AIMS COMMUNITY COLLEGE
FINANCIAL STATEMENTS AND SINGLE AUDIT COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2020

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MANAGEMENT'S LETTER

The purpose of this report is to provide readers with fiscal information on the activities and financial condition of the Aims Local College District (the District) as a whole. It incorporates the financial activities of Aims College (the College), its blended component units, and those of the Aims Community College Foundation (the Foundation), it's discretely presented component unit.

The report consists of the District's basic financial statements and notes thereto, actual to budget comparisons, and additional information. We have also included our analysis of the financial results of the District. These statements were prepared in conformity with accounting principles generally accepted in the United States of America, Colorado Higher Education Standards, and other applicable guidelines. Readers are encouraged to read the accompanying notes along with their review of the financial statements.

The management of the District is responsible for the integrity and objectivity of these financial statements, which are presented on the accrual basis of accounting and, accordingly, include some amounts based on judgment. Other financial information in the annual report is consistent with information in the financial statements. A system of internal accounting controls is in place to assure that the financial reports and the books of accounts properly reflect the transactions of the District.

The Board of Trustees of the District monitors the financial and accounting operations of the institution, including the review and discussion of periodic financial statements and the evaluation and adoption of budgets.

The financial statements of the District and notes thereto have been audited by CliftonLarsonAllen, LLP. Their opinion follows.

Chuck Jensen
Vice President for Administrative Services

INDEPENDENT AUDITORS' REPORT

Members of the Board of Trustees Aims College District
Greeley, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Aims Community College (the College), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of AIMS Community College Foundation (the Foundation), the discretely presented component unit of the College. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation, the District's discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Members of the Board of Trustees
Aims College District

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the 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 Aims Community College as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 21, the Schedule of the District's Proportionate Share of the Net Pension Liability (PERA – SDTF), the Schedule of the District's Contributions (PERA – SDTF), the Schedule of the District's Proportionate Share of the Net OPEB Liability (PERA – HCTF), the Schedule of the District's Contributions (PERA – HCTF) to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Actual to Budget Comparison and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Actual to Budget Comparison and the Schedule of Expenditures of Federal Awards are the responsibility of 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 information is 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 February 25, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
February 25, 2021, except for the Schedule of Expenditures of Federal Awards as to which the date is July 29, 2021

Overview

The Purpose, Vision and Mission of the College play a central role to financial and nonfinancial decisions made at Aims Community College.

Purpose: Build a Stronger Community

Vision: First Choice: The Recognized Leader in Learning and Student Success

Mission: Provide knowledge and skills to advance quality of life, economic vitality, and overall success of the diverse communities we serve.

With the Purpose, Vision, and Mission in mind, we are pleased to present this management's discussion and analysis (MD&A) of the Aims Local College District (the District). This discussion and analysis is intended to make the District's financial statements easier to understand and to communicate its financial situation in an open and accountable manner. It provides an objective analysis of the District's financial position and results of operations as of and for the fiscal year ended June 30, 2020. District Management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

The presented information relates to the financial activities of the District and focuses on the financial condition and results of operations as a whole. The financial statements for the Aims Community College Foundation, a legally separate organization whose operations benefit the District, are discretely presented within the District's financial statements. Unless otherwise noted, the information and financial data included in the MD&A relate solely to the District.

Understanding the Financial Statements

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

- The *Independent Auditors' Report* presents an unmodified opinion prepared by the District's auditors, CliftonLarsonAllen, LLP (CLA, LLP), an independent certified publicaccounting firm, on the fairness, in all material respects, of the District and its discretely presented component units' respective financial position.

- The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District at a point in time (June 30, 2020). Its purpose is to present a financial snapshot of the District. This statement aids readers in determining the assets available to continue the District's operations.

- *Statement of Revenues, Expenses, and Changes in Net Position* presents the total revenues earned and expenses incurred by the District for operating, nonoperating, and other related activities during a period of time (the year ended June 30, 2020). Its purpose is to assess the District's operating results.

- *Statement of Cash Flows* presents the District's cash receipts and payments during a period of time (the year ended June 30, 2020). Its purpose is to assess the District's ability to generate net cash flows and meet its payment obligations as they come due.

- *Notes to Financial Statements* present additional information to support the financial statements and are commonly referred to as Notes. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found. We suggest that you combine this financial analysis with relevant nonfinancial indicators to assess the overall health of the District.

Financial Highlights

The following are significant financial highlights for the fiscal year ended June 30, 2020:

- At June 30, 2020, District assets totaled $293.1 million. These assets included $102.6 million of cash and investments, $158.9 million of net capital assets, and $31.6 million of other assets.

- District liabilities include $13.8 million of current liabilities estimated to be payable within the 2021 fiscal year. Noncurrent liabilities in the amount of $98.0 million include:

  - $1.9 million for employee future compensated absences,

  - $3.9 million in future capital lease payments

  - $4.0 million for District's proportionate share of the net Other Postemployment Benefits (OPEB) liability as required by Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and

  - $88.1 million for the District's proportionate share of the net Colorado State Public Employees Retirement Association (PERA) pension liability as required by Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial reporting for Pensions.*

- GASB 68 and GASB 75 also required the District to record deferred outflows of resources and deferred inflows of resources related to pensions and OPEB. These deferred inflows and outflows reflect the change in the pension and OPEB liabilities and will be recognized in pension and OPEB expense in future periods. PERA pension and OPEB deferred outflows of resources were $11.2 million and $16.8 million at June 30, 2020 and 2019, respectively. Deferred inflows of resources related to pension and OPEB were recorded in the amounts of $40.2 million and $60.8 million at June 30, 2020 and 2019, respectively.

- The District's net position at June 30, 2020 was comprised of $2.5 million restricted by donor, grantor, or other external party intentions; $152.3 million was comprised of net investments in capital assets. Negative unrestricted net position of ($2.5 million) is comprised of $118.6 million of unrestricted net position which may be used to meet the District's ongoing obligations, less the District's negative unrestricted net position for pension and OPEB related items ($121.1 million). The total net position of the District was $152.3 million and $97.0 million at June 30, 2020 and 2019, respectively. This increase in total net position of $55.3 million is detailed on the 2020 Statement of Revenues, Expenses, and Changes in Net Position.

- Operating revenues from student tuition, restricted grants and other operating revenues decreased by (1.0%), and were $15.4 million and $15.6 million in fiscal years 2020 and 2019, respectively.

- Nonoperating revenues increased 27.1% and were $109.0 million and $85.7 million in fiscal years 2020 and 2019, respectively. This increase was the result of increases from property tax revenues ($21.4 million increase), federal nonoperating revenues ($0.7 million increase), and state appropriations ($0.9 million increase).

- Total operating expenses increased 2.7% and were $69.1 million and $67.3 million in fiscal years 2020 and 2019, respectively. The change was driven by the District's education and general expenses increasing by $13.9 million, and a change in noncash related PERA/OPEB expenses of ($12.1) million.

- The District completed $15.5 million and $4.3 million of building and land improvement projects during fiscal years 2020 and 2019, respectively. As a result of the completion of major capital projects, depreciation expense for the District increased 10.4% during fiscal year 2020. Depreciation expense was $10.7 million and $9.7 million for fiscal year 2020 and 2019, respectively. The District had $7.0 million and $8.8 million in building and land improvement construction projects in progress as of June 30, 2020 and 2019, respectively.

Statement of Net Position

The Statement of Net Position is a snapshot of the District's financial resources at June 30, 2020. This statement presents:

- The fiscal resources of the District identified as assets;
- the use of net position that applies to future periods identified as deferred outflows of resources;
- the claims against those resources identified as liabilities;
- the acquisition of net position that applies to future periods identified as deferred inflows of resources;
- and the residual net resources available for future operations identified as net position.

The Statement of Net Position is prepared using the accrual basis of accounting and an accounting methodology similar to that used by private sector companies. Assets and liabilities are classified by liquidity as either current or noncurrent. Net Position is classified in three basic categories: net investment in capital assets, restricted, and unrestricted. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these financial statement elements is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the strength of the financial position of the District. Consideration of other nonfinancial factors may be relied upon to assess the overall health of the District.

	June 30, 2020	June 30, 2019
ASSETS		
Current assets	$ 101,804,474	$ 53,188,967
Noncurrent assets - long-term investments	32,414,759	52,683,334
Capital assets	158,890,447	151,495,624
TOTAL ASSETS	**293,109,679**	**257,367,925**
DEFERRED OUTFLOWS OF RESOURCES	**11,190,662**	**16,792,388**
LIABILITIES		
Current liabilities	13,798,630	8,916,246
Noncurrent liability - capital leases	3,929,647	2,342,840
Noncurrent liability - employee compensated absences	1,941,457	1,695,186
Noncurrent liability - net pension liability	88,083,879	98,538,561
Noncurrent liability - OPEB liability	4,042,902	4,798,085
TOTAL LIABILITIES	**111,796,515**	**116,290,918**
DEFERRED INFLOWS OF RESOURCES	**40,208,123**	**60,827,961**
NET POSITION		
Net investment in capital assets	152,340,357	145,866,912
Restricted for expendable purposes	2,503,996	2,355,641
Unrestricted	(2,548,648)	(51,181,119)
TOTAL NET POSITION	**$ 152,295,704**	**$ 97,041,434**

ASSETS

Current Assets

Current assets consist of cash and cash equivalents, short term investments (investments with maturities less than twelve months), student accounts receivable, accounts receivable, property tax receivable, inventories and prepaid assets. Of the District's current assets, 69.0% was held in cash and cash equivalents and short-term investments. All operating expenses and capital projects were funded using cash assets.

Accounts receivable include credit and non-credit student tuition and fee billings, inter-fund transactions between the College and the College Foundation, accrued interest, state appropriations, grant awards, financial aid and scholarships, and other miscellaneous operational transactions. Accounts receivable decreased from 2019 to 2020 by ($0.6 million), with the majority of the decrease due to gaming collections, interest, and federal and state grant awards. There was a decrease in student accounts receivable from 2019 to 2020 of ($0.1 million). With the onset of COVID-19 in March, Aims switched to remote learning. As a result, students were given additional time to pay their bills. The delay in student payments resulted in a slight increase in the allowance for doubtful accounts by $0.1 million.

Property tax receivable represents taxes expected for the period January 1 through December 31. The property tax receivable between fiscal years 2019 and 2020 increased as assessed values of property have increased. The property values for these years have seen increases due to the growing economy of the region. The increase of property values resulting from increased valuation in the oil and gas industry has also increased from previous years.

Property tax receivable increased significantly between June 30, 2019 and 2020, increasing from $5.6 million to $29.0 million, respectively. The increase can be attributed to changes that the State of Coloradomade in HB 20-1421 in response to COVID-19. This bill postponed the tax payment due date to October 1, 2020 in response to financial hardships caused by the pandemic. As of the date of issuance, nearly all of the certified amount has been collected.

Prepaid expenses arise from payments for insurance premiums, leases, warranties, maintenance agreements, professional dues, rent, memberships, subscriptions, deposits, and employee travel. The general dollar threshold for an expense to be considered for prepayment is $5,000 per item, except for insurance premiums, rents, leases, and p-card transactions, which are expensed 100% in the correct fiscal year, irrespective of amount. The majority of the ($0.5 million) decrease in prepaid expenses from fiscal year 2019 is the result of two large software agreements that were expensed in fiscal year 2020. Travel prepays for employees are down due to travel restrictions related to COVID-19.

Other Noncurrent Assets

Long-term investments are investments held by the District with a maturity date extending beyond twelve months. The majority of these investments are held to finance future campus capital construction and repair projects. Long-term investments were $32.4 million and $52.7 million at June 30, 2020 and 2019, respectively. The $20.3 decrease in long-term investments is the result of holding cash when investments came due after COVID-19 closed the College in March 2020. Management chose to hold the cash for items that would be needed for immediate needs as a result of the virus. The College is also expecting large cash outlays in fiscal year 2021 due to construction costs related to building the Welcome Center and for remodeling the Student Center.

Additional information regarding the District's investments and investment policies is provided in Notes 3 and 4 of the accompanying notes to the District's financial statements.

Capital Assets

The District's single largest financial resource is its campus facilities and capital assets. Capital assets consist of District land, land improvements, infrastructure and improvements, vehicles and equipment, capital leases, and construction in progress. Capital assets that have a unit cost of $5,000 or more and an initial useful life extending beyond one year are recorded at book value at the time of purchase, and are reported net of accumulated depreciation.

Capital assets net of accumulated depreciation totaled $158.9 million at June 30, 2020, and $151.5 million at June 30, 2019. The $7.4 million increase in net capital assets is primarily attributable to capital acquisitions and ongoing capital construction projects. Twenty five building and land improvement projects, totaling $15.5 million, were completed during fiscal year 2020. The largest of these projects were the completions of the Fort Lupton Welding expansion project for $3.0 million and the Loveland Airport Hanger renovation for $3.1 million. At June 30, 2020 the District had invested $7.0 million in capital construction projects in progress at year-end. Significant capital construction projects in progress at year-end included the Welcome Center and the College Center renovation.

Note 6 of this report summarizes changes in capital assets between June 30, 2019 and June 30, 2020.

Deferred Outflows of Resources

Deferred outflows of resources can be defined as an outlay of resources by the District that is applicable to a future reporting period. For fiscal year 2020, pension and OPEB related outflows, which reflect the changes in the pension and OPEB liabilities to be recognized in future periods, totaled $11.2 million. Deferred PERA pension outflows of resources were $10.8 million and $16.4 million, at June 30, 2020 and 2019, respectively; deferred OPEB outflows of resources remained at $0.4 million.

LIABILITIES

Current Liabilities

Current liabilities include amounts owed to vendors, personnel commitments, and unearned revenue due to be paid or earned within one year. Accounts payable and accrued liabilities are the District's most significant current liabilities. Accounts payable liabilities at June 30, 2020 were $3.9 million and included amounts payable in July and August 2020 for capital construction and technology services. Accrued liabilities of $1.4 million were primarily for employee payroll and fringe benefits paid during July 2020.

Current capital leases payable in the amount of $0.6 million represents amounts owed in the next 12 months for 12 airplane leases for the Aviation program, and two truck leases for the Commercial Driver's License (CDL) program.

Unearned revenues of $6.6 million includes tuition and fees received by June 30, 2020 for services to be provided in fiscal year 2021. It also includes revenues received from grants and contracts that have not yet been earned. This balanced significantly increased from FY19 to FY20 due to the fact that the Governor's Office of the State of Colorado transferred $5.6 million in CARES Act funding from the Coronavirus Relief Fund (CRF) to the District in May 2020. The full amount was recorded as unearned revenue and must be spent by December 30, 2020. The amounts will be recognized as revenue in future periods after all eligibility requirements have been satisfied.

Deposits held for others is cash that the District is holding for another organization that does not belong to the District. The largest portion of deposits held is for the Aims Foundation in the amount of $0.7 million. Other deposits held include student clubs, third party scholarships, and facility use deposits.

Noncurrent Liabilities

Noncurrent liabilities are those items that are due beyond the 12-month period ending June 30, 2021. The District's noncurrent liabilities include the District's net pension liability required by GASB 68, its net OPEB liability required by GASB 75, its commitments to pay employee compensated absences for vacation and sick leave, and capital lease liabilities.

GASB 68 requires the District to recognize the District's proportionate share of the collective net pension liability of the State of Colorado in the District's financial statements. Having employers record their share of the collective net pension liability provides transparency to financial statement users as to the entire net pension liability and pension expense of the cost-sharing plan for the State of Colorado. Details concerning the District's GASB 68 pension liability and expense are provided by Note 8 of these financial statements.

The District's net pension liability required by GASB 68 was $88.1 million and $98.5 million at June 30, 2020 and 2019, respectively. This $10.5 million decrease was due to the changes in assumptions in the actuarial valuation used to calculate the net pension liability. The District has no legal obligation to fund this net pension liability, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

GASB 75 requires the District to recognize the District's proportionate share of the collective net OPEB liability for the PERA Health Care Trust Fund as a liability in the District's financial statements. Having employers record their share of the collective net OPEB liability provides transparency to financial statement users as to the entire net OPEB liability and OPEB expense of the cost-sharing plan for the State of Colorado. Details concerning the District's GASB 75 OPEB liability and expense are provided by Note 10 of these financial statements.

The District's net OPEB liability required by GASB 75 was $4.0 million at June 30, 2020, and $4.8 million at June 30, 2019. The District has no legal obligation to fund this OPEB liability; nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

The District's noncurrent liability for employee compensated absences remained relatively stable at $1.9 million and $1.7 million at June 30, 2020 and June 30, 2019, respectively. Details concerning the District's compensated absences is provided in Note 12.

The capital lease liability of $3.9 million is the portion of the airplane and CDL truck leases that will be paid in a period longer than 12 months after June 30, 2020. Note 13 of these financial statements provides additional information related to long term lease obligations.

Deferred Inflows of Resources

Deferred inflows of resources can be defined as an acquisition of resources by the District that is applicable to a future reporting period. Deferred inflows of resources related to PERA pensions were recorded in the amount of $39.5 million and $60.8 million; deferred inflows of resources related to OPEB were $0.7 million and $0.007 million at June 30, 2020 and June 30, 2019, respectively.

Net Position

Net position represents the resources available for future operations. The District's total net position equals assets plus deferred outflows of resources, reduced by liabilities and deferred inflows of resources. Net position is classified in three types: Net Investment in Capital Assets, Restricted, and Unrestricted. Total net position was $152.3 million and $97.0 million at June 30, 2020 and 2019, respectively. The District's educational and auxiliary revenues contributed $15.4 million in net position; nonoperating revenues contributed $109.0 million.

Net Investment in Capital Assets

Net investment in capital assets refers to purchases of capital assets including land, equipment, buildings and building improvements, infrastructure and infrastructure improvements, and capital leases, less any related debt. This is the District's largest class of net position, comprising $152.3 million and $145.9 million of the District's net position at June 30, 2020 and 2019, respectively.

Restricted

Restricted expendable assets are those items restricted in use by parties external to the District. TABOR reserves are a requirement of the State of Colorado, and require the District to set aside reserves for declared emergencies of 3% or more of fiscal year spending, excluding bonded debt service payments and auxiliary funds. The TABOR reserve was $2.5 million and $2.3 million for the period ended June 30, 2020 and June 30, 2019, respectively. Nongovernmental grants and gifts make up the remaining portion of restricted net position and were $32,497 and $27,108 for the fiscal years ended June 30, 2020 and June 30, 2019, respectively.

Unrestricted

Unrestricted net position represents those balances received from operational activities that have not been restricted by parties external to the District. This includes funds which have been designated by the governing board for specific purposes as well as amounts that have been contractually committed for goods and services which have not yet been received. Unrestricted net position was ($2.5) million and ($51.2) million at June 30, 2020 and June 30, 2019, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position present the financial activity of the District over the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. A key component of this statement is the differentiation between operating and nonoperating activities.

	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
Operating Revenues:		
Net tuition and fees	$ 9,126,230	$ 9,790,263
Grants and contracts	5,717,664	5,118,565
Auxiliary operating revenue	423,958	450,500
Other operating revenues	139,757	207,959
Total Operating Revenues	**15,407,609**	**15,567,287**
Operating Expenses:		
Educational and general	58,111,951	57,243,249
Auxiliary	313,206	370,538
Depreciation and amortization	10,696,670	9,686,964
Total Operating Expenses	**69,121,827**	**67,300,751**
Operating Loss	**(53,714,218)**	**(51,733,464)**
Nonoperating Revenues (Expenses) and Gains (Losses)		
Net general property taxes	87,004,996	65,599,967
State appropriations	11,450,334	10,532,836
Federal nonoperating revenue	7,290,880	6,609,306
Investment income	2,605,882	2,117,953
Other nonoperating revenues	846,274	2,747,088
Loss on disposal of assets	(39,153)	(1,727,658)
Interest on capital asset	(201,287)	(148,534)
Net Nonoperating Revenues	**108,957,926**	**85,730,958**
Capital contributions	**10,561**	**7,000**
Increase in Net Position	**55,254,270**	**34,004,494**
Net Position, Beginning of Year	**97,041,434**	**63,036,940**
Net Position, End of Year	**$ 152,295,704**	**$ 97,041,434**

Revenues

Operating Revenues

Operating revenues are derived from tuition and fees, auxiliary activity, grants and contracts, and other operating revenues.

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. Tuition and fees revenues, net of scholarship allowances, totaled $9.1 million. A scholarship allowance is applied to student accounts and is shown as a reduction of student tuition revenue. The scholarship allowance for the years ended June 30, 2020 and June 30, 2019, was $4.2 and $3.5, respectively. This discount is calculated using an approved formula designed to reflect other scholarship revenues and institutional scholarship expense used specifically for tuition and fees. For example, the District records funds received from the Pell student grant program as revenue. Those funds are then applied to student accounts in payment of tuition and fees which are also included as revenue. Without this discount, student tuition revenues would be overstated by the double counted amount. Additional information on scholarship allowances is outlined in Note 1.

Enrollment Highlights

Inside the District, we continued the cultural development work to become the inclusive, diverse, equitable institution we envision in our purpose, vision, and mission statements. Inside and out we are making a difference, as evidenced in the increasing enrollment Aims has seen over the last four years.

The tables below summarize student enrollment data over the past five years. The District's unduplicated student headcount and full time equivalent enrollment (FTE, defined as students enrolled in 30 or more credit hours per year), has steadily increased since 2016.

Student Headcount Enrollment		
Fiscal Year	Unduplicated headcount	Percent Change
2020	9,234	3.8%
2019	8,895	5.4%
2018	8,436	5.9%
2017	7,966	5.8%
2016	7,530	6.0%

Student FTE Enrollment								
	Resident FTE				Nonresident FTE		Combined FTE	
Fiscal Year	In-District	Out-of-District	Total	Percent Change	Out-of-State	Percent Change	Total	Percent Change
2020	2,939	814	3,753	2.7%	125	-0.8%	3,878	2.6%
2019	2,882	772	3,654	3.1%	126	3.3%	3,780	3.1%
2018	2,782	761	3,543	5.6%	122	8.0%	3,665	5.7%
2017	2,701	655	3,356	2.9%	113	17.7%	3,469	3.4%
2016	2,607	653	3,260	3.2%	96	35.2%	3,356	3.9%

The growth in headcount is from three main areas of growth:

1. Concurrent high school students taking college classes while still in high school,
2. Students completing coursework for personal or professional development, and
3. Students seeking a college degree.

High school students enrolled in a concurrent high school/college program, as well as students taking courses for personal or professional development, tend to take less than four courses during a year. As a result, student FTE generated by these populations of students (up 2.6%) is less than the increase in headcount for these students (up 3.8%).

Grant and contract revenues

Grant and contract operating revenues include restricted revenues from governmental agencies and private agencies, excluding Pell grants, CARES Act and CRF revenues. The majority of grant revenues are recorded as reimbursement of expenses associated with the grant. Fiscal year 2020 grant and contract revenues increased to $5.7 million for the year ended June 30, 2020, up from $5.1 million for 2019. The majority of the increase in this revenue stream was due to increased state-funded student financial aid in the amount of $0.6 million. Also see Federal Nonoperating Revenue below for information on Pell and other nonoperating grants.

Auxiliary enterprises

Auxiliary enterprises exist primarily to furnish goods or services to students, faculty, staff, or the general public and charge a fee directly related to the cost of those goods or services with the intention of being self-supporting. Food Services, facility rentals and bookstore commissions provided $0.4 million in fiscal year 2020, which is comparable to the prior year amount of $0.5 million. The decrease in revenue is attributed to the closure of Auxiliary services for the last 3 months of the fiscal year due to COVID-19.

Other operating revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, taxable and nontaxable sales, prior year insurance recoveries, and administration fees. Other operating revenues were $0.1 million and $0.2 million in fiscal years 2020 and 2019, respectively.

Nonoperating Revenues

Nonoperating revenues are those revenues which are not directly generated through the operation of the College. The District's nonoperating revenues include investment income, state appropriations, property tax revenues, Pell grant revenue, CARES Act revenue, capital grants and gifts, and gains or losses on the disposal of assets. These revenues are not earned from the sale of goods and services and are considered nonoperating.

General property tax revenue

Property taxes represent the District's largest source of revenue, generating 70.0% of total revenues to the District. Property tax revenues, based upon the valuation certified by the County Assessor, increased 32.6% due to an increased assessment of residential property and oil and gas values in Weld County. The base mill levy remained unchanged at 6.299 mills which generated $87.0 million and $65.6 million in gross revenue for fiscal years 2020 and 2019, respectively.

State appropriations

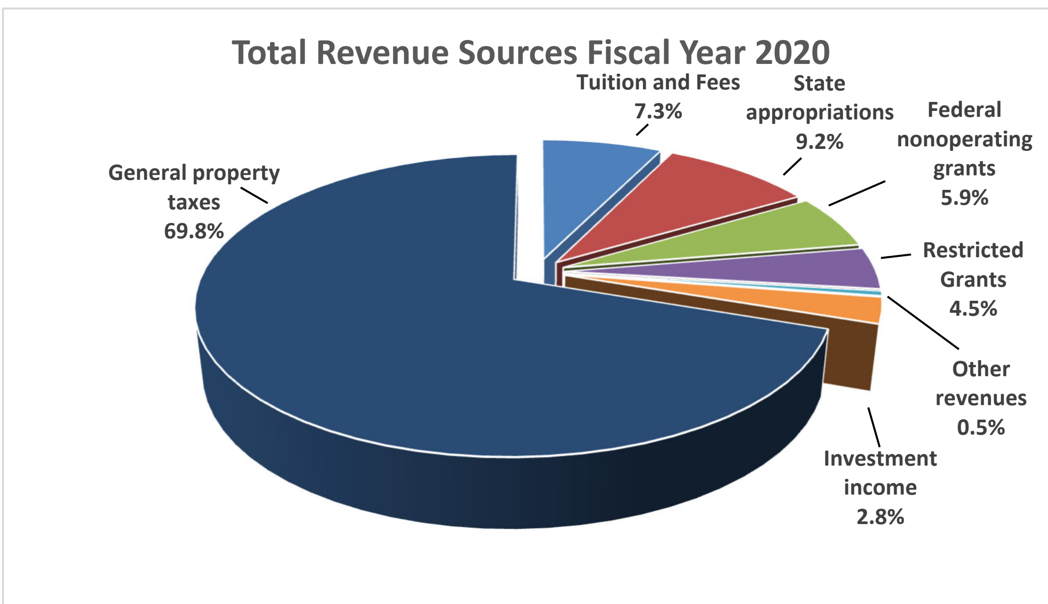
Colorado state appropriations and Amendment 50 gaming revenues are collectively reported as nonoperating state appropriations. The increase in this category was $1.0 million, from $10.5 million in fiscal year 2019 to $11.5 million in fiscal year 2020.

Federal Nonoperating Revenue

Non-exchange funds are not direct payment for services or product. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Pell grants account for the entirety of funds in this category, at $6.5 million and $6.6 million for fiscal years 2020 and 2019, respectively.

The other Federal nonoperating revenue for fiscal year 2020 is the CARES Act. CARES Act funding in the amount of $2.6 million was granted to the District through the Department of Education. Half of the funding was granted to students for emergency financial aid, and the other half was to be used for institutional expenses related to COVID-19. Combined revenue recognized for the CARES Act in fiscal year 2020 was $0.8 million. The College has until spring 2021 to spend the funds.

The following chart shows the percentage breakout of total revenue by funding source:



Expenses

Operating Expenses

Operating expenses include salaries and benefits, goods and services provided to the District, institutional scholarships, and operations and maintenance of plant. Total operating expenses were $69.1 million and $67.3 million for fiscal years 2020 and 2019, respectively, an increase of $1.8 million. See Note 14 for a breakout of the natural classification of expenses exclusive of pension and OPEB expenses for the discussion below.

Personnel costs are the District's largest operating expense, and increased to $50.8 million in 2020, up from $45.3 million in 2019. Increases in salaries and benefits are reflective of increased salary funding, and increased health insurance costs in fiscal year 2020 (exclusive of -$26.2 million adjustment to record pension GASB 68 entries and -$0.1 million OPEB GASB entries).

The net of supplies and operating expenses increased between fiscal years 2019 and 2020 by $6.4 million. The increase is attributed to the purchase of a new Enterprise Resource Planning subscription (Workday), along with consultant fees and temporary employees used to help implement the system.

Scholarships, including Federal, state, local and institutional scholarships, increased, totaling $9.0 million and $7.9 million in fiscal years 2020 and 2019, respectively. The largest increase was federal CARES Act funding directly to students in the amount of $0.6 million, and foundation scholarships of $0.2 million. The Federal direct student loans processed through the District for fiscal year 2020 were $2.8 million, and Pell grants were $6.5 million.

Depreciation increased by $1.0 million to $10.7 million mainly due to number of capital projects, land improvements, and infrastructure improvements that were completed and put into service in fiscal year 2020. Depreciation of leased capital assets is also part of this number.

The operating loss of $53.7 million is prior to the application of state and local revenues. The District is not intended to be self-supporting and, although tuition and fees are an important source of revenue, the District could not operate without funding from the Federal Government, State of Colorado and Weld County. Fiscal year 2020 operating loss increased by $2.0 million from fiscal year 2019.

Management's Analysis of Functional Classifications

Operating expenses are reported by functional classification, which identifies the costs of programs and services provided by the District. The classifications tell why an expense was incurred, rather than what was purchased. Functional classifications are defined by the National Association of College and University Business Officers (NACUBO) and are utilized by public colleges and universities in the United States to allow for comparability between higher education institutions.

Each functional area in the following tables was adjusted by the portion of the noncash benefits expense for GASB 68 and GASB 75 based on its proportion of PERA payroll (see Notes 8 and 9). The following two tables provide information regarding the District's expenditures by functional classifications excluding and including the pension and OPEB adjustments (remove annual contributions from expense, then record contra pension expense) for the fiscal years 2020 and 2019, respectively. The pension, OPEB, and State funded expenses for GASBs 68 and 75 were ($19.5) million in fiscal year 2020, and ($7.9) million in fiscal year 2019.

Functional Classification Operating Expenses by Function with Pension and OPEB Expense Separately Identified

	Fiscal Year Ended June 30, 2020		
	Expenses before Pension & OPEB	Pension & OPEB Adjustments	Total Expenses
Instruction	$ 29,912,260	$ (11,422,567)	$ 18,489,693
Public service	34,472	(13,589)	20,883
Academic support	10,814,736	(4,339,459)	6,475,277
Student services	10,828,132	(4,135,956)	6,692,176
Institutional support	15,946,407	(4,885,801)	11,060,606
Operation of plant	7,625,106	(1,203,465)	6,421,641
Student aid	8,951,677	-	8,951,677
Auxiliary	540,346	(227,140)	313,206
Depreciation and amortization	10,696,670	-	10,696,670
Total Operating Expenses	**95,349,804**	**(26,227,977)**	**69,121,827**

	Fiscal Year Ended June 30, 2019		
	Expenses before Pension Adjustments	Pension & OPEB Adjustments	Total Expenses
Instruction	$ 26,585,468	$ (6,362,459)	$ 20,223,009
Public service	64,009	(16,919)	47,090
Academic support	10,002,883	(2,457,123)	7,545,760
Student services	8,526,541	(2,002,161)	6,524,380
Institutional support	11,293,747	(2,513,390)	8,780,357
Operation of plant	6,868,833	(637,621)	6,231,212
Student aid	7,930,285	-	7,930,285
Auxiliary	420,172	(88,478)	331,694
Depreciation and amortization	9,686,964	-	9,686,964
Total Operating Expenses	**81,378,902**	**(14,078,151)**	**67,300,751**
Variance Fiscal Year 2020 and 2019	**$ 13,970,902**	**$ (12,149,826)**	**$ 1,821,076**

	Variance before Pension Expense	Pension Variance	Total Variance
Instruction	$ 3,326,792	$ (5,060,108)	$ (1,733,316)
Public service	(29,537)	3,330	(26,207)
Academic support	811,853	(1,882,336)	(1,070,483)
Student services	2,301,591	(2,133,795)	167,796
Institutional support	4,652,660	(2,372,411)	2,280,249
Operation of plant	756,273	(565,844)	190,429
Student aid	1,021,392	-	1,021,392
Auxiliary	120,174	(138,662)	1,009,706
Depreciation and amortization	1,009,706	-	(18,488)
Total Operating Expenses Variances	**$ 13,970,902**	**$ (12,149,826)**	**$ 1,821,076**

The following analysis will discuss changes without the noncash PERA and OPEB adjustments in them in order to represent cash related expenditures incurred by the District.

Instruction expenses increased by $3.3 million between fiscal years 2019 and 2020, due to an increase of $1.7 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of $1.6 million.

Academic support expenses increased by $0.8 million between fiscal years 2019 and 2020, with the increase due to salary and fringe benefit increases of $0.5 million, and an increase in supplies and operating of $0.3 million.

Student services expenses increased $2.3 million during fiscal year 2020, as a result of an increase of salary and benefit expenses of $1.6 million, and an increase of in supplies and operating expenses of $0.7 million.

Institutional support expenses increased $4.7 million during fiscal year 2020. This increase included an additional $1.4 million for salary, and an increase in supplies and operating expenses of $3.3 million.

Operation of plant expenses increased $0.8 million during fiscal year 2020. Of the change, $0.3 million was related to salaries and benefits increases, and there was an increase of $0.5 million in supplies and operating expenses.

Auxiliary and public service expenses remained stable for fiscal year 2020, increasing by $0.1 million in salary and fringe. Student aid and depreciation expenses each increased by $1.0 million between fiscal years 2019 and 2020.

Management's Analysis of Natural Classifications

The District also summarized its expenses by their natural classification, which represents expenses by type, regardless of the program or service. The table below illustrates expenses by natural classifications. Primary expenditure increases and decreases were the result of salary and benefit increases, depreciation, and changes in the College's net pension liability as explained above.

Operating Expenses by Natural Classification

	June 30, 2020	June 30, 2019	Variance
Employee & personnel services	$ 50,777,974	$ 45,285,512	$ 5,492,462
Pension & OPEB expense	(26,227,977)	(14,078,150)	(12,149,827)
Subtotal personnel services	24,549,997	31,207,362	(6,657,365)
Supplies	4,125,861	3,656,018	469,843
Operating	20,797,623	14,820,122	5,977,501
Student aid	8,951,677	7,930,285	1,021,392
Depreciation	10,696,670	9,686,964	1,009,706
Total Operating expenses	**$ 69,121,827**	**$ 67,300,751**	**$ 1,821,076**

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the past fiscal year.

The primary cash received from operating activities includes tuition and fees, grant and gift revenues, and auxiliary revenue. Cash outlays for operations include payments for salaries, wages, benefits, supplies, and services. Just as the general property taxes and state appropriations are not reported as operating revenue, cash flows from both are considered noncapital financing rather than as operating sources.

Significant changes in this statement are noted below:

- Operating activities of the District required $67.6 million and $56.2 million of cash in fiscal years 2020 and 2019, respectively. This $11.4 million increase in cash used is primarily due to increased cash payments in the amount of $5.2 million to and for employee compensation, $5.8 million in payments to suppliers, and $1.2 million in scholarship disbursements. Cash paid to and for employees was $50.3 million and $45.1 million for fiscal years 2020 and 2019, respectively.

- Cash flows provided by noncapital financing activities increased $4.0 million, and were $88.6 million and $84.6 million in fiscal years 2020 and 2019, respectively. This increase is primarily the result of the District receiving Federal flow through Cares Act funding from the State of Colorado in the amount of $5.6 million. State appropriations increased by $1.1 million, however, property taxes and royalty revenues received during fiscal year 2020 both decreased (down $1.3 million and $1.7 million, respectively). The District expects that General Property Tax revenues received will continue to remain steady in fiscal year 2021.

- Cash used for capital and related financing activities increased and were $17.4 million and $13.5 million in fiscal years 2020 and 2019, respectively. This is the result of the District's completion of major capital construction projects in fiscal year 2020.

- In fiscal year 2020, cash provided by investing activities was $21.3 million. The District purchased $41.8 million in new investments, sold $60.5 million of investments, and received $2.6 million in realized investment earnings.

- Overall, the District's cash position increased 105.3%. Cash and cash equivalents were $48.6 million and $23.7 million at June 30, 2020 and 2019, respectively. This increase is primarily due to the sale of investments to hold for cash during the COVID-19 pandemic, and to pay for two large construction projects.

Condensed Statement of Cash Flows

	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
Cash Flows from Operating Activities:		
Tuition and fees	$ 8,933,377	$ 9,596,640
Grants and gifts	6,223,892	4,871,535
Other cash receipts	800,266	655,890
Payments to or for employees	(50,340,364)	(45,128,120)
Payments to suppliers	(24,100,194)	(18,301,305)
Scholarships disbursed	(9,128,692)	(7,890,169)
Net Cash Used in Operating Activities	**(67,611,715)**	**(56,195,530)**
Cash Flows from Nonoperating, Capital and Investing Activities:		
State appropriations, noncapital	11,571,317	10,461,322
Federal revenues, noncapital	12,955,434	6,614,820
General property taxes, noncapital	63,658,280	64,921,113
Other noncapital financing activities	400,585	2,633,888
Acquisition or construction of capital assets (net)	(17,411,773)	(13,516,230)
Purchases of investments	(41,795,499)	(35,600,187)
Proceeds from sales of investments	60,525,587	14,513,735
Investment earnings	2,607,360	1,284,091
Net Cash Provided by Nonoperating, Capital and Investing Activities	**92,511,290**	**51,312,552**
Increase (decrease) in cash and cash equivalents	24,899,574	(4,882,978)
Cash and cash equivalents, beginning year	23,654,691	28,537,669
Cash and Cash Equivalents, End of year	**$ 48,554,266**	**$ 23,654,691**

Economic Outlook

Factors affecting the future of the district include the risk of changing student enrollment, and the possibility of decreased funding from District property taxes and state appropriations due to the pandemic. Each of these factors is sensitive to the condition of the local and statewide economies. Other factors include the ability of the District to meet the educational needs of the community, including underprepared students, and attracting and retaining qualified faculty and staff.

To manage student enrollment, the District has developed several programs to improve student success and retention as outlined in the five year strategic plan approved by the Board of Trustees on August 8, 2018.

The economic issues created by the pandemic that are affecting the State of Colorado are a concern to the District and the higher education community as a whole. There has been some stability in the state appropriations due to Federal CARES funding for fiscal years 2020 and 2021. The economic forecast for Fiscal year 2022 is showing some positive indicators. The concern lies in looking out to fiscal years 2023 and 2024 and the timing of the recovery from the economic issues created by the pandemic. The District will continue to monitor economic forecasts issued by the State of Colorado and plan accordingly.

The growth and the assessed valuation of property within the taxing district play a critical role. Six counties contribute to the assessed value of the taxing district, with the largest contribution coming from Weld County. For fiscal year 2020, property tax revenue growth was derived primarily from oil and gas production in Weld County. The unstable funding swings in oil and gas property tax revenues require careful monitoring by the District when planning for the future. The District has prepared well financially for economic swings in the oil and gas industry by maintaining adequate reserves to minimize potential impacts caused by economic fluctuations.

Additionally, the District analyzes tuition rates annually and adjusts tuition based on funding mix and projected costs. The District's tuition rates are less than all thirteen of the Colorado State System community colleges and are competitive with Colorado Mountain College, a similarly funded Local College District. The District has maintained the same tuition rates since fiscal year 2011-12.

The District will continue to explore revenue growth and cost containment solutions that will support its educational mission and strengthen its presence in the community.

Requests for Information

This financial report is designed to provide a general overview of the Aims Local College District's finances. If you have questions regarding any of the information provided in this report, or if you have a request for additional financial information regarding the District, please contact the Vice President for Administrative Services, Aims College District, P.O. Box 69, 5401 W. 20th Street, Greeley, Colorado, 80634.

Requests for copies of the 2020 financial statements for Aims Community College Foundation should be also addressed to the Vice President for Administrative Services at the address provided above.

AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 48,554,266
Short-term investments	21,651,767
Student accounts receivable, net of allowance of $386,405	675,539
Accounts receivable	1,401,550
Property tax receivable	28,952,048
Inventories	132,165
Prepaid expenses and other current assets	437,140
Total Current Assets	101,804,474
Noncurrent Assets:	
Long-term investments	32,414,759
Total Long-Term Investments	32,414,759
Nondepreciable Capital Assets:	
Land	15,120,841
Land improvements	2,931,537
Art/historical figures	42,132
Construction-in-progress	7,031,050
Depreciable Capital Assets (Net):	
Land improvements	12,566,877
Buildings and improvements	107,641,734
Vehicles	1,309,613
Equipment and furniture	7,985,291
Capital Leases	4,261,370
Total Capital Assets (Net)	158,890,447
Total Noncurrent Assets	191,305,206
TOTAL ASSETS	**293,109,679**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - Pension	10,786,257
Deferred outflows of resources - OPEB	404,405
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**11,190,662**

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2020

LIABILITIES	
Current Liabilities:	
Accounts payable	$ 3,872,739
Accrued liabilities	1,431,746
Unearned revenue	6,577,794
Compensated absence liabilities, current portion	485,364
Deposits held in custody for others	851,635
Capital leases payable	579,352
Total Current Liabilities	13,798,630
Noncurrent Liabilities:	
Compensated absence liabilities	1,941,457
Net pension liability	88,083,879
Net OPEB liability	4,042,902
Capital leases payable	3,929,647
Total Noncurrent Liabilities	97,997,885
TOTAL LIABILITIES	**111,796,515**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	39,461,286
Deferred inflows of resources - OPEB	746,837
TOTAL DEFERRED INFLOWS OF RESOURCES	**40,208,123**
NET POSITION	
Net investment in capital assets	152,340,357
Restricted for expendable purposes:	
TABOR reserves	2,471,499
Nongovernmental grants and gifts	32,497
Unrestricted	(2,548,648)
TOTAL NET POSITION	**$ 152,295,704**

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS		
Cash and cash equivalents	$	327,346
Deposits held by others		674,938
Operating investments		3,168,642
Contributions receivable, net		1,600
Other receivables		4,746
Endowment:		
Investments		2,262,502
Beneficial Interest in perpetual trust		1,941,060
Total Assets	**$**	**8,380,834**
LIABILITIES AND NET ASSETS		
Accounts payable	$	-
Total Liabilities		**-**
NET ASSETS		
Without donor restrictions:		
Board-designated endowment		396,459
Unrestricted		1,440,357
With donor restrictions		6,544,018
Total Net Assets		**8,380,834**
Total Liabilities and Net Assets	**$**	**8,380,834**

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2020

REVENUES	
Operating Revenues:	
Student tuition and fees, net of scholarship allowances of $4,188,663	$ 9,126,230
Federal grants and contracts	1,284,582
State and local grants, contracts and gifts	4,433,082
Sales and services of educational activities	59,929
Auxiliary operating revenue	423,958
Other operating revenue	79,828
Total Operating Revenues	**15,407,609**
EXPENSES	
Operating Expenses:	
Educational and general:	
Instruction	18,489,693
Public service	20,883
Academic support	6,475,277
Student services	6,692,176
Institutional support	11,060,606
Operation of plant	6,421,641
Student aid	8,951,677
Depreciation and amortization	10,696,670
Auxiliary	313,206
Total Operating Expenses	**69,121,827**
Operating Loss	**(53,714,218)**
NONOPERATING REVENUES (EXPENSES)	
General property taxes, net of bad debt allowance of $1,035,045	87,004,996
State appropriations	11,450,334
Federal nonoperating revenue	7,290,880
Investment income	2,605,882
Other nonoperating revenues	846,274
Loss on disposal of assets	(39,153)
Interest on capital asset	(201,287)
Net Nonoperating Revenues	**108,957,926**
Income Before Other Revenues	**55,243,709**
Capital contributions	**10,561**
Change in Net Position	**55,254,270**
Net Position, Beginning of Year, as Previously Reported	**97,041,434**
Net Position, End of Year	**$ 152,295,704**

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions
REVENUE, SUPPORT, AND GAINS		
Contributions	$ 30,644	$ 371,199
In-kind contributions	437,546	35,708
Net investment revenue (loss)	147,594	186,131
Grants	-	16,458
Special events revenue	866	3,649
Net assets released from restrictions	1,042,643	(1,042,643)
Total Revenue, Support, and Gains	1,659,293	(429,498)
EXPENSES		
Program services expense:		
Student scholarships	343,458	-
Support for academic programs	73,863	-
Support for student services	13,277	-
Other college programs	2,745	-
Total Program Expenses	433,343	-
Supporting services expense:		
Management and general	449,396	-
Fundraising and development	74,838	-
Total supporting services expenses	524,234	-
Total expenses	957,577	-
Change in Net Assets	701,716	(429,498)
Net Assets, Beginning of Year	1,135,100	6,973,516
Net Assets, End of Year	$ 1,836,816	$ 6,544,018

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received:	
Tuition and fees	$ 8,933,377
Grants and gifts	6,223,892
Sales of services	59,777
Sales of products	366,008
Other receipts	374,481
Cash Payments:	
Payments to or for employees	(50,340,364)
Payments to suppliers	(24,100,194)
Scholarships disbursed	(9,128,692)
Net Cash Used in Operating Activities	**(67,611,715)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations, noncapital	11,571,317
Federal revenues, noncapital	12,955,434
General property taxes, noncapital	63,658,280
Decrease in deposits held in custody for others	(397,726)
Other noncapital financing activities - royalties	798,311
Direct Loans receipts	2,790,833
Direct loans disbursements	(2,790,833)
Net Cash Provided by Noncapital Financing Activities	**88,585,615**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition or construction of capital assets	(13,562,531)
Proceeds from sale of capital assets	27,642
Principal paid on capital leases	(389,725)
Interest paid on capital debt	(201,287)
Payment of prior year payables for capital assets	(3,285,872)
Net Cash Used in Capital and Related Financing Activities	**(17,411,773)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(41,795,499)
Proceeds from sales of investments	60,525,587
Investment earnings or (loss)	2,607,360
Net Cash Used by Investing Activities	**21,337,447**
Increase (Decrease) in Cash and Cash Equivalents	24,899,574
Cash and Cash Equivalents, Beginning Year	23,654,692
Cash and Cash Equivalents, End of year	**$ 48,554,266**

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	**$**	**(53,714,218)**
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense		10,696,670
Changes in operating assets, liabilities and deferred outflows and inflows:		
Receivables, net		585,268
Inventory, prepaid expenses and other assets		472,834
Deferred outflows of resources		5,601,725
Accounts payable and accrued liabilities		204,211
Unearned revenues		57,962
Compensated absences		307,838
Deposits held in custody for others		5,696
Net pension and net OPEB liability		(11,209,865)
Deferred inflows of resources		(20,619,838)
Net Cash Used in Operating Activities	**$**	**(67,611,716)**
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES AND INVESTING ACTIVITIES		
Construction accounts payable and retainages	$	(2,029,311)
Gain (loss) on disposal of capital assets		(39,153)
Donated Assets		10,561
Unrealized gain(loss) on investment		1,000,522
Capital assets acquired through capital lease		(2,270,505)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Aims Local College District (the District) is a self-governing college district with direct taxing authority. The District was formed in January 1967 to serve the post-high school educational needs, including vocational and adult education, of Weld County, Colorado and adjacent counties. Aims Local College District operates under the name of Aims Community College.

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

As required by generally accepted accounting principles, these financial statements present the District (primary government) and its component unit. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

Blended Component Unit

The Aims Leasing Corporation (the Corporation), a Colorado nonprofit corporation, was established on February 2, 2002, to acquire real and personal property to be used by the District. All assets and liabilities held by the Corporation were transferred to the District in 2017. During the fiscal year ended and as of June 30, 2020, there was no activity related to the Corporation.

The Aims College Campus Planned Community Association (the Association), a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, was incorporated August 30, 2006, and was created pursuant to a Declaration (the Declaration) by the District to acquire real and personal property to be used by the District or the Association. The Declaration created separate ownership of a planned community unit, and for the ownership and management by the Association of the common elements appurtenant thereto. During fiscal year ended and as of June 30, 2020 there was no activity related to the Association.

These entities are blended with the District because they provide services entirely to the District. Separate financial statements for the blended component units are not issued.

Discretely Presented Component Unit

The Aims Community College Foundation (the Foundation), a nonprofit corporation under Article 40, Title 7 of the Colorado Revised Statutes of 1973, was established in 1979 to promote the welfare, development, growth, and well-being of the District, and also to permit the Foundation to engage in such activities as may be beyond the scope of the Trustees of the District. In addition, the Foundation is concerned and involved in the affairs of the community. The Foundation is a separate legal entity with its own Board of Trustees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

Although the District does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the District. Because these restricted resources held by the Foundation can be used only by, or for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

The Foundation contributed $89,885 for program services to the District and $343,458 for student scholarships during the year ended June 30, 2020. In addition, the District provided $437,546 of in-kind contributions to the Foundation. The District has recorded $674,938 as deposits held in custody for others on behalf of the Foundation as of June 30, 2020.

The financial statements of the Foundation may be obtained at the following address:

Aims Local College District
Attn: Vice President for Administrative Services
P.O. Box 69, 5401 W. 20th Street Greeley, CO 80634

Basis of Presentation

The District's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and Colorado Higher Education Accounting Standards.

The Foundation's financial statements have been presented under the reporting format described in FASB Accounting Standards Codification ASC 958-205, *Presentation of Financial Statements.*

Basis of Accounting

The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. In addition, all significant inter-agency transactions have been eliminated.

Cash and Cash Equivalents

The District considers all liquid investments with original maturities of three months or less when purchased to be cash equivalents. At June 30, 2020, cash equivalents consisted primarily of cash on hand, bank deposits and money market accounts with brokers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in equity and debt securities and negotiable certificates of deposit are carried at fair value in accordance with Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investment income consists of interest and dividend income and the net change in the fair value of investments.

Accounts Receivable

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

Inventories

Inventories are carried at the lower of cost or market on the first-in, first-out (FIFO) basis.

Property Taxes

Property taxes are levied in November and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. Six counties contribute to the assessed value of the taxing District, with the largest contribution coming from Weld County. The January 1, 2020 base mill levy for the District from Weld County was 6.299 mills, with a refund/abatement mill of 0.056. Total mill levy for the District was 6.355, or approximately $83.8 million. Anticipated tax revenue not received by June 30 is recorded as property tax receivable in the statement of net position.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. The District's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings and land improvements that exceed $50,000 and significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between 27 and 40 years for buildings, 15 to 25 years for land and building improvements, and 3 to 10 years for equipment. Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life, whichever period is shorter. The District has capital leases of twelve airplanes and two commercial trucks as of June 30, 2020. The airplanes are depreciated over eight years; and the trucks are depreciated over five years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

Unearned revenues include amounts received for tuition and fees, plus certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues for summer tuition and fees are calculated based on the number of days falling within each respective fiscal year. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned as eligibility requirements have not been met.

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the vesting method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation- related payments such as pension contributions and Medicare taxes computed using rates in effect at that date.

Noncurrent Liabilities

Noncurrent liabilities are obligations of the District with payment maturities that are greater than one year, or for which there is uncertainty as to when the estimated liabilities will be paid. Noncurrent liabilities include the District's proportionate share of the net pension liability associated with its participation in a cost-sharing defined benefit pension plan through the State of Colorado (see "Cost-sharing Defined Benefit Plan" below, and additional information in Note 8), and the District's proportionate share of the net liability associated with its participation in the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (see "Other Postemployment Benefits (OPEB) below, and additional information in Note 10). The District's noncurrent liability for employees' compensated absences are for vacation and sick leave that will not be paid out within one year.

Deferred Outflows and Inflows of Resources

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost-Sharing Defined Benefit Pension Plan

The District 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 and additions to/deductions from the fiduciary net position of the SDTF have been determined on the same basis as they are reported by the SDTF (see Note 8 for additional information). For this purpose, benefit payments (including refunds of employee contributions) are recognized by the SDTF when due and payable in accordance with the benefit terms. Investments are reported by the SDTF at fair value.

Other Postemployment Benefits (OPEB)

The District participates in the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value by the HCTF.

Net Position

The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of accumulated depreciation, and net of accounts payable and capital leases payable related to capital construction at June 30, 2020.

Restricted net position—expendable: Restricted expendable net position includes resources in which the District is legally and/or contractually obligated to spend in accordance with restrictions imposed by the law or external third parties.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, property tax, and sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources include auxiliary enterprises, which are substantially self-supporting activities that provide noneducational services for students, faculty, and staff. These resources also include the College's reported share of the PERA net pension and net OPEB liability.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenue

The District has classified its revenue as either operating or nonoperating revenues 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 District.

Nonoperating revenues: Nonoperating revenues are those revenues that do not meet the definition of operating revenues. For example, nonoperating revenues include property taxes, state appropriations, Pell grants, CARES Act and CRF grants, gifts, and investment income.

Scholarship Allowances

The District uses the "Alternate Method" prescribed by the National Association of College and University Business Officers (NACUBO) to compute its scholarship allowances or tuition discount. Under the alternative method, institutions may use a rational, documented allocation methodology to determine the portion of applicable financial aid support to be applied as scholarship allowances and student aid expenses.

NACUBO provides guidance for two methods for the application of financial aid and institutional resources to student accounts receivable. The first is on a case-by-case method and the second is a rational allocation method. Because a case-by-case method is not feasible for most institutions, the rational allocation or "Alternate Method" is the preferred method of determining tuition and scholarship allowances. NACUBO issued Advisory Report 2000-05, September 8, 2000, detailing the "Alternate Method."

Application of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available to pay an expense, the District's policy is to first apply the expense against restricted resources and then toward unrestricted resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and deferred outflows and inflows of resources, as well as the disclosure of contingent assets and liabilities, at the date of the financial statements. These generally accepted accounting principles also require management to make estimates and assumptions that affect the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

NOTE 2 BUDGET LAW

The Board of Trustees adopts an annual budget to authorize and control the spending of the District. The District's expenditures may not exceed the amount budgeted. The preparation and adoption of the District's operating budget is prescribed by the School District Budget Law of 1964 (Article 44, Title 22 of the Colorado Revised Statutes).

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for depreciation, pension, and OPEB expense, which are not budgeted.

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN

Cash and cash equivalents and investments as of June 30, 2020 is comprised of the following:

Cash on Hand	$ 5,180
ColoTrust	570,207
Deposits	(437,772)
Money Market Funds	48,416,650
Total Cash and Cash Equivalents	48,554,266
Short-Term Investments	21,651,767
Long-Term investments	32,414,759
Total Investments	54,066,526
Total Cash and Cash Equivalents and Investments	$ 102,620,792

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Federal Deposit Insurance Corporation (FDIC) insurance level is $250,000. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

The Colorado Public Deposit Protection Act (PDPA) requires eligible depositories with public deposits in excess of the FDIC insurance levels to create a single institution collateral pool of defined eligible assets having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located within the state of Colorado.

At June 30, 2020, the carrying amount of the District's deposits and money market funds was $48,544,266. The bank balances of these deposits, money market funds was $52,226,876, of which $1,412,514 was fully collateralized and insured by federal deposit insurance, and the remainder was collateralized in accordance with PDPA. The District also had cash on hand of $5,180.

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN (CONTINUED)

Investments

The statutes of the State of Colorado authorize the District to invest in certificates of deposit, money market certificates, bonds or other interest-bearing obligations of the United States, state, county and school district bonds, and state, county and municipal warrants, obligations of national mortgage associations, certain repurchase agreements, local government investment pools, and government money market funds.

The District held the following types of investments at June 30, 2020:

		Maturities in Years		NRSRO Ratings	
Type	Fair Value	Less than 1	1-5	Moody's	S&P
U.S. Agency Obligations	$ 2,043,421	$ 2,043,421	$ -	Aaa	AA+
U.S. Treasury Obligations	14,866,657	3,943,497	10,923,160	Aaa	AA+
Corporate Bonds	36,151,552	14,659,954	21,491,599	Aaa - Aa3	AA+ - AA-
Negotiable Certificates of Deposit	1,004,895	1,004,895	-	N/A	N/A
Total Short-Term and Long-Term Investments	$ 54,066,526	$ 21,651,767	$ 32,414,759		

At June 30, 2020, the District has invested $570,207 in the Colorado Government Liquid Asset Trust (ColoTrust). ColoTrust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1. As of June 30, 2020, the District's investment in ColoTrust investment pool was rated AAAm by Standard's and Poor's. The trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments and there is no redemption notice period.

In addition, the District has invested in two types of money market funds measured at amortized cost, as follows:

FNB Commercial Class Money Market – Goldman Sachs Financial Square Government Fund - This is a Rule 2a-7 type government money market fund and maintains shares in value of $1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2020 was $3,742,448. The weighted average maturity for the fund was 30 days or less.

Wells Fargo Money Market Fund - Morgan Stan Gov Inst 8302 – This is a Rule 2a-7 type government money market fund and maintains shares in value of $1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2020 was $6,481,336. The weighted average maturity for the fund was 60 days or less.

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN (CONTINUED)

Investments (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law allows the investment of public funds in any security issued by, guaranteed by, or the credit of which is pledged for payment by the United States, a federal farm credit bank, the federal land bank, a federal home loan bank, the federal home loan mortgage corporation, the federal national mortgage association, or the government national mortgage association. Investments in these types of securities are limited to a term of five years from the date of purchase, unless the governing body authorizes investment for such period in excess of five years. The District does have a formal investment procedure that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to at least two credit ratings from any of the nationally recognized credit rating agencies. These ratings must not be rated below “AA-” or “Aa3” by any credit rating agency. See the table and discussion above for ratings associated with the District’s investments.

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District is not exposed to custodial credit risk as the District’s money market funds are considered open-ended money market funds (*i.e.,* a fund that does not have restrictions on the number of shares it can issue) and their existence is not evidenced by securities that exist in physical or book entry form. In addition, all of the District’s other investments are held in investment accounts registered in the District’s name.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government, such as U.S. Treasury Obligations, are excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2020, 47.2% of the District’s investments were held in money market funds with brokers. In addition, the District’s investments in U.S. Government agencies, U.S. Treasury, corporate bonds, and negotiable certificates of deposits constituted 3.8%, 27.5%, 66.9% and 1.8%, respectively, of its total investments. No individual investments subject to concentration of credit risk disclosure was over 5% of the total portfolio.

Foreign Currency Risk: Foreign currency risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The District had no investments denominated in foreign currency at June 30, 2020.

NOTE 4 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities,

Recurring Measurements

The following table presents the fair value measurements of short-term and long-term investments recognized in the accompanying financial statements measured at fair value on a recurring basis, and the level within the fair value hierarchy in which the fair value measurements are classified. Nonnegotiable certificates of deposit are not measured at fair value, and therefore not reported in this schedule.

The fair value of assets and liabilities at June 30, 2020 are as follows:

Investments Measured at Fair Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Agency Obligations	$ 2,043,422	$ -	$ 2,043,422	$ -
U.S. Treasury Obligations	14,866,657	14,866,657	-	-
Corporate Bonds	36,151,552	36,151,552	-	-
Negotiable Certificates of Deposit	1,004,895	-	1,004,895	-
Total Investments by Fair Value Level	$ 54,066,526	$ 51,018,209	$ 3,048,317	$ -

NOTE 4 FAIR VALUE MEASUREMENT (CONTINUED)

Investments

When quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. The District does not hold any Level 3 securities.

Investment in Local Government Investment Pool

The District utilizes one local government investment pool when a high degree of liquidity is prudent. ColoTrust is a local government investment pool with a stable net asset value. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. ColoTrust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of the U.S. Government agencies and highly rated commercial paper.

A designated custodial bank serves as a custodian for ColoTrust's portfolio pursuant to a custodian agreement. The custodian acts as a safekeeping agent for ColoTrust's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by ColoTrust. ColoTrust does not have any limitations or restrictions on participant withdrawals.

NOTE 5 AIMS FOUNDATION INVESTMENTS

The following schedule of investments held by the Foundation for each major category of investments and the related fair market value at June 30, 2020:

		Fair Value Measurements at Report Date Using:		
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - fixed income	$ 2,408,030	$ 2,408,030	$ -	$ -
Mutual funds - equities	1,553,644	1,553,644	-	-
Common stocks	1,469,470	1,469,470	-	-
Government obligations	-	-	-	-
Corporate bonds	-	-	-	-
Beneficial interest in perpetual trust	1,941,060	-	-	1,941,060
	$ 7,372,204	$ 5,431,144	$ -	$ 1,941,060

Held as operating investments	$ 3,168,642
Held as endowment investments	4,203,562
Total Investments	$ 7,372,204

NOTE 6 CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the year ended June 30, 2020.

	Balance June 30, 2019	Additions	Deductions	Transfers	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	$ 15,120,841	$ -	$ -	$ -	$ 15,120,841
Land improvements	2,931,537	-	-	-	2,931,537
Art/historical figures	42,132	-	-	-	42,132
Total capital assets, not being depreciated	**18,094,510**	**-**	**-**	**-**	**18,094,510**
Capital assets, being depreciated:					
Land improvements	13,771,557	-	-	3,557,337	17,328,894
Buildings and improvements	150,073,764	-	-	9,995,013	160,068,777
Vehicles	2,688,978	697,071	(65,418)	-	3,320,630
Equipment, FFE and software	22,778,023	1,458,525	(687,314)	1,957,764	25,506,999
Capital leases	2,997,777	2,270,505	-	-	5,268,282
Total capital assets, being depreciated	192,310,099	4,426,101	(752,732)	15,510,114	211,493,581
Less accumulated depreciation:					
Land improvements	4,008,934	753,082	-	-	4,762,016
Buildings and improvements	46,351,962	6,075,081	-	-	52,427,042
Vehicles	1,694,032	377,903	(60,918)	-	2,011,017
Equipment, FFE and software	15,197,368	2,954,189	(629,849)	-	17,521,707
Capital leases	470,497	536,415	-	-	1,006,912
Total accumulated depreciation	67,722,793	10,696,670	(690,767)	-	77,728,695
Total capital assets, being depreciated, net	**124,587,305**	**(6,270,569)**	**(61,965)**	**15,510,114**	**133,764,885**
Add construction-in-progress	8,813,809	13,727,355	-	(15,510,114)	7,031,050
Net Carrying Amount	**$ 151,495,624**	**$ 7,456,786**	**$ (61,965)**	**$ -**	**$ 158,890,447**

Included in land improvements not being depreciated are $590,400 of water rights.

NOTE 7 OIL AND GAS LEASE

On June 8, 2011, the District entered into an oil and gas lease with Extraction Oil and Gas, Inc. (formerly Synergy Resources Corporation) for the purpose of drilling oil and gas wells on the property in consideration of the District receiving a 16.67% net royalty interest after taxes and agreed-upon costs. The future value of royalties to be received is dependent upon the activity of the oil and gas wells. The term of the lease was five years and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. At June 30, 2020, this lease continued to be in effect.

Also on June 8, 2011, the District sold 6.11 acres of land to Waltel Minerals, LLC for $35,000. The sale of the property did not include any water or mineral rights. At the time of the sale, a repurchase option was signed by the buyer and the District allowing the District the option to buy back the property for $35,000 upon on the termination date of the District's mineral lease with Extraction Oil and Gas, Inc. (formerly Synergy Resources Corporation) and extending five years thereafter.

Total royalty revenues from oil and gas leases at June 30, 2020 was $764,968. This amount is reflected in Other Nonoperating Revenue in the statement of revenues, expenses, and changes in net position.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

The District 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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SDTF by 0.25% on July 1, 2020.
- Increases employee contribution rates for the SDTF by a total of 2% (to be phased in over a period of 3 years starting on July 1, 2020).

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies

- As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million 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. A portion of the direct distribution allocated to the SDTF is considered a nonemployer contribution for financial reporting purposes.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

- Expands eligibility to participate in the PERA DC Plan to certain new members of the State Division hired on or after January 1, 2019, who are classified State College and University employees. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the 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 comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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 CRS § 24-51-602, 604, 1713, and 1714.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance 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 five years of service credit has been obtained, and the benefit structure under which contributions were made.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00% for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. §24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.25% or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI for a given year by up to 0.25% based on the parameters specified C.R.S. § 24-51- 413.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. 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

Eligible employees and the District are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, et seq. and §24-51-413. Eligible employees are required to contribute 8.75% of their PERA-includable salary. The employer contribution requirements for all employees are summarized in the table below:

All Except State Troopers

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate[1]	10.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%
Amount Apportioned to the SDTF[1]	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00 %
Total Employer Contribution Rate to the SDTF[1]	19.13 %

As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million 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. A portion of the direct distribution allocated to the SDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SDTF's December 31, 2019 measurement date, HB 20-1379 Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020 $225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the District were $6,608,222 for the year ended June 30, 2020.

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

The net pension liability for the SDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year 2019 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, 2020 the District reported a liability of $88,083,879 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

(Entity)'s Proportionate Share of the Net Pension Liability	$ 88,083,879
State's Proportionate Share of the Net Pension Liability Associated with the (Entity)	448,903
Total	$ 88,532,782

At December 31, 2019, the District's proportion was 0.908%, which was an increase over 0.866% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized contra pension expense of ($19,853,654), and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 3,291,003	$ -
Changes of Assumptions or other Inputs	-	25,264,354
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	9,489,996
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	4,184,034	4,706,936
Contributions Subsequent to the Measurement Date	3,311,220	-
Total	$ 10,786,257	$ 39,461,286

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The $3,311,220 of deferred outflows of resources reported in the previous schedule as related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. 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,	Amount
2021	$ (28,216,156)
2022	(168,073)
2023	(372,476)
2024	(3,229,544)
2025	-
Thereafter	-
	$ (31,986,249)

Actuarial Assumptions

The December 31, 2018 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.17%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	1.25% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Healthy mortality assumptions for active members reflect the 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% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retires was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2016, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, 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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

As of the most recent adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

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

Discount Rate

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

- 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 3.50%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200 and the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

- 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 the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020. Employer contributions also include current and estimated 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 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.50% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020.

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

Based on the above assumptions and methods, the projection test indicates the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount 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.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

Sensitivity of the District'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	$ 113,344,430	$ 88,083,879	$ 66,730,278

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report (CAFR) which can be obtained at: www.copera.org/investments/pera-financial-reports.

NOTE 9 DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN

Voluntary Investment Program

Plan Description

Employees of the District that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR for the Program. That report can be obtained at: www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, program members contributed $484,955.

Deferred Compensation Plan

Plan Description

Employees may also participate in the 457(b) eligible deferred compensation plan administered by PERA as provided by Title 24, Article 51, Part 16 of the CRS. Plan participation is voluntary, and contributions are separate from others made to PERA. The plan uses a third-party administrator, and all costs of administration and funding are borne by the plan participants. The plan is subject to the Colorado State Deferred Compensation Program, as defined in §24-10-102, CRS, and its governing board. The state's governing board has full authority to make changes to the plan. PERA issues a publicly available annual financial report for the 457(b) Plan. That report may be obtained online at www.copera.org or by calling to Colorado PERA at (303) 832-9550 or (800) 759-PERA (7372).

NOTE 9 DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN (CONTINUED)

Deferred Compensation Plan (Continued)

Funding Policy

The deferred compensation 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 CRS, as amended. The District does not match contribution made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, program members contributed $54,942.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

PERA Health Care Trust Fund

Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at:
www.copera.org/investments/pera-financial-reports.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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 Division, School Division, Local Government Division and Judicial Division Trust Funds), 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 PERACare 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 basis for 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, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting those conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retires who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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 District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were $347,801 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of $4,042,902 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.360%, which was an increase of .007% from its proportion measured as of December 31, 2018 of 0.353%.

For the year ended June 30, 2020, the District recognized OPEB contra expense of $314,048. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 13,416	$ 679,356
Changes of Assumptions or other Inputs	33,541	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	67,481
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	183,173	-
Contributions Subsequent to the Measurement Date	174,275	-
Total	$ 404,405	$ 746,837

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

$174,275 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability for the year ended June 30, 2020. 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,	Amount
2021	$ (99,024)
2022	(99,017)
2023	(79,479)
2024	(116,724)
2025	(115,489)
Thereafter	(6,974)
	$ (516,707)

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
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	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.60% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2019, gradually increasing to 4.50% in 2029

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 601	$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is $437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$ 562
Kaiser Permanente Medicare Advantage HMO	571

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, 2018, 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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the 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% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions for State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- Morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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 by the investment consultant 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 percentage and then adding expected inflation.

As of the most recent adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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 rate of return assumption of 7.25%.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the District's proportionate share of 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 (6.25%) or one percentage point higher (8.25%) than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
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%
Proportionate Share of the Net OPEB Liability	$ 3,946,865	$ 4,042,902	$ 4,153,881

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, 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 3.50%.
- 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.
- Benefit payments and contributions were assumed to be made at the end of the month.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the District's 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 discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 4,571,315	$ 4,042,902	$ 3,590,999

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued CAFR issued by PERA. That report can be obtained at: www.copera.org/investments/pera-financial-reports.

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES

Tax, Spending and Debt Limitations

In 1992, the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards, or property sales. The District believes it is in compliance with the requirements of TABOR.

On November 2, 1999, voters in the District approved superseding the provisions of TABOR and other state requirements that limit the amount of revenue the District could retain each year, without increasing or adding taxes of any kind. Included in the accompanying financial statements are emergency reserves required by TABOR of at least 3% of fiscal year spending. At June 30, 2020, an emergency reserve of $2,471,499 was recorded as restricted net position on the statement of net position.

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Federally Assisted Grant Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, though the District expects such amounts, if any, to be immaterial. The District believes it is in compliance with all requirements of the grantor agencies.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts.

There have been no significant reductions in coverage from the prior year and settled claims have not exceeded this coverage in any of the past three fiscal years.

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on the global markets, supply chains, businesses, and communities. Specific to the College, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. While federal CARES funds were received in 2019-20 to due to the abrupt end to in-person offerings in the Spring Semester, the $5.6 million in Coronavirus Relief Funding (CRF) received from the state will be used entirely in fiscal year 2021, per the approved budget. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Construction Commitments

The District had construction commitments outstanding of $69.6 million at June 30, 2020. At June 30, 2020, these commitments are for the Welcome Center, Student College Center renovation, South Promenade Landscaping, Parking Infrastructure projects and other capital construction projects in process at June 30, 2020.

NOTE 12 COMPENSATED ABSENCES

	Balance, July 1, 2019	Additions	Reductions	Balance, June 30, 2020	Amounts Due Within One Year
Accrued Compensated Absences	$ 2,118,983	$ 307,838	$ -	$ 2,426,821	$ 485,364

District employees accrue annual vacation and sick leave based on length of service and may accumulate it subject to certain limitations regarding the amount that will be paid upon termination.

The estimated liability related to compensated absences for which employees are vested at June 30, 2020 is $2,426,821. The District estimates 20% of the liability will be paid in the subsequent year as follows:

Any benefited employee with excess sick time above the maximum 640 hours allowed to be carried over to the next year is allowed to convert 25% of their excess sick time into either additional vacation hours or pay (based on their hourly rate at the time).

In June 2009, the Board of Trustees voted to revise the Leave of Absence policy to change the sick leave accrual from 10.67 hours per month to eight hours. The change also eliminated the payout of accrued sick leave for employees hired on or after July 1, 2009.

In June of 2010, the Board agreed to allow the above change for sick leave accrual from 10.67 to eight hours to sunset after June 2012 for faculty hired before July 1, 2009. The District reserved the right to renegotiate the sunset provision prior to June 2012 through the consultation process. With the approval of the consultation agreement at the June 2012 Board meeting, the Board decided to allow the Leave of Absence policy change to sunset. Effective July 1, 2012, the revised sick leave accrual for employees hired prior to July 1, 2009 is 10.67 hours and eight hours for those employees hired on or after July 1, 2009.

NOTE 13 LEASES

The District has capital leases for airplanes used in its flight-training program. Rental payments under these leases for the year ended June 30, 2020 were $389,725. The District's capital leases and future minimum lease payments under these capital leases as of June 30 are detailed below:

	Balance, July 1, 2019	Additions	Reductions	Balance, June 30, 2020	Amounts Due Within One Year
Capital Leases Payable	$ 2,674,853	$ 2,270,505	$ (389,725)	$ 4,508,999	$ 579,352

NOTE 13 LEASES (CONTINUED)

Fiscal Years Ending June 30,	Lease Payments
2021	$ 860,413
2022	860,412
2023	860,412
2024	845,363
2025	808,812
2026-2028	1,371,620
Total Future Minimum Lease Payments	$ 5,607,031

Of the amounts in the table above, $1,098,033 represents payments of interest on capital leases.

NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the year ended June 30, 2020, the following table represents operating expenses within both natural and functional classifications:

	NATURAL CLASSIFICATION						
FUNCTIONAL CLASSIFICATIONS	Employee and Personnel Services	Pensions/OPEB Expense Allocations	Supplies	Operating	Student Aid	Depreciation	TOTAL OPERATING EXPENSES
Instruction	$ 21,617,330	$ (11,422,567)	$ 1,634,921	$ 6,660,009	$ -	$ -	$ 18,489,693
Public Service	19,186	(13,589)	1,112	14,174	-	-	20,883
Academic Support	8,606,291	(4,339,459)	188,205	2,020,240	-	-	6,475,277
Student Services	8,139,549	(4,135,956)	245,359	2,443,223	-	-	6,692,176
Institutional Support	9,571,617	(4,885,801)	1,345,394	5,029,396	-	-	11,060,606
Operation of Plant	2,426,057	(1,203,465)	584,569	4,614,480	-	-	6,421,641
Student Aid	-	-	-	-	8,951,677	-	8,951,677
Depreciation	-	-	-	-	-	10,696,670	10,696,670
Auxiliary	397,945	(227,140)	126,300	16,101	-	-	313,206
TOTAL EXPENSES	**$ 50,777,974**	**$ (26,227,977)**	**$ 4,125,861**	**$ 20,797,623**	**$ 8,951,677**	**$ 10,696,670**	**$ 69,121,827**

AIMS COMMUNITY COLLEGE
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (PERA – SDTF)
LAST 10 FISCAL YEARS*

Fiscal Year	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
(Entity)'s Proportion of the Net Pension Liability	0.908%	0.866%	0.955%	0.940%	0.899%	0.825%	0.776%
(Entity)'s Proportionate Share of the Net Pension Liability	$ 88,083,879	$ 98,538,561	$ 191,230,653	$ 172,723,035	$ 94,720,288	$ 77,557,998	$ 69,116,756
State's Proportionate Share of the Net Pension Liability associated with the (Entity) **	448,903	542,415	-	-	-	-	-
Total	$ 88,532,782	$ 99,080,976	$ 191,230,653	$ 172,723,035	$ 94,720,288	$ 77,557,998	$ 69,116,756
(Entity)'s Covered Payroll	$ 32,341,774	$ 29,826,834	$ 28,028,541	$ 27,355,210	$ 25,003,265	$ 22,200,317	$ 19,976,041
(Entity)'s Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	272.35%	330.37%	682.27%	631.41%	378.83%	349.36%	346.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.24%	55.11%	43.20%	42.60%	56.10%	59.80%	59.80%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2014 was not available.

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

AIMS COMMUNITY COLLEGE
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS (PERA – SDTF)
LAST 10 FISCAL YEARS*

Fiscal Year	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 6,608,222	$ 5,867,928	$ 5,531,525	$ 5,114,230	$ 4,661,032	$ 3,931,585
Contributions in Relation to the Contractually Required Contribution	6,608,222	5,867,928	5,531,525	5,114,230	4,661,032	3,931,585
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 34,098,130	$ 30,673,946	$ 28,876,710	$ 27,355,210	$ 26,216,232	$ 23,280,009
Contributions as a Percentage of Covered Payroll	19.38%	19.13%	19.16%	18.70%	17.78%	16.89%

*Information above is presented as of the measurement date.
**Information is not currently available for prior years; additional years will be displayed as they become available.

AIMS COMMUNITY COLLEGE
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (PERA – HCTF)
LAST 10 FISCAL YEARS*

Fiscal Year	2020	2019	2018	2017
Plan Measurement Date	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
(Entity)'s Proportion (Percentage) of the Collective Net OPEB Liability	0.3597%	0.3527%	0.3453%	0.3393%
(Entity)'s Proportionate Share of the Collective Net OPEB Liability	$ 4,042,902	$ 4,798,085	$ 4,486,921	$ 4,398,776
Covered payroll	$ 34,098,130	$ 30,673,946	$ 28,028,541	$ 27,355,210
(Entity)'s Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	11.86%	15.64%	16.01%	16.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.49%	17.03%	17.53%	16.72%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

**Information earlier than 2017 was not available.

AIMS COMMUNITY COLLEGE
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS (PERA – HCTF)
LAST 10 FISCAL YEARS*

Fiscal Year	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 347,801	$ 312,874	$ 287,133	$ 274,519	$ 267,397	$ 237,456	$ 215,800
Contributions in Relation to the Contractually Required Contribution	(347,801)	(312,874)	(287,133)	(274,519)	(267,397)	(237,456)	(215,800)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(Entity)'s Covered Payroll	$ 34,098,130	$ 30,673,946	$28,876,710	$ 27,355,210	$ 26,216,232	$ 23,208,009	$ 21,156,892
Contributions as a Percentage of Covered Payroll	-1.02%	-1.02%	-0.99%	-1.00%	-1.02%	-1.02%	-1.02%

*Information above is presented as of the measurement date.
**Information is not currently available for prior years; additional years will be displayed as they become available.

AIMS COMMUNITY COLLEGE
ACTUAL TO BUDGET COMPARISON
ALL FUNDS

Year Ended June 30, 2020	Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Tuition and fees	13,600,000	13,314,893	(285,107)
Less: Tuition Discounts (Student Financial Aid)	(2,300,000)	(4,188,663)	(1,888,663)
Net Tuition and Fees	11,300,000	9,126,230	(2,173,770)
Gifts, grants and contracts (including Pell)	12,377,300	13,008,543	631,243
Auxiliary operating revenue	455,000	423,958	(31,042)
Other operating revenue	145,000	139,757	(5,243)
Total Operating Revenues	24,277,300	22,698,488	(3,752,582)
Operating Expenses:			
Education and general	108,912,000	75,388,251	33,523,749
Student aid	11,084,300	8,951,677	2,132,623
Auxiliary enterprises expenses	383,000	313,206	69,794
Total Operating Expenses	120,379,300	84,653,134	35,726,166
Nonoperating Revenues and Expenses:			
General property taxes	86,000,000	87,004,996	1,004,996
State appropriations	11,501,000	11,450,334	(50,666)
Investments	715,000	2,605,882	1,890,882
Other non-operating revenue	300,000	846,274	546,274
Loss on disposal of assets	-	(39,153)	(39,153)
Interest on capital lease	-	(201,287)	(201,287)
Total Nonoperating Revenue and Expense	98,516,000	101,667,046	3,151,046
Transfers In (Out):			
Nonmandatory transfers in	26,759,000	38,608,544	11,849,544
Nonmandatory transfers out	(26,759,000)	(38,608,544)	(11,849,544)
Total Transfers In (Out)	-	-	-
Increase in Net Position, budgetary basis	2,414,000	39,712,401	37,298,401
Reconciling Items to GAAP Basis Net Position			
Pension and OPEB expense		26,227,977	
Depreciation and amortization expense		(10,696,670)	
Capital Contribution		10,561	
Decrease in Net Position, GAAP Basis		55,254,270	

SINGLE AUDIT

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

Aims Community College
Greeley, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Aims Community College (the College), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated February 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the Colorado Mountain College Foundation, a discretely presented component unit, 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 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 our 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 College'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 result 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 25, 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Aims Community College
Glenwood Springs, Colorado

Report on Compliance for Each Major Federal Program

We have audited Aims Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal programs for the year ended June 30, 2020. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the College's compliance.

Opinion the Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion on each major federal program is not modified with respect to these matters.

The College's responses to the compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did, however, identify certain deficiencies in internal control over compliance, described in the accompany schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
July 29, 2021

AIMS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/ Federal Program or Cluster Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION					
Student Financial Assistance Cluster					
Federal Pell Grant Program	84.063	U.S. Department of Education		-	6,495,696
Federal Supplemental Educational Opportunity Grants	84.007	U.S. Department of Education		-	127,557
Federal Work-Study Program	84.033	U.S. Department of Education		-	72,969
Federal Direct Student Loans	84.268	U.S. Department of Education		-	2,790,833
Total Student Financial Aid Cluster				**-**	**9,487,055**
Trio Cluster					
TRIO - SSS	84.042A	U.S. Department of Education		-	288,647
TRIO SSS (STEM)	84.042A	U.S. Department of Education		-	266,776
Total Trio Cluster				**-**	**555,423**
Education Stabilization Fund					
CARES Act - Student Aid (COVID-19)	84.425E	U.S. Department of Education		-	601,800
CARES Act - Institution Allocation (COVID-19)	84.425F	U.S. Department of Education		-	193,383
Total Education Stabilization Fund				**-**	**795,183**
Other Programs					
Career and Technical Education - Basic Grants to States	84.048	Colorado Community College System	N/A	-	518,232
Total U.S. Department of Education				**-**	**11,355,893**
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Research and Development Cluster					
National Space Grant College and Fellowship Program	43.008	University of Colorado - Boulder	Sub-agreement #1554706	-	10,178
National Space Grant College and Fellowship Program	43.008	University of Colorado - Boulder	Sub-agreement #1559065	-	225
Total Research and Development Cluster				**-**	**10,403**
Total National Aeronautics and Space Administration				**-**	**10,403**
Total Federal Expenditures of Federal Awards				**-**	**11,366,296**

See accompanying notes to Schedule of Expenditures of Federal Awards.

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Aims College (the College). The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the College through the State of Colorado or other nonfederal entities. The College's reporting entity is defined in Note 1 in the College's basic financial statements for the year ended June 30, 2020.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for all federal awards, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years, if any. The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 PASS-THROUGH GRANTOR'S NUMBER

For federal awards expended by the College as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor where the pass-through grantor has supplied such number to the College.

NOTE 4 SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the College passed no funds through to subrecipients.

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __X__ no

   - Significant deficiency(ies) identified? ______ yes __X__ none reported

3. Noncompliance material to financial statements noted? ______ yes __X__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __X__ no

   - Significant deficiency(ies) identified? __X__ yes ______ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __X__ yes ______ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.425E, 84.425F	CARES Act (Covid 19) – Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000/187,500

Auditee qualified as low-risk auditee? __X__ yes ______ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2020-001: National Student Loan Data System (NSLDS) Enrollment Reporting

Federal Agency: Department of Education
Federal Program: Student Financial Assistance Cluster
CFDA Numbers:

84.007 – Federal Supplemental Education Opportunity Grants
84.033 – Federal Work Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans

Award Period: July 1, 2019 to June 30, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Compliance, Other Matter

Criteria or Specific Requirement: The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report to NSLDS accurately the enrollment status of all students regardless if they receive aid from the institution or not. This includes the enrollment effective date and related enrollment status, which must be reported for both the Campus-Level and the Program-Level. In addition, at a minimum, schools are required to certify enrollment every 60 days, and respond within 15 days of the date that NSLDS sends a Roster file to the school or its third-party servicer.

Condition: During our testing of forty students, we noted three students where the program enrollment and/ or enrollment effective date of the status change in NSLDS did not match the institution's records.

Questioned Costs: None

Context: Of the forty students tested, one student's enrollment status was not reported correctly within NSLDS. For two of the forty students tested, the program enrollment effective dates were reported differently at the campus-level and program-level when they should have been reported consistently. For one student, the effective date of their half-time status was reported as August 7, 2019 at the campus-level and September 3, 2019 at the program-level. Another student was reported as withdrawn with a campus-level effective date of September 16, 2019; however, the effective date at the program-level was May 28, 2019.

Cause: The College did not have controls in place to ensure accuracy of NSLDS reporting, specifically program enrollment effective dates.

Effect: The College did not comply with Department of Education (ED) regulations by reporting student program enrollment effective dates accurately.

Repeat Finding: No

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-001: National Student Loan Data System (NSLDS) Enrollment Reporting (Continued)

Recommendation: We recommend the College reevaluate procedures and policies surrounding reporting status changes and other enrollment information to NSLDS to ensure timely and accurate reporting.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

2020-002: HEERF Student Aid Disbursements

Federal Agency: Department of Education
Federal Program: Higher Education Emergency Relief Funds
CFDA Numbers:
84.425E – CARES Act (COVID-19) – Student Aid
84.425F – CARES Act (COVID-19) – Institutional Allocation

Award Period: July 1, 2019 to June 30, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Compliance, Other Matter

Criteria or Specific Requirement: For the (a)(1) Student Aid (CFDA 84.425E), allowable expenditures must be "for making emergency financial aid grants to students" and "acknowledges that it may not condition the receipt of an emergency financial aid grant on continued or future enrollment [with the institution]" or "require a student to consent to the application of the emergency financial aid grant to the student's outstanding account balance with [institution] as a condition of receipt of or eligibility for an emergency financial aid grant." (CARES Act Section 18004(c)).

Condition: During our testing, we noted the College had improperly applied emergency financial aid to one student's outstanding tuition balance rather than in the form of a direct payment to the student.

Questioned Costs: $600

Context: During our testing of forty disbursements to students, we noted the College had not properly issued emergency financial aid to one student as directed by the CARES Act Section 18004(c).

Cause: The College did not consistently issue direct payments to students as required by federal regulations.

Effect: The institution did not comply with Department of Education (ED) regulations for allowable costs.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-002: HEERF Student Aid Disbursements (Continued)

Repeat Finding: No

Recommendation: For all grants, especially new monies, we recommend the College closely evaluate and understand allowable activities. Once clearly understood, the College should evaluate their control procedures surrounding such allowable costs and implement controls to ensure monies being charged to grants are used in accordance with federal regulations.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.