	4,130,074
Compensated Absence Liabilities	2,173,820	1,973,978
Pension Liability	24,021,490	27,960,422
Other Post Employment Benefits Liability	566,650	694,527
Total Noncurrent Liabilities	72,265,659	79,245,247
Total Liabilities	87,830,161	97,140,606
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources	1,501,457	713,838
NET POSITION		
Net Investment in Capital Assets	152,426,435	144,641,397
Restricted for Nonexpendable Purposes:		
Endowment	25,000	25,000
Restricted for Expendable Purposes		
Endowment	721,642	704,590
Other	10,165,340	9,584,665
Unrestricted	12,957,952	11,727,411
Total Net Position	$ 176,296,369	$ 166,683,063

The accompanying notes are an integral part of this financial statement.

	2024	2023
Assets		
Cash, cash equivalents, and restricted cash	$ 577,742	$ 1,112,078
Promises to give, net	3,920,883	5,318,246
Due from Fort Lewis College	94,509	-
Investments	58,797,644	39,298,377
Property and equipment, net	649,362	666,723
Beneficial interest in assets held by others	641,740	609,316
Total assets	$ 64,681,880	$ 47,004,740
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 54,992	$ 336
Due to Fort Lewis College	477,370	298,687
Refundable advance	94,509	-
Total liabilities	626,871	299,023
Net Assets		
Without donor restrictions		
Undesignated	3,190,660	2,740,305
Board-designated	2,055,237	1,226,151
	5,245,897	3,966,456
With donor restrictions	58,809,112	42,739,261
Total net assets	64,055,009	46,705,717
Total liabilities and net assets	$ 64,681,880	$ 47,004,740

FORT LEWIS COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
REVENUES		
Operating Revenues:		
Student Tuition and Fees (including pledged revenues of $13,114,251 - 2024 and $11,492,321 - 2023, net of scholarship allowances of $37,411,207 - 2024 and $36,570,733 - 2023, and net of bad debt expense (recovery) of ($209,021) - 2024 and $0 - 2023)	$ 14,623,307	$ 12,858,747
Federal Grants and Contracts (including pledged revenues of $5,578 - 2024 and $31,150 - 2023)	6,395,135	5,871,666
State and Local Grants and Contracts	26,320,139	28,114,551
Non-Governmental Grants and Contracts (including pledged revenues of $0 - 2024 and $341,000 - 2023)	1,570,234	1,979,152
Auxiliary Enterprises (including pledged revenues of $16,063,418 - 2024, and $14,912,891 - 2023, net of scholarship allowances of $3,115,538 - 2024 and $2,811,972 - 2023, and net of bad debt expense (recovery) of ($389,221) - 2024 and $0- 2023)	18,941,828	17,376,129
Fee For Service Contract Revenue	14,995,893	13,764,416
Other Operating Revenues (including pledged revenues of $6,613 - 2024 and $3,022 - 2023 and bad debt expense (recovery) of ($8,770) - 2024 and $0- 2023)	1,422,823	713,715
Total Operating Revenues	84,269,359	80,678,376
EXPENSES		
Operating Expenses:		
Instruction	26,101,619	26,039,105
Research	1,506,622	1,501,267
Public Service	6,809,088	2,312,799
Academic Support	9,225,690	9,797,635
Student Services	11,524,763	12,814,259
Institutional Support	6,361,843	8,978,634
Operation and Maintenance of Plant	5,698,116	5,695,432
Scholarships and Fellowships	2,327,983	2,497,123
Auxiliary Enterprises	20,977,457	18,266,797
Depreciation and Amortization	11,195,757	10,231,786
Total Operating Expenses	101,728,938	98,134,837
Operating Income (Loss)	(17,459,579)	(17,456,461)

The accompanying notes are an integral part of this financial statement.

FORT LEWIS COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2024 and 2023

	2024	2023
NONOPERATING REVENUES (EXPENSES)		
Federal Pell Grants	6,647,877	6,311,765
Nonoperating Federal Grants and Contracts	204,962	993,870
Gifts (including pledged revenues of $289,631- 2024 and $148,602- 2023)	5,120,573	3,809,511
Investment Income (including pledged revenues of $446,458 - 2024 and $402,675 - 2023)	2,695,121	1,607,845
Interest Expense on Capital Debt	(1,879,931)	(1,970,112)
Net Nonoperating Revenues	12,788,602	10,752,879
Income (loss) before other revenues, expenses, or transfers	(4,670,977)	(6,703,582)
OTHER REVENUES, (EXPENSES), OR TRANSFERS		
State Capital Appropriations	1,664,224	2,016,990
State Capital Contribution	1,406	12,311,390
Capital Student Fees (all pledged, net of bad debt of $0 - 2024 and $0 - 2023)	1,683,712	1,666,914
Capital Grants & Gifts	10,879,332	8,415,568
State Pension Contribution	38,557	509,822
Additions to Endowments	17,052	22,079
Increase (Decrease) in Net Position	9,613,306	18,239,181
NET POSITION		
Net Position - Beginning of Year	166,683,063	148,443,882
Net Position - End of Year	$ 176,296,369	$ 166,683,063

The accompanying notes are an integral part of this financial statement.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions	$ 177,059	$ 18,444,987	$ 18,622,046
Net investment return	1,657,519	6,165,625	7,823,144
Change in value of beneficial interest in assets held by others	-	32,424	32,424
Rental and other revenue	98,331	-	98,331
Net assets released from restrictions	8,489,185	(8,489,185)	-
Total revenue, gains and other support	10,422,094	16,153,851	26,575,945
Expenses			
Program services	8,554,409	-	8,554,409
Support services			
Management and general	429,432	-	429,432
Fundraising	158,812	-	158,812
Total expenses before losses	9,142,653	-	9,142,653
Loss on uncollectable promises to give	-	84,000	84,000
Total expenses and losses	9,142,653	84,000	9,226,653
Change in Net Assets	1,279,441	16,069,851	17,349,292
Net Assets, Beginning of year	3,966,456	42,739,261	46,705,717
Net Assets, End of year	$ 5,245,897	$ 58,809,112	$ 64,055,009

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions	$ 135,377	$ 11,557,520	$ 11,692,897
Net investment loss	1,376,259	2,916,494	4,292,753
Change in value of beneficial interest in assets held by others	-	12,592	12,592
Rental and other revenue	97,732	-	97,732
Net assets released from restrictions	5,837,326	(5,837,326)	-
Total revenue, gains and other support	7,446,694	8,649,280	16,095,974
Expenses			
Program services	4,021,947		4,021,947
Collection items transferred to FLC	2,794,545	-	2,794,545
Support services			
Management and general	253,987	-	253,987
Fundraising	122,681	-	122,681
Total expenses	7,193,160	-	7,193,160
Change in Net Assets	253,534	8,649,280	8,902,814
Net Assets, Beginning of year	3,712,922	34,089,981	37,802,903
Net Assets, End of year	$ 3,966,456	$ 42,739,261	$ 46,705,717

	2024			
		Supporting Services		
	Program Services	Management and General	Fund Raising	Total
FLC program support	$ 7,112,091	$ -	$ -	$ 7,112,091
FLC scholarships	1,230,548	-	-	1,230,548
Fees for FLC services	126,760	252,444	140,245	519,499
Total College expenses	8,469,399	252,444	140,245	8,862,088
Professional fees	55,000	50,198	-	105,198
Other	3,733	36,657	8,095	48,485
Food and beverage	26,277	-	10,472	36,749
Licenses, dues and fees	-	34,510	-	34,510
Bank and credit card fees	-	22,059	-	22,059
Depreciation	-	17,361	-	17,361
Insurance	-	16,203	-	16,203
Total expenses	$ 8,554,409	$ 429,432	$ 158,812	$ 9,142,653

	2023			
		Supporting Services		
	Program Services	Management and General	Fund Raising	Total
FLC program support	$ 2,633,723	$ -	$ -	$ 2,633,723
FLC scholarships	1,181,944	-	-	1,181,944
Fees for FLC services	119,495	151,376	105,426	376,297
Total College expenses	3,935,162	151,376	105,426	4,191,964
Collection items transferred to FLC	2,794,545	-	-	2,794,545
Professional fees	53,750	43,548	2,221	99,519
Other	5,074	1,317	-	6,391
Food and beverage	27,961	-	15,034	42,995
Licenses, dues and fees	-	14,663	-	14,663
Bank and credit card fees	-	17,976	-	17,976
Depreciation	-	17,361	-	17,361
Insurance	-	7,746	-	7,746
Total expenses	$ 6,816,492	$ 253,987	$ 122,681	$ 7,193,160

FORT LEWIS COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received:		
Tuition and Fees	$ 10,980,795	$ 12,682,253
Sales of Products	306,100	276,306
Sales of Services	31,208,278	30,139,147
Grants and Contracts	40,738,198	38,470,214
Other Operating Receipts	1,462,842	658,631
Cash Payments:		
Scholarships Disbursed	(2,482,935)	(3,352,392)
Payments to Suppliers	(30,654,551)	(24,702,847)
Payments to Employees	(59,348,564)	(57,397,217)
Net Cash Provided (Used) by Operating Activities	(7,789,837)	(3,225,905)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal Pell Grants	6,647,877	6,311,765
Non-Operating Federal Grants/Contracts	204,962	993,870
Gifts for Other than Capital Purposes	5,121,686	3,381,350
Other Nonoperating Receipts/Payments	73,486	-
Agency Receipts	16,912,015	17,428,787
Agency Payments	(17,132,942)	(17,459,097)
Additions to Endowment	17,052	22,079
Net Cash Provided by Noncapital Financing Activities	11,844,136	10,678,754
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Student Fees	1,683,712	1,666,914
State Capital Contributions	1,665,630	17,822,862
Capital Gifts and Grants	874,515	4,283,499
Acquisition and Construction of Capital Assets	(11,938,003)	(26,248,103)
Principal Paid on Capital Debt	(3,340,699)	(4,737,168)
Interest on Capital Debt	(1,797,587)	(1,734,602)
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,852,432)	(8,946,598)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	469,723	2,173,221
Purchase of Investments	(672,485)	(2,358,338)
Investment Earnings	1,867,633	1,170,230
Net Cash Provided by Investing Activities	1,664,871	985,113
Net Increase (Decrease) in Cash and Cash Equivalents	(7,133,262)	(508,636)
Cash and Cash Equivalents - Beginning of Year	44,415,774	44,924,410
Cash and Cash Equivalents - End of Year	$ 37,282,512	$ 44,415,774

FORT LEWIS COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$ (17,459,579)	$ (17,456,461)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Depreciation and Amortization	11,195,757	10,231,786
Pension Expense	(426,127)	648,880
Noncash Operating Transactions	(131,316)	166,330
Change in Assets and Liabilities (Operating Portions):		
Receivables, Net	832,647	553,370
Inventory	-	-
Prepaid Expense	(65,022)	374,452
Accounts Payable	(1,036,087)	1,304,322
Accrued Liabilities	5,923	63,733
Unearned Revenue	(524,336)	887,682
Compensated Absence Liability	(181,697)	-
Net Cash Provided (Used) by Operating Activities	$ (7,789,837)	$ (3,225,905)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Non-cash Acquisitions of Capital Assets	$ 2,134,017	$ 3,258,901
Gain (Loss) on Disposal of Capital Assets	$ (253,423)	$ -
Change in Unrealized Gains on Investments	$ 1,030,251	$ 622,733
Amortization of Bond Premium	$ 165,473	$ 165,473

	2024	2023
Operating Activities		
Change in net assets	$ 17,349,292	$ 8,902,814
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	17,361	17,361
Contributions restricted to endowment	(12,772,857)	(1,257,065)
Collection items transferred	-	2,794,545
Contributions of investments	(11,374,423)	(438,665)
Loss on uncollectible promises to give	(84,000)	-
Realized and unrealized (gain) loss on investments	(6,279,617)	(3,334,896)
Change in beneficial interest in assets held by others	(32,424)	(12,592)
Changes in operating assets and liabilities		
Promises to give, net	369,195	(2,602,890)
Refundable advance	94,509	-
Accrued Liabilities	54,656	(71,912)
Due to/ from Fort Lewis College	84,174	83,507
Net Cash from Operating Activities	(12,574,134)	4,080,207
Investing Activities		
Proceeds from sales of investments	2,835,127	1,132,361
Purchases of investments	(4,680,354)	(5,902,403)
Net Cash used for Investing Activities	(1,845,227)	(4,770,042)
Financing Activities		
Collections of contributions restricted for endowment	13,885,025	1,125,122
Net Cash from Financing Activities	13,885,025	1,125,122
Net Change In Cash, Cash Equivalents, and Restricted Cash	(534,336)	435,287
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	1,112,078	676,791
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 577,742	$ 1,112,078

See Notes to 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. 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, 2024 for the purposes stated above was $6,993,950 which included $1,273,235 for scholarships, $348,776 for grant pass-through transactions, and $2,097,815 for capital gifts. The total transfer for the 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. Complete financial statements for the Foundation can be obtained from the Accounting Office at the College.

Blended Component Unit

FLC Vantage Corporation (FLC Vantage) was incorporated and approved by the Board in 2023. FLC Vantage's purpose is to hold, invest, and administer real and personal property for the benefit of the College. FLC Vantage will serve the real estate related interests of FLC while providing the flexibility necessary to capitalize on opportunities and maintain separation from College assets and administrative restrictions. FLC Vantage is not subject to the State of Colorado or College purchasing rules and is not subject to the Office of the State Architect or Colorado Higher Education Commission. FLC Vantage will potentially manage acquisitions and dispositions of real property, oversee development of offsite facilities, leasing on-campus and off-campus, manage easements, mineral and water rights, or rights-of-way, property management, risk reduction, and strategic planning. FLC Vantage is a nonprofit entity under Internal Revenue Code (IRC) section 501(c)(3). The College appoints FLC Vantage's governing body, is able to impose its will on the organization, and the organization provides services entirely to the College. FLC Vantage did not have any activity as of and for the years ended June 30, 2024 and 2023.

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 IRC 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, 2024 and 2023.

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

FLC Vantage is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the IRC.

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.

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	10-50
Buildings and Improvements	10-50
Equipment and Software	3-10
Library Materials	10

Right-to-use assets related to leases are recorded at the present value of future minimum lease payments plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor. Right-to-use assets related to leases 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.

Right-to-use subscription assets related to subscription-based information technology arrangements (SBITAs) are recorded at the sum of: (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. SBITAs are amortized on a straight-line basis over the subscription term.

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

Compensated absences are recognized based on estimated balances due to employees upon termination or retirement. The limitations on such payments are defined by the applicable handbook for Administrative Professional Staff or Classified Staff with classified rules governed by the state personnel system. Full-time administrative professional (exempt) staff accrue and vest in vacation and sick leave earnings beginning on their first hire date and Full Time Equivalent (FTE) status. Employees accrue leave at the rate of 16 hours per month with a maximum accrual of 384 hours prorated based on FTE. Payout of annual leave upon termination of the college is capped at 192 hours of leave payout. Most part-time employees accrue leave that is pro-rated based on their hours worked. Classified Staff accrual rates begin on their hire date and are based on their length of service and Full Time Equivalent (FTE) status. Accrual rates and payouts upon termination for classified staff follow 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

All unused sick leave is forfeited upon separation, except for employees that intend to retire with no intent to work full-time for the College or another employer and who meet the minimum age of 55 with a minimum of 5 years of Fort Lewis College service on the date of separation. Employees who retire from Fort Lewis College are compensated for one quarter (1⁄4) of their accrued sick leave balance up to a maximum of 120 hours. For Classified Staff, all unused sick leave is forfeited upon separation, except for employees meeting age and service requirements under the Public Employees' Retirement Association (PERA) defined benefit (DB) plan on the date of separation, regardless of the retirement plan they are enrolled in. Employees who meet these requirements are compensated for one quarter (1⁄4) of their accrued sick leave balance up to their maximum accrual.

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 17, 19, and 20 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.

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 $37.4 million and $36.6 million and scholarship allowances for auxiliary charges were $3.1 million and $2.8 million for the years ended June 30, 2024 and 2023, 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's 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 the year ended June 30, 2023, the College adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*, which was created to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and to provide uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB 96 requires governments to record a right-to-use subscription asset (intangible asset) and a corresponding subscription liability. GASB 96 also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. See Note 13 for further information on the College's SBITAs.

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, 2024, and 2023, the College had cash on deposit with the State Treasurer of $29,402,742 and $35,325,428, respectively, which represented 0.17 percent and 0.19 percent of the total $18,095.0 million and $18,810.9 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2024 and 2023, the Pool's resources included $38.5 million and $35.0 million of cash on hand and $18,056.6 million 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, 2024.

As of June 30, 2024, the carrying amount of the College's cash held locally was $7,879,770. The cash included petty cash and change funds of $6,150 and bank deposits of $7,873,620. The bank balance of deposits before reconciling items was $9,766,357. 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, 2023, the carrying amount of the College's cash held locally was $9,090,346. The cash included petty cash and change funds of $6,167 and bank deposits of $9,084,179. 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.

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, 2024:

	Fair Value	Cost
Cash and cash equivalents - Money Market	$ 27,083	$ 27,083
Mutual Funds - Equity	5,821,277	4,480,309
Mutual Funds - Fixed Income	3,810,102	3,888,366
Net accrued income	112	-
Total investments	$ 9,658,574	$ 8,395,758

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the fiscal year ended June 30, 2024 is as follows:

Total dividends and interest (net of fees of $17,523)	$ 202,763
Net accrued income (current-prior)	41
Unrealized Gains/Losses	1,345,126
Total	$ 1,547,930

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
Net accrued income	72	-
Total investments	$ 8,628,324	$ 8,110,573

Investment income included in the accompanying Statements of Revenues, Expenses and Changes in Net Position for the fiscal year ended June 30, 2023 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
Total	$ 697,964

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, 2024, the College held Equity Mutual Funds rated by Morningstar as follows: 2 Stars total fair value of $2,022,717 and 3 Stars total fair value of $3,798,560. At June 30, 2024, the College held Fixed Income Mutual Funds rated by Morningstar as follows: 3 Stars total fair value of $3,810,102. 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.

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, 2024, 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, 2024 consisted of the following:

	Fair Value
Other Investments	
Bond Mutual Funds	3,810,102
Equity Mutual Funds	5,821,277
Money Market Funds	27,083
Net Accrued Income	112
Total	9,658,574

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 Funds	16,632
Net Accrued Income	72
Total	8,628,324

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, 2024:

- Money Market Funds of $27,083 are valued using quoted market prices (Level 1 inputs)
- Bond Mutual Funds of $3,810,102 are valued using quoted market prices (Level 1 inputs)
- Equity Mutual Funds of $5,821,277 are valued using quoted market prices (Level 1 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)

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, 2024:

		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)	$ 8,375,320	$ -	$ -	$ -
Equities and mutual funds				
Domestic	9,999,690	9,999,690	-	-
International	5,311,690	5,311,690	-	-
Emerging markets	3,309,220	3,309,220	-	-
Exchange-traded funds				
Fixed income	9,920,313	9,920,313	-	-
Master limited partnerships	842,040	842,040	-	-
U.S. Government securities	7,509,550	-	7,509,550	-
Cryptocurrency	4,760,554	4,760,554	-	-
Preferred stock	35,188	-	-	35,188
At NAV				
Private equity funds	2,229,840	-	-	-
Private credit funds	4,032,234	-	-	-
Hedge funds	2,472,005	-	-	-
Total investments at fair value	$ 58,797,644	$ 34,143,507	$ 7,509,550	$ 35,188
Beneficial interest in assets held by others	$ 641,740	$ -	$ -	$ 641,740

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, 2024:

		Significant Unobservable Inputs Level 3	
	Cryptocurrency	Preferred Stock	Beneficial Interest in Assets Held by Others
Balance at June 30, 2023	$ 3,828,086	$ 32,777	$ 609,316
Contributions	-	12,420	-
Sales and distributions	(2,654,104)	-	(40,000)
Net investment return	3,586,572	(10,009)	72,424
Balance at June 30, 2024	$ 4,760,554	$ 35,188	$ 641,740

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, 2023:

		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)	$ 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				
Equities	14,362,455	14,362,455	-	-
Fixed income	505,338	505,338	-	-
Master limited partnerships	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	-	-	-
Total investments at fair value	$ 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:

		Significant Unobservable Inputs Level 3	
	Cryptocurrency	Preferred Stock	Beneficial Interest in Assets Held by Others
Balance at June 30, 2022	$ 1,124,655	$ 142,296	$ 596,724
Contributions	1,122,219	12,420	-
Distributions	-	-	(40,000)
Net investment return	1,581,212	(121,939)	52,592
Balance at June 30, 2023	$ 3,828,086	$ 32,777	$ 609,316

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2024 and 2023:

	Number of Investments	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice
At June 30, 2024					
Private equity funds	10	$ 2,229,840	$ 1,921,093	Illiquid	None
Private credit funds	4	4,032,234	-	Quarterly	30 day
Hedge funds	4	2,472,005	-	Quarterly	30 day
		$ 8,734,079	$ 1,921,093		
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		

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.

Hedge funds – funds that can invest long and short, primarily in common stocks. Fund managers may invest in value, growth, or event-driven equity opportunities and typically are not restricted by market capitalization, industry sector, or geography. Leverage may be utilized, which can magnify changes in the values of underlying securities.

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, 2024 and 2023, the Accounts Receivable balances are comprised of:

	2024	2023
Student Accounts Receivable	3,884,645	3,387,322
Less: Allowance for Doubtful Accounts	(897,670)	(1,837,032)
Student Accounts Receivable, Net	2,986,975	1,550,290
Accounts Receivable - Fort Lewis College Foundation, Net	359,713	1,339,465
Other Accounts Receivable		
Sponsored Programs	2,880,006	986,531
Other	4,840,444	822,805
Total Other Accounts Receivable, Net	7,720,450	1,809,336
Total Receivables, Net	$ 11,067,138	$ 4,699,091

*Other accounts receivable includes $1,277,394 and $135,006 for State of Colorado Fee for Service payments at June 30, 2024 and 2023, respectively.

NOTE 5 - CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Deletions	Transfers	Balance 6/30/2024
Land	$ 286,301	$ -	$ -	$ -	$ 286,301
Land Improvements	23,922,208	18,521	-	29,075	23,969,804
Buildings and Improvements	295,289,425	2,512,779	-	1,481,686	299,283,890
Construction in Progress	7,157,260	9,170,275	1,844,491	(1,510,761)	12,972,283
RTU Assets in Process-SBITAs	2,591,855	-	-	(2,591,855)	-
Equipment	14,797,335	1,754,983	704,184	-	15,848,134
Software	1,281,231	7,419	-	-	1,288,650
Library Materials	1,928,674	96,135	34,463	-	1,990,346
Capitalized Collections	7,158,106	66,904	29,702	-	7,195,307
RTU Assets-SBITAs	9,073,737	2,435,121	-	2,591,855	14,100,713
Leased Buildings	447,357	-	-	-	447,357
Leased Vehicles	46,360	187,334	46,360	-	187,334
Total	363,979,849	16,249,471	2,659,200	-	377,570,118
Less Accumulated Depreciation:					
Land Improvements	17,702,242	632,438	-	-	18,334,680
Buildings and Improvements	133,178,028	7,081,235	-	-	140,259,263
Equipment	10,262,458	843,406	481,562	-	10,624,302
Software	1,270,048	4,473	-	-	1,274,521
Library Materials	1,584,244	60,499	34,463	-	1,610,280
Total Accumulated Depreciation	163,997,020	8,622,051	516,025	-	172,103,046
Less Accumulated Amortization:					
RTU Assets-SBITAs	2,135,922	2,414,748	-	-	4,550,670
Leased Buildings	335,518	114,022	-	-	449,540
Leased Vehicles	28,529	44,936	-	-	73,465
Total Accumulated Amortization	2,499,969	2,573,706	-	-	5,073,675
Capital Assets, Net	$ 197,482,860	$ 5,053,714	$ 2,143,175	$ -	$ 200,393,397

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

	Balance 6/30/2022	Additions	Deletions	Transfers	Balance 6/30/2023
Land	$ 286,301	$ -	$ -	$ -	$ 286,301
Land Improvements	23,115,494	284,771	-	521,943	23,922,208
Buildings and Improvements	266,880,922	13,884,711	-	14,523,792	295,289,425
Construction in Progress	17,860,637	5,325,500	-	(16,028,876)	7,157,260
RTU Assets in Process-SBITAs	-	2,591,855	-	-	2,591,855
Equipment	13,324,223	1,473,113	-	-	14,797,335
Software	1,267,811	13,420	-	-	1,281,231
Library Materials	1,863,158	76,768	11,252	-	1,928,674
Capitalized Collections	3,959,272	3,198,834	-	-	7,158,106
RTU Assets-SBITAs	1,530,675	7,543,062	-	-	9,073,737
Leased Buildings	447,357	-	-	-	447,357
Leased Vehicles	46,360	-	-	-	46,360
Total	330,582,209	34,392,034	11,252	(983,142)	363,979,849
Less Accumulated Depreciation:					
Land Improvements	16,974,641	727,601	-	-	17,702,242
Buildings and Improvements	126,208,588	6,969,440	-	-	133,178,028
Equipment	9,492,447	770,011	-	-	10,262,458
Software	1,267,811	2,237	-	-	1,270,048
Library Materials	1,524,728	70,768	11,252	-	1,584,244
Total Accumulated Depreciation	155,468,215	8,540,057	11,252	-	163,997,020
Less Accumulated Amortization:					
RTU Assets-SBITAs	574,756	1,561,166	-	-	2,135,922
Leased Buildings	223,678	111,840	-	-	335,518
Leased Vehicles	9,806	18,723	-	-	28,529
Total Accumulated Amortization	808,240	1,691,729	-	-	2,499,969
Capital Assets, Net	$ 174,305,754	$ 24,160,248	$ -	$ (983,142)	$ 197,482,860

NOTE 6 - FORT LEWIS COLLEGE FOUNDATION PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2024 and 2023:

	2024	2023
Land and buildings	$ 994,400	$ 994,400
Accumulated depreciation	(345,038)	(327,677)
Total property and equipment, net	$ 649,362	$ 666,723

Property and equipment includes the President's residence, which is the only property held as of June 30, 2024 and 2023.

NOTE 7 - ACCRUED LIABILITIES

At June 30, 2024 and 2023, the types and amounts of accrued liabilities, as presented on the Statements of Net Position, are comprised of:

	2024	2023
Accrued Payroll & Benefits	$ 3,276,959	$ 2,733,664
Accrued Interest Payable	524,462	555,211
Contractor Retainage	724,323	1,370,608
Other Liabilities	168,643	179,836
Total	$ 4,694,387	$ 4,839,319

NOTE 8 - UNEARNED REVENUE

At June 30, 2024 and 2023, the types and amounts of unearned revenue, as presented on the Statements of Net Position, are comprised of:

	2024	2023
Tuition and Fees	$ 251,733	$ 452,839
Auxiliary Enterprises	502,404	544,901
Grants and Contracts	3,353,217	3,869,944
Total	$ 4,107,354	$ 4,867,685

NOTE 9 - LONG-TERM LIABILITIES

The College's long-term liability activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Current Portion
Bonds Payable:					
Revenue Bonds	44,907,189	-	(2,614,563)	42,292,626	2,722,735
Bond Premium/(Discount)	2,193,350	-	(165,473)	2,027,877	-
Total Bonds Payable	47,100,539	-	(2,780,036)	44,320,503	2,722,735
Other Liabilities:					
Lease Liabilities	132,454	103,313	(91,674)	144,093	40,779
SBITA Component Liabilities	5,079,466	-	(374,705)	4,704,761	902,144
Compensated Absences	2,334,506	199,842	(18,145)	2,516,203	342,383
Total Other Liabilities	7,546,426	303,155	(484,524)	7,365,057	1,285,306
Total Long-Term Liabilities	54,646,965	303,155	(3,264,560)	51,685,560	4,008,041

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

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Current Portion
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

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 bonds, 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.

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	2024	2023
2012 Revenue Bonds	2/28/2012	$ 6,520,000	3,917,896	4,262,189
2016A Reveue Refunding Bonds	3/29/2016	10,555,000	6,245,000	6,820,000
2016B Revenue Refunding Bonds	3/29/2016	25,400,000	20,884,730	21,930,000
2016C Revenue Bonds	3/29/2016	4,060,000	3,205,000	3,340,000
2019A Revenue Refunding Bonds	4/11/2019	1,215,000	850,000	930,000
2019B Revenue Refunding Bonds	4/11/2019	3,305,000	2,830,000	2,980,000
2020A-1 Revenue Refunding Bonds	9/23/2020	685,000	585,000	635,000
2020B-1 Revenue Refunding Bonds	9/23/2020	535,000	485,000	510,000
2020A-2 Revenue Refunding Bonds	9/23/2020	1,150,000	980,000	1,065,000
2020B-2 Revenue Refunding Bonds	9/23/2020	2,560,000	2,310,000	2,435,000
Unamortized Premium/(Discount)		-	2,027,877	2,193,350
Total		$ 55,985,000	$ 44,320,503	$ 47,100,539

Principal and interest requirements on all outstanding bonds at June 30, 2024 are summarized in the table below.

Year Ending June 30,	Principal	Interest	Total
2025	2,722,734.57	1,560,876.13	4,283,611
2026	2,847,453.93	1,456,800.75	4,304,255
2027	2,979,334.40	1,337,310.52	4,316,645
2028	3,132,642.36	1,204,659.62	4,337,302
2029	3,297,727.42	1,064,665.53	4,362,393
2030-2034	16,437,733.14	3,369,096.62	19,806,830
2035-2039	10,875,000.00	840,648.25	11,715,648
Total	$ 42,292,626	$ 10,834,057	$ 53,126,683

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 $1,119,011. 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 $16,799,543 and a discount of $190,309. 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 - LEASES

The College implemented GASB 87, *Leases,* 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 June 30, 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 $0.00 as of June 30, 2024.

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 three-year term. The vehicles were capitalized as Right to Use Assets – Vehicles. Terms and payments are as follows:

Vehicle	Term Dates	Monthly Payment
GMC Acadia	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
Toyota Highlander	10/30/23-10/31/26	712
Toyota Tundra	10/30/23-10/31/26	673
John Deere Loader *	03/03/24-03/03/29	30,077

*Lease payment remitted annually

The two Toyotas were returned to the lessor during fiscal year 2024. The College leased two new Toyotas, a Tundra, and a Highlander for three-year terms each. The College also leased a John Deere loader for a five-year term (* lease payment remitted annually).

The Right to Use Asset – Equipment/Vehicle(s) were valued at $113,869 at June 30, 2024.

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 Acadia, 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. The incremental borrowing rate at October 30, 2023 was determined to be 4.87% for three years for the newly leased Toyota Highlander and Tundra. The incremental borrowing rate at March 3, 2023 was determined to be 4.17% for five years for the newly leased John Deere loader.

NOTE 13 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The College implemented GASB 96, *Subscription-Based Information Technology Arrangements*, effective as of June 30, 2023. A subscription-based information technology arrangement (SBITA) 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 the College capitalized as an SBITA as of June 30, 2024.

Lessor	RTU Asset	Accumulated Amortization	RTU Asset, Net
Insight Public Sector-Adobe	$ 281,642	$ (179,938)	$ 101,704
Insight Public Sector-Microsoft	232,917	(232,917)	-
Instructure-Canvas	312,488	(124,995)	187,493
Technolutions-Slate	175,209	(175,209)	-
TouchNet	473,404	(407,653)	65,751
Workday-Finance/HR	6,948,932	(1,544,207)	5,404,725
Zoom Annual	100,372	(100,372)	-
Ellucian-Student, FA, Student Self Service	273,745	(273,745)	-
Ellucian-Employee Self Service HR Finance	275,028	(275,028)	-
CDW-G-Microsoft	326,061	(99,630)	226,431
Transact Campus	459,061	(76,510)	382,551
Workday-Student	4,241,854	(1,060,466)	3,181,388
	$ 14,100,713	$ (4,550,670)	$ 9,550,043

Lessor	Lease Commencement/ Adoption Date	Lease Termination Date	Lessee's Incremental Borrowing Rate *
Insight Public Sector-Adobe	8/28/2022	8/27/2025	2.410%
Insight Public Sector-Microsoft	7/1/2021	8/31/2023	0.197%
Instructure-Canvas	7/1/2022	6/30/2027	2.372%
Technolutions-Slate	7/1/2021	6/30/2024	0.287%
TouchNet	12/31/2021	12/31/2024	0.449%
Workday- Finance/HR	7/1/2022	7/29/2031	2.887%
Zoom Annual	7/1/2021	8/1/2024	0.287%
Ellucian-Student, FA, Student Se	7/1/2021	7/1/2023	0.197%
Ellucian-Employee Self Service, F	7/1/2021	7/1/2023	0.197%
CDW-G-Microsoft	8/31/2023	8/31/2026	3.138%
Transact Campus	9/1/2023	8/31/2028	3.587%
Workday-Student	7/1/2022	7/29/1931	0.000%

*Source of Rate: State of CO Treasury

	Balance 6/30/2023	Additions	Deletions	Transfers	Balance 6/30/2024
RTU Assets in Process - SBITAs	$ 2,591,855	$ -	$ -	$ (2,591,855)	$ -
RTU Assets - SBITAs	9,073,737	2,435,121	-	2,591,855	14,100,713
Total	11,665,592	2,435,121	-	-	14,100,713
Less Accumulated Amortization:					
RTU Assets - SBITAs	2,135,922	2,414,748	-	-	4,550,670
Total Accumulated Amortization	2,135,922	2,414,748	-	-	4,550,670
Capital Assets, Net	$ 9,529,670	$ 20,373	$ -	$ -	$ 9,550,043

	Balance 6/30/2022	Additions	Deletions	Transfers	Balance 6/30/2023
RTU Assets in Process - SBITAs	$ -	$ 2,591,855	$ -	$ -	$ 2,591,855
RTU Assets - SBITAs	1,530,675	7,543,062	-	-	9,073,737
Total	1,530,675	10,134,917	-	-	11,665,592
Less Accumulated Amortization:					
RTU Assets - SBITAs	574,756	1,561,166	-	-	2,135,922
Total Accumulated Amortization	574,756	1,561,166	-	-	2,135,922
Capital Assets, Net	$ 955,919	$ 8,573,751	$ -	$ -	$ 9,529,670

Maturity Schedules

	Year 1		Year 2		Year 3	
	7/1/2024	6/30/2025	7/1/2025	6/30/2026	7/1/2026	6/30/2027
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Insight Public Sector-Adobe	69,552	1,996	71,229	286	-	-
Instructure-Canvas	61,016	3,119	62,463	1,640	63,945	126
Workday- Finance/HR	580,772	94,393	597,538	77,182	614,789	59,475
CDW-G-Microsoft	105,347	3,960	108,652	568	-	-
Transact Campus	85,458	11,404	88,523	8,284	91,698	5,052
	$ 902,144	$ 114,873	$ 928,406	$ 87,961	$ 770,433	$ 64,653

	Year 4		Year 5		Year 6-10	
	7/1/2027	6/30/2028	7/1/2028	6/30/2029	7/1/2029	6/30/2034
Lessor	Principal	Interest	Principal	Interest	Principal	Interest
Insight Public Sector-Adobe	-	-	-	-	-	-
Instructure-Canvas	-	-	-	-	-	-
Workday- Finance/HR	632,538	41,256	650,800	22,511	725,453	3,360
CDW-G-Microsoft	-	-	-	-	-	-
Transact Campus	94,988	1,704	-	-	-	-
	$ 727,526	$ 42,960	$ 650,800	$ 22,511	$ 725,453	$ 3,360

NOTE 14 - ENCUMBRANCES

Outstanding purchase commitments not reflected in the financial statements at June 30, 2024 and 2023 are:

	2024	2023
Education and General	$ 638,593	$ 1,749,089
Auxiliary Enterprises	645,426	1,507,768
Restricted Funds	392,699	2,436,552
Plant Funds	7,454,999	7,262,478
Total	$ 9,131,717	$ 12,955,887

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Contracts have been entered into for the purpose of planning, constructing, or equipping certain building or land improvements with outstanding amounts totaling $7,454,999 and $7,262,478 as of June 30, 2024 and 2023, respectively. These improvements will be funded by appropriations from the State or internal transfers of funds.

The College receives significant amounts from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed amounts resulting from such audits could become a liability of the College. Management does not believe the ultimate resolution of these matters will have a significant adverse effect on the financial position of the College. The College has internal controls and policies in place to ensure compliance with grant agreements and makes allowable purchases and expenditures in accordance with grant agreements.

NOTE 16 - 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, 2024 and 2023, were as follows:

	Tuition and Fees	Auxiliary Revenue	6/30/2024 Total	6/30/2023 Total
Gross Revenue	$ 51,825,492	$ 21,668,146	$ 73,493,638	$ 69,617,582
Scholarship Allowance				
Federal	(5,358,234)	(1,073,658)	(6,431,892)	(5,886,261)
State (Includes Native American Tuition Waiver)	(23,446,620)	(317,379)	(23,763,999)	(24,221,041)
Private	(1,061,208)	(212,640)	(1,273,848)	(1,095,023)
Institutional	(7,545,145)	(1,511,861)	(9,057,006)	(8,180,380)
Total Scholarship Allowance	(37,411,207)	(3,115,538)	(40,526,745)	(39,382,705)
Student AR Allowance Adjustment	209,022	389,220	598,242	-
	$ 14,623,307	$ 18,941,828	$ 33,565,135	$ 30,234,877

NOTE 17 - DEFERRED OUTFLOWS AND INFLOWS

The College's Deferred Outflows and Inflows as of June 30, 2024 and 2023 were as follows:

Deferred Outflows	2024	2023
Accounting Loss on Bond Refunding	3,230,272	3,508,838
Pension Contributions Subsequent to Measurement Date	934,211	952,034
Pension Investments	1,744,679	3,554,707
Pension Change in Employer Proportion	209,276	552,351
Pension Experience Gains and Losses	392,656	-
Pension Changes in Assumptions or Other Inputs	-	-
OPEB Expected vs. Actual Investment Earnings	-	90
OPEB Changes in Assumptions or Other Inputs	6,663	11,163
OPEB Projected vs. Actual Investment Earnings	17,525	42,420
OPEB Employer Contributions vs. Employer Proportionate Share	8	15
OPEB Contributions Subsequent to Measurement Date	44,125	45,517
OPEB Change in Employer Proportion	7,954	9,830
Total	$ 6,587,369	$ 8,676,965

Deferred Inflows	2024	2023
Penion Expected vs. Actual Experience	127,553	374,877
Pension Projected vs. Actual Investment Earnings	-	-
Pension Change in Employer Proportion	1,113,484	23,105
Pension Employer Contributions vs. Employer Proportionate Share	3,263	6,821
OPEB Expected vs. Actual Experience	116,141	167,960
OPEB Projected vs. Actual Investment Earnings	-	-
OPEB Changes in Assumptions or Other Inputs	60,084	76,654
OPEB Change in Employer Proportion	80,405	63,876
OPEB Employer Contributions vs. Employer Proportionate Share	527	545
Total	$ 1,501,457	$ 713,838

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

NOTE 18 - 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, 2024 and 2023:

	2024	2023
State Support:		
Capital Appropriations/Contributions	$ 1,404,046	$ 1,825,834
State/Local Grants (non-financial aid)	1,853,218	1,559,509
Institutional Share of COP Debt Payments	1,957,092	1,954,472
Institutional Share of PERA Direct Distribution	38,557	509,822
Total State Support	$ 5,252,913	$ 5,849,637
Total Revenues (gross operating, nonoperating, and other revenues)	$ 114,903,154	$ 107,797,538
Ratio of State Support to Total Revenues	4.57%	5.43%

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, 2024 and 2023, appropriated expenses were within the authorized spending authority. For the year ended June 30, 2024, the College had a total long bill appropriation of $19,069,629. For the year ended June 30, 2023, the College had a total long bill appropriation of $17,111,407. 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 19 - 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, 2024 and 2023 was $46,221,132 and $44,902,995, respectively. The total payroll for employees covered by the PERA plan, the optional defined contribution plan, and the student retirement plan was $9,414,960, $29,899,307 and $624,084, respectively for June 30, 2024 and $9,559,155, $31,199,853 and $473,718 for June 30, 2023. 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. The 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, 2023. 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. 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, 2024: Eligible employees of Fort Lewis College and the State are required to contribute to the SDTF 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, 2023 through June 30, 2024 are summarized in the table below:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Employee contribution (all employees other than Safety Officers)	11.00%	11.00%

**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 Safety Officers are summarized in the table below:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
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	0.17%	0.21%
Total employer contribution rate to the SDTF	**20.55%**	**20.59%**

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

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 Officer)	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 College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the College were $1,895,661 and $2,400,740 for the years ended June 30, 2024 and 2023, 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 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) provided compensatory payment of $14.561 million for 2023 only.

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

For the measurement period ended December 31, 2023, the net pension liability for the SDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023.

For the measurement period ended December 31, 2022, 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.

For the measurement periods ended December 31, 2023 and 2022, the College's proportion of the net pension liability was based on the College's contributions to the SDTF for the calendar year measurement period relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2024, the College reported a liability of $24,021,490 for its proportionate share of the net pension liability. At December 31, 2023, the College's proportion was 0.2375286184 percent which was a decrease of 0.0196360 percent from its proportion measured as of December 31, 2022.

At June 30, 2023, the College reported a liability of $27,960,422 for its proportionate share of the net pension liability. At December 31, 2022, the College's proportion was 0.2571646493 percent, which was an increase of 0.0093175341 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2024, the College recognized pension expense of $574,497 and revenue of $38,557 for support from the State as a nonmember contributing entity. For the year ended June 30, 2023, the College recognized pension expense of ($2,124,808) and revenue of $509,822 for support from the State as a nonemployer contributing entity. At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	392,656	127,553	-	374,877
Net difference between projected and actual earnings on pension plan investments	1,744,679	-	3,554,707	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	209,276	1,116,747	552,351	29,926
Contributions subsequent to the measurement date	934,211	-	952,034	-
Total	$ 3,280,822	$ 1,244,300	$ 5,059,092	$ 404,803

$934,211 and $952,034 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date for the years ended June 30, 2024 and 2023, 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	
2025	(410,596.89)
2026	520,035.64
2027	1,466,696.46
2028	(473,824.46)
2029	-
Thereafter	-

Actuarial assumptions for the measurement period ended December 31, 2023. The TPL in the December 31, 2022, 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 Safety Officers	3.30%-10.90%
Safety Officers	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 Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than Safety Officers 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 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 Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to 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%.

Actuarial assumptions for the measurement period ended December 31, 2022. 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%
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.

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.

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.

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 for the measurement period ended December 31, 2023. 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, 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.
- 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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.

Discount rate for the measurement period ended December 31, 2022. 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 College's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-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 – 2024	$ 31,396,065	$ 24,021,490	$ 17,820,478
Proportionate share of the net pension liability – 2023	$ 35,744,145	$ 27,960,422	$ 21,412,835

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 the 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. For the year ended June 30, 2024, program members contributed $91,257 and Fort Lewis College had $0 pension expense and liability for the PERAPlus 401(k) Plan.

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. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – All participating employees in the PERA DC Plan at the 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 of July 1, 2023 through June 30, 2024 are summarized in the tables below:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
Employee Contribution Rates:		
All employees other than Safety Officers	11.00%	11.00%
Safety Officers	13.00%	13.00%
Employer Contribution Rates:		
On behalf of all employees other than Safety Officers	10.15%	10.15%
Safety Officers	12.85%	12.85%

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

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, for the period of July 1, 2023 through June 30, 2024, the employers are required to contribute AED, SAED, and other statutory amounts, as follows:

	July 1, 2023 Through December 31, 2023	January 1, 2024 Through June 30, 2024
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	0.17%	0.21%
Total employer contribution rate to the SDTF	**11.42%**	**11.46%**

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

Additionally, for the period July 1, 2022, through June 30, 2023, the 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. Participating employees in the PERA DC Plan contributed $942,567 and the College recognized pension expense and a liability of $574,496 and $24,021,490, respectively, for the PERA DC Plan.

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 $3,408,521 for the fiscal year ended June 30, 2024, and $3,556,783 for the fiscal year ended June 30, 2023. The employee aggregate contribution to the above two vendors was equal to 8.0 percent of covered payroll or $2,391,945 for the fiscal year ended June 30, 2024, and $2,495,988 for the fiscal year ended June 30, 2023.

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, 2024 and 2023 were $46,806 and $35,529, 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, 2024 and 2023 were $6,259,089 and $5,387,948, respectively.

NOTE 20 - OTHER POSTEMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

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 (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 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.

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 College is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Fort Lewis College were $88,096 and $90,588 for the years ended June 30, 2024 and 2023.

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

For the measurement period ended December 31, 2023, the net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023.

For the measurement period ended December 31, 2022, 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.

For the measurement periods ended December 31, 2023 and 2022, the College's proportionate of the net OPEB liability was based on the College's contributions to the HCTF for the calendar year measurement period relative to the total contributions of participating employers to the HCTF.

At June 30, 2024 and 2023, the College reported a liability of $566,650 and $694,527, respectively for its proportionate share of the net OPEB liability.

At December 31, 2023, the College's proportion was 0.0793931987 percent, which was a decrease of 0.000056704881 percent from its proportion measured as of December 31, 2022.

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

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of ($58,901) and ($136,874) respectively. At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	116,141	90	167,960
Changes of assumptions or other inputs	6,663	60,084	11,163	76,654
Net difference between projected and actual earnings on OPEB plan investments	17,525	-	42,420	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,962	80,932	9,845	64,421
Contributions subsequent to the measurement date	44,125	-	45,517	-
Total	$ 76,275	$ 257,157	$ 109,035	$ 309,035

$44,125 and $45,517 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date for the years ended June 30, 2024 and 2023, 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:	
2025	(91,956)
2026	(52,393)
2027	(25,244)
2028	(33,340)
2029	(15,843)
2030	(6,231)
Thereafter	-

Actuarial assumptions for the measurement period ended December 31, 2023. The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State 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 Safety Officers	3.30%-10.90%
Safety Officers	3.20%-12.40%
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[1]	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035

[1] UnitedHealthcare MAPD PPO plans are 0% for 2023.

Each year the per capita health care costs are developed by plan option; currently based on 2023 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)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 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	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

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	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

The 2023 Medicare Part A premium is $506 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, 2022, 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
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, 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 Safety Officers) were based upon the PubG-2010 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 Safety Officers) 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 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 Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages 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, 2022, 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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- 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.

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.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to 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%.

Actuarial assumptions for the measurement period ended December 31, 2022. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State 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%
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.

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 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.

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 the College's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$550,386	$566,650	$584,341

[1]For the January 1, 2024, plan year.

Discount rate for the measurement period ended December 31, 2023. 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, 2023, 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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.

Discount rate for the measurement period ended December 31, 2022. 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 the College's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-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 - 2024	$ 669,285	$ 566,650	$ 478,846
Proportionate share of the net OPEB liability - 2023	$ 805,163	$ 694,527	$ 599,898

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 21 - 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:

General Liability	Philadelphia Insurance Co.	2,000,000	-
Sexual Misconduct or Molestation	Philadelphia Insurance Co.	1,000,000	-
School Educators Legal Liability	Philadelphia Insurance Co.	11,000,000	25,000
Employee Benefits Liability	Philadelphia Insurance Co.	1,000,000	1,000
Law Enforcement Pro Liability	Philadelphia Insurance Co.	1,000,000	2,500
Employment Practices Liability	Philadelphia Insurance Co.	1,000,000	25,000
Fine Arts	Philadelphia Insurance Co.	-	2,500
Commercial Auto	Philadelphia Insurance Co.	1,000,000	1,000
Hired and Non-Owned Auto	Philadelphia Insurance Co.	1,000,000	1,000
Rafting	Market Insurance	2,000,000	-
Workers' Compensation	Pinnacol Assurance	500,000	5,000
Tenant Liability	Philadelphia Insurance Co.	2,000,000	-
Foreign General Liability	AIG	6,000,000	500
Cyber Security	At Bay Insurance Co.	1,000,000	25,000
Flood	Philadelphia Insurance Co.	5,000,000	25,000
Earthquake	Philadelphia Insurance Co.	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 revised to a blanket limit coverage for property values of approximately $664 million. There have been no significant settlements exceeding coverages.

Buildings and personal property coverage is included in the coverage for buildings, computers, and equipment. The inland marine policy includes coverage for Fine Arts, computer, scheduled equipment, equipment at Old Fort, leased, rented, and miscellaneous equipment. Data breach coverage is included with cyber security coverage.

REQUIRED SUPPLEMENTARY INFORMATION

FORT LEWIS COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE COLORADO PERA PENSION PLAN NET PENSION LIABILITY (Unaudited)

For the Fiscal Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.2375286184%	0.2571646493%	0.2478471152%	0.2487401832%	0.2535170882%	0.2583978495%	0.27443561%	0.29202833%	0.31475950%	0.33276131%
College's proportionate share of the net pension liability	$ 24,021,490	$ 27,960,422	$ 18,278,821	$ 23,592,491	$ 24,600,801	$ 29,402,246	$ 54,936,471	$ 53,640,145	$ 33,147,427	$ 31,301,239
College's covered payroll	9,473,103	9,202,406	8,395,100	8,298,745	8,040,433	7,839,644	8,052,222	8,352,504	8,716,807	8,767,074
College's proportionate share of the net pension liability as a percentage of its covered payroll	254%	304%	218%	284%	306%	375%	682%	642%	395%	376%
Plan fiduciary net position as a percentage of the total pension liability	64.4%	60.6%	73.0%	65.3%	62.2%	55.1%	76.1%	42.6%	56.1%	59.8%
PERA State Division Total Pension Liability (thousands)	28,382,741	27,616,860	27,360,605	27,364,740	25,696,667	25,345,094	20,017,982	31,994,311	23,991,569	23,420,461
PERA State Division Fiduciary Net Position (thousands)	18,269,648	16,744,284	19,985,566	17,879,947	15,992,863	13,966,421	15,233,702	13,626,180	13,460,536	14,013,947
PERA State Division Net Pension Liability (thousands)	$ 10,113,093	$ 10,872,576	$ 7,375,039	$ 9,484,793	$ 9,703,804	$ 11,378,673	$ 4,784,280	$ 18,368,131	$ 10,531,033	$ 9,406,514

*The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2014 - 2023 (the Colorado PERA Pension Plan's measurement periods) that occurred within the College's fiscal years ended June 30, 2015 - 2024, in accordance with Governmental Accounting Standards Board Statement No. 68 and 82, *Accounting and Financial Reporting for Pensions* .

FORT LEWIS COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF COLLEGE CONTRIBUTIONS

TO THE COLORADO PERA PENSION PLAN (Unaudited)

For the Fiscal Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,895,661	$ 2,400,740	$ 1,705,350	$ 1,544,945	$ 1,661,255	$ 1,676,192	$ 1,522,138	$ 1,540,109	$ 1,490,576	$ 1,491,417
Contributions in relation to the contractually required contribution	1,895,661	2,400,740	1,705,350	1,544,945	1,661,255	1,676,192	1,522,138	1,540,109	1,490,576	1,491,417
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 9,414,960	$ 9,559,155	$ 8,760,788	$ 7,916,344	$ 8,572,008	$ 7,701,933	$ 7,956,811	$ 8,378,468	$ 8,384,596	$ 8,328,195
Contributions as a percentage of covered payroll	20.13%	25.11%	19.47%	19.52%	19.38%	21.76%	19.13%	18.38%	17.78%	17.91%

FORT LEWIS COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF THE COLLEGE'S PROPORTIONATE SHARE OF THE COLORADO PERA OTHER POST-EMPLOYMENT BENEFIT (OPEB) HEALTH CARE PLAN NET OPEB LIABILITY (Unaudited)

For the Fiscal Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability	0.0793931987%	0.0850636868%	0.0840438072%	0.0865953152%	0.0879703920%	0.0910488941%	0.0989885924%	0.1051789869%
College's proportionate share of the net OPEB liability	$ 566,650	$ 694,527	$ 724,714	$ 822,850	$ 988,786	$ 1,238,758	$ 1,286,456	$ 1,363,681
College's covered payroll	$ 8,773,327	$ 8,631,966	$ 8,044,537	$ 8,019,156	$ 7,939,902	$ 7,700,623	$ 8,036,356	$ 8,304,929
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	6%	8%	9%	10%	12%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%
PERA Health Care Trust Fund Total OPEB Liability (thousands)	$ 1,325,637	$ 1,329,183	$ 1,423,054	$ 1,413,526	$ 1,488,508	$ 1,639,734	$ 1,575,822	$ 1,556,762
Health Care Trust Fund Fiduciary Net Position (thousands)	$ 611,911	$ 512,704	$ 560,749	$ 463,301	$ 364,510	$ 279,192	$ 276,222	$ 260,228
PERA Health Care Trust Fund Net OPEB Liability (thousands)	$ 713,726	$ 816,479	$ 862,305	$ 950,225	$ 1,123,998	$ 1,360,542	$ 1,299,600	$ 1,296,534

*The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2016 - 2023 (the Colorado PERA OPEB Health Care Plan's measurement periods) that occurred within the College's fiscal years ended June 30, 2017 - 2024, in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10 year trend is compiled the College presents information for those years for which information is available.

FORT LEWIS COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF COLLEGE CONTRIBUTIONS TO THE

COLORADO PERA OPEB HEALTH CARE PLAN (Unaudited)

For the Fiscal Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 88,096	$ 90,588	$ 84,961	$ 77,567	$ 86,120	$ 77,472	$ 80,293	$ 86,399	$ 85,609	$ 92,448
Contributions in relation to the contractually required contribution	88,096	90,588	84,961	77,567	86,120	77,472	80,293	86,399	85,609	92,448
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 8,636,867	$ 8,881,193	$ 8,329,510	$ 7,604,627	$ 8,443,137	$ 7,595,246	$ 7,871,863	$ 8,470,490	$ 8,393,039	$ 9,063,529
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1 – NET PENSION LIABILITY

Changes in benefit terms and actuarial assumptions are as follows for the measurement periods ended December 31:

Changes in assumptions or other inputs effective for the December 31, 2023 measurement period are as follows:

- Senate Bill 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225,000 direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill 20-1379, but not fully repaid through the provisions within House Bill 22-1029. Pursuant to Senate Bill 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in Section 24-51-116 C.R.S., plus $10,000 from the General Fund, totaling $14,561.
- Senate Bill 12-163, enacted and effective June 6 ,2023, a wildlife officer and a parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purposes of determining their service retirement eligibility.
- As of the December 31, 2023 measurement date, the total pension liability recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

- House Bill 22-1029, effective upon enactment, required the State Treasurer to issue, in addition to the regularly scheduled $225,000 direct distribution, a warrant to PERA in the amount of $380,000 with reductions to future direct distributions. The July 1, 2023 direct distribution will be reduced by $190,000 to $35,000. The July 1, 2024 direct distribution will not be reduced from $225,000 due to a negative investment return in 2022.

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

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision assessment, statutorily recognized July, 2021, and effective July 1, 2022
  - Member contribution rates increase by 0.50 percent.
  - Employer contribution rates increase by 0.50 percent.
  - Annual increase cap is lowered from 1.25 percent per year to 1.00 percent per year.
- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent.

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

- House Bill 20-1379 enacted on June 29, 2020, suspended the $225,000 direct distribution payable on July 1, 2020 for the State's Fiscal Year 2021.
- Senate Bills 18-200 and 20-057 enacted in 2018 and 2020, respectively, expanded the definition of "State Trooper" under Colorado law as follows:

    - Beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII; and
    - New members hired on or after January 1, 2020 as a corrections officer classified as I through IV by a State Division employer.
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for Safety Officers was changed to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

- Senate Bill 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision. The following changes reflect the anticipated adjustments resulting from the 2018 automatic adjustment provision, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increased by 0.50 percent.
    - Employer contribution rates increased by 0.50 percent.
    - Annual increase cap is lowered from 1.50 percent per year to 1.25 percent per year.
- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

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

- The following changes were made to the plan provision as part of Senate Bill 18-20:
  - Member contribution rates increased by 0.75 percent effective July 1, 2020, and an additional 0.50 percent effective July 1, 2021.
  - An annual direct distribution of $225,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions.
  - Annual increase cap is lowered from 2.00 percent per year to 1.50 percent per year.
  - Initial annual increase waiting period is extended from one year after retirement to three years after retirement.
  - Annual increase payments are suspended for 2018 and 2019.
  - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020 increases from three to five years for the State, School, and DPS Divisions and increases from one to three years for the Judicial Division.
- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

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

- The SEIR for the State Division was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR for the State and Judicial Divisions changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

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

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.

- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.

Changes in assumptions or other inputs effective for the December 31, 2015 measurement period are as follows:

- The following programming changes were made:
    - Valuation of the full survivor benefit without any reduction for possible remarriage.
    - Reflection of the employer match on separation benefits for all eligible years.
    - Reflection of one year of service eligibility for survivor annuity benefit.
    - Refinement of the 18-month AI timing.
    - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
    - Recognition of merit salary increases in the first projection year.
    - Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
    - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
    - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

There were no changes made to actuarial methods or assumptions for the December 31, 2014 measurement period for the pension plan compared to the prior year.

NOTE 2 – OTHER POST-EMPLOYMENT BENEFITS LIABILITY

Changes in benefit terms and actuarial assumptions are as follows for the measurement periods ended December 31:

There were no changes made to actuarial methods or assumptions for the December 31, 2023 measurement period.

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

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

There were no changes made to actuarial methods or assumptions for the December 31, 2021 measurement period.

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
  - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
  - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes made to actuarial methods or assumptions for the December 31, 2019 measurement period:

There were no changes made to actuarial methods or assumptions for the December 31, 2018 measurement period:

There were no changes made to actuarial methods or assumptions for the December 31, 2017 measurement period:

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

- The Entry Age actuarial cost method allocation basis was changed from a level dollar amount to a level percentage of pay.
- The investment rate of return assumption decreased, the price inflation assumption decreased, and the wage inflation assumption decreased by 0.25 percent, 0.40 percent, and 0.4 percent, respectively.
- Mortality tables related to the mortality assumption for active members, post-retirement mortality assumption for healthy lives, mortality assumption for disabled retirees were changed.
- Various other assumptions related to assumed rates, wage inflation, PERACare, initial per capita health care costs, health care cost trends, election rates, assumed age differences between future retirees and their participating spouses, and utilization rates changed.

Changes in assumptions or other inputs effective for the December 31, 2015 measurement period are as follows:

- Methodology changes included rates of morbidity and the timing of the normal cost and unfunded actuarial accrued liability payment calculations.
- Changes to actuarial assumptions included PERACare enrollee percentages, initial per capita health care costs, and health care cost trend rates for Medicare Part A premiums.

Changes in assumptions or other inputs effective for the December 31, 2014 measurement period are as follows:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are not expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2015 plan year.

SUPPLEMENTAL INFORMATION

FORT LEWIS COLLEGE

Schedules of Pledge Revenues and Expenses

for Series 2012, 2016, 2019 and 2020 Enterprise Revenue Bonds

For the Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Residence Halls and Apartments	$ 10,895,972	$ 10,237,435
Campus Food Service	6,640,436	6,205,687
Bookstore	43,453	61,718
Student Union	1,973,901	1,851,296
Campus Parking	435,477	333,451
Child Development Center	262,730	381,788
Central Services	431,371	662,280
Recreation Center	1,544,419	1,273,272
Student Activities	659,498	614,717
Conferences & Summer Programs	253,467	161,407
Health and Counseling Center	1,044,537	1,001,399
100% Student Tuition	12,452,128	11,492,321
Scholarship Allowance	(5,689,851)	(5,278,196)
Indirect Cost Recovery	953,338	356,951
Total Revenues	31,900,876	29,355,526
OPERATING EXPENDITURES		
Residence Halls and Apartments	6,149,231	5,841,210
Campus Food Service	5,095,682	4,639,066
Student Union	1,167,078	1,157,334
Campus Parking	179,573	154,915
Child Development Center	316,070	419,009
Central Services	1,382,058	1,393,666
Recreation Center	1,948,425	1,731,078
Student Activities	755,789	755,126
Conferences & Summer Programs	149,438	184,310
Health and Counseling Center	1,767,846	1,617,726
Total Operating Expenditures	18,911,190	17,893,441
Net Revenue before Transfers	12,989,686	11,462,085
TRANSFERS		
Mandatory transfers	3,984,298	3,107,845
Net Non-mandatory Transfers	3,564,962	1,921,949
Total Transfers	7,549,260	5,029,794
Increase (Decrease) in fund balance	$ 5,440,426	$ 6,432,292
Net operating revenue	12,989,686	11,462,086
Bond Principal and Interest	4,270,801	4,260,339
Excess of net operating revenues over debt service	$ 8,718,885	$ 7,201,747
Debt service coverage ratio	304%	269%

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Fort Lewis College (the College), an institution of higher education of the State of Colorado, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 6, 2024. Our report includes a reference to other auditors who audited the financial statements of the Fort Lewis College Foundation, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit, Fort Lewis College Foundation, were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

DWC

Grand Junction, Colorado

December 6, 2024

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LEGISLATIVE AUDIT COMMITTEE COMMUNICATIONS

Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:
Denver, Colorado

We have audited the financial statements of the business-type activities of Fort Lewis College (the College) an institution of higher education of the State of Colorado, for the year ended June 30, 2024 and 2023, and have issued our report thereon dated December 6, 2024. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the Fort Lewis College Foundation (the Foundation), a discretely presented component unit of the College, and the Foundation's financial statements were not audited in accordance with *Government Auditing Standards*. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 24, 2024. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Findings</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. The College adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), during the year ended June 30, 2023. See Note 1 and Note 13 to the College's financial statements for further discussion of the implementation of GASB 96. The application of existing accounting policies was not changed during fiscal year 2024. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net pension liability is based on the estimate of the College's proportionate share of the net pension liability as of December 31, 2023 and 2022 of the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (PERA), as described in Note 19 to the College's financial statements. The College's proportion of the SDTF's net pension liability was based on the College's contributions to the SDTF for the calendar years ending December 31, 2023 and 2022 relative to the total contributions made to the SDTF by participating employers for the calendar years ending December 31, 2023 and 2022.
- Management's estimate of the net other post-employment benefits (OPEB) liability is based on the estimate of the College's proportionate share of the OPEB liability as of December 31, 2023 and 2022 of the Health Care Trust Fund (HCTF) as described in Note 20 to the College's financial statements. The College's proportion of the HCTF's net

OPEB liability was based on the College's contributions to the HCTF for the calendar years ending 2023 and 2022 relative to the total contributions made to the HCTF by participating employers for the calendar year 2023 and 2022.

- Management's estimate of the collectability of student accounts receivable is based on historical analysis. We evaluated the key factors and assumptions used to develop the allowance for bad debts in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of depreciation expense is based on their evaluation of the useful lives of property and equipment. We evaluated the key factors and assumptions used to determine the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the Schedules of the College's Proportionate Share of the Colorado PERA Pension Plan Net Pension Liability, the Schedules of College Contributions to the Colorado PERA Pension Plan, the Schedules of the College's Proportionate Share of the Colorado PERA Other Post-Employment Benefit (OPEB) Health Care Plan Net OPEB Liability, and the Schedules of College Contributions to the Colorado PERA OPEB Health Care Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedules of Pledged Revenues and Expenses for Series 2012, 2016, 2019 and 2020 Revenue Bonds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Legislative Audit Committee, Office of the State Auditor of the State of Colorado, and Board of Trustees and management of Fort Lewis College and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record upon release by the Legislative Audit Committee.

DWC

Grand Junction, Colorado

December 6, 2024

STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS SECTION

Introduction

Fort Lewis College is a state-supported institution of higher education located in Durango, Colorado.

The financial and compliance examination of the various state-funded student assistance programs at the College for the year ended June 30, 2024, was directed toward the objectives and criteria set forth in the Colorado Handbook for State-Funded Student Assistance Programs, issued by the Colorado Department on Higher Education (CDHE). The State-Funded Student Assistance Programs policies are approved by the Colorado Commission on Higher Education (CCHE).

State-Funded Student Assistance Programs

The various State-funded student assistance programs at the College include the Colorado Need Based Grant Program, the Colorado Work Study Program, and the Colorado Graduate Grant Program.

The State-funded student assistance awards made by the College totaled $2,300,825 for the fiscal year ended June 30, 2024.

The Director of Financial Aid is responsible for administration of these programs. This responsibility includes application processing, eligibility determination, and financial aid packaging, as well as ensuring compliance with regulations governing the participation of the College in federal and state financial aid programs. The College Controller is responsible for the programs' financial management, general ledger accounting, payments, and collections.

During the audit period, Fort Lewis College obtained authorizations to award Colorado student financial aid funds of $1,975,230 under the Colorado Need Based Grant Program, $322,973 under the Colorado Work Study Program, and $2,622 under the Colorado Graduate Grant Program.

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INDEPENDENT AUDITOR'S REPORT ON THE STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS OF THE STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS

Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:

Report on the Audit of the Statement of Appropriations, Expenditures, Transfers, and Reversions
Opinion
We have audited the accompanying Statement of Appropriations, Expenditures, Transfers, and Reversions of the State–Funded Student Financial Assistance Programs (the Statement) for Fort Lewis College (the College), an institution of higher education of the State of Colorado, for the year ended June 30, 2024, and the notes related to the Statement.

In our opinion, the Statement referred to above presents fairly, in all material respects, the respective appropriations, expenditures, transfers, and reversions of the State-Funded Student Financial Assistance programs of the College for the year ended June 30, 2024, in accordance with the format as set forth in the *2023-24 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Department of Higher Education (DHE), and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the governing board of the College described in Note 1 to the Statement.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
We draw attention to Note 1 to the Statement, which describes the basis of accounting. As described in Note 1 to the Statement, the Statement prepared by the College was prepared in accordance with the *2023-24 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Department of Higher Education, and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the governing board of the College. The Statement is a summary of cash activity of the state-funded student financial assistance programs with the exception of the Colorado Work-Study programs, and does not present certain transactions that would be included in the statement of state-funded student assistance programs if it was presented on the accrual basis of accounting, as prescribed by generally accepted accounting principles. Accordingly, the accompanying Statement is not intended to, and does not present the financial position, changes in financial position, or cash flows of the College in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statement
Management is responsible for the preparation and fair presentation of the Statement in accordance with the financial format as set forth in the *2023-24 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado-Funded Student Aid* issued by the Colorado Department of Higher Education (CDHE), and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the governing board of the College, as described in Note 1 to the Statement. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Statement

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Statement.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 6, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Restriction on Use

This report is intended solely for the information and use of the Legislative Audit Committee, the Office of the State Auditor, the College's Board of Trustees, and management of the College, the Colorado Department of Higher Education, and the Colorado Commission on Higher Education and is not intended to be, and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee this report is a public document.

DWC

Grand Junction, Colorado

December 6, 2024

FORT LEWIS COLLEGE

STATE-FUNDED STUDENT ASSISTANCE PROGRAMS

STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS

For the Year Ended June 30, 2024

	Total State-Funded Student Assistance	Colorado Need-Based Grant	Colorado Work Study	Colorado Graduate Grant
Appropriations:				
Original	$ 2,300,825	$ 1,975,230	$ 322,973	$ 2,622
Supplemental	$ -	$ -	$ -	$ -
Transfer	$ -	$ -	$ -	$ -
Returned to CCHE	$ -	$ -	$ -	$ -
Totals	$ 2,300,825	$ 1,975,230	$ 322,973	$ 2,622
Expenditures	$ (2,300,825)	$ (1,975,230)	$ (322,973)	$ (2,622)
Reversions to State General Fund	$ -	$ -	$ -	$ -

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Fort Lewis College (the College) is governed by the College's Board of Trustees.

The accompanying Statement of Appropriations, Expenditures, Transfers, and Reversions of state-funded student financial assistance programs (the Statement) has been prepared in accordance with the format as set forth in the *2023-24 Audit Guide for State and Private Non-Profit Institutions of Higher Education, Colorado Funded Student Aid* issued by the Colorado Department of Higher Education (CDHE) and in accordance with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the College. The purpose of the Statement is to present, in summary form, the state-funded student financial assistance activities of the College for the year ended June 30, 2024. Because the Statement presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in financial position of the College in conformity with U.S. generally accepted accounting principles.

Basis of Accounting

The College's accounting system is structured and administered in accordance with the accounting principles promulgated by the National Association of College and College Business Officers in its revised publication *Financial Accounting and Reporting Manual.*

All student aid is expensed on a cash basis except for the Colorado Work Study (CWS) Program. The CWS is on the accrual basis in that the expense is recognized when students earn their wages from employment positions funded by CWS.

DWC
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE STATEMENT OF APPROPRIATIONS, EXPENDITURES, TRANSFERS, AND REVERSIONS OF THE STATE OF COLORADO STATE-FUNDED STUDENT FINANCIAL ASSISTANCE PROGRAMS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Legislative Audit Committee and the Fort Lewis College Board of Trustees:
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Appropriations, Expenditures, Transfers, and Reversions of the State-Funded Student Assistance Programs (the Statement) of Fort Lewis College (the College), an institution of higher education of the State of Colorado, as of and for the year ended June 30, 2024, and the related notes to the Statement, and have issued our report thereon dated December 6, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

DWC

Grand Junction, Colorado

December 6, 2024

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