

AIMS COMMUNITY COLLEGE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024



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MANAGEMENT'S LETTER

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

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

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

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

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

A handwritten signature in dark ink, appearing to read "Chuck Jensen". The signature is stylized with long, sweeping strokes.

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 Aims Community College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Aims Community College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, 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, 2024, 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.

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 Aims Community 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, the discretely presented component unit, 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 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 College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 by us and other auditors. 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 26, 2025, 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 results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 26, 2025

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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: Opening Doors to Enrich Lives for a Better Tomorrow!

Vision: Looking Ahead to Empower the Future – Today!

Mission: Provide knowledge, skills, and support services 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, 2024. 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, 2024 and 2023). 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, 2024 and 2023). 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, 2024 and 2023). Its purpose is to assess the District's ability to generate net cash flows and meet its payment obligations as they come due.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

- *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, 2024:

- At June 30, 2024, District assets totaled \$371.0 million. These assets included \$85.2 million of cash and cash equivalents, \$273.9 million of net capital assets, and \$11.9 million of other assets.
- District liabilities include \$12.3 million of current liabilities estimated to be payable within the 2024 fiscal year. Noncurrent liabilities in the amount of \$120.2 million include:
 - \$2.6 million for employee future compensated absences,
 - \$1.8 million in future right-of-use (ROU) lease and subscription-based information technology agreement payments
 - \$2.8 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
 - \$112.9 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 \$30.2 million and \$16.6 million at June 30, 2024 and 2023, respectively. Deferred inflows of resources related to pension and OPEB were recorded in the amounts of \$4.6 million and \$12.4 million at June 30, 2024 and 2023, respectively.
- The District's net position at June 30, 2024 was comprised of \$3.7 million restricted by donor, grantor, or other external party intentions; \$269.4 million was comprised of net investments in capital assets. Negative unrestricted net position of (\$9.5 million) is comprised of \$80.7 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 (\$90.2 million). The total net position of the District was \$264.1 million and \$218.5 million at June 30, 2024 and 2023, respectively. This increase in total net position of \$45.6 million is detailed on the 2024 Statement of Revenues, Expenses, and Changes in Net Position.
- Operating revenues from student tuition, restricted grants and other operating revenues increased by 16.4%, and were \$22.7 million and \$19.5 million in fiscal years 2024 and 2023, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

- Net nonoperating revenues increased by 32.3% and were \$157.2 million and \$118.8 million in fiscal years 2024 and 2023, respectively. This increase was the result of increases from property tax revenues (\$33.3 million increase), state appropriations (\$3.9 million increase), investment income (\$1.0 million increase), and federal nonoperating revenues (\$0.2 million increase). Other nonoperating revenue decreased by (\$0.8 million).
- Total operating expenses increased 23.3% and were \$134.5 million and \$109.1 million in fiscal years 2024 and 2023, respectively. The change was driven by the District's education and general expenses increasing by \$23.9 million, and a change in non-cash related PERA/OPEB expenses of \$1.5 million.
- The District completed \$47.2 million and \$83.6 million of land and building improvement projects during fiscal years 2024 and 2023, respectively. As a result of the completion of major capital projects and reclassification of subscription-based information technology agreements (SBITA) from contracted services expense to right-of-use (ROU) assets, depreciation expense for the District increased 43.5% during fiscal year 2024. Depreciation expense was \$20.8 million and \$14.5 million for fiscal year 2024 and 2023, respectively. The District had \$4.4 million and \$35.6 million in building and land improvement construction projects in progress as of June 30, 2024 and 2023, respectively.

Statement of Net Position

The Statement of Net Position is a snapshot of the District's financial resources at June 30, 2024. This statement presents:

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

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

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Condensed Statement of Net Position

	June 30, 2024	June 30, 2023
ASSETS		
Current assets	\$ 97,155,441	\$ 71,367,580
Noncurrent assets-Long term investments	-	-
Capital assets	273,869,862	261,036,089
TOTAL ASSETS	371,025,303	332,403,669
DEFERRED OUTFLOWS OF RESOURCES	30,184,779	16,562,935
LIABILITIES		
Current liabilities	12,317,631	16,444,806
Noncurrent liability - Right-of-use liabilities	1,811,798	3,192,944
Noncurrent liability-Employee compensated absences	2,635,635	2,403,975
Noncurrent liability-Net pension liability	112,932,064	92,984,648
Noncurrent liability-OPEB Liability	2,825,346	3,059,089
TOTAL LIABILITIES	132,522,474	118,085,462
DEFERRED INFLOWS OF RESOURCES	4,585,309	12,419,179
NET POSITION		
Net investment in capital assets	269,425,458	254,185,241
Restricted for expendable purposes	4,162,268	3,321,802
Unrestricted	(9,485,427)	(39,045,080)
TOTAL NET POSITION	\$ 264,102,299	\$ 218,461,963

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, 81.6% was held in cash and cash equivalents. 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, grant awards, financial aid and scholarships, and other miscellaneous operational transactions. Accounts receivable decreased from 2023 to 2024 by (\$0.7 million), with the majority of the decrease due to federal and state grant awards. Student accounts receivable increased slightly with \$1.7 million in receivables for 2024 and \$1.3 million for 2023.

Property tax receivable represents taxes expected for the period January 1 through December 31. The property tax receivable between fiscal years 2023 and 2024 decreased by 7.4% with a decrease of (\$0.6 million). As of the date of issuance, all of the certified amount has been collected.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 \$0.3 million decrease in prepaid expenses from fiscal year 2023 to 2024 is the result of products and service terms crossing fiscal years, with products and services beginning in 2024-25 and payments made in 2023-24.

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, subscription-based information technology agreements (SBITA), 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. SBITA determined to have a right-of-use asset value of \$75,000 or more are capitalized and amortized over the term length of the agreement or three years for annual subscriptions. Capital assets are reported net of accumulated depreciation.

Capital assets net of accumulated depreciation totaled \$273.9 million at June 30, 2024, and \$261.0 million at June 30, 2023. The \$12.8 million increase in net capital assets is primarily attributable to capital acquisitions and ongoing capital construction projects. At June 30, 2024 the District had invested \$4.4 million in capital construction projects in progress at year-end. Construction-in-progress decreased by \$31.2 million from the previous year end with the largest portion of the decrease attributed to the completion of construction of the Windsor Gateway Building of \$19.6 million and Windsor SIM City of \$5.4 million.

Note 6 of this report summarizes changes in capital assets between June 30, 2023 and June 30, 2024.

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 2024, pension and OPEB related outflows, which reflect the changes in the pension and OPEB liabilities to be recognized in future periods, totaled \$30.2 million. Deferred PERA pension outflows of resources were \$29.6 million and \$16.0 million, at June 30, 2024 and 2023, respectively; deferred OPEB outflows of resources were \$0.6 million and \$0.6 million, at June 30, 2024 and 2023, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024 were \$2.7 million and included amounts payable in July and August 2024 for contracted services and equipment purchases. Accrued liabilities of \$4.1 million were primarily for employee payroll and fringe benefits paid during July 2024.

Current right-of-use (ROU) leases payable in the amount of \$0.3 million represents amounts owed in the next 12 months for five airplane leases for the Aviation program, three truck leases for the Commercial Driver's License (CDL) program, and one mail postage machine. Current ROU subscription-based information technology agreements (SBITA) payable in the amount of \$2.1 million includes subscription costs for the use of 38 individual software and IT assets in the next 12 months.

Unearned revenues of \$1.9 million includes tuition and fees received by June 30, 2024 for services to be provided in fiscal year 2025. 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 \$0.3 million at June 30, 2024 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, 2025. 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 \$112.9 million and \$93.0 million at June 30, 2024 and 2023, respectively. This \$19.9 million increase was due to an increase in proportionate share of the net pension liability as well as changes in assumptions in the actuarial valuation used to calculate the net pension liability. The District has no legal obligation to fund this net pension liability, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

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

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The District's net OPEB liability required by GASB 75 was \$2.8 million at June 30, 2024, and \$3.1 million at June 30, 2023. 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 increased at \$2.6 million and \$2.4 million at June 30, 2024 and June 30, 2023, respectively. Details concerning the District's compensated absences is provided in Note 12.

The ROU lease liability of \$0.6 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, 2024. Note 13 of these financial statements provides additional information related to long term lease obligations.

The ROU SBITA liability of \$1.2 million is the portion of software subscription agreements that will be paid in a period longer than 12 months after June 30, 2024. Note 14 of these financial statements provides additional information related to SBITA 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 \$3.7 million and \$11.3 million; deferred inflows of resources related to OPEB were \$0.9 million and \$1.1 million at June 30, 2024 and June 30, 2023, 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 \$264.1 million and \$218.5 million at June 30, 2024 and 2023, respectively. The District's educational and auxiliary revenues contributed \$22.7 million in net position; non-operating revenues contributed \$157.2 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, ROU leases, and ROU SBITA, less any related debt. This is the District's largest class of net position, comprising \$269.4 million and \$254.2 million of the District's net position at June 30, 2024 and 2023, 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 \$3.7 million and \$3.3 million for the period ended June 30, 2024 and June 30, 2023, respectively. Nongovernmental grants and gifts make up the remaining portion of restricted net position and were \$446,891 and \$41,008 for the fiscal years ended June 30, 2024 and June 30, 2023, 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 (\$9.5 million) and (\$39.0 million) at June 30, 2024 and June 30, 2023, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024	For the year ended June 30, 2023
Operating Revenues:		
Net tuition and fees	\$ 11,927,822	\$ 10,613,528
Grants and contracts	9,681,761	8,195,075
Auxiliary operating revenue	972,201	630,213
Other operating revenues	140,600	89,698
Total Operating Revenues	22,722,384	19,528,514
Operating Expenses:		
Educational and general	112,489,394	93,761,857
Auxiliary	1,219,239	873,984
Depreciation and amortization	20,806,745	14,498,294
Total Operating Expenses	134,515,378	109,134,135
Operating Loss	(111,792,994)	(89,605,621)
Nonoperating Revenues (Expenses) and Gains (Losses)		
Net general property taxes	132,752,239	99,475,302
State appropriations	16,665,297	12,787,311
Federal nonoperating revenue	5,935,630	5,722,977
Investment income	1,553,863	622,165
Other nonoperating revenues	618,669	1,432,907
Loss on disposal of assets	(70,111)	(691,152)
Interest on capital asset	(212,821)	(526,657)
Net Nonoperating Revenues	157,242,766	118,822,853
Capital contributions	190,564	30,180
Decrease in Net Position	45,640,336	29,247,412
Net Position, Beginning of Year	218,461,963	189,214,551
Net Position, End of Year	\$ 264,102,299	\$ 218,461,963

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 \$11.9 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, 2024 and June 30, 2023, was \$5.8 million and \$4.9 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 five 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
2024	10,056	4.3%
2023	9,643	6.5%
2022	9,054	3.2%
2021	8,775	-5.0%
2020	9,234	3.8%

Student FTE Enrollment								
Fiscal Year	Resident FTE				Nonresident FTE		Combined FTE	
	In-District	Out-of-District	Total	Percent Change	Out-of-State	Percent Change	Total	Percent Change
2024	3,261	723	3,984	4.2%	77	9.1%	4,062	4.3%
2023	3,041	783	3,824	6.5%	71	-4.7%	3,895	6.2%
2022	2,891	701	3,592	5.6%	74	1.6%	3,666	5.5%
2021	2,615	786	3,401	-9.4%	73	-41.5%	3,474	-10.4%
2020	2,939	814	3,753	2.7%	125	-0.8%	3,878	2.6%

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 represented the majority of the increases in headcount and FTE from the 2022-23 to 2023-24 academic year. High school concurrent student FTE increased by 16.1%, while college-level student FTE increased by 1.2%. Of those college-level students, returning student FTE increased by 2.0%, while first time college-level students decreased by 0.8%.

Grant and contract revenues

Grant and contract operating revenues include restricted revenues from governmental agencies and private agencies, excluding Pell grants and CRF revenues. The majority of grant revenues are recorded as reimbursement of expenses associated with the grant. Grant and contract revenues was \$9.7 million and \$8.2 million at June 30, 2024 and June 30, 2023, 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 \$1.0 million in fiscal year 2024, which is comparable to the prior year amount of \$0.6 million.

Other operating revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, taxable and non-taxable sales, prior year insurance recoveries, and administration fees. Other operating revenues were \$0.1 million in fiscal years 2024 and 2023.

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, capital grants and gifts, gains or losses on the disposal of assets, and interest on right-of-use leases. These revenues are not earned from the sale of goods and services and are considered non-operating.

General property tax revenue

Property taxes represent the District's largest source of revenue, generating 73.6% of total revenues to the District. Property tax revenues, based upon the valuation certified by the County Assessor, increased 33.5% due to an increase in oil and gas valuations in Weld County. The base mill levy remained unchanged at 6.299 mills which generated \$132.8 million and \$99.5 million in gross revenue for fiscal years 2024 and 2023, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

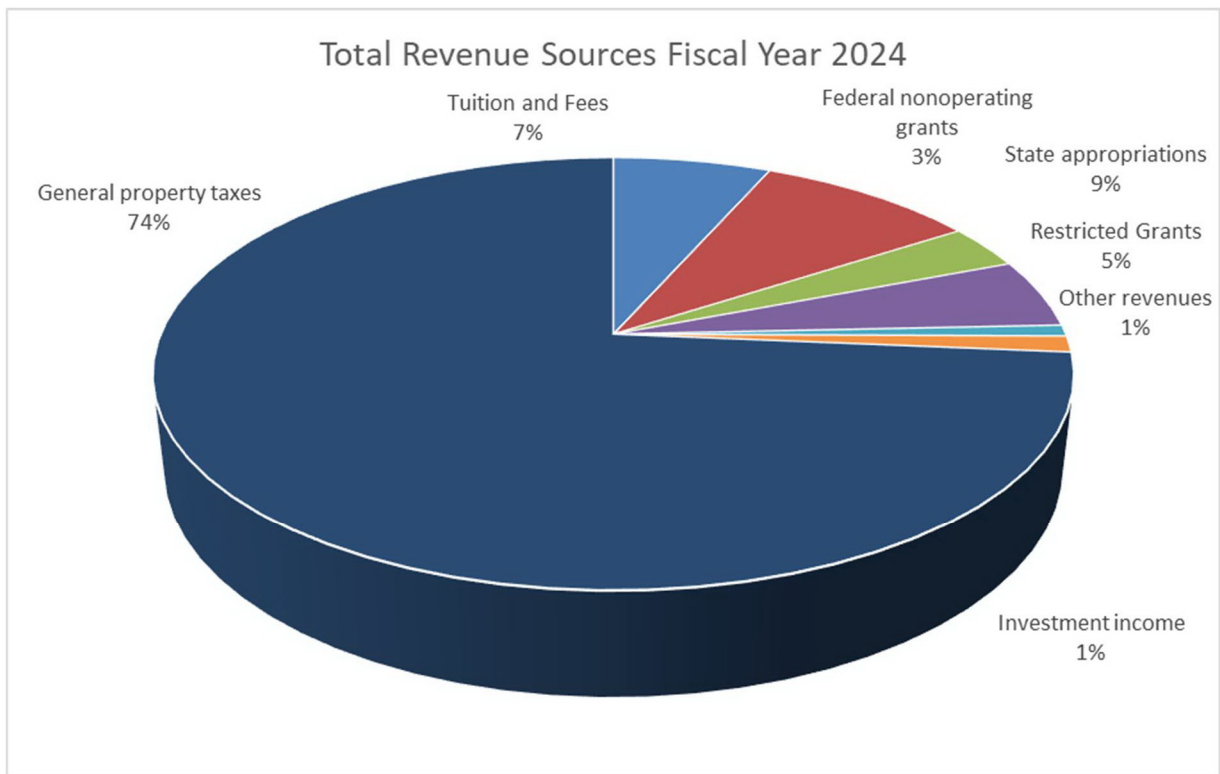
State appropriations

Colorado state appropriations and Amendment 50 gaming revenues are collectively reported as non-operating state appropriations. The increase in this category was \$3.9 million, from \$12.8 million in fiscal year 2023 to \$16.7 million in fiscal year 2024.

Federal Nonoperating Revenue

Non-exchange funds are not direct payment for services or product. The increase in this category was \$0.2 million, from \$5.7 million in fiscal year 2023 to \$5.9 million in fiscal year 2024. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Pell grants account for all revenue in this category, at \$5.9 million and \$5.7 million for fiscal years 2024 and 2023, respectively.

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 \$134.5 million and \$109.1 million for fiscal years 2024 and 2023, respectively, an increase of \$25.4 million. The primary reason for this increase is due to contracted services, technology services, and depreciation.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Management's Analysis of Natural Classifications

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

Operating Expenses by Natural Classification

	Year Ended		
	June 30, 2024	June 30, 2023	Variance
Employee & Personnel Services	\$ 69,929,399	\$ 58,726,497	\$ 11,202,902
Pension & OPEB Expense	(1,742,043)	(3,284,621)	1,542,578
Subtotal Personnel Services	68,187,356	55,441,876	12,745,480
Supplies	6,092,769	3,790,897	2,301,872
Operating	29,428,137	26,967,796	2,460,341
Student Aid	10,000,371	8,435,272	1,565,099
Depreciation	20,806,745	14,498,294	6,308,451
Total Operating expenses	\$ 134,515,378	\$ 109,134,135	\$ 25,381,243

Personnel costs are the District's largest operating expense, and increased to \$69.9 million in 2024, up from \$58.7 million in 2023. Increases in salaries and benefits are reflective of increased salary funding, and increased health insurance costs in fiscal year 2024 (exclusive of \$1.3 million in pension and \$0.4 million in OPEB contra expense).

Total supplies and operating expenses increased between fiscal years 2023 and 2024 by \$4.8 million. The increase is attributed to a \$2.3 million increase in supplies and \$2.5 million increase in operating expenses, primarily contracted services.

Scholarships, including Federal, state, local and institutional scholarships, increased by \$1.6 million, totaling \$10.0 million and \$8.4 million in fiscal years 2024 and 2023, respectively. The increase in this category is a result of the receiving the Career Advance Colorado grant, Care Forward Colorado grant and COSI Finish What You Started grant funding in fiscal year 2024. For fiscal years 2024 and 2023, Pell grants were \$5.9 million and \$5.7 million, respectively, and other externally funded scholarships processed through the District were \$4.1 million and \$2.7 million, respectively.

The operating loss of \$111.8 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 2024 operating loss increased by \$22.2 million from fiscal year 2023 primarily due to the increase in employee and personnel services of \$11.2 million and increase in depreciation of \$6.3 million.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 2024 and 2023, respectively. The pension, OPEB, and State funded expenses for GASBs 68 and 75 were \$1.7 million in fiscal year 2024, and \$3.3 million in fiscal year 2023.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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

Fiscal Year Ended June 30, 2024

	Expenses before Pension & OPEB Expense	Pension & OPEB Expense	Total Expenses
Instruction	39,637,804	(712,885)	38,924,919
Public service	54,071	(78)	53,993
Academic support	14,831,892	(288,901)	14,542,991
Student services	14,639,877	(306,539)	14,333,338
Institutional support	22,859,628	(322,181)	22,537,447
Operation of plant	12,191,832	(95,497)	12,096,335
Student aid	10,000,371	-	10,000,371
Auxilliary	1,235,201	(15,962)	1,219,239
Depreciation and amortization	20,806,745		20,806,745
Total Operating Expenses	136,257,421	(1,742,043)	134,515,378

Fiscal Year Ended June 30, 2023

	Expenses before Pension Expense	Pension & OPEB Expense	Total Expenses
Instruction	34,063,119	(1,419,973)	32,643,146
Public service	51,285	(174)	51,111
Academic support	12,181,328	(548,635)	11,632,693
Student services	11,648,463	(523,560)	11,124,903
Institutional support	19,277,274	(559,132)	18,718,142
Operation of plant	11,361,505	(204,915)	11,156,590
Student aid	8,435,272	-	8,435,272
Auxiliary	902,216	(28,232)	873,984
Depreciation and amortization	14,498,294	-	14,498,294
Total Operating Expenses	112,418,756	(3,284,621)	109,134,135

Variance Fiscal Year 2024 and 2023

23,838,665	1,542,578	25,381,243
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	Variance before Pension Expense	Pension Variance	Total Variance
Instruction	5,574,685	707,088	6,281,773
Public service	2,786	96	2,882
Academic support	2,650,564	259,734	2,910,298
Student services	2,991,414	217,021	3,208,435
Institutional support	3,582,354	236,951	3,819,305
Operation of plant	830,327	109,418	939,745
Student aid	1,565,099	-	1,565,099
Auxilliary	332,985	12,270	6,308,451
Depreciation and amortization	6,308,451	-	345,255
Total Operating Expenses variances	23,838,665	1,542,578	25,381,243

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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

Instruction expenses increased by \$5.6 million between fiscal years 2023 and 2024, due to an increase of \$3.3 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of \$2.3 million.

Academic support expenses increased by \$2.7 million between fiscal years 2023 and 2024, due to an increase of \$1.9 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of \$0.8 million.

Student services expenses increased by \$3.0 million during fiscal year 2024 due to an increase in salary and benefit expenses of \$2.8 million, and an increase in supplies and operating expenses of \$0.2 million.

Institutional support expenses increased by \$3.6 million during fiscal year 2024 due to an increase in salary and benefit expenses of \$2.8 million, and an increase in supplies and operating expenses of \$0.8 million.

Operation of plant expenses increased \$0.8 million during fiscal year 2024 due to an increase in salary and benefit expenses of \$0.2 million, and an increase in supplies and operating expenses in the amount of \$0.6 million.

Auxiliary and public service expenses increased \$0.3 million during fiscal year 2024 due to an increase in salary and benefit expenses of \$0.2 million, and an increase in supplies and operating expenses in the amount of \$0.1 million.

Student aid increased by \$1.6 million as a result of receiving Career Advance Colorado grant funding. Depreciation expenses increased by \$6.3 million between fiscal years 2023 and 2024 due to the completion of several large construction projects.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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. 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 9, 2023. In 2024, the District completed construction of a new Windsor Gateway Building and Windsor SIM City. In 2024, the District began construction of a new Aims Workforce Innovation Center. This project is expected to be completed in fiscal year 2025.

The economic issues that are affecting the State of Colorado are a concern to the District and the higher education community as a whole. The economic forecast for fiscal year 2025 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 2026 and 2027 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 2024, 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. After remaining unchanged for eleven years, the Board of Trustees approved an increase in tuition rates for the 2022-23 Academic Year. This increase was the initial implementation of a 5-Year Tuition Strategy that was adopted by the Board of Trustees in March of 2021. The 5-year Tuition Strategy continues to prepare the College for the future by reducing risk within its revenue streams, providing long-term stewardship of future funding streams, and evenly distributing tuition growth in a manner that will be predictable for students. The District's tuition rates continue to be 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 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 2023 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, 2024**

Financial Statements

**AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 85,186,066
Student accounts receivable, net of allowance of \$527,319	1,744,298
Accounts receivable	940,067
Property tax receivable	8,080,212
Inventories	116,823
Prepaid expenses and other current assets	1,087,975
Total Current Assets	<u>97,155,441</u>

Nondepreciable Capital Assets:

Land	19,532,246
Land improvements	2,931,537
Art/historical figures	42,132
Construction-in-progress	4,442,581

Depreciable Capital Assets (Net):

Land improvements	26,393,861
Buildings and improvements	192,260,596
Vehicles	1,214,000
Aircraft	1,607,446
Equipment and furniture	14,950,908
Right-of-Use (ROU) Leases	780,269
Right-of-Use (ROU) SBITAs	9,714,286

Total Capital Assets (Net)	<u>273,869,862</u>
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Total Noncurrent Assets	<u>273,869,862</u>
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TOTAL ASSETS	<u>371,025,303</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources-Pension	29,600,950
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Deferred outflows of resources-OPEB	583,829
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TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>30,184,779</u>
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**AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024**

LIABILITIES

Current Liabilities:

Accounts payable	2,723,009
Accrued liabilities	4,090,502
Unearned revenue	1,937,446
Compensated absence liabilities, current portion	658,909
Deposits held in custody for others	290,644
Right-of-use Leases payable	344,252
Right-of-use SBITAs payable	2,272,869
Total Current Liabilities	<u>12,317,631</u>

Noncurrent Liabilities:

Compensated absence liabilities	2,635,635
Net pension liability	112,932,064
Net OPEB liability	2,825,346
Right-of-use assets Leases payable	602,399
Right-of-use assets SBITAs payable	1,209,399
Total Noncurrent Liabilities	<u>120,204,843</u>

TOTAL LIABILITIES

132,522,474

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources-Pension	3,706,645
Deferred inflows of resources-OPEB	878,664

TOTAL DEFERRED INFLOWS OF RESOURCES

4,585,309

NET POSITION

Net investment in capital assets	269,425,458
Restricted for expendable purposes	
TABOR reserves	3,715,377
Nongovernmental grants and gifts	446,891
Unrestricted	(9,485,427)

TOTAL NET POSITION

\$ 264,102,299

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	<u>2024</u>
Assets	
Cash and cash equivalents	\$ 6,243,476
Operating investments	1,211,752
Contributions receivable, net	67,172
Other receivables	70,817
Endowment	
Investments	6,384,496
Beneficial interest in perpetual trust	<u>2,187,788</u>
Total assets	<u><u>\$ 16,165,501</u></u>
Liabilities	
Accounts payable	\$ 539
Deposits held for Aims Community College	551,450
Unearned revenues	<u>53,750</u>
Total liabilities	<u><u>605,739</u></u>
Net Assets	
Without donor restrictions	
Board-designated endowment	455,521
Unrestricted	4,041,992
With donor restrictions	<u>11,062,249</u>
Total net assets	<u>15,559,762</u>
Total liabilities and net assets	<u><u>\$ 16,165,501</u></u>

AIMS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2024

REVENUES

Operating Revenues:

Student tuition and fees, net of scholarship allowances of \$5,764,342	\$ 11,927,822
Federal grants and contracts	2,109,613
State and local grants, contracts and gifts	7,572,148
Sales and services of educational activities	43,933
Auxiliary operating revenue	972,201
Other operating revenue	96,667
Total Operating Revenues	<u>22,722,384</u>

EXPENSES

Operating Expenses:

Educational and general	
Instruction	38,924,919
Public service	53,993
Academic support	14,542,991
Student services	14,333,338
Institutional support	22,537,447
Operation of plant	12,096,335
Student aid	10,000,371
Depreciation and amortization	20,806,745
Auxiliary	1,219,239
Total Operating Expenses	<u>134,515,378</u>
Operating Loss	<u>(111,792,994)</u>

NONOPERATING REVENUES (EXPENSES)

General property taxes, net of bad debt allowance of \$499,876	132,752,239
State appropriations	16,665,297
Federal nonoperating revenue	5,935,630
Investment income	1,553,863
Other nonoperating revenues	618,669
(Loss) Gain on disposal of assets	(70,111)
Interest on right-of-use leases	(212,821)
Net Nonoperating Revenues	<u>157,242,766</u>

Income Before Other Revenues	<u>45,449,772</u>
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Capital contributions	<u>190,564</u>
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Change in Net Position	45,640,336
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Net Position, beginning of year, as previously reported	<u>218,461,963</u>
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Net Position, End of Year	<u>\$ 264,102,299</u>
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AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions	\$ 1,530,844	\$ 2,427,035	\$ 3,957,879
In-kind contributions	370,527	327,725	698,252
Net investment revenue (loss)	631,528	645,261	1,276,789
Grants	-	86,066	86,066
Special events revenue	-	2,867	2,867
Other revenues	19,250		19,250
Net assets released from restrictions	999,875	(999,875)	-
Total revenue, support, and gains	<u>3,552,024</u>	<u>2,489,079</u>	<u>6,041,103</u>
Expenses			
Program services expense			
Student scholarships	252,455		252,455
Support for academic programs	438,618		438,618
Support for student services	133,851		133,851
Other college programs	669		669
Total program expenses	<u>825,593</u>	<u>-</u>	<u>825,593</u>
Supporting services expense			
Management and general	397,944		397,944
Fundraising and development	94,897		94,897
Total supporting services expenses	<u>492,841</u>	<u>-</u>	<u>492,841</u>
Total expenses	<u>1,318,434</u>	<u>-</u>	<u>1,318,434</u>
Change in Net Assets	2,233,590	2,489,079	4,722,669
Net Assets, Beginning of Year	2,263,923	8,573,170	10,837,093
Net Assets, End of Year	<u>\$ 4,497,513</u>	<u>\$ 11,062,249</u>	<u>\$ 15,559,762</u>

**AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2024**

Cash Flows from Operating Activities:

Cash Received	
Tuition and fees	\$ 10,774,494
Grants and gifts	8,176,440
Sales of services	43,933
Sales of products	972,201
Other receipts	391,808
Cash Payments	
Payments to or for employees	(69,089,895)
Payments to suppliers	(36,591,460)
Scholarships disbursed	(9,857,452)
Direct loans disbursements	(1,823,004)
Direct Loans receipts	1,823,004
Net cash used in operating activities	(95,179,931)

Cash Flows from Noncapital Financing Activities

State appropriations, noncapital	16,665,297
Federal revenues, noncapital	5,995,630
General property taxes, noncapital	133,039,299
Increase in deposits held in custody for others	168,641
Other noncapital financing activities - royalties	540,149
Net cash provided by noncapital financing activities	156,409,016

Cash Flows From Capital and Related Financing Activities

Acquisition or construction of capital assets	(33,322,463)
Principal paid on ROU asset debt	(2,604,043)
Interest paid on ROU asset debt	(212,821)
Net cash used in capital & related financing activities	(36,139,327)

Cash Flows from Investing Activities:

Purchases of investments	-
Proceeds from sales of investments	9,960,434
Investment earnings or (loss)	1,849,600
Net cash used by investing activities	11,810,034

Increase (Decrease) in Cash and Cash Equivalents	36,899,792
Cash and Cash Equivalents, Beginning Year	48,286,274
Cash and Cash Equivalents, End of year	\$ 85,186,066

**AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

Reconciliation of operating loss to net cash used in operating activities:

Operating Loss	\$ (111,792,994)
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Adjustments to reconcile operating loss to net cash used in operating activities:

Depreciation and amortization expense	20,806,745
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Changes in operating assets, liabilities and deferred outflows and inflows:

Receivables, net	226,910
Inventory, prepaid expenses and other assets	271,645
Deferred outflows of resources - Pension	(13,614,874)
Deferred outflows of resources - OPEB	(6,970)
Accounts payable and accrued liabilities	(1,641,506)
Unearned revenues	(1,705,299)
Compensated Absences	325,615
Deposits held in custody for others	70,994
Net Pension liability	19,947,415
Net OPEB liability	(233,743)
Deferred inflows of resources - Pension	(7,635,114)
Deferred inflows of resources - OPEB	(198,755)

Net cash used in operating activities	\$ (95,179,931)
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Noncash capital and related financing activities and investing activities:

Construction accounts payable and retainages	\$ (15,485)
Gain (loss) on disposal of capital assets	(70,111)
Donated Assets	190,564
Unrealized gain(loss) on investment	11,810
Capital assets acquired through ROU SBITAs	678,926
Capital assets acquired through ROU leases	576,925

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, 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, 2024 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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 \$573,138 for program services to the District and \$252,455 for student scholarships during the year ended June 30, 2024. In addition, the District provided \$370,527 of in-kind contributions to the Foundation. The District has recorded \$551,450 in receivables from the Foundation as of June 30, 2024.

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, 2024, cash equivalents consisted primarily of cash on hand, bank deposits and money market accounts with brokers.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments held by the District for the year ended June 30, 2024 were in money markets and the ColoTrust which is a statutory trust intended for the use of Colorado governments. These investments are classified as cash and cash equivalents on the Statement of Net Position. Investment income consists of interest income.

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, 2024 base mill levy for the District from Weld County was 6.299 mills, with a refund/abatement mill of 0.037. Total mill levy for the District was 6.336, or approximately \$128.5 million. The District also receives specific ownership taxes paid for vehicle registrations. For the year ended June 30, 2024, the District received \$4.3 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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 1 to 10 years for equipment, vehicles, aircraft, and ROU assets.

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 five airplanes, three commercial trucks, and one mail machine as of June 30, 2024.

GASB Statement No. 96 requires right-of-use subscription-based information technology arrangements (SBITA) be included as right-of-use (ROU) assets in capital assets and SBITA liabilities be included in current and noncurrent long-term liabilities in the statements of net position. SBITA expenses are capitalized if the subscription costs are \$75,000 or more and have term lengths of greater than one year. ROU SBITA assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset. All other SBITA costs are expensed as incurred.

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. This category also includes lease payables and SBITA payables that will not be paid in the next fiscal year.

Deferred Outflows and Inflows of Resources

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

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 related to capital construction and ROU leases and SBITA payable at June 30, 2024.

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

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

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, gifts, and investment income.

Scholarship Allowances

The District uses a rational, documented allocation methodology to determine the portion of applicable financial aid support to be applied as scholarship allowances and student aid expenses.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of Restricted and Unrestricted Resources

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

Use of Estimates

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

NOTE 2 BUDGET LAW

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

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

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN

Cash and cash equivalents as of June 30, 2024 is comprised of the following:

Cash on Hand	\$ 6,415
ColoTrust	629,030
Deposits	1,463,670
Money Market Funds	83,086,951
Total Cash and Cash Equivalents	\$ 85,186,066

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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, 2024, the carrying amount of the District's deposits was \$1,463,670. Of the deposits held by the District, \$250,000 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 \$6,415.

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.

At June 30, 2024, the District has invested \$629,030 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, 2024, the District's investment in ColoTrust investment pool was rated AAAM by Standard's and Poor's. The trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments and there is no redemption notice period.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

For the year ended June 30, 2024, the District held \$83,086,951 in money market funds. Of the total held, \$72,318,770 was invested in First National Bank Commercial Class Money Market fund. In addition, the District has invested in two types of money market funds measured at amortized cost, as follows:

FNB Commercial Class Money Market – Goldman Sachs Financial Square Government Fund - This is a Rule 2a-7 type government money market fund and maintains shares in value of \$1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2024 was \$5,501,892. The weighted average maturity for the fund was 30 days or less.

Wells Fargo Money Market Fund - Morgan Stan Gov Inst 8302 – This is a Rule 2a-7 type government money market fund and maintains shares in value of \$1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2024 was \$5,266,289. The weighted average maturity for the fund was 60 days or less.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN (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 discussion above regarding ratings associated with the District's money market funds.

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 discussion above regarding ratings associated with the District's money market funds.

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, 2024, the District's investments did not include debt instruments that exceeded 5% of total investments.

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, 2024.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Certain investments, such as ColoTrust and money market funds, are exempt from being measured at fair value and thus are excluded from the fair value hierarchy. As such, there are no assets or liabilities that are required to be reported under the hierarchy described above for the year ended June 30, 2024.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 FAIR VALUE MEASUREMENT (CONTINUED)

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.

AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024:

Assets	Total	Fair Value Measurements at Report Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - fixed income	\$ 2,693,492	\$ 2,693,492	\$ -	\$ -
Mutual funds - equities	1,028,744	1,028,744	-	-
Alternatives - mutual funds equities	651,127	651,127	-	-
Common stocks	3,222,886	3,222,886	-	-
Beneficial interest in perpetual trust	2,187,787	-	-	2,187,787
	<u>\$ 9,784,036</u>	<u>\$ 7,596,249</u>	<u>\$ -</u>	<u>\$ 2,187,787</u>
Held as operating investments				\$ 1,211,752
Held as endowment investments				<u>8,572,284</u>
Total Investments				<u>\$ 9,784,036</u>

AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the year ended June 30, 2024.

	Balance June 30, 2023	Additions	Deductions	Transfers	Balance June 30, 2024
Capital Assets, not being depreciated:					
Land	\$ 15,120,841	\$ 4,411,405	\$ -	\$ -	\$ 19,532,246
Land Improvements	2,931,537	-	-	-	2,931,537
Art/Historical Figures	42,132	-	-	-	42,132
Total capital assets, not being depreciated	18,094,510	4,411,405	-	-	22,505,915
Capital assets, being depreciated:					
Land Improvements	31,997,451	190,585	-	4,566,474	36,754,510
Buildings & Improvements	229,202,358	15,444,159	-	27,022,129	271,668,646
Vehicles	4,263,712	674,239	-	-	4,937,951
Aircraft	3,387,643	271,000	-	-	3,658,643
Equipment	40,986,494	2,183,869	-	2,629,499	45,799,862
Right-of-Use Leases - Equipment & Vehicles	1,946,647	590,873	-	-	2,537,520
Right-of-Use SBITA	7,645,641	980,350	138,822	5,942,212	14,429,381
Total capital assets, being depreciated	319,429,946	20,335,075	138,822	40,160,314	379,786,513
Less accumulated depreciation:					
Land Improvements	8,269,762	2,090,887	-	-	10,360,649
Buildings & Improvements	70,142,965	9,265,085	-	-	79,408,050
Vehicles	3,259,622	464,329	-	-	3,723,951
Aircraft	1,610,804	440,393	-	-	2,051,197
Equipment	26,167,785	4,681,169	-	-	30,848,954
Right-of-Use Leases - Equipment & Vehicles	1,456,386	300,865	-	-	1,757,251
Right-of-Use SBITA	1,220,489	3,564,017	69,411	-	4,715,095
Total accumulated depreciation	112,127,813	20,806,745	69,411	-	132,865,147
Total capital assets, being depreciated, net	207,302,133	(471,670)	69,411	40,160,314	246,921,366
Add construction-in-progress	35,639,446	8,964,149	700	(40,160,314)	4,442,581
Net carrying amount	\$ 261,036,089	\$ 12,903,884	\$ 70,111	\$ -	\$ 273,869,862

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, this lease continued to be in effect.

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

Total royalty revenues from oil and gas leases at June 30, 2024 was \$511,404. 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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description

Eligible employees of the College are provided with pensions through State Division Trust Fund SDTF – a defined benefit cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code (IRC). 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 C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)
General Information about the Pension Plan

Benefits Provided (Continued)

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive postretirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula 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 College are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employee contribution rates for the period of July 1, 2023, through June 30, 2024 are 11%. Employer contribution rates for the period of July 1, 2023, through June 30, 2024 are summarized in the table below:

	July 1, 2023 through Dec. 31, 2023	January 1, 2024 through June 30, 2024
Employer contribution rate ¹	11.40%	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SDTF	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.17%	0.21%
Total employer contribution rate to the SDTF¹	20.55%	20.59%

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the College were \$9,546,257 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) provided compensatory payment of \$14.561 million for 2023 only.

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

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The College proportion of the net pension liability was based on College contributions to the SDTF for the calendar year 2023 relative to the total contributions of participating employers to the SDTF.

At June 30, 2024 the District reported a liability of \$112,932,063 for its proportionate share of the net pension liability. At December 31, 2023, the District's proportion was 1.117%, which was a decrease of 0.261% from its proportion measured as of December 31, 2022.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2024, the District recognized pension expense of \$8,264,870 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	\$ 8,202,245	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,845,992	599,663
Chages in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	14,826,943	3,106,982
Contributions Subsequent to the Measurement Date	4,725,770	-
Total	<u>\$ 29,600,950</u>	<u>\$ 3,706,645</u>

The \$4,725,770 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 5,957,703
2026	6,651,258
2027	6,509,013
2028	2,050,561
Total	<u>\$21,168,535</u>

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2022 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	3.30 – 10.90 %
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Inflation	7.25 %
Discount rate	7.25 %
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007 (Automatic) through 2019 Thereafter, compounded annually	1.00 %
PERA Benefit Structure Hired After December 31, 2006 ¹ (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2020. 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	<u>100.00%</u>	

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

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.

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate Share of the			
Net OPEB Liability	\$ 147,602,099	\$ 112,932,063	\$ 83,779,287

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, program members contributed \$487,836.

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, 2024, program members contributed \$106,203.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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). 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 contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$477,313 for the year ended June 30, 2024.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2024, the District reported a liability of \$2,825,346 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The Districts proportion of the net OPEB liability was based on the Districts contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Districts proportion was 0.396%, which was a decrease of 0.021% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the District recognized OPEB contra expense of \$11,921. At June 30, 2024, 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	\$ -	\$ 579,082
Changes of Assumptions or Other Inputs	33,224	299,582
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	87,382	-
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	226,934	-
Contributions Subsequent to the Measurement Date	236,289	-
Total	<u>\$ 583,829</u>	<u>\$ 878,664</u>

\$236,289 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ (51,394)
2026	(66,654)
2027	(104,825)
2028	(117,723)
2029	(128,425)
Thereafter	(62,103)
	<u>\$ (531,124)</u>

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.3-10.9%
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	7.00% in 2023 Gradually Decreasing to 4.5% in 2033
Medicare Part A Premiums	3.50% for 2023, Gradually Increasing to 4.5% in 2035

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,692	\$ 1,406	\$ 6,469	\$ 5,373
70	1,901	1,573	7,266	6,011
75	2,100	1,653	8,026	6,319

Sample Age	MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 579	\$ 481	\$ 4,198	\$ 3,487
70	650	538	4,715	3,900
75	718	566	5,208	4,101

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,913	\$ 1,589	\$ 6,719	\$ 5,581
70	2,149	1,778	7,546	6,243
75	2,374	1,869	8,336	6,563

The 2023 Medicare Part A premium is \$506 per month.

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year Ending June 30	PERACare	Medicare
	Medicare Plans	Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the Trust Fund, but developed on a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the Trust Fund.

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 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.

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experienced by age, gender, and status (active versus retired) from actuary's claim data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

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

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

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in 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.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term expected rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table: 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	6.00%	4.70%
Total Plan	<u>100.00%</u>	

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
Ultimate PERACARE Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Total Plan	\$ 693,241,000	\$ 713,726,000	\$ 736,009,000
Proportionate Share of the Net OPEB Liability	\$ 2,744,254	\$ 2,825,346	\$ 2,913,555

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 (Continued)

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

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate Share of the			
Net OPEB Liability	\$ 2,744,254	\$ 2,825,346	\$ 2,913,555

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, an emergency reserve of \$3,715,377 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

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

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

Construction Commitments

The District had construction commitments outstanding of \$15,485 at June 30, 2024. These commitments are for the Greeley walking paths in process at June 30, 2024.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024 is \$3,294,544. The District estimates 20% of the liability will be paid in the subsequent year as follows:

	Balance, July 1, 2023		Additions/ Reductions Net		Balance, June 30, 2024		Amounts Due Within One Year
Accrued Compensated Absences	\$ 3,004,969	\$	289,575	\$	3,294,544	\$	658,909

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 LEASES

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, 2024 were \$387,678. For financed purchases, all were paid off during the year. The District's outstanding balances as of June 30, 2024 are detailed below:

Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
643,199	590,872	(287,420)	946,651	344,252

The District's future minimum lease payments under these ROU leases as of June 30, 2024 are detailed below:

<u>Fiscal Years Ending June 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payments</u>
2025	344,252	43,426	387,678
2026	207,648	20,688	228,336
2027	96,870	14,466	111,336
2028	297,881	18,297	316,178
Total future minimum lease payments	946,651	96,877	1,043,528

NOTE 14 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District has entered into subscription-based information technology arrangements (SBITA), for various terms under long-term, non-cancelable agreements. In accordance with GASB Statement No. 96, the District records a right-of-use asset and SBITA liability based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged in the agreement, if available, or are otherwise discounted using Aims incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. See Note 6 Capital Assets for information on right-of-use assets and associated accumulated depreciation. The District's outstanding balances as of June 30, 2024 are detailed below:

Balance, June 30, 2023	Additions	Reductions	Balance, June 30, 2024	Amounts Due Within One Year
\$ 4,938,094	\$ 950,851	\$ (2,406,677)	\$ 3,482,268	\$ 2,272,869

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 14 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)
(CONITNUED)**

The District's future minimum lease payments under these ROU SBITA as of June 30, 2024 are detailed below:

<u>Fiscal Years ending June 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payments</u>
2025	\$ 2,272,869	\$ 94,761	\$ 2,367,630
2026	\$ 1,032,450	\$ 21,625	\$ 1,054,075
2027	\$ 86,246	\$ 8,127	\$ 94,373
2028	\$ 90,703	\$ 3,611	\$ 94,314
Total future minimum payments	<u>\$ 3,482,268</u>	<u>\$ 128,124</u>	<u>\$ 3,610,392</u>

NOTE 15 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the year ended June 30, 2024, the following table represents operating expenses within both natural and functional classifications:

FUNCTIONAL CLASSIFICATIONS	NATURAL CLASSIFICATION						TOTAL OPERATING EXPENSES
	Employee & Personnel Services	Pensions/OPEB Expense Allocations	Supplies	Operating	Student Aid	Depreciation & Amortization	
Instruction	\$ 28,925,744	\$ (712,885)	\$ 2,358,740	\$ 8,353,320	\$ -	\$ -	\$ 38,924,919
Public Service	3,241	(78)	3,434	47,396	-	-	53,993
Academic Support	11,681,305	(288,901)	356,380	2,794,207	-	-	14,542,991
Student Services	12,007,998	(306,539)	244,614	2,387,265	-	-	14,333,338
Institutional Support	12,839,428	(322,181)	2,060,484	7,959,716	-	-	22,537,447
Operation of Plant	3,826,254	(95,497)	684,324	7,681,254	-	-	12,096,335
Student Aid	-	-	-	-	10,000,371	-	10,000,371
Depreciation	-	-	-	-	-	20,806,745	20,806,745
Auxiliary	645,429	(15,962)	384,793	204,979	-	-	1,219,239
TOTAL EXPENSES	\$ 69,929,399	\$ (1,742,043)	\$ 6,092,769	\$ 29,428,137	\$ 10,000,371	\$ 20,806,745	\$ 134,515,378

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's Proportion of the Net Pension Liability (Asset)	1.117%	0.855%	0.994%	1.067%	0.908%	0.866%	0.886%	0.920%	0.964%	0.958%
College's Proportionate Share of the Net Pension Liability (Asset)	\$ 112,932,063	\$ 92,984,648	\$ 73,274,941	\$ 101,182,572	\$ 88,083,879	\$ 98,538,561	\$ 191,230,653	\$ 172,723,035	\$ 94,720,288	\$ 77,557,998
Nonemployer Contributing Entity's Proportionate Share of the Net Pension Liability (Asset) Associated with College	\$ -	\$ -	\$ -	\$ -	\$ 448,903	\$ 542,415	\$ -	\$ -	\$ -	\$ -
Total Proportionate Share of the Net Pension Liability (Asset) Associated with College	<u>\$ 112,932,063</u>	<u>\$ 92,984,648</u>	<u>\$ 73,274,941</u>	<u>\$ 101,182,572</u>	<u>\$ 88,532,782</u>	<u>\$ 99,080,976</u>	<u>\$ 191,230,653</u>	<u>\$ 172,723,035</u>	<u>\$ 94,720,288</u>	<u>\$ 77,557,998</u>
College's Covered Payroll	\$ 43,738,106	\$ 38,017,571	\$ 36,775,299	\$ 34,972,155	\$ 32,341,774	\$ 29,826,834	\$ 28,028,541	\$ 27,355,210	\$ 25,003,265	\$ 22,200,317
College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	258%	245%	199%	289%	272%	330%	672%	634%	377%	348%
Plan Fiduciary Net Position as a Position as a Percentage of the Total Pension Liability	64.37%	60.63%	73.05%	65.34%	62.24%	55.11%	43.20%	43.80%	56.10%	59.80%

Information above is presented as of the measurement date December 31.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Pension Contribution	\$ 9,546,257	\$ 8,220,241	\$ 7,360,107	\$ 7,168,675	\$ 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 Pension Contribution	9,546,257	8,220,241	7,360,107	7,168,675	5,867,928	5,531,525	5,114,230	4,661,032	3,931,585	3,383,030
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's Covered Payroll	\$ 46,427,159	\$ 40,090,014	\$ 36,844,598	\$ 36,017,363	\$ 34,098,130	\$ 30,673,946	\$ 28,876,710	\$ 27,355,210	\$ 26,216,232	\$ 23,280,009
Pension Contributions as a Percentage of Covered Payroll	20.56%	20.50%	19.98%	19.90%	17.21%	18.03%	17.71%	17.04%	15.00%	14.53%

*Information above is presented as of the College's fiscal year.

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

	2023	2022	2021	2020	2019	2018	2017	2016
College's Proportion of the Net OPEB Liability (Asset)	0.3959%	0.3747%	0.3842%	0.3781%	0.3597%	0.3527%	0.3453%	0.3393%
College's Proportionate Share of the Net OPEB Liability (Asset)	\$ 2,825,346	\$ 3,059,089	\$ 3,313,198	\$ 3,593,011	\$ 4,042,902	\$ 4,798,085	\$ 4,486,921	\$ 4,398,776
College's Covered Payroll	\$ 43,738,106	\$ 38,017,571	\$ 36,775,299	\$ 34,972,155	\$ 32,341,774	\$ 29,826,834	\$ 28,028,541	\$ 27,355,210
College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	6.46%	8.05%	9.01%	10.27%	12.50%	16.09%	16.01%	16.08%
Plan Fiduciary Net Position as a Position as a Percentage of the Total OPEB Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

Information above is presented as of the measurement date December 31.

Information is not currently available for prior years; additional years will be displayed as they become available.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required OPEB Contribution	\$ 477,313	\$ 411,012	\$ 368,005	\$ 366,887	\$ 347,801	\$ 312,874	\$ 287,133	\$ 274,519	\$ 267,397	\$ 237,456
Contributions in Relation to the Contractually Required OPEN Contribution	\$ 477,313	\$ 411,012	\$ 368,005	\$ 366,887	\$ 347,801	\$ 312,874	\$ 287,133	\$ 274,519	\$ 267,397	\$ 237,456
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's Covered Payroll	\$ 46,427,159	\$ 40,090,014	\$ 36,844,598	\$ 36,017,363	\$ 34,098,130	\$ 30,673,946	\$ 28,876,710	\$ 27,355,210	\$ 26,216,232	\$ 23,208,009
OPEB Contributions as a Percentage of Covered Payroll	1.03%	1.03%	1.00%	1.02%	1.02%	1.02%	0.99%	1.00%	1.02%	1.02%

*Information above is presented as of the College's fiscal year.

AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2024

Changes in Benefit Terms and Actuarial Assumptions

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

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a “12-pay” method to a “non-12-pay” method. The default service accrual method for positions with an employment pattern on at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

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

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.

AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2024 (Continued)

Changes in Benefit Terms and Actuarial Assumptions (Continued)

- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) 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 post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other 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%.

**AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023**

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2024 (Continued)

Changes in Benefit Terms and Actuarial Assumptions (Continued)

- 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%.

AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023

Notes to Required Supplementary Information (Other Postemployment Benefits) – Fiscal Year 2024

Changes in Benefit Terms and Actuarial Assumptions

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

- As of December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023 and a \$2 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.
- The timing of the retirement decrement was adjusted to middle-of-year.

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

Changes in assumptions or other 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 Safety Officers) 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.

AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024 AND 2023

Notes to Required Supplementary Information (Other Postemployment Benefits) – Fiscal Year 2024

Changes in Benefit Terms and Actuarial Assumptions (Continued)

- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
- Males: 94% 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 post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97% 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 Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
 - The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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
JUNE 30, 2024**

**ACTUAL TO BUDGET COMPARISON
ALL FUNDS**

Year Ended June 30, 2024	Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Tuition and fees	17,950,000	17,692,164	(257,836)
Less: Tuition Discounts (Student Financial Aid)	(2,800,000)	(5,764,342)	(2,964,342)
Net Tuition and Fees	15,150,000	11,927,822	(3,222,178)
Gifts, grants and contracts (including Pell)	50,000	15,545,122	15,495,122
Auxiliary operating revenue	900,000	972,201	72,201
Other operating revenue	200,000	140,600	(59,400)
Total Operating Revenues	16,300,000	28,585,745	12,285,745
Operating Expenses:			
Education and general	112,239,400	104,231,066	8,008,334
Student aid	12,022,000	10,000,371	2,021,629
Auxiliary enterprises expenses	2,651,000	1,219,239	1,431,761
Total Operating Expenses	126,912,400	115,450,676	11,461,724
Nonoperating Revenues and Expenses:			
General property taxes	132,000,000	132,752,239	752,239
State appropriations	16,600,000	16,665,297	65,297
Investments	900,000	1,553,863	653,863
Federal non-operating revenue	50,000	72,269	22,269
Other non-operating revenue	200,000	618,669	418,669
Gain (Loss) on disposal of assets	-	(70,111)	(70,111)
Interest expense on ROU assets	-	(212,821)	(212,821)
Total Nonoperating Revenue and Expense	149,750,000	151,379,405	1,629,405
Transfers In (Out):			
Nonmandatory transfers in	54,713,500	36,235,941	(18,477,559)
Nonmandatory transfers out	(54,713,500)	(36,235,941)	18,477,559
Total Transfers In (Out)	-	-	-
Increase in Net Position, budgetary basis	39,137,600	64,514,474	25,376,874
Reconciling Items to GAAP Basis Net Position			
Pension and OPEB expense		1,742,043	
Depreciation and amortization expense		(20,806,745)	
Capital Contribution		190,564	
Decrease in Net Position, GAAP Basis		45,640,336	

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 business-type activities and the discretely presented component unit of Aims Community College (the College), as of and for the year ended June 30, 2024, 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 26, 2025. 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 instances of reportable noncompliance associated with 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 26, 2025



**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 the College's major federal programs for the year ended June 30, 2024. 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, 2024.

Basis for Opinion on The 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 the 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.

Report on Internal Control Over Compliance

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

Member of the Board of Trustees
Aims Community College

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 26, 2025

**AIMS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Program or Cluster Title	Federal ALN Number	Funding Agency	Pass Through Agency	Passthrough ID	Expenditures	Passed through to Subrecipients
FEDERAL DIRECT GRANTS						
Student Financial Assistance Cluster						
Federal Pell Grant Program	84.063	U.S. Department of Education			\$ 6,047,929	\$ -
Federal Supplemental Educational Opportunity Grants	84.007	U.S. Department of Education			141,106	-
Federal Work-Study Program	84.033	U.S. Department of Education			83,350	-
Federal Direct Student Loans	84.268	U.S. Department of Education			1,970,372	-
Total Student Financial Assistance Cluster					<u>8,242,757</u>	<u>-</u>
Federal Non-Student Aid						
TRIO - SSS	84.042A	U.S. Department of Education			262,825	-
TRIO SSS (STEM)	84.042A	U.S. Department of Education			255,164	-
Total US Department of Education Nonstudent Aid					<u>517,989</u>	<u>-</u>
Total Direct Federal Awards					8,760,746	-
FEDERAL PASS-THROUGH GRANTS						
Perkins	84.048	Career and Technical Education -- Basic Grants to States	Colorado Community Colleges System Office		<u>414,728</u>	<u>-</u>
Total US Department of Education Nonstudent Aid Federal Subrecipient					414,728	-
National Space Grant College and Fellowship Program	43.008	National Aeronautics and Space Administration	CU Boulder University of Northern Colorado	1554706	9,747	-
STEM + Computing K-12 (STEM + C)	47.076	National Science Foundation		19.000.DS1-01	<u>23,242</u>	<u>-</u>
Total National Science Foundation Federal Subrecipient					32,989	-
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	U.S. Department of the Treasury	State of Colorado - CDHE Colorado Community Colleges System Office	CTGG1 2022-2576	350,670	-
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	U.S. Department of the Treasury			<u>494,149</u>	<u>-</u>
Total Other Federal Subrecipient					<u>844,819</u>	<u>-</u>
Total Subrecipient Federal Awards					<u>1,292,536</u>	<u>-</u>
Total Expenditures of Federal Awards					<u>\$ 10,053,282</u>	<u>\$ -</u>

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, 2024**

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Aims Community 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, 2024.

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
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 5 STUDENT RATIOS

The Institution is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and Federal regulations under 34 CFR 668.23:

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g)⁴
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g)
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in nondegree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g)
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 688.8(f) and (g)
- Placement rates for short-term programs under <https://www.ecfr.gov/current/title-34/subtitle-B/chapter-VI/part-668/subpart-A/section-668.8> 34 CFR 688.8(e)(2)

**AIMS COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X 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)? _____ yes X no

Identification of Major Federal Programs

Assistance Listing Number(s)

Various

21.027

Name of Federal Program or Cluster

Student Financial Aid Cluster

Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**AIMS COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2024**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

