AIMS COMMUNITY COLLEGE

FINANCIAL STATEMENTS AND SINGLE AUDIT COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2022

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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), its 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 Community College
Greeley, Colorado

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Aims Community College's basic financial statements as listed in the table of contents.

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, 2022, 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.

We did not audit the financial statements of Aims Community College Foundation (the Foundation), which represents 100% of assets, net position, and revenues of the discretely presented component unit of Aims Community College, as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Aims Community College Foundation, is based solely on the report of other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, Aims Community College adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of the District's Proportionate Share of the Net Pension Liability (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 – SDTF) and the Schedule of the District's Contributions (PERA – HCTF), collectively referred to as required supplementary information as listed in the table of contents, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with *GAAS*, 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 – All Funds 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 *GAAS*. In our opinion, the Actual to Budget Comparison – All Funds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, 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

Greenwood Village, Colorado
March 31, 2023

Overview

The Purpose, Vision and Mission of the College play a central role to financial and non-financial 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, 2022. 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 public accounting firm, on the fairness, in all material respects, of the District and its discretely presented component unit's 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, 2022 and 2021). 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 years ended June 30, 2022 and 2021). 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 years ended June 30, 2022 and 2021). 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, 2022:

- At June 30, 2022, District assets totaled $303.8 million. These assets included $53.3 million of cash and investments, $234.2 million of net capital assets, and $16.3 million of other assets.
- District liabilities include $15.5 million of current liabilities estimated to be payable within the 2023 fiscal year. Noncurrent liabilities in the amount of $80.5 million include:
  - $2.3 million for employee future compensated absences,
  - $1.7 million in future Right-of-Use (ROU) lease payments
  - $3.3 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
  - $73.3 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 $12.6 million and $28.5 million at June 30, 2022 and 2021, respectively. Deferred inflows of resources related to pension and OPEB were recorded in the amounts of $31.2 million and $21.9 million at June 30, 2022 and 2021, respectively.
- The District's net position at June 30, 2022 was comprised of $3.0 million restricted by donor, grantor, or other external party intentions; $228.4 million was comprised of net investments in capital assets. Negative unrestricted net position of ($42.2 million) is comprised of $53.0 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 of ($95.2 million). The total net position of the District was $189.2 million and $189.7 million at June 30, 2022 and 2021, respectively. This decrease in total net position of $0.5 million is detailed on the 2022 Statement of Revenues, Expenses, and Changes in Net Position.
- Operating revenues from student tuition, restricted grants and other operating revenues increased by 10.0%, and was $16.4 million and $14.9 million in fiscal years 2022 and 2021, respectively.

- Nonoperating revenues decreased 8.8% and were $97.8 million and $107.2 million in fiscal years 2022 and 2021, respectively. This decrease was the result of decreases from property tax revenues ($17.0 million decrease), federal nonoperating revenues ($1.4 million decrease), investment income ($1.0 million decrease), and state appropriations ($8.8 million increase).
- Total operating expenses increased 35.5% and were $114.7 million and $84.7 million in fiscal years 2022 and 2021, respectively. The change was driven by the District's educational and general expenses increasing by $10.0 million, and a change in non-cash related PERA/OPEB expenses of $20.0 million.
- The District completed $2.0 million and $0.5 million of building and land improvement projects during fiscal years 2022 and 2021, respectively. As a result of the completion of major capital projects and reclassification of aircraft from leased assets to owned aircraft, depreciation expense for the District decreased 4.3% during fiscal year 2022. Depreciation expense was $10.5 million and $11.0 million for fiscal years 2022 and 2021, respectively. The District had $98.9 million and $56.2 million in building and land improvement construction projects in progress as of June 30, 2022 and 2021, respectively.

Statement of Net Position

The Statement of Net Position is a snapshot of the District's financial resources at June 30, 2022. 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 are 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.

CONDENSED STATEMENTS OF NET POSITION

	June 30, 2022	June 30, 2021
ASSETS		
Current Assets	$ 58,974,516	$ 80,403,033
Noncurrent Assets - Long-Term Investments	10,675,867	32,369,512
Capital Assets	234,164,751	198,449,923
Total Assets	303,815,134	311,222,468
DEFERRED OUTFLOWS OF RESOURCES	12,701,326	28,500,717
LIABILITIES		
Current Liabilities	15,495,446	17,804,432
Noncurrent Liability - Capital Leases	1,660,716	3,320,742
Noncurrent Liability - Employee Compensated Absences	2,259,818	2,269,077
Noncurrent Liability - Net Pension Liability	73,274,940	101,182,571
Noncurrent Liability - OPEB Liability	3,313,199	3,593,012
Total Liabilities	96,004,119	128,169,834
DEFERRED INFLOWS OF RESOURCES	31,297,790	21,866,421
NET POSITION		
Net Investment in Capital Assets	228,426,626	189,920,492
Restricted for Expendable Purposes	2,994,013	2,604,479
Unrestricted	(42,206,088)	(2,838,041)
Total Net Position	$ 189,214,551	$ 189,686,930

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, 72.3% was held in cash and cash equivalents and short-term investments. All operating expenses and capital projects were funded using cash and investment assets.

Accounts receivable include credit and non-credit student tuition and fee billings, 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 2021 to 2022 by ($1.1 million), with the majority of the decrease due to federal and state grant awards. In summer 2021, the District implemented an initiative to offer reduced or no-cost tuition for in-district students. As the initiative ended, student accounts receivable increased in 2022 by $0.8 million and allowance for doubtful accounts increased by $0.2 million.

Property tax receivable represents taxes expected for the period January 1 through December 31. The property tax receivable between fiscal years 2021 and 2022 decreased as assessed values of property decreased. The property values for these years decreased due to the economy of the region as a result of the pandemic. Property tax receivable decreased by (22.5%) at June 30, 2022, which is consistent with the (20.1%) decrease in property tax revenue for the year. As of the date of issuance, 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 ($0.1 million) decrease in prepaid expenses from fiscal year 2021 is the result of products and service terms crossing fiscal years, with products and services beginning in 2022-23 and payments made in 2021-22.

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 utilized for construction of the Welcome Center and renovated Student Commons which resulted in a significant decrease in long-term holdings. Long-term investments were $10.7 million and $32.4 million at June 30, 2022 and 2021, respectively. 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 of land, infrastructure, building improvements and new buildings are capitalized if they have a cost of $50,000 or more. Capital assets such as vehicles and equipment 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. Capital assets are reported net of accumulated depreciation.

Capital assets net of accumulated depreciation totaled $234.2 million at June 30, 2022, and $198.5 million at June 30, 2021. The $35.7 million increase in net capital assets is primarily attributable to capital acquisitions and ongoing capital construction projects. At June 30, 2022 the District had invested $98.9 million in capital construction projects in progress at year-end. Construction-in-progress increased by $42.7 million from the previous year end with the largest portion of the increase attributed to the construction of the Welcome and Event Center of $23.2 million and relocation and renovation of the Student Commons of $8.0 million.

Note 6 of this report summarizes changes in capital assets between June 30, 2021 and June 30, 2022.

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 2022, pension and OPEB related outflows, which reflect the changes in the pension and OPEB liabilities to be recognized in future periods, totaled $12.6 million. Deferred PERA pension outflows of resources were $12.0 million and $27.9 million, at June 30, 2022 and 2021, respectively; deferred OPEB outflows of resources were $0.6 million and $0.6 million, at June 30, 2022 and 2021, respectively.

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, 2022 were $9.9 million and included amounts payable in July and August 2022 for capital construction and technology services. Accrued liabilities of $3.2 million were primarily for employee payroll and fringe benefits paid during July 2022.

Current Right-of-Use (ROU) Asset leases payable in the amount of $0.4 million represents amounts owed in the next 12 months for 12 airplane leases for the Aviation program, two truck leases for the Commercial Driver's License (CDL) program, and one mail postage machine.

Unearned revenues of $1.4 million includes tuition and fees received by June 30, 2022 for services to be provided in fiscal year 2023. It also includes revenues received from grants and contracts that have not yet been earned.

Deposits held for others is cash that the District is holding for another organization that does not belong to the District. Deposits held for others were $0.1 million at June 30, 2022 including cash held for 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, 2023. 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 ROU Asset 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 $73.3 million and $101.2 million at June 30, 2022 and 2021, respectively. This ($27.9 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 in Note 10 of these financial statements.

The District's net OPEB liability required by GASB 75 was $3.3 million at June 30, 2022, and $3.6 million at June 30, 2021. 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.

The District's noncurrent liability for employee compensated absences remained stable at $2.3 million and $2.3 million at June 30, 2022 and 2021, respectively. Details concerning the District's compensated absences is provided in Note 12.

The ROU asset lease liability of $1.7 million is the portion of the airplane, CDL truck leases, and mail postage machine that will be paid in a period longer than 12 months after June 30, 2022. 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 $30.0 million and $20.7 million; deferred inflows of resources related to OPEB were $1.2 million at June 30, 2022 and 2021, 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 $189.2 million and $189.7 million at June 30, 2022 and 2021, respectively. The District's educational and auxiliary revenues contributed $16.4 million in net position; non-operating revenues contributed $97.8 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 $228.4 million and $189.9 million of the District's net position at June 30, 2022 and 2021, 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 $2.9 million and $2.6 million for the periods ended June 30, 2022 and 2021, respectively. Nongovernmental grants and gifts make up the remaining portion of restricted net position and were $62,591 and $35,098 for the fiscal years ended June 30, 2022 and 2021, 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 ($42.2 million) and ($2.8 million) at June 30, 2022 and 2021, 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 30,2022	For the year ended June 30, 2021
Operating Revenues:		
Net tuition and fees	$ 9,251,056	$ 8,344,876
Grants and contracts	6,605,381	6,126,447
Auxiliary operating revenue	383,138	271,772
Other operating revenues	116,602	126,650
Total Operating Revenues	**16,356,177**	**14,869,745**
Operating Expenses:		
Educational and general	103,556,106	73,397,868
Auxiliary	624,701	282,237
Depreciation and amortization	10,538,125	11,013,145
Total Operating Expenses	**114,718,932**	**84,693,250**
Operating Loss	**(98,362,755)**	**(69,823,505)**
Nonoperating Revenues (Expenses) and Gains (Losses)		
Net general property taxes	67,521,294	84,517,317
State appropriations	14,168,157	5,347,295
Federal nonoperating revenue	16,086,148	17,460,805
Investment income	(611,154)	388,886
Other nonoperating revenues	1,062,331	626,474
Loss on disposal of assets	(9,408)	(869,768)
Interest expense on capital asset	(446,337)	(285,221)
Net Nonoperating Revenues	**97,771,031**	**107,185,788**
Capital contributions	**119,345**	**28,943**
(Decrease) Increase in Net Position	**(472,379)**	**37,391,226**
Net Position - Beginning of Year	**189,686,930**	**152,295,704**
Net Position - End of Year	**$ 189,214,551**	**$ 189,686,930**

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 $9.3 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, 2022 and 2021, was $4.9 million and $4.3 million, 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 2017, decreasing in fiscal year 2020-2021 due to students taking time off for COVID-19.

STUDENT HEADCOUNT ENROLLMENT

Fiscal Year	Unduplicated Headcount	Percent Change
2022	9,054	3.2%
2021	8,775	-5.0%
2020	9,234	3.8%
2019	8,895	5.4%
2018	8,436	5.9%

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
2022	2,891	701	3,592	5.6%	74	1.4%	3,666	5.5%
2021	2,615	786	3,401	-9.4%	73	-41.6%	3,474	-10.4%
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%

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 5.5%) is less than the increase in headcount for these students (up 3.2%).

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. Grant and contract revenues was $6.6 million and $6.1 million for the year ended June 30, 2022 and 2021, respectively. 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 2022, which is comparable to the prior year amount of $0.3 million.

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 in fiscal years 2022 and 2021.

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, HEERF grant 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 58.9% of total revenues to the District. Property tax revenues, based upon the valuation certified by the County Assessor, decreased 20.1% due to a decrease in oil and gas values in Weld County. The base mill levy remained unchanged at 6.299 mills which generated $67.5 million and $84.5 million in gross revenue for fiscal years 2022 and 2021, respectively.

<u>State appropriations</u>

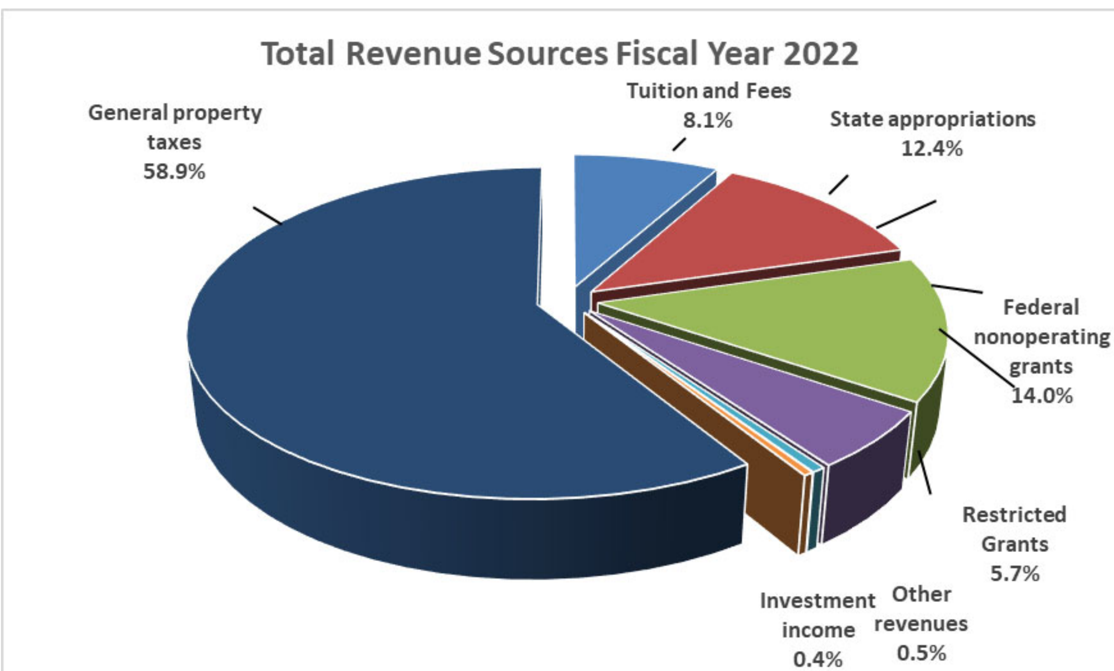
Colorado state appropriations and Amendment 50 gaming revenues are collectively reported as non-operating state appropriations. The increase in this category was $8.8 million, from $5.4 million in fiscal year 2021 to $14.2 million in fiscal year 2022. In the previous fiscal year, state appropriations were reduced due to COVID-19 related economic factors. In fiscal year 2022, state funding was returned to pre-pandemic levels.

<u>Federal nonoperating revenue</u>

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 a large portion of revenue in this category, at $5.2 million for fiscal years 2022 and 2021, respectively.

The other Federal nonoperating revenue for fiscal year 2022 is funding from the HEERF grant revenue. HEERF funding was provided to support students experiencing financial hardship as a result of COVID-19 via emergency financial aid grants and to institutions to assist with operational expenses related to COVID-19. For the fiscal years 2022 and 2021, $5.1 million and $1.9 million, respectively, of HEERF funding was distributed for financial aid and $5.8 million and $4.7 million, respectively, to support the District's operational expenses.

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 $114.7 million and $84.7 million for fiscal years 2022 and 2021, respectively, an increase of $30.0 million. The primary reason for this increase is due to the decrease in the pension/OPEB contra expense as seen on page 17. See Note 14 for a breakout of the natural classification of expenses exclusive of pension and OPEB expenses for the discussion below.

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 position liability as explained above.

Operating Expenses by Natural Classification

	Year Ended June 30, 2022	Year Ended June 30, 2021	Variance
Employee & Personnel Services	$ 54,933,828	$ 53,242,049	1,691,779
Pension & OPEB Expense	(2,956,684)	(23,002,955)	20,046,271
Subtotal Personnel Services	51,977,144	30,239,094	21,738,050
Supplies	5,698,915	4,877,668	821,247
Operating	32,646,156	29,325,975	3,320,181
Student Aid	13,858,592	9,237,368	4,621,224
Depreciation	10,538,125	11,013,145	(475,020)
Total Operating Expenses	$ 114,718,932	$ 84,693,250	$ 30,025,682

Personnel costs are the District's largest operating expense, and increased to $54.9 million in 2022, up from $53.2 million in 2021. Increases in salaries and benefits are reflective of increased salary funding, and increased health insurance costs in fiscal year 2022 (exclusive of $2.7 million in pension and $0.3 million in OPEB contra expense).

The net of supplies and operating expenses increased between fiscal years 2021 and 2022 by $4.1 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 $13.9 million and $9.2 million in fiscal years 2022 and 2021, respectively. For fiscal years 2022 and 2021, Pell grants were $5.2 million and $5.2 million, respectively, HEERF financial aid grants distributed were $5.1 million and $1.9 million, respectively, and other externally funded scholarships processed through the District were $3.6 million and $2.1 million, respectively.

The operating loss of $98.4 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 2022 operating loss increased by $28.5 million from fiscal year 2021 primarily due to the reduction in the pension/OPEB contra-expense adjustment as previously discussed.

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 non-cash 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 expenses for the fiscal years 2022 and 2021, respectively. The pension, OPEB, and State funded expenses for GASBs 68 and 75 were ($3.0) million in fiscal year 2022, and ($23.0) million in fiscal year 2021.

Functional Classification Operating Expenses by Function
With Pension Expense Separately Identified

	Fiscal Year Ended June 30, 2022		
	Expenses before Pension and OPEB Expense	Pension and OPEB Expense	Total Expenses
Instruction	$ 34,656,203	$ (1,269,514)	$ 33,386,689
Public service	31,901	(170)	31,731
Academic support	11,213,708	(465,452)	10,748,256
Student services	12,312,499	(511,052)	11,801,447
Institutional support	23,876,742	(545,082)	23,331,660
Operation of plant	10,538,635	(140,904)	10,397,731
Student aid	13,858,592	-	13,858,592
Auxiliary	649,211	(24,510)	624,701
Depreciation and amortization	10,538,125	-	10,538,125
Total Operating Expenses	**$ 117,675,616**	**$ (2,956,684)**	**$ 114,718,932**

	Fiscal Year Ended June 30, 2021		
	Expenses before Pension and OPEB Expense	Pension and OPEB Expense	Total Expenses
Instruction	$ 31,753,991	$ (10,327,097)	$ 21,426,894
Public service	42,050	(2,378)	39,672
Academic support	11,223,240	(3,749,758)	7,473,482
Student services	10,918,850	(3,667,574)	7,251,276
Institutional support	21,837,249	(4,055,676)	17,781,573
Operation of plant	11,225,340	(1,037,737)	10,187,603
Student aid	9,237,368	-	9,237,368
Auxiliary	444,972	(162,735)	282,237
Depreciation and amortization	11,013,145	-	11,013,145
Total Operating Expenses	**$ 107,696,205**	**$ (23,002,955)**	**$ 84,693,250**
Variance Fiscal Year 2022 and 2021	**$ 9,979,411**	**$ 20,046,271**	**$ 30,025,682**

	Variance before Pension Expense	Pension Variance	Total Variance
Instruction	$ 2,902,212	$ 9,057,583	$ 11,959,795
Public service	(10,149)	2,208	(7,941)
Academic support	(9,532)	3,284,306	3,274,774
Student services	1,393,649	3,156,522	4,550,171
Institutional support	2,039,493	3,510,594	5,550,087
Operation of plant	(686,705)	896,833	210,128
Student aid	4,621,224	-	4,621,224
Auxiliary	204,239	138,225	342,464
Depreciation and amortization	(475,020)	-	(475,020)
Total Operating Expenses variances	**$ 9,979,411**	**$ 20,046,271**	**$ 30,025,682**

The following analysis will discuss changes without the non-cash PERA and OPEB adjustments given the PERA and OPEB contra-expense previously discussed.

Instruction expenses increased by $2.9 million between fiscal years 2021 and 2022, due to an increase of $0.8 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of $2.1 million.

Academic support expenses decreased slightly by $9,532 between fiscal years 2021 and 2022, with the decrease due to a decrease in supplies and operating.

Student services expenses increased $1.4 million during fiscal year 2022, as a result of an increase of salary and benefit expenses of $0.7 million, and an increase in supplies and operating expenses of $0.7 million.

Institutional support expenses increased $2.0 million during fiscal year 2022. The entirety of the $2.0 million increase is in supplies and operating expenses.

Operation of plant expenses decreased $0.7 million during fiscal year 2022. The entirety of the $0.7 million decrease is in supplies and operating expenses.

Auxiliary and public service expenses increased $0.2 million during fiscal year 2022, increasing by $0.1 million in salary and fringe and $0.1 million in supplies and operating expenses.

Student aid increased by $4.6 million and depreciation expenses decreased by $0.5 million between fiscal years 2021 and 2022.

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. In 2020, the District began construction of a new Welcome Center and renovation of the Student Center. In 2022, the District began construction of a new Windsor Academic building. These projects are expected to be completed in 2023.

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. Federal funding from the HEERF grant have provided financial assistance to students experiencing hardship and to institutions to support additional costs related to COVID-19. The economic forecast for fiscal year 2023 is showing some positive indicators with expected strong property tax revenue from the oil and gas industry and increased property valuations. The concern lies in looking out to fiscal years 2024 and 2025 and the timing of the recovery from the economic issues created by the pandemic as well as inflation. 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 2022, property tax revenue 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 2022 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, 2022

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 34,929,049
Short-Term Investments	7,699,748
Student Accounts Receivable, Net of Allowance of $362,128	1,259,857
Accounts Receivable	4,990,505
Property Tax Receivable	8,393,603
Inventories	56,025
Prepaid Expenses and Other Current Assets	1,645,729
Total Current Assets	58,974,516
Noncurrent Assets:	
Long-Term Investments	10,675,867
Total Long-Term Investments	10,675,867
Capital Assets:	
Nondepreciable Capital Assets:	
Land	15,120,841
Land Improvements	2,931,537
Art/Historical Figures	42,132
Construction-in-Progress	98,948,117
Depreciable/ Amortizable Capital Assets, Net:	
Land Improvements	12,532,054
Buildings and Improvements	95,221,077
Vehicles	908,114
Aircraft	1,181,376
Equipment and Furniture	5,504,794
Right-of-Use (ROU) Leases	1,774,709
Total Capital Assets, Net	234,164,751
Total Noncurrent Assets	244,840,618
Total Assets	303,815,134
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources - Pension	12,124,579
Deferred Outflows of Resources - OPEB	576,747
Total Deferred Outflows of Resources	12,701,326

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 9,853,182
Accrued Liabilities	3,170,511
Unearned Revenue	1,387,591
Compensated Absence Liabilities, Current Portion	564,954
Deposits Held in Custody for Others	83,311
Right-of-Use Leases Payable	435,897
Total Current Liabilities	15,495,446
Noncurrent Liabilities:	
Compensated Absence Liabilities	2,259,818
Net Pension Liability	73,274,940
Net OPEB Liability	3,313,199
Right-of-Use Leases Payable	1,660,716
Total Noncurrent Liabilities	80,508,673
Total Liabilities	96,004,119
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources - Pension	30,127,381
Deferred Inflows of Resources - OPEB	1,170,409
Total Deferred Inflows of Resources	31,297,790
NET POSITION	
Net Investment in Capital Assets	228,426,626
Restricted for Expendable Purposes:	
TABOR Reserves	2,931,422
Nongovernmental Grants and Gifts	62,591
Unrestricted	(42,206,088)
Total Net Position	$ 189,214,551

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	$ 1,826,849
Deposits Held by Others	-
Operating Investments	2,815,267
Contributions Receivable, Net	135,018
Other Receivables	17,930
Endowment:	
Investments	3,273,098
Beneficial Interest in Perpetual Trust	1,929,829
Total Assets	$ 9,997,991

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	$ 1,897
Deposits Held for Others	315,145
Deferred Revenue	-
Total Liabilities	317,042
NET ASSETS	
Without Donor Restrictions:	
Board-Designated Endowment	389,067
Unrestricted	1,633,240
With Donor Restrictions:	7,658,642
Total Net Assets	9,680,949
Total Liabilities and Net Assets	$ 9,997,991

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

REVENUES	
Operating Revenues:	
Student Tuition and Fees, Net of Scholarship Allowances of $4,860,580	$ 9,251,056
Federal Grants and Contracts	1,568,778
State and Local Grants, Contracts, and Gifts	5,036,603
Sales and Services of Educational Activities	31,755
Auxiliary Operating Revenue	383,138
Other Operating Revenue	84,847
Total Operating Revenues	16,356,177
EXPENSES	
Operating Expenses:	
Educational and General	
Instruction	33,386,689
Public Service	31,731
Academic Support	10,748,256
Student Services	11,801,447
Institutional Support	23,331,660
Operation of Plant	10,397,731
Student Aid	13,858,592
Depreciation and Amortization	10,538,125
Auxiliary	624,701
Total Operating Expenses	114,718,932
OPERATING LOSS	(98,362,755)
NONOPERATING REVENUES (EXPENSES)	
General Property Taxes, Net of Bad Debt Allowance of $397,042	67,521,294
State Appropriations	14,168,157
Federal Nonoperating Revenue	16,086,148
Investment Income (Loss)	(611,154)
Other Nonoperating Revenues	1,062,331
Loss on Disposal of Assets	(9,408)
Interest Expense on Capital Lease	(446,337)
Net Nonoperating Revenues	97,771,031
(LOSS) INCOME BEFORE OTHER REVENUES	(591,724)
CAPITAL CONTRIBUTIONS	119,345
CHANGE IN NET POSITION	(472,379)
Net Position - Beginning of Year	189,686,930
NET POSITION - END OF YEAR	$ 189,214,551

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 23,366	$ 827,941	$ 851,307
In-Kind Contributions	345,868	206,547	552,415
Net Investment Revenue	(416,787)	(618,398)	(1,035,185)
Grants	-	28,904	28,904
Special Events Revenue	(38)	1,764	1,726
Net Assets Released from Restrictions	470,471	(470,471)	-
Total Revenue, Support, and Gains	422,880	(23,713)	399,167
EXPENSES			
Program Services Expense:			
Student Scholarships	198,299	-	198,299
Support for Academic Programs	188,567	-	188,567
Support for Student Services	33,719	-	33,719
Other College Programs	8,943	-	8,943
Total Program Services Expense	429,528	-	429,528
Supporting Services Expense:			
Management and General	383,879	-	383,879
Fundraising and Development	99,657	-	99,657
Total Supporting Services Expense	483,536	-	483,536
Total Expenses	913,064	-	913,064
CHANGE IN NET ASSETS	(490,184)	(23,713)	(513,897)
Net Assets - Beginning of Year	2,512,491	7,682,355	10,194,846
NET ASSETS - END OF YEAR	$ 2,022,307	$ 7,658,642	$ 9,680,949

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received:	
Tuition and Fees	$ 8,668,243
Grants and Gifts	6,403,515
Sales of Services	31,756
Sales of Products	383,138
Other Receipts	24,349
Cash Payments:	
Payments to or for Employees	(54,710,311)
Payments to Suppliers	(39,937,042)
Scholarships Disbursed	(14,095,089)
Direct Loans Disbursements	(2,266,984)
Direct Loans Receipts	2,266,984
Net Cash Used by Operating Activities	(93,231,441)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations, Noncapital	12,356,447
Federal Revenues, Noncapital	19,927,265
General Property Taxes, Noncapital	69,371,457
Decrease in Deposits Held in Custody for Others	(212,674)
Other Noncapital Financing Activities - Royalties	894,894
Net Cash Provided by Noncapital Financing Activities	102,337,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition or Construction of Capital Assets	(47,090,050)
Proceeds from Sale of Capital Assets	-
Principal Paid on Leases	(1,844,271)
Interest Paid on Capital Debt	(446,337)
Net Cash Used by Capital and Related Financing Activities	(49,380,658)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(13,271,125)
Proceeds from Sales of Investments	43,339,349
Investment Earnings (Losses)	562,616
Net Cash Provided by Investing Activities	30,630,840
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,643,870)
Cash and Cash Equivalents - Beginning of Year	44,572,919
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 34,929,049

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (98,362,755)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization Expense	10,538,125
Changes in Operating Assets, Liabilities, and Deferred Outflows and Inflows:	
Receivables, Net	(1,516,588)
Inventory, Prepaid Expenses and Other Assets	63,346
Deferred Outflows of Resources	15,901,330
Accounts Payable and Accrued Liabilities	(1,508,295)
Unearned Revenues	526,121
Compensated Absences	(11,575)
Deposits Held in Custody for Others	(3,136)
Net Pension and Net OPEB Liability	(28,187,444)
Deferred Inflows of Resources	9,329,430
Net Cash Used by Operating Activities	$ (93,231,441)
SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND INVESTING ACTIVITIES	
Construction Accounts Payable and Retainages	$ (3,641,514)
Gain (Loss) on Disposal of Capital Assets	(9,408)
Donated Assets	119,345
Unrealized Gain (Loss) on Investment	(1,131,740)
In-Kind Operating Expenses Donated by Foundation	(67,425)

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 not-for-profit 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, 2022, there was no activity related to the Corporation.

The Aims College Campus Planned Community Association (the Association), a not-for-profit 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, 2022 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 not-for-profit 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 $231,229 for program services to the District and $198,299 for student scholarships during the year ended June 30, 2022. In addition, the District provided $345,868 of in-kind contributions to the Foundation. The District has recorded $315,145 as deposits held in receivables from the Foundation as of June 30, 2022.

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, 2022, cash equivalents consisted primarily of cash on hand, bank deposits and money market accounts with brokers.

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 non-negotiable certificates of deposit are carried at cost.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

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, 2022 base mill levy for the District from Weld County was 6.299 mills, with a refund/abatement mill of 0.043. Total mill levy for the District was 6.342, or approximately $63.5 million. The District also receives specific ownership taxes paid for vehicle registrations. For the year ended June 30, 2022, the District received $4.0 million in specific ownership taxes. 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, vehicles, and aircraft.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Due to requirements in GASB Statement No. 87, when operating as a lessee, the College is required to recognize a lease liability and an intangible right-to-use (ROU) lease asset, and when operating as a lessor, the College is required to recognize a lease receivable and a deferred inflow of resources. Assets recorded under ROU lease agreements are amortized over either the term of the lease or the estimated useful life, whichever period is shorter. The District has ROU leases of eight airplanes, two commercial trucks, and one mail machine as of June 30, 2022.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2022.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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. Resources generated from these sources are then reduced by outstanding operating liabilities (including the net pension liability and net OPEB liability) to determine unrestricted net position.

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, Higher Education Emergency Relief Funding (HEERF) 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Newly Implemented Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use (ROU) lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The College adopted the requirements of the guidance effective July 1, 2021, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

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 accounting principles generally accepted in the United States of America, 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, 2022 are comprised of the following:

Cash on Hand	$ 5,180
ColoTrust	572,481
Deposits	28,776,162
Money Market Funds	5,575,226
Total Cash and Cash Equivalents	34,929,049
Short-Term Investments	7,699,748
Long-Term investments	10,675,867
Total Investments	18,375,615
Total Cash and Cash Equivalents and Investments	$ 53,304,664

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, 2022, the carrying amount of the District's deposits and money market funds was $34,923,869. The bank balances of these deposits and money market funds was $36,209,475, of which $1,196,406 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.

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.

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

Investments (Continued)

The District held the following types of investments at June 30, 2022:

Type	Fair Value	Maturities in Years: Less than One	Maturities in Years: One to Five	NRSRO Ratings: Moody's	NRSRO Ratings: S&P
U.S. Agency Obligations	$ 1,895,662	$ -	$ 1,895,662	Aaa	AA+
U.S. Treasury Obligations	6,932,296	3,206,573	3,725,723	Aaa	AA+
Corporate Bonds	9,547,657	4,493,175	5,054,482	Aaa - Aa3	AA+ - AA-
Total Short-Term and Long-Term Investments	$ 18,375,615	$ 7,699,748	$ 10,675,867		

At June 30, 2022, the District has invested $572,481 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, 2022, the District's investment in ColoTrust investment pool was rated AAAm by Standard 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. The total deposit in this fund as of June 30, 2022 was $4,324,040. 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. The total deposit in this fund as of June 30, 2022 was $678,705. 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. See the table above for maturity information of investments held by the District.

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, 2022, the District’s investments included investments in the five following companies’ bond funds that exceeded 5%:

Wells Fargo - Short Term Corporate Bonds	Market Value	% of Total Investments
Berkshire Hathway Inc.	$1,996,637	11%
Univ of CA	1,996,728	11%
Wells Fargo Long Term Bonds		
Cntrl Puget Sound Build America Bonds	$1,068,751	6%
Univ Of Michigan	1,410,537	8%
Berkshire Hathaway, Inc	2,575,194	14%

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

Investments (Continued)

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, 2022.

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. Non-negotiable 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, 2022 are as follows:

Investments Measured at Fair Value	Fair Value	Level 1	Level 2	Level 3
U.S. Agency Obligations	$ 1,895,662	$ -	$ 1,895,662	$ -
U.S. Treasury Obligations	6,932,296	6,932,296	-	-
Corporate Bonds	9,547,657	9,547,657	-	-
Total Investments by Fair Value Level	$ 18,375,615	$ 16,479,953	$ 1,895,662	$ -

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, 2022:

		Fair Value Measurements at Report Date Using		
Assets	Total	Level 1	Level 2	Level 3
Mutual Funds - Fixed Income	$ 2,204,625	$ 2,204,625	$ -	$ -
Mutual Funds - Equities	2,144,510	2,144,510	-	-
Common Stock	1,739,230	1,739,230	-	-
Beneficial Interest In Perpetual Trust	1,929,829	-	-	1,929,829
Total	$ 8,018,194	$ 6,088,365	$ -	$ 1,929,829

Held as Operating Investments	$ 2,815,267
Held as Endowment Investments	5,202,927
Total Investments	$ 8,018,194

NOTE 6 CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the year ended June 30, 2022. (Beginning balance has been restated for implementation of GASB 87, *Leases*, as discussed in Note 1.)

	Balance (Restated) July 1, 2021	Additions	Deductions	Transfers	Balance June 30, 2022
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	17,476,319	-	-	1,816,661	19,292,980
Buildings and Improvements	158,316,093	-	-	24,576	158,340,669
Vehicles	3,577,928	161,743	-	-	3,739,671
Aircraft	1,852,617	53,181	-	-	1,905,798
Equipment, FFE, and Software	26,996,940	1,284,533	(352,280)	200,630	28,129,823
Right-of-Use Leases - Equipment & Vehicles	3,428,014	-	-	-	3,428,014
Total Capital Assets, Being Depreciated	211,647,911	1,499,457	(352,280)	2,041,867	214,836,955
Less Accumulated Depreciation:					
Land Improvements	5,732,831	1,028,094	-	-	6,760,925
Buildings and Improvements	57,409,356	5,710,238	-	-	63,119,594
Vehicles	2,418,232	413,324	-	-	2,831,556
Aircraft	486,197	238,225	-	-	724,422
Equipment, FFE, and Software	20,278,206	2,697,066	(350,244)	-	22,625,028
Right-of-Use Leases - Equipment & Vehicles	1,202,128	451,178	-	-	1,653,306
Total Accumulated Depreciation	87,526,950	10,538,125	(350,244)	-	97,714,831
Total Capital Assets, Being Depreciated, Net	124,120,961	(9,038,668)	(2,036)	2,041,867	117,122,124
Add Construction-In-Progress	56,234,451	44,762,905	(7,372)	(2,041,867)	98,948,117
Net Carrying Amount	$ 198,449,922	$ 35,724,237	$ (9,408)	$ -	$ 234,164,751

*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, 2022, 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.

The College evaluated these arrangements under GASB 87, *Leases* and concluded that this pronouncement did not apply given rights to oil and gas resources are explicitly excluded from this guidance. As such, no lease receivable and corresponding deferred inflow was recorded.

Total royalty revenues from oil and gas leases at June 30, 2022 was $812,203. 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 (FNP) and additions to/deductions from the FNP of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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

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

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive postretirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.0% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. §24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.0% 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.

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. The employer contribution requirements for all employees are summarized in the table below:

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

All Except State Troopers

	For the Year Ended December 31 2021	For the Year Ended December 31, 2022
Employer Contribution Rate[1]	10.40 %	10.40 %
Automatic Adjustment as specified in C.R.S. § 24-51-413	0.50 %	0.50 %
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)%	(1.02)%
Amount Apportioned to the SDTF[1]	9.88 %	9.88 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %
Defined Contribution Supplement as specified in C.R.S. § 24-51-413	0.05 %	0.10 %
Total Employer Contribution Rate to the SDTF[1]	19.93 %	19.98 %

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the District were $7,329,755 for the measurement period ended December 31, 2021.

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2022 the District reported a liability of $73,274,940 for its proportionate share of the net pension liability. At December 31, 2021, the District's proportion was 0.9935%, which was a decrease of .073% from its proportion measured as of December 31, 2020.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2022, the District recognized contra pension expense of ($2,675,642), 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	$ 498,585	$ 101,939
Changes of Assumptions or Other Inputs	2,612,528	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	25,215,865
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	5,373,393	4,809,577
Contributions Subsequent to the Measurement Date	3,640,073	-
Total	$ 12,124,579	$ 30,127,381

The $3,640,073 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, 2023. 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 Ending June 30,	Amount
2023	$ (2,021,726)
2024	(7,013,216)
2025	(6,303,966)
2026	(6,303,966)
Total	$ (21,642,874)

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The December 31, 2020 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.3-10.90%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate [1]	7.25%
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007, and DPS Benefit Structure (Automatic)	1.00% Compounded Annually
PERA Benefit Structure Hired After December 31, 2006, (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

[1] The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25% as described below.

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub2010 Contingent Survivor Table, adjusted as follows:

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

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

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

Several factors 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)

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2021. As of the most recent reaffirmation of the current long-term expected rate of return, 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
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives [1]	6.00	4.70
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 3.00%.

- 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.

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

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

- 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 FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the 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 one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	One Percent Decrease 6.25%	Current Discount Rate (7.25%)	One Percent Increase 8.25%
Proportionate Share of the Net Pension Liability	$ 103,351,676	$ 73,724,941	$ 47,990,133

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's FNP is available in PERA's Annual Report 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 Annual Report which includes additional information on the Voluntary Investment Program. The 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, 2022, program members contributed $375,267.

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

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).

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, 2022, program members contributed $76,848.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

PERA Health Care Trust Fund Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB)

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

General Information about the OPEB Plan

Plan Description

Eligible employees of the 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).

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description (Continued)

The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, sets forth a framework that grants authority to the PERA Board to contact, 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure (Continued)

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were $375,130 for the measurement period ended December 31, 2021.

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

At June 30, 2022, the District reported a liability of $3,313,199 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District’s proportion was 0.211%, which was a decrease of 0.148% from its proportion measured as of December 31, 2020.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2022, the District recognized OPEB contra expense of $281,042. At June 30, 2022, 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	$ 5,049	$ 785,600
Changes of Assumptions or Other Inputs	68,596	179,721
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	205,088
Changes In Proportion and Differences Between Contributions Recognized and Proportionate Share Share of Contributions	321,098	-
Contributions Subsequent to the Measurement Date	182,004	-
Total	$ 576,747	$ 1,170,409

$182,004 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, 2022. 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
2023	$ (126,648)
2023	(138,237)
2025	(154,865)
2026	(170,124)
2027	(157,023)
2028	(28,769)
Total	$ (775,666)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	70.00%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.4-11%
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	4.5% in 2021 6.0% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.75% for 2021, gradually increasing to 4.50% in 2029
DPS benefit structure	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	N/A

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, 2020, valuations were based on the results of the 2020 experience analysis for the periods January 1, 2016 through December 31, 2019, as well as, the October 28, 2020, actuarial assumptions workshop and were adopted by the PERA Board during the November 20, 2020, 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.

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 in the December 31, 2020 valuation, the following monthly costs/premiums are assumed for 2020 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	$ 633	$ 230
Kaiser Permanente Medicare Advantage HMO	596	199

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

The 2021 Medicare Part A premium is $471.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five 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
Self-Funded Medicare Supplement Plans	$ 591
Kaiser Permanente Medicare Advantage HMO	562

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, 2020, 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)

Actuarial Assumptions (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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	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.

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

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

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

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the Trust Fund.

- 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 2021 plan year.

- 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, 2020.

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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Actuarial Assumptions (Continued)

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset 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
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives [1]	6.00	4.70
Total	100.00 %	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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:

	One Percent Decrease in Trend Rates	Current Trend Rates	One Percent Increase in Trend Rates
Initial PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Total Plan	$ 8,375,420	$ 8,623,050	$ 8,909,910
Proportionate Share of the Net OPEB Liability	$ 3,166,932	$ 3,313,198	$ 3,369,034

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Discount Rate

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

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

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. 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 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 one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current discount rate:

	One Percent Decrease 6.25%	Current Discount Rate 7.25%	One Percent Increase 8.25%
Proportionate Share of the Net OPEB Liability	$ 3,166,932	$ 3,313,198	$ 3,369,034

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in PERA's Annual Report which can 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, 2022, an emergency reserve of $2,931,422 was recorded as restricted net position on the statement of net position.

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

In the normal course of operations, the District is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; error or omissions; and employer obligations. The District manages these risks through purchased insurance coverage. In management's opinion, the ultimate resolution of these contingencies not covered by insurance would not have a significant adverse effect upon the overall net position, operations, or cash flows of the District.

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.

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Construction Commitments

The District had construction commitments outstanding of $4.2 million at June 30, 2022. These commitments are for the Welcome Center, Student Commons Center renovation, parking infrastructure projects, and other capital construction projects in process at June 30, 2022.

NOTE 12 COMPENSATED ABSENCES

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, 2022 is $2,824,772. The District estimates 20% of the liability will be paid in the subsequent year as follows:

	Balance, July 1, 2021	Additions Reductions Net	Balance, June 30, 2022	Amounts Due Within One Year
Accrued Compensated Absences	$ 2,836,346	$ (11,574)	$ 2,824,772	$ 564,954

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 AND FINANCED PURCHASES

The District has leases and financed purchases for airplanes used in its flight-training program, vehicles used in the CDL program, and a mail postage machine. Leases range between 5 and 8 years and are now accounted for under GASB 87, *Leases* as discussed in Note 1. Rental payments under these leases for the year ended June 30, 2022, were $569,143. For financed purchases, all were paid off during the year. The District's outstanding balances as of June 30 are detailed below (beginning balance restated for GASB 87, *Leases*):

	Balance, Restated June 30, 2021	Additions	Reductions	Balance, June 30, 2022	Due Within One Year
Financed Purchases	$ 1,133,526	$ -	$ (1,133,526)	$ -	
Leases Payable	$ 2,807,358	$ -	$ (710,745)	$ 2,096,613	$ 435,897
Total	$ 3,940,884	$ -	$ (1,844,271)	$ 2,096,613	$ 435,897

The District's future minimum lease payments under the outstanding leases as of June 30, 2022 are detailed below:

Fiscal Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2023	$ 435,897	$ 133,246	$ 569,143
2024	450,151	103,942	554,093
2025	444,151	73,393	517,544
2026	317,170	41,030	358,200
2027	216,876	24,324	241,200
Thereafter	232,368	8,831	241,199
Total	$ 2,096,613	$ 384,766	$ 2,481,379

NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the year ended June 30, 2022, the following table represents operating expenses within both natural and functional classifications:

Functional Classifications	Natural Classification: Employee and Personnel Services	Pensions/OPEB Expense Allocations	Supplies	Operating	Student Aid	Depreciation/ Amortization	Total Operating Expenses
Instruction	$ 23,829,178	$ (1,269,514)	$ 1,841,090	$ 8,985,935	$ -	$ -	$ 33,386,689
Public Service	3,273	(170)	3,527	25,101	-	-	31,731
Academic Support	8,647,379	(465,452)	210,347	2,355,982	-	-	10,748,256
Student Services	9,305,665	(511,052)	159,645	2,847,189	-	-	11,801,447
Institutional Support	10,106,609	(545,082)	2,069,867	11,700,266	-	-	23,331,660
Operation of Plant	2,593,837	(140,904)	1,260,723	6,684,075	-	-	10,397,731
Student Aid	-	-	-	-	13,858,592	-	13,858,592
Depreciation/ Amortization	-	-	-	-	-	10,538,125	10,538,125
Auxiliary	447,887	(24,510)	153,715	47,609	-	-	624,701
Total Expenses	$ 54,933,828	$ (2,956,684)	$ 5,698,914	$ 32,646,157	$ 13,858,592	$ 10,538,125	$ 114,718,932

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

	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan Measurement Date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's Proportion of the Net Pension Liability	0.994%	1.067%	0.908%	0.866%	0.955%	0.940%	0.899%	0.825%	0.776%
District's Proportionate Share of the Net Pension Liability	$ 73,274,941	$ 101,182,572	$ 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 District	-	-	448,903	542,415	-	-	-	-	-
Total	$ 73,274,941	$ 101,182,572	$ 88,532,782	$ 99,080,976	$ 191,230,653	$ 172,723,035	$ 94,720,288	$ 77,557,998	$ 69,116,756
District's Covered Payroll	$ 36,775,299	$ 34,972,155	$ 32,341,774	$ 29,826,834	$ 28,028,541	$ 27,355,210	$ 25,003,265	$ 22,200,317	$ 19,976,041
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	199.25%	289.32%	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	73.05%	65.34%	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.

See Notes to Required Supplemental Information.

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

	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 7,360,107	$ 7,168,675	$ 6,608,222	$ 5,867,928	$ 5,531,525	$ 5,114,230	$ 4,661,032	$ 3,931,585	$ 3,383,030
Contributions in Relation to the Contractually Required Contribution	7,360,107	7,168,675	6,608,222	5,867,928	5,531,525	5,114,230	4,661,032	3,931,585	3,383,030
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 36,844,598	$ 36,017,363	$ 34,098,130	$ 30,673,946	$ 28,876,710	$ 27,355,210	$ 26,216,232	$ 23,280,009	$ 21,156,892
Contributions as a Percentage of Covered Payroll	19.98%	19.90%	19.38%	19.13%	19.16%	18.70%	17.78%	16.89%	15.99%

*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.

See Notes to Required Supplemental Information.

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

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
Plan Measurement Date*	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's Proportion (Percentage) of the Collective Net OPEB Liability	0.3842%	0.3781%	0.3597%	0.3527%	0.3453%	0.3393%
District's Proportionate Share of the Collective Net OPEB Liability	$ 3,313,198	$ 3,593,011	$ 4,042,902	$ 4,798,085	$ 4,486,921	$ 4,398,776
Covered Payroll	36,775,299	34,972,155	34,098,130	30,673,946	20,028,541	27,355,210
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	9.01%	10.27%	11.86%	15.64%	22.40%	16.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39.40%	32.78%	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.

See Notes to Required Supplemental Information.

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

	Fiscal Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 368,005	$ 366,887	$ 347,801	$ 312,874	$ 287,133	$ 274,519	$ 267,397	$ 237,456	$ 215,800
Contributions in Relation to the Contractually Required Contribution	368,005	366,887	347,801	312,874	287,133	274,519	267,397	237,456	215,800
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 36,844,598	$ 36,017,363	$ 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	1.00%	1.02%	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.

See Notes to Required Supplemental Information.

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2022

Changes in benefit terms and actuarial assumptions

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

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1.00%, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to Required Supplementary Information (Other Postemployment Benefits) – Fiscal Year 2022 Changes in benefit terms and actuarial assumptions:

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

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

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

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

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

AIMS COMMUNITY COLLEGE
ACTUAL TO BUDGET COMPARISON – ALL FUNDS
YEAR ENDED JUNE 30, 2022

	Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues:			
Tuition and Fees	$ 14,500,000	$ 14,111,636	$ (388,364)
Less: Tuition Discounts (Student Financial Aid)	(2,300,000)	(4,860,580)	(2,560,580)
Net Tuition and Fees	12,200,000	9,251,056	(2,948,944)
Gifts, Grants, and Contracts (Including Pell)	70,000	6,605,381	6,535,381
Auxiliary Operating Revenue	510,000	383,138	(126,862)
Other Operating Revenue	520,000	116,602	(403,398)
Total Operating Revenues	13,300,000	16,356,177	3,056,177
Operating Expenses:			
Education and General	97,645,500	92,629,688	(5,015,812)
Student Aid	14,581,700	13,858,592	(723,108)
Auxiliary Enterprises Expenses	571,000	649,211	78,211
Total Operating Expenses	112,798,200	107,137,491	(5,660,709)
Nonoperating Revenues and Expenses:			
General Property Taxes	69,500,000	67,521,294	(1,978,706)
State Appropriations	13,000,000	14,168,157	1,168,157
Investments	510,000	(611,154)	(1,121,154)
Federal Nonoperating Revenue	18,629,800	16,086,148	(2,543,652)
Other Nonoperating Revenue	(300,000)	1,062,331	1,362,331
Loss on Disposal of Assets	-	(9,408)	(9,408)
Interest on Capital Lease	-	(446,337)	(446,337)
Total Nonoperating Revenues and Expenses	101,339,800	97,771,031	(3,568,769)
Transfers In (Out):			
Nonmandatory Transfers In	2,883,000	49,000,485	46,117,485
Nonmandatory Transfers Out	(2,883,000)	(49,000,485)	(46,117,485)
Total Transfers In (Out)	-	-	-
Increase in Net Position, Budgetary Basis	$ 1,841,600	$ 6,989,717	$ 5,148,117
Reconciling Items to GAAP Basis Net Position:			
Pension and OPEB Expense		$ 2,956,684	
Depreciation and Amortization Expense		(10,538,125)	
Capital Contribution		119,345	
Increase in Net Position, GAAP Basis		$ (472,379)	

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*

Members of the Board of Trustees
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 governmental activities, 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, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 31, 2023. The financial statements of Aims Community College Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Aims Community College Foundation or that are reported on separately by those auditors who audited the financial statements of Aims Community College Foundation.

Report on 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described as item 2022-001 in the accompany schedule of findings and questions questioned costs, that we consider to be a significant deficiency.

Report on 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.*

The College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 31, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Aims Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 2022-002, 2022-003, and 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Member of the Board of Trustees
Aims Community College

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, and 2022-004, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
March 31, 2023

AIMS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Federal Program or Cluster Title	Assistance Listing 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	N/A	N/A	$ -	$ 5,212,507
Federal Supplemental Educational Opportunity Grants	84.007	N/A	N/A	-	207,305
Federal Work-Study Program	84.033	N/A	N/A	-	38,462
Federal Direct Student Loans	84.268	N/A	N/A	-	2,266,984
Total Student Financial Assistance Cluster				-	7,725,258
Trio Cluster					
TRIO - SSS	84.042A	N/A	N/A	-	289,834
TRIO SSS (STEM)	84.042A	N/A	N/A	-	238,002
Total Trio Cluster				-	527,836
Education Stabilization Fund					
(COVID-19) Higher Education Emergency Relief Fund - Student Aid	84.425E	N/A	N/A	-	5,105,640
(COVID-19) Higher Education Emergency Relief Fund - Institution	84.425F	N/A	N/A	-	5,768,002
Total Education Stabilization Fund				-	10,873,642
Other Programs					
Career and Technical Education - Basic Grants to States	84.048	Colorado Community College System	N/A	-	573,480
Total U.S. Department of Education				-	19,700,216
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	-	5,602
National Science Foundation	47.076	University of Northern Colorado	Subaward No. 19.000.DS1-01	-	48,405
Total Research and Development Cluster				-	54,007
Total National Aeronautics and Space Administration				-	54,007
DEPARTMENT OF TREASURY					
COSI Finish What You Started	21.027	Colorado Department of Higher Education	CTGG1 2022-2576	-	161,023
Total Department of Treasury				-	161,023
INSTITUTE OF MUSEUM AND LIBRARY SERVICES (IMLS)					
ARPA State Library Grant	45.310	N/A	State grant code: 7310	-	5,990
Total Institute of Museum and Library Services (IMLS)				-	5,990
Total Expenditures of Federal Awards				$ -	$ 19,921,236

See accompanying Notes to Schedule of Expenditures of Federal Awards.

AIMS COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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, 2022.

The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 the Uniform Guidance, wherein 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.

AIMS COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

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? ___X___ yes ______ 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

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
84.425E, 84.425F	Higher Education Emergency Relief Fund

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

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

Section II – Financial Statement Findings

2022-001: Capital Asset Costs

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: In accordance with Generally Accepted Accounting Principles (GAAP), capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition—such as freight and transportation charges, site preparation costs, and professional fees.

Condition: The College had a large amount of capital construction during the year which included $44.7 million in additions to construction-in-progress. Of that amount, $631,000 related to temporary, relocation costs. The College capitalized these relocation costs rather than recognizing them as an expense of the period.

Additionally, there were other costs totaling $1.8 million that were expensed as supplies that met the College's capitalization policy and should have been capitalized as equipment.

The net amount of these errors was approximately $1.2 million of capitalizable costs that should have been recorded in fiscal year 2022.

Effect: Capital assets are understated, and operating expenses were overstated. The net amount is not considered material to the overall financial statements and will be corrected by management in the subsequent fiscal year.

Cause: The College initially concluded that the relocation, temporary costs were directly attributable to asset acquisition. Upon further analysis, it was determined that $631,000 were for temporary space and other related costs not directly attributable to asset acquisition. As such, the costs should have been expensed. Additionally, there was $1.8 million of equipment purchases that met the College's capitalization policy but were incorrectly expensed. The College's controls over its capitalization processes did not catch these errors.

Repeat finding: Yes, see 2021-001

Section II – Financial Statement Findings (Continued)

2022-001: Capital Asset Costs (Continued)

Recommendation: The College should strengthen its controls over the capitalization process. Review processes should be put in place so that costs are appropriately categorized between operating expenses or capital projects. More specifically, upon major project construction or significant capital acquisition, the College should analyze the budgeted costs of the construction/acquisition to determine which costs are directly attributable to the acquisition/construction versus those that are expenses of the period. Based upon this analysis, the College should continue to properly track costs and either capitalize or expense based upon the nature of the costs. GAAP should be referred to and consultations made, as necessary. If certain judgements and interpretations need to be made, the College should document their conclusions and GAAP referenced in a memo. The final posting of the cost to the general ledger should be reviewed and approved by someone familiar with generally accepted accounting principles.

Views of responsible officials and planned corrective actions: Management agrees with finding.

Section III – Findings and Questioned Costs – Major Federal Programs

2022-002: Procurement

Federal Agency: Department of Education
Federal Program: Higher Education Emergency Relief Funds
Assistance Listing Numbers: 84.425F – Higher Education Emergency Relief Fund Institutional Portion
Federal Award Identification Number and Year: P425F200257 – 2020
Award Period: July 1, 2021 – June 30, 2022
Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The UG subsections 200.317 through 200.326 address procurement standards within the Uniform Guidance. These standards require certain elements to be included in a written procurement policy. In addition, in accordance with 2 CFR Title 2, Subtitle A, Chapter 2, Part 200, Subpart D, 200.303, the non-federal entity must establish and maintain effective internal controls over the federal award to provide reasonable assurance that the non-federal entity is managing the award in compliance with federal regulations.

Condition: During our testing, we noted certain elements of the College's procurement policy did not specifically address all requirements in CRF subsections 200.317 through 200.326. Required elements not included were:

- UG §200.318, item (d): The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.
- UG §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms, item (a): The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

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

2022-002: Procurement (Continued)

Questioned Costs: None

Context: During testing, it was noted the College's procurement policy did not include all required elements under federal regulations.

Cause: The College did not ensure its procurement policies were up to date with federal regulations. This was reported to the College in the prior year, but was not brought to the College's attention until after the fiscal year.

Effect: The College was not in compliance with procurement regulations.

Repeat Finding: Yes, see 2021-002

Recommendation: We recommend the College review its existing written procurement policies to ensure the written policies are in compliance with federal regulations.

Views of responsible officials: Management agrees with finding.

2022-003: Suspension & Debarment

Federal agency: Department of Education
Federal program: Educational Stabilization Fund
Assistance Listing Numbers: 84.425F – Higher Education Emergency Relief Fund Institutional Portion
Federal Award Identification Number and Year: P425F200257 – 2020
Award Period: July 1, 2021 – June 30, 2022
Type of Finding:

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

Criteria or specific requirement: When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at https://www.beta.sam.gov, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). In addition, 2 CFR 200.303 in the federal regulations cover internal controls over compliance.

Condition: We sampled five covered transactions that lacked documentation supporting that the vendor was not suspended or debarred.

Questioned costs: None

Context: Of the five covered transactions tested, all lacked documentation supporting that the College verified the vendor was not suspended or debarred prior to entering into the covered transactions.

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

2022-003: Suspension & Debarment (Continued)

Cause: Management did not retain evidence demonstrating they verified the vendors were not suspended or debarred prior to entering into the covered transaction**.** Similar instances of noncompliance were reported in the prior year audit, but was not brought to the College's attention until after the fiscal year.

Effect: By not retaining evidence that Management verified vendors were not suspended or debarred, management may erroneously enter into a covered transaction with vendors that were suspended or debarred.

Repeat finding: Yes, see 2021-003

Recommendation: We recommend Management adopt a policy to ensure evidence of compliance to suspension and debarment regulations are maintained. This can include maintaining evidence that management reviewed the GSA website, maintaining a certification from the vendor, or including a clause in a contract with vendors that they are not suspended or debarred.

Views of responsible officials: Management agrees with finding.

2022-004: HEERF Allowable Costs – Indirect Costs

Federal agency: Department of Education
Federal program: Educational Stabilization Fund
Assistance Listing Numbers: 84.425F – Higher Education Emergency Relief Fund Institutional Portion
Federal Award Identification Number and Year: P425F200257 – 2020
Award Period: July 1, 2021 – June 30, 2022
Type of Finding:

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

Criteria or specific requirement: Reasonable direct administrative costs and indirect costs at an institution's approved negotiated indirect cost rate may be charged against Assistance Listing 84.425F (the Institutional portion). All such costs must be reasonable and necessary and conform to Cost Principles described in 2 CFR Part 200 Subpart E of the Uniform Guidance. Further, in accordance with the College's cognizant agency approved indirect cost rate, the approved rate should be applied to its Modified Total Direct Costs (MTDC) base. This MTDC base should exclude equipment, capital expenditures, among other things. In addition, 2 CFR 200.303 in the federal regulations cover internal controls over compliance.

Condition: During our testing, we noted certain costs that were charged as supplies when they should have been recognized as capital assets/ equipment purchases. As a result, the indirect costs were calculated incorrectly by including these costs in the MTDC base. The MTDC should have excluded equipment and capital expenditures. As a result, $298,372 of indirect costs were incorrectly calculated and charged to the award.

Questioned costs: $298,372

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

2022-004: HEERF Allowable Costs – Indirect Costs (Continued)

Context: During testing, it was noted the College did not follow the proper steps and the College's capital asset policy. Thus, these costs were expenses as supplies rather than as capital items.

Cause: The College did not appropriately record expenditures in accordance with its capital asset policy and therefore erroneously calculated its indirect costs that were charged to the grant.

Effect: The College charged unallowable costs to the grant.

Repeat finding: No

Recommendation: We recommend the College review its existing policies around calculating its MTDC and recording capital expenditures to ensure it is in compliance with federal regulations.

Views of responsible officials: Management agrees with finding.

AIMS COMMUNITY COLLEGE
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2022

Aims COMMUNITY COLLEGE

Department of Education

Aims Community College respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021, to June 30, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022-001 Capital Asset Costs

Recommendation: The College should strengthen its controls over the capitalization process. Review processes should be put in place so that costs are appropriately categorized between operating expenses or capital projects. More specifically, upon major project construction or significant capital acquisition, the College should analyze the budgeted costs of the construction/acquisition to determine which costs are directly attributable to the acquisition/construction versus those that are expenses of the period. Based upon this analysis, the College should continue to properly track costs and either capitalize or expense based upon the nature of the costs. GAAP should be referred to and consultations made, as necessary. If certain judgements and interpretations need to be made, the College should document their conclusions and GAAP referenced in a memo. The final posting of the cost to the general ledger should be reviewed and approved by someone familiar with generally accepted accounting principles.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Management will review capitalization processes and improve controls where possible to ensure costs are appropriately categorized and follow GAAP. Capital project or acquisition costs will be analyzed to ensure proper accounting is applied. Final approval of all general ledger postings will be done by either the Controller or Assistant Controller.

Name(s) of the contact person(s) responsible for corrective action: Kailey Block, CPA, Assistant Vice President of Administrative Services/Controller

Planned completion date for corrective action plan: June 30, 2023

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Department of Education

2022-002 Educational Stabilization Fund – Assistance Listing No. 84.425F – Higher Education Emergency Relief Fund Institutional Portion

Recommendation: We recommend the College review its existing procurement policies to ensure it is up to date with federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Management agrees with the recommended action. The College will review the existing procurement policies and procedures and include standards that align with federal procurement regulations and standards.

Name(s) of the contact person(s) responsible for corrective action: Kailey Block, CPA, Assistant Vice President of Administrative Services/Controller

Planned completion date for corrective action plan: June 30, 2023

Department of Education

2022-003 Educational Stabilization Fund – Assistance Listing No. 84.425F – Higher Education Emergency Relief Fund Institutional Portion

Recommendation: We recommend management adopt a policy to ensure evidence of compliance to suspension and debarment regulations are maintained. This can include maintaining evidence that management reviewed the GSA website, maintaining a certification from the vendor, or including a clause in a contract with vendors that they are not suspended or debarred.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Management agrees with the recommended action. The College will update current policies and procedures to include suspension and debarment regulations and develop a tracking mechanism for the review of the GSA website and certification of vendors.

2022-003 Educational Stabilization Fund – Assistance Listing No. 84.425F – Higher Education Emergency Relief Fund Institutional Portion (Continued)

Name(s) of the contact person(s) responsible for corrective action: Kailey Block, CPA, Assistant Vice President of Administrative Services/Controller

Planned completion date for corrective action plan: June 30, 2023

Department of Education

2022-004 Educational Stabilization Fund – Assistance Listing No. 84.425F – Higher Education Emergency Relief Fund Institutional Portion

Recommendation: We recommend the College review its existing policies around calculating it's MTDC and recording capital expenditures to ensure it is in compliance with federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: Management agrees with the recommended action. The College will update current policies and procedures to identify expenditures excluded from MTDC and develop a more robust review of the MTDC calculation.

Name(s) of the contact person(s) responsible for corrective action: Kailey Block, CPA, Assistant Vice President of Administrative Services/Controller

Planned completion date for corrective action plan: June 30, 2023

If the Department of Education has questions regarding this plan, please call Kailey Block, CPA, Assistant Vice President of Administrative Services/Controller at 970-339-6433.

AIMS COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022

Aims
COMMUNITY COLLEGE

U.S. Department of Education

Aims Community College respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: July 2020 -June 2021

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2021 – 001 Relocation Costs

Condition: The College had a large amount of capital construction during the year which included $51.6 million in additions to construction-in-progress. Of that amount, approximately $1.7 million related to temporary, relocation costs. The College capitalized these relocation costs rather than recognizing them as an expense of the period. An audit adjustment was recorded to remove the $1.7 million from capital assets and to record an operating expense for the amount.

Status: See current year finding 2022-001.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2021 - 002: Procurement

Condition: During our testing we noted one transaction that did not follow the proper procurement steps prior to executing the transaction as detailed in the criteria section above. In addition, certain elements of the College's procurement policy did not specifically address all requirements in CRF subsections 200.317 through 200.326. Required elements not included were:

- UG §200.318, item (d): The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.
- UG §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms, item (a): The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Status: See current year finding 2022-002.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS (CONTINUED)

2021 - 002: Procurement (Continued)

Reason for finding's recurrence: Finding was not brought to management's attention until after the close of the 2021-22 fiscal year, therefore no corrective action was taken as of June 30, 2022. Corrective action has been taken during the current fiscal year.

Corrective Action: The College has reviewed existing procurement policies and procedures and are in the process of revising to ensure standards are included that align with federal procurement regulations and standards.

2021 – 003 Suspension & Debarment

Condition: We sampled six covered transactions that lacked documentation supporting that the vendor was not suspended or debarred.

Status: See current year finding 2022-003.

Reason for finding's recurrence: Finding was not brought to management's attention until after the close of the 2021-22 fiscal year, therefore no corrective action was taken as of June 30, 2022. Corrective action has been taken in the current fiscal year.

Corrective Action: The College has reviewed existing procurement policies and procedures and are in the process of revising to include suspension and debarment regulations. The College has developed a tracking mechanism for the review of the GSA website and certification of vendors.

If the U.S. Department of Education has questions regarding this schedule, please call Kailey Block at (970) 339-6433.