

AIMS COMMUNITY COLLEGE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021



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**AIMS COMMUNITY COLLEGE
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MANAGEMENT'S LETTER

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

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

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

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

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

A handwritten signature in black ink, appearing to read "Chuck Jensen".

Chuck Jensen
Vice President for Administrative Services



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Aims Community College (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Aims Community College Foundation (the Foundation), which represent 100% of the assets, net assets, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Aims Community College Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation, the District's discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the Aims Community College as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of the District's proportionate share of the net pension liability (PERA – SDTF) and net OPEB liability (PERA – HCTF), and the schedule of the District's contributions (PERA – SDTF and PERA – HCTF), collectively referred to as required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Aims College District's basic financial statements. The accompanying supplementary information, including the actual to budget comparison – all funds, as listed in the table of contents, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Members of the Board of Trustees
Aims Community College

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2022, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Denver, Colorado
April 21, 2022

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Overview

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

Purpose — Build a Stronger Community

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

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

With the Purpose, Vision, and Mission in mind, we are pleased to present this management's discussion and analysis (MD&A) of the Aims Local College District (the District). This discussion and analysis is intended to make the District's financial statements easier to understand and to communicate its financial situation in an open and accountable manner. It provides an objective analysis of the District's financial position and results of operations as of and for the fiscal year ended June 30, 2021. 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), 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 *Statements of Net Position* present the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District at points in time (June 30, 2021 and 2020). Their purpose is to present a financial snapshot of the District. These statements aid readers in determining the assets available to continue the District's operations.
- *Statements of Revenues, Expenses, and Changes in Net Position* present the total revenues earned and expenses incurred by the District for operating, nonoperating, and other related activities during periods of time (the years ended June 30, 2021 and 2020). Their purpose is to assess the District's operating results.
- *Statements of Cash Flows* present the District's cash receipts and payments during periods of time (the years ended June 30, 2021 and 2020). Their 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 (CONTINUED)
JUNE 30, 2021**

- *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, 2021:

- At June 30, 2021, District assets totaled \$311.2 million. These assets included \$94.1 million of cash and investments, \$198.5 million of net capital assets, and \$18.6 million of other assets.
- District liabilities include \$17.8 million of current liabilities estimated to be payable within the 2022 fiscal year. Noncurrent liabilities in the amount of \$110.4 million include:
 - \$2.3 million for employee future compensated absences,
 - \$3.3 million in future capital lease payments
 - \$3.6 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
 - \$101.2 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 \$28.5 million and \$11.2 million at June 30, 2021 and 2020, respectively. Deferred inflows of resources related to pension and OPEB were recorded in the amounts of \$21.9 million and \$40.2 million at June 30, 2021 and 2020, respectively.
- The District's net position at June 30, 2021, was comprised of \$2.6 million restricted by donor, grantor, or other external party intentions; \$189.9 million was comprised of net investments in capital assets. Negative unrestricted net position of \$2.8 million is comprised of \$104.8 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 \$107.6 million. The total net position of the District was \$189.7 million and \$152.3 million at June 30, 2021 and 2020, respectively. This increase in total net position of \$37.4 million is detailed on the 2021 statement of revenues, expenses, and changes in net position.
- Operating revenues from student tuition, restricted grants, and other operating revenues decreased by 3.5%, and was \$14.9 million and \$15.4 million in fiscal years 2021 and 2020, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

- Nonoperating revenues decreased 1.6% and were \$107.2 million and \$109.0 million in fiscal years 2021 and 2020, respectively. This decrease was the result of decreases from property tax revenues (\$2.4 million decrease), federal nonoperating revenues (\$10.2 million increase), investment income (\$2.2 million decrease), and state appropriations (\$6.1 million decrease).
- Total operating expenses increased 22.4% and were \$84.6 million and \$69.1 million in fiscal years 2021 and 2020, respectively. The change was driven by the District's institutional support expenses increasing by \$6.7 million, and a change in noncash related PERA/OPEB expenses of \$3.2 million.
- The District completed \$0.5 million and \$15.5 million of building and land improvement projects during fiscal years 2021 and 2020, respectively. As a result of the completion of major capital projects, depreciation expense for the District increased 3.0% during fiscal year 2021. Depreciation expense was \$11.0 million and \$10.7 million for fiscal years 2021 and 2020, respectively. The District had \$56.2 million and \$7.0 million in building and land improvement construction projects in progress as of June 30, 2021 and 2020, respectively.

Statements of Net Position

The statements of net position are a snapshot of the District's financial resources at June 30, 2021 and 2020. These statements present:

- 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 statements of net position are prepared using the accrual basis of accounting and an accounting methodology similar to that used by private sector companies. Assets and liabilities are classified by liquidity as either current or noncurrent. Net position is classified in three basic categories: net investment in capital assets, restricted, and unrestricted. The statements of net position present 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 (CONTINUED)
JUNE 30, 2021**

CONDENSED STATEMENTS OF NET POSITION

	June 30, 2021	June 30, 2020
ASSETS		
Current Assets	\$ 80,403,033	\$ 101,804,474
Noncurrent Assets - Long-Term Investments	32,369,512	32,414,759
Capital Assets	198,449,923	158,890,447
Total Assets	311,222,468	293,109,679
 DEFERRED OUTFLOWS OF RESOURCES	 28,500,717	 11,190,662
 LIABILITIES		
Current Liabilities	17,804,432	13,798,630
Noncurrent Liability - Capital Leases	3,320,742	3,929,647
Noncurrent Liability - Employee Compensated Absences	2,269,077	1,941,457
Noncurrent Liability - Net Pension Liability	101,182,571	88,083,879
Noncurrent Liability - OPEB Liability	3,593,012	4,042,902
Total Liabilities	128,169,834	111,796,515
 DEFERRED INFLOWS OF RESOURCES	 21,866,421	 40,208,123
 NET POSITION		
Net Investment in Capital Assets	189,920,492	152,340,357
Restricted for Expendable Purposes	2,604,479	2,503,996
Unrestricted	(2,838,041)	(2,548,648)
 Total Net Position	 \$ 189,686,930	 \$ 152,295,704

Assets

Current Assets

Current assets consist of cash and cash equivalents, short term investments (investments with maturities less than 12 months), student accounts receivable, accounts receivable, property tax receivable, inventories, and prepaid assets. Of the District's current assets, 76.8% was held in cash and cash equivalents and short-term investments. All operating expenses and capital projects were funded using cash assets.

Accounts receivable include credit and non-credit student tuition and fee billings, inter-fund transactions between the College and the College Foundation, accrued interest, state appropriations, grant awards, financial aid and scholarships, and other miscellaneous operational transactions. Accounts receivable increased from 2020 to 2021 by \$4.7 million, with the majority of the increase due to federal and state grant awards. In summer 2021, the District implemented an initiative to offer reduced or no-cost tuition for in-district students. The initiative resulted in a decrease in student accounts receivable from 2020 to 2021 of \$0.2 million and a decrease in the allowance for doubtful accounts by \$0.3 million.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

Property tax receivable represents taxes expected for the period January 1 through December 31. The property tax receivable decreased significantly between June 2020 and 2021, decreasing from \$29.0 million to \$10.3 million, respectively. The decrease can be attributed to changes made by the state of Colorado in HB 20-1421 in response to COVID-19. This bill postponed the tax payment due date to October 1, 2020 in response to financial hardships caused by the pandemic. As of the date of issuance, nearly all of the certified amount has been collected.

Prepaid expenses arise from payments for insurance premiums, leases, warranties, maintenance agreements, professional dues, rent, memberships, subscriptions, deposits, and employee travel. The general dollar threshold for an expense to be considered for prepayment is \$5,000 per item, except for insurance premiums, rents, leases, and p-card transactions, which are expensed 100% in the correct fiscal year, irrespective of amount. The majority of the \$1.3 million increase in prepaid expenses from fiscal year 2020 is the result of products and service terms crossing fiscal years, with products and services beginning in 2021-22 and payments made in 2020-21. Travel prepays for employees are down due to travel restrictions related to COVID-19.

Other Noncurrent Assets

Long-term investments are investments held by the District with a maturity date extending beyond 12 months. The majority of these investments are held to finance future campus capital construction and repair projects. Long-term investments were \$32.4 million and \$32.4 million at June 30, 2021 and 2020, respectively. Additional information regarding the District's investments and investment policies is provided in Notes 3 and 4 of the accompanying notes to the District's financial statements.

Capital Assets

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

Capital assets net of accumulated depreciation totaled \$198.5 million at June 30, 2021, and \$158.9 million at June 30, 2020. The \$39.6 million increase in net capital assets is primarily attributable to capital acquisitions and ongoing capital construction projects. At June 30, 2021, the District had invested \$56.2 million in capital construction projects in progress at year-end. Construction-in-progress increased by \$49.2 million from the previous year-end with the largest portion of the increase attributed to the construction of the Welcome and Event Center of \$31.3 million and renovation of the Student Center of \$6.5 million.

Note 6 of this report summarizes changes in capital assets between June 30, 2020, and June 30, 2021.

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 2021, pension and OPEB related outflows, which reflect the changes in the pension and OPEB liabilities to be recognized in future periods, totaled \$28.5 million. Deferred PERA pension outflows of resources were \$27.9 million and \$10.8 million, at June 30, 2021 and 2020, respectively; deferred OPEB outflows of resources were \$0.5 million and \$0.4 million, at June 30, 2021 and 2020, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

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, 2021, were \$12.5 million and included amounts payable in July and August 2021 for capital construction and technology services. Accrued liabilities of \$2.9 million were primarily for employee payroll and fringe benefits paid during July 2021.

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

Unearned revenues of \$0.9 million include tuition and fees received by June 30, 2021, for services to be provided in fiscal year 2022. 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, 2021, including cash held for the Aims Foundation of \$0.1 million and the remaining \$0.2 million 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, 2022. The District's noncurrent liabilities include the District's net pension liability required by GASB 68, its net OPEB liability required by GASB 75, its commitments to pay employee compensated absences for vacation and sick leave, and capital lease liabilities.

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

The District's net pension liability required by GASB 68 was \$101.2 million and \$88.1 million at June 30, 2021 and 2020, respectively. This \$13.1 million increase was due to the changes in assumptions in the actuarial valuation used to calculate the net pension liability. The District has no legal obligation to fund this net pension liability, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

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

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

The District's net OPEB liability required by GASB 75 was \$3.6 million at June 30, 2021, and \$4.0 million at June 30, 2020. The District has no legal obligation to fund this OPEB liability; nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

The District's noncurrent liability for employee compensated absences remained relatively stable at \$2.3 million and \$1.9 million at June 30, 2021 and 2020, respectively. Details concerning the District's compensated absences are provided in Note 12.

The capital lease liability of \$3.3 million is the portion of the airplane, CDL truck leases, and postage stamp machine that will be paid in a period longer than 12 months after June 30, 2021. Note 13 of these financial statements provides additional information related to long term lease obligations.

Deferred Inflows of Resources

Deferred inflows of resources can be defined as an acquisition of resources by the District that is applicable to a future reporting period. Deferred inflows of resources related to PERA pensions were recorded in the amount of \$20.7 million and \$39.5 million; deferred inflows of resources related to OPEB were \$1.2 million and \$0.7 million at June 30, 2021 and 2020, respectively.

Net Position

Net position represents the resources available for future operations. The District's total net position equals assets plus deferred outflows of resources, reduced by liabilities and deferred inflows of resources. Net position is classified in three types: Net Investment in Capital Assets, Restricted, and Unrestricted. Total net position was \$189.7 million and \$152.3 million at June 30, 2021 and 2020, respectively. The District's educational and auxiliary revenues contributed \$14.9 million in net position; nonoperating revenues contributed \$107.2 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, and capital leases, less any related debt. This is the District's largest class of net position, comprising \$189.9 million and \$152.3 million of the District's net position at June 30, 2021 and 2020, respectively.

Restricted

Restricted expendable assets are those items restricted in use by parties external to the District. TABOR reserves are a requirement of the state of Colorado, and require the District to set aside reserves for declared emergencies of 3% or more of fiscal year spending, excluding bonded debt service payments and auxiliary funds. The TABOR reserve was \$2.6 million and \$2.5 million for the periods ended June 30, 2021 and 2020, respectively. Nongovernmental grants and gifts make up the remaining portion of restricted net position and were \$35,098 and \$32,497 for the fiscal years ended June 30, 2021 and 2020, respectively.

Unrestricted

Unrestricted net position represents those balances received from operational activities that have not been restricted by parties external to the District. This includes funds which have been designated by the governing board for specific purposes as well as amounts that have been contractually committed for goods and services which have not yet been received. Unrestricted net position was (\$2.8 million) and (\$2.5 million) at June 30, 2021 and 2020, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the financial activity of the District over the fiscal years. 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 these statements for some items that will result in cash flows in future fiscal periods. A key component of these statements is the differentiation between operating and nonoperating activities.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	For the year ended June 30, 2021	For the year ended June 30, 2020
Operating Revenues:		
Net tuition and fees	\$ 8,344,876	\$ 9,126,230
Grants and contracts	6,126,447	5,717,664
Auxiliary operating revenue	271,772	423,958
Other operating revenues	126,650	139,757
Total Operating Revenues	14,869,745	15,407,609
Operating Expenses:		
Educational and general	73,397,868	58,111,951
Auxiliary	282,237	313,206
Depreciation and amortization	11,013,145	10,696,670
Total Operating Expenses	84,693,250	69,121,827
Operating Loss	(69,823,505)	(53,714,218)
Nonoperating Revenues (Expenses) and Gains (Losses)		
Net general property taxes	84,517,317	87,004,996
State appropriations	5,347,295	11,450,334
Federal nonoperating revenue	17,460,805	7,290,880
Investment income	388,886	2,605,882
Other nonoperating revenues	626,474	846,274
Loss on disposal of assets	(869,768)	(39,153)
Interest expense on capital asset	(285,221)	(201,287)
Net Nonoperating Revenues	107,185,788	108,957,926
Capital contributions	28,943	10,561
Decrease in Net Position	37,391,226	55,254,270
Net Position - Beginning of Year (2019 as restated) for change in accounting principle	152,295,704	97,041,434
Net Position, End of Year	\$ 189,686,930	\$ 152,295,704

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

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 \$8.3 million. A scholarship allowance is applied to student accounts and is shown as a reduction of student tuition revenue. The scholarship allowance for the years ended June 30, 2021 and 2020, was \$4.3 million and \$4.2 million, respectively. This discount is calculated using an approved formula designed to reflect other scholarship revenues and institutional scholarship expense used specifically for tuition and fees. For example, the District records funds received from the Pell student grant program as revenue. Those funds are then applied to student accounts in payment of tuition and fees which are also included as revenue. Without this discount, student tuition revenues would be overstated by the double counted amount. Additional information on scholarship allowances is outlined in Note 1.

Enrollment Highlights

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

The tables below summarize student enrollment data over the past five years. The District's unduplicated student headcount and full-time equivalent enrollment (FTE, defined as students enrolled in 30 or more credit hours per year), has steadily increased since 2017, decreasing in fiscal year 2020-2021 due to students taking time off for COVID-19.

STUDENT HEADCOUNT ENROLLMENT

Fiscal Year	Unduplicated Headcount	Percent Change
2021	8,953	-3.0%
2020	9,234	3.8%
2019	8,895	5.4%
2018	8,436	5.9%
2017	7,966	5.8%

STUDENT FTE ENROLLMENT

Fiscal Year	Resident FTE			Percent Change	Nonresident FTE		Combined FTE	
	In-District	Out-of-District	Total		Out-of State	Percent Change	Total	Percent Change
2021	2864	800	3664	-2.4%	116	-7.2%	3,780	-2.5%
2020	2,939	814	3753	2.7%	125	-0.8%	3,878	2.6%
2019	2,882	772	3654	3.1%	126	3.3%	3,780	3.1%
2018	2,782	761	3543	5.6%	122	8.0%	3,665	5.7%
2017	2,701	655	3356	2.9%	113	17.7%	3,469	3.4%

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

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

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

High school students enrolled in a concurrent high school/college program, as well as students taking courses for personal or professional development, tend to take less than four courses during a year. As a result, student FTE generated by these populations of students (down 2.5%) is less than the decrease in headcount for these students (down 3.0%).

Grant and Contract Revenues

Grant and contract operating revenues include restricted revenues from governmental agencies and private agencies, excluding Pell grants, CARES Act and CRF revenues. The majority of grant revenues are recorded as reimbursement of expenses associated with the grant. Fiscal year 2021 grant and contract revenues was \$6.1 million and \$5.7 million for the year ended June 30, 2021 and 2020, respectively. See Federal Nonoperating Revenue below for information on Pell and other nonoperating grants.

Auxiliary Enterprises

Auxiliary enterprises exist primarily to furnish goods or services to students, faculty, staff, or the general public and charge a fee directly related to the cost of those goods or services with the intention of being self-supporting. Food services, facility rentals, and bookstore commissions provided \$0.3 million in fiscal year 2021, which is comparable to the prior year amount of \$0.4 million. The decrease in revenue is attributed to the closure of auxiliary services due to COVID-19.

Other Operating Revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, taxable and nontaxable sales, prior year insurance recoveries, and administration fees. Other operating revenues were \$0.1 million in fiscal years 2021 and 2020.

Nonoperating Revenues

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

General Property Tax Revenue

Property taxes represent the District's largest source of revenue, generating 68.6% of total revenues to the District. Property tax revenues, based upon the valuation certified by the County Assessor, decreased 2.9% due to a decrease in oil and gas values in Weld County. The base mill levy remained unchanged at 6.299 mills which generated \$84.5 million and \$87.0 million in gross revenue for fiscal years 2021 and 2020, respectively.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

State Appropriations

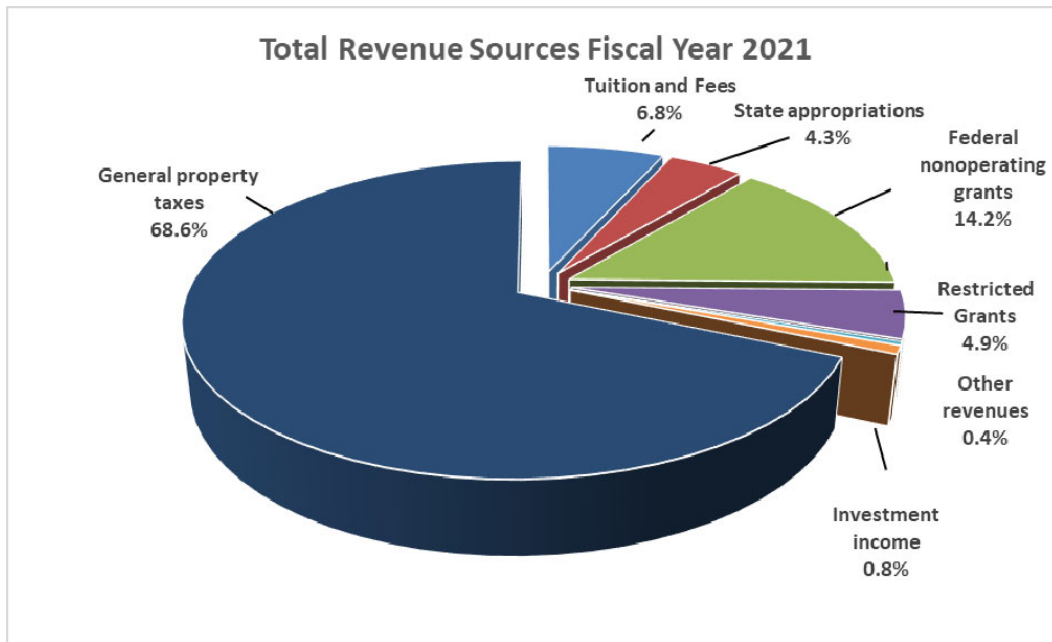
Colorado state appropriations and Amendment 50 gaming revenues are collectively reported as nonoperating state appropriations. The decrease in this category was \$6.1 million, from \$11.5 million in fiscal year 2020 to \$5.4 million in fiscal year 2021. The reduction in state funding was a result of COVID-19 related economic factors at the state level and in lieu of Corona Virus Relief federal funding.

Federal Nonoperating Revenue

Nonexchange funds are not direct payment for services or product. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. Pell grants account for a large portion of funds in this category, at \$5.2 million and \$6.5 million for fiscal years 2021 and 2020, respectively.

The other Federal nonoperating revenue for fiscal year 2021 is funding from the CARES Act (Coronavirus Relief Funds – CRF) and HEERF grant revenue. CARES Act (CRF) revenue in the amount of \$5.6 million was granted to the District through the Department of Education and was used to support salaries and benefits. HEERF funding was provided to support students experiencing financial hardship as a result of COVID-19 via emergency financial aid grants and to institutions to assist with operational expenses related to COVID-19. For the fiscal year 2021, \$1.9 million of HEERF funding was distributed for financial aid and \$4.7 million to support the District's operational expenses.

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



**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

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 \$84.7 million and \$69.1 million for fiscal years 2021 and 2020, respectively, an increase of \$15.6 million. See Note 14 for a breakout of the natural classification of expenses exclusive of pension and OPEB expenses for the discussion below.

Personnel costs are the District's largest operating expense, and increased to \$53.2 million in 2021, up from \$50.8 million in 2020. Increases in salaries and benefits are reflective of increased salary funding and increased health insurance costs in fiscal year 2021 (exclusive of a \$22.8 million in pension and \$0.2 million OPEB contra expense).

net of supplies and operating expenses increased between fiscal years 2020 and 2021 by \$10.4 million. The increase is attributed to the purchase of a new Enterprise Resource Planning subscription (Workday), along with consultant fees and temporary employees used to help implement the system.

Scholarships, including federal, state, local and institutional scholarships, increased, totaling \$9.2 million and \$9.0 million in fiscal years 2021 and 2020, respectively. For fiscal year 2021, Pell grants were \$5.2 million, and HEERF financial aid grants distributed were \$1.9 million, and other externally funded scholarships processed through the District were \$2.1 million.

Depreciation increased by \$0.3 million to \$11.0 million mainly due to number of capital projects, land improvements, and infrastructure improvements that were completed and put into service in fiscal year 2021. Depreciation of leased capital assets is also included.

The operating loss of \$69.8 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 2021 operating loss increased by \$16.1 million from fiscal year 2020.

Management's Analysis of Functional Classifications

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

Each functional area in the following tables was adjusted by the portion of the noncash benefits expense for GASB 68 and GASB 75 based on its proportion of PERA payroll (see Notes 8 and 9). The following two tables provide information regarding the District's expenditures by functional classifications excluding and including the pension and OPEB expenses for the fiscal years 2021 and 2020, respectively. The pension, OPEB, and state funded expenses for GASBs 68 and 75 were \$23.0 million in fiscal year 2021, and \$26.2 million in fiscal year 2020.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

**Functional Classification Operating Expenses by Function
With Pension Expense Separately Identified**

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

	Fiscal Year Ended June 30, 2020		
	Expenses before Pension and OPEB Expense	Pension and OPEB Expense	Total Expenses
Instruction	\$ 29,912,260	\$ (11,422,567)	\$ 18,489,693
Public service	34,472	(13,589)	20,883
Academic support	10,814,736	(4,339,459)	6,475,277
Student services	10,828,132	(4,135,956)	6,692,176
Institutional support	15,946,407	(4,885,801)	11,060,606
Operation of plant	7,625,106	(1,203,465)	6,421,641
Student aid	8,951,677	-	8,951,677
Auxiliary	540,346	(227,140)	313,206
Depreciation and amortization	10,696,670	-	10,696,670
Total Operating Expenses	\$ 95,349,806	\$ (26,227,977)	\$ 69,121,829

Variance Fiscal Year 2021 and 2020	\$ 12,346,399	\$ 3,225,022	\$ 15,571,421
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	Variance before Pension Expense	Pension Variance	Total Variance
Instruction	\$ 1,841,731	\$ 1,095,470	\$ 2,937,201
Public service	7,578	11,211	18,789
Academic support	408,504	589,701	998,205
Student services	90,718	468,382	559,100
Institutional support	5,890,842	830,125	6,720,967
Operation of plant	3,600,234	165,728	3,765,962
Student aid	285,691	-	285,691
Auxiliary	(95,374)	64,405	(30,969)
Depreciation and amortization	316,475	-	316,475
Total Operating Expenses variances	\$ 12,346,399	\$ 3,225,022	\$ 15,571,421

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

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

Instruction expenses increased by \$1.8 million between fiscal years 2020 and 2021, due to an increase of \$1.4 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of \$0.4 million.

Academic support expenses increased by \$0.4 million between fiscal years 2020 and 2021, with the increase due to salary and fringe benefit increases of \$0.1 million, and an increase in supplies and operating expenses of \$0.3 million.

Student services expenses increased \$0.1 million during fiscal year 2021, as a result of an increase of salary and benefit expenses of \$0.4 million, and a decrease in supplies and operating expenses of \$0.3 million.

Institutional support expenses increased \$5.9 million during fiscal year 2021. This increase included an additional \$0.5 million for salary, and an increase in supplies and operating expenses of \$5.4 million.

Operation of plant expenses increased \$3.6 million during fiscal year 2021. Of the change, \$0.1 million was related to salaries and benefits increases, and there was an increase of \$3.5 million in supplies and operating expenses.

Auxiliary and public service expenses reduced slightly for fiscal year 2021, decreasing by \$0.1 million in salary and fringe benefits. Student aid and depreciation expenses each increased by \$0.3 million between fiscal years 2020 and 2021.

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		Variance
	June 30, 2021	June 30, 2020	
Employee and Personnel Services	\$ 53,242,049	\$ 50,777,974	\$ 2,464,075
Pension and OPEB Expense	(23,002,955)	(26,227,977)	3,225,022
Subtotal Personnel Services	30,239,094	24,549,997	5,689,097
Supplies	4,877,668	4,125,861	751,807
Operating	29,325,975	20,797,622	8,528,353
Student Aid	9,237,368	8,951,677	285,691
Depreciation	11,013,145	10,696,670	316,475
Total Operating Expenses	\$ 84,693,250	\$ 69,121,827	\$ 15,571,423

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

Statements of Cash Flows

The statements of cash flows provide information about cash receipts and cash payments during the past fiscal year.

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

Significant changes in these statements are noted below:

- Operating activities of the District required \$75.7 million and \$67.6 million of cash in fiscal years 2021 and 2020, respectively. This \$8.1 million increase in cash used is primarily due to increased cash payments in the amount of \$2.5 million to and for employee compensation, \$4.8 million in payments to suppliers, and \$0.8 million in scholarship disbursements. Cash paid to and for employees was \$51.3 million and \$50.3 million for fiscal years 2021 and 2020, respectively.
- Cash flows provided by noncapital financing activities increased \$27.5 million, and were \$116.1 million and \$88.6 million in fiscal years 2021 and 2020, respectively. This increase is primarily the result of the District collecting General Property Tax receivables from the previous fiscal year. Cash flows from General Property Taxes increased by 39.2 million. Federal grant revenues decreased by \$5.0 million and state appropriations decreased by \$6.3 million. The District expects that general property tax revenues received will continue to remain steady in fiscal year 2022.
- Cash used for capital and related financing activities increased and were \$49.7 million and \$17.4 million in fiscal years 2021 and 2020, respectively. This \$32.3 million increase is the result of the District's construction of major capital projects in fiscal year 2021.
- In fiscal year 2021, cash provided by investing activities was \$5.3 million. The District purchased \$48.6 million in new investments, sold \$52.4 million of investments, and received \$1.5 million in realized investment earnings.
- Overall, the District's cash position decreased 8.2%. Cash and cash equivalents were \$44.6 million and \$48.6 million at June 30, 2021 and 2020, respectively. This decrease is primarily a net result of the collection of General Property Tax receivables and pay for large construction projects.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

CONDENSED STATEMENTS OF CASH FLOWS

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 8,479,800	\$ 8,933,377
Grants and Gifts	5,946,420	6,223,892
Other Cash Receipts	364,016	800,266
Payments to Employees	(51,313,992)	(50,340,364)
Payments to Suppliers	(29,266,962)	(24,100,194)
Scholarships Disbursed	<u>(9,873,534)</u>	<u>(9,128,692)</u>
Net Cash Used by Operating Activities	(75,664,252)	(67,611,715)
CASH FLOWS FROM NONOPERATING, CAPITAL, AND INVESTING ACTIVITIES		
State Appropriations, Noncapital	5,271,140	11,571,317
Federal Revenues, Noncapital	7,938,312	12,955,434
General Property Taxes, Noncapital	102,841,163	63,658,280
Other Noncapital Financing Activities	14,878	400,585
Acquisition or Construction of Capital Assets, Net	(49,707,548)	(17,411,773)
Purchases of Investments	(48,621,335)	(41,795,499)
Proceeds from Sales of Investments	52,421,974	60,525,587
Investment Earnings	<u>1,524,321</u>	<u>2,607,360</u>
Net Cash Provided by Nonoperating, Capital, and Investing Activities	<u>71,682,905</u>	<u>92,511,290</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,981,347)	24,899,575
Cash and Cash Equivalents - Beginning of Year	<u>48,554,266</u>	<u>23,654,691</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 44,572,919</u></u>	<u><u>\$ 48,554,266</u></u>

Economic Outlook

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

To manage student enrollment, the District has developed several programs to improve student success and retention as outlined in the five-year strategic plan approved by the Board of Trustees on August 8, 2018. In 2020, the District began construction of a new Welcome Center and renovation of the Student Center. These projects are expected to be completed in early 2022.

**AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2021**

The economic issues created by the pandemic that are affecting the state of Colorado are a concern to the District and the higher education community as a whole. Federal funding from the CARES Act and HEERF grant have provided financial assistance to students experiencing hardship and to institutions to support additional costs related to COVID-19. The economic forecast for fiscal year 2022 is showing some positive indicators. The concern lies in looking out to fiscal years 2023 and 2024 and the timing of the recovery from the economic issues created by the pandemic. The District will continue to monitor economic forecasts issued by the state of Colorado and plan accordingly.

The growth and the assessed valuation of property within the taxing district play a critical role. Six counties contribute to the assessed value of the taxing district, with the largest contribution coming from Weld County. For fiscal year 2021, property tax revenue was derived primarily from oil and gas production in Weld County. The unstable funding swings in oil and gas property tax revenues require careful monitoring by the District when planning for the future. The District has prepared well financially for economic swings in the oil and gas industry by maintaining adequate reserves to minimize potential impacts caused by economic fluctuations.

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

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

Requests for Information

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

Requests for copies of the 2021 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, 2021**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 44,572,919
Short-Term Investments	17,162,438
Student Accounts Receivable, Net of Allowance of \$171,723	506,749
Accounts Receivable	6,110,034
Property Tax Receivable	10,285,797
Inventories	52,139
Prepaid Expenses and Other Current Assets	1,712,957
Total Current Assets	80,403,033

Noncurrent Assets:

Long-Term Investments	32,369,512
Total Long-Term Investments	32,369,512

Capital Assets:

Nondepreciable Capital Assets:

Land	15,120,841
Land Improvements	2,931,537
Art/Historical Figures	42,132
Construction-in-Progress	56,234,451

Depreciable Capital Assets, Net:

Land Improvements	11,743,488
Buildings and Improvements	100,906,737
Vehicles	1,159,697
Equipment and Furniture	6,718,733
Capital Leases	3,592,307
Total Capital Assets, Net	198,449,923

Total Noncurrent Assets	230,819,435
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Total Assets	311,222,468
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - Pension	27,938,559
Deferred Outflows of Resources - OPEB	562,158
Total Deferred Outflows of Resources	28,500,717

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 12,524,424
Accrued Liabilities	2,943,029
Unearned Revenue	861,471
Compensated Absence Liabilities, Current Portion	567,269
Deposits Held in Custody for Others	288,097
Capital Leases Payable	620,142
Total Current Liabilities	17,804,432

Noncurrent Liabilities:

Compensated Absence Liabilities	2,269,077
Net Pension Liability	101,182,571
Net OPEB Liability	3,593,012
Capital Leases Payable	3,320,742
Total Noncurrent Liabilities	110,365,402

Total Liabilities	128,169,834
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - Pension	20,709,372
Deferred Inflows of Resources - OPEB	1,157,049
Total Deferred Inflows of Resources	21,866,421

NET POSITION

Net Investment in Capital Assets	189,920,492
Restricted for Expendable Purposes:	
TABOR Reserves	2,569,381
Nongovernmental Grants and Gifts	35,098
Unrestricted	(2,838,041)
Total Net Position	\$ 189,686,930

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

ASSETS

Cash and Cash Equivalents	\$ 1,025,886
Deposits Held by Others	101,049
Operating Investments	3,859,251
Contributions Receivable, Net	-
Other Receivables	6,643
Endowment:	
Investments	2,826,474
Beneficial Interest in Perpetual Trust	2,389,617
	2,389,617
Total Assets	\$ 10,208,920

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 9,074
Deferred Revenue	5,000
Total Liabilities	14,074

NET ASSETS

Without Donor Restrictions:	
Board-Designated Endowment	423,010
Unrestricted	2,089,481
With Donor Restrictions:	7,682,355
Total Net Assets	10,194,846
Total Liabilities and Net Assets	\$ 10,208,920

See accompanying Notes to Financial Statements.

AIMS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

REVENUES

Operating Revenues:

Student Tuition and Fees, Net of Scholarship Allowances of \$4,331,000	\$ 8,344,876
Federal Grants and Contracts	1,297,385
State and Local Grants, Contracts, and Gifts	4,829,062
Sales and Services of Educational Activities	23,970
Auxiliary Operating Revenue	271,772
Other Operating Revenue	102,680
Total Operating Revenues	14,869,745

EXPENSES

Operating Expenses:

Educational and General	
Instruction	21,426,894
Public Service	39,672
Academic Support	7,473,482
Student Services	7,251,276
Institutional Support	17,781,573
Operation of Plant	10,187,603
Student Aid	9,237,368
Depreciation and Amortization	11,013,145
Auxiliary	282,237
Total Operating Expenses	84,693,250

OPERATING LOSS

(69,823,505)

NONOPERATING REVENUES (EXPENSES)

General Property Taxes, Net of Bad Debt Allowance of \$397,042	84,517,317
State Appropriations	5,347,295
Federal Nonoperating Revenue	17,460,805
Investment Income	388,886
Other Nonoperating Revenues	626,474
Loss on Disposal of Assets	(869,768)
Interest Expense on Capital Lease	(285,221)
Net Nonoperating Revenues	107,185,788

INCOME BEFORE OTHER REVENUES

37,362,283

CAPITAL CONTRIBUTIONS

28,943

CHANGE IN NET POSITION

37,391,226

Net Position - Beginning of Year

152,295,704

NET POSITION - END OF YEAR

\$ 189,686,930

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions
REVENUE, SUPPORT, AND GAINS		
Contributions	\$ 21,988	\$ 231,246
In-Kind Contributions	332,064	185,870
Net Investment Revenue	701,880	998,769
Grants	-	58,116
Special Events Revenue	1,510	-
Net Assets Released from Restrictions	335,664	(335,664)
Total Revenue, Support, and Gains	1,393,106	1,138,337
EXPENSES		
Program Services Expense:		
Student Scholarships	218,925	-
Support for Academic Programs	63,250	-
Support for Student Services	15,018	-
Other College Programs	4,957	-
Total Program Services Expense	302,150	-
Supporting Services Expense:		
Management and General	359,369	-
Fundraising and Development	55,912	-
Total Supporting Services Expense	415,281	-
Total Expenses	717,431	-
CHANGE IN NET ASSETS	675,675	1,138,337
Net Assets - Beginning of Year	1,836,816	6,544,018
NET ASSETS - END OF YEAR	\$ 2,512,491	\$ 7,682,355

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received:	
Tuition and Fees	\$ 8,479,800
Grants and Gifts	5,946,420
Sales of Services	23,970
Sales of Products	271,772
Other Receipts	68,274
Cash Payments:	
Payments to or for Employees	(51,313,992)
Payments to Suppliers	(29,266,962)
Scholarships Disbursed	(9,873,534)
Direct Loans Disbursements	(2,356,188)
Direct Loans Receipts	2,356,188
Net Cash Used by Operating Activities	<u>(75,664,252)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations, Noncapital	5,271,140
Federal Revenues, Noncapital	7,938,312
General Property Taxes, Noncapital	102,841,163
Decrease in Deposits Held in Custody for Others	(563,634)
Other Noncapital Financing Activities - Royalties	578,512
Net Cash Provided by Noncapital Financing Activities	<u>116,065,493</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition or Construction of Capital Assets	(49,215,665)
Proceeds from Sale of Capital Assets	374,872
Principal Paid on Capital Leases	(581,534)
Interest Paid on Capital Debt	(285,221)
Net Cash Used by Capital and Related Financing Activities	<u>(49,707,548)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(48,621,335)
Proceeds from Sales of Investments	52,421,974
Investment Earnings (Losses)	1,524,321
Net Cash Provided by Investing Activities	<u>5,324,960</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (3,981,347)

Cash and Cash Equivalents - Beginning of Year 48,554,266

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 44,572,919

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (69,823,505)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization Expense	11,013,145
Changes in Operating Assets, Liabilities, and Deferred Outflows and Inflows:	
Receivables, Net	(583,884)
Inventory, Prepaid Expenses and Other Assets	(1,195,792)
Deferred Outflows of Resources	(17,310,054)
Accounts Payable and Accrued Liabilities	7,596,757
Unearned Revenues	(73,776)
Compensated Absences	409,525
Deposits Held in Custody for Others	(3,768)
Net Pension and Net OPEB Liability	12,648,802
Deferred Inflows of Resources	(18,341,702)
Net Cash Used by Operating Activities	<u>\$ (75,664,252)</u>

**SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND
INVESTING ACTIVITIES**

Construction Accounts Payable and Retainages	\$ (4,588,545)
Gain (Loss) on Disposal of Capital Assets	(869,768)
Donated Assets	28,943
Unrealized Gain (Loss) on Investment	(793,028)
Capital Assets Acquired through Capital Lease	(13,422)

See accompanying Notes to Financial Statements.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Blended Component Unit

The Aims Leasing Corporation (the Corporation), a Colorado nonprofit corporation, was established on February 2, 2002, to acquire real and personal property to be used by the District. All assets and liabilities held by the Corporation were transferred to the District in 2017. During the fiscal year ended and as of June 30, 2021, there was no activity related to the Corporation.

The Aims College Campus Planned Community Association (the Association), a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, was incorporated August 30, 2006, and was created pursuant to a Declaration (the Declaration) by the District to acquire real and personal property to be used by the District or the Association. The Declaration created separate ownership of a planned community unit, and for the ownership and management by the Association of the common elements appurtenant thereto. During fiscal year ended and as of June 30, 2021, there was no activity related to the Association.

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

Discretely Presented Component Unit

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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 \$83,225 for program services to the District and \$218,925 for student scholarships during the year ended June 30, 2021. In addition, the District provided \$332,064 of in-kind contributions to the Foundation. The District has recorded \$101,049 as deposits held in custody for others on behalf of the Foundation as of June 30, 2021.

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 interagency 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, 2021, 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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

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

Accounts Receivable

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

Inventories

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

Property Taxes

Property taxes are levied in November and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. Six counties contribute to the assessed value of the taxing District, with the largest contribution coming from Weld County. The January 1, 2021 base mill levy for the District from Weld County was 6.299 mills, with a refund/abatement mill of 0.006. Total mill levy for the District was 6.305, or approximately \$80.4 million. The District also receives specific ownership taxes paid for vehicle registrations. For the year ended June 30, 2021, the District received \$4.1 million in specific ownership taxes. Anticipated tax revenue not received by June 30 is recorded as property tax receivable in the statement of net position.

Capital Assets

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between 27 and 40 years for buildings, 15 to 25 years for land and building improvements, and 3 to 10 years for equipment. Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life, whichever period is shorter. The District has capital leases of 12 airplanes, two commercial trucks, and one mail machine as of June 30, 2021. The airplanes are depreciated over eight years; and the trucks and mail machine are depreciated over five years.

Unearned Revenues

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

Compensated Absences

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

Noncurrent Liabilities

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

Cost-Sharing Defined Benefit Pension Plan

The District participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined on the same basis as they are reported by the SDTF (see Note 8 for additional information). For this purpose, benefit payments (including refunds of employee contributions) are recognized by the SDTF when due and payable in accordance with the benefit terms. Investments are reported by the SDTF at fair value.

Other Postemployment Benefits (OPEB)

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

Net Position

The District's net position is classified as follows:

Net Investment in Capital Assets

This represents the District's total investment in capital assets, net of accumulated depreciation, and net of accounts payable and capital leases payable related to capital construction at June 30, 2021.

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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Unrestricted Net Position

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, property tax, and sales and services of auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources include auxiliary enterprises, which are substantially self-supporting activities that provide noneducational services for students, faculty, and staff. Resources generated from these sources are then reduced by outstanding operating liabilities (including the net pension liability and net OPEB liability) to determine unrestricted net position.

Classification of Revenue

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

Operating Revenues

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

Nonoperating Revenues

Nonoperating revenues are those revenues that do not meet the definition of operating revenues. For example, nonoperating revenues include property taxes, state appropriations, Pell grants, Higher Education Emergency Relief Funding (HEERF) and CRF grants, gifts, and investment income.

Scholarship Allowances

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

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

Application of Restricted and Unrestricted Resources

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Newly Implemented Accounting Standards

Effective June 30, 2020, GASB issued Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement established criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. The implementation of GASB Statement No. 84 did not have a material impact on the financial statements.

NOTE 2 BUDGET LAW

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

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

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN

Cash and cash equivalents and investments as of June 30, 2021, are comprised of the following:

Cash on Hand	\$	5,180
ColoTrust		571,053
Deposits		28,973,546
Money Market Funds		15,023,140
Total Cash and Cash Equivalents		44,572,919
Short-Term Investments		17,162,438
Long-Term investments		32,369,512
Total Investments		49,531,950
Total Cash and Cash Equivalents and Investments		\$ 94,104,869

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021, the carrying amount of the District's deposits and money market funds was \$44,572,919. The bank balances of these deposits and money market funds was \$51,070,195, of which \$1,097,975 was fully collateralized and insured by federal deposit insurance, and the remainder was collateralized in accordance with PDPA. The District also had cash on hand of \$5,180.

Investments

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

The District held the following types of investments at June 30, 2021:

Type	Fair Value	Maturities in Years		NRSRO Ratings	
		Less than One	One to Five	Moody's	S&P
U.S. Agency Obligations	\$ 6,205,167	\$ -	\$ 6,205,167	Aaa	AA+
U.S. Treasury Obligations	10,753,131	3,510,545	7,242,586	Aaa	AA+
Corporate Bonds	32,573,652	13,651,893	18,921,759	Aaa - Aa3	AA+ - AA-
Total Short-Term and Long-Term Investments	<u>\$ 49,531,950</u>	<u>\$ 17,162,438</u>	<u>\$ 32,369,512</u>		

At June 30, 2021, the District has invested \$571,053 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, 2021, the District's investment in ColoTrust investment pool was rated AAAM by Standard and Poor's. The trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments and there is no redemption notice period.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Investments (Continued)

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

FNB Commercial Class Money Market – Goldman Sachs Financial Square Government Fund — This is a Rule 2a-7 type government money market fund and maintains shares in value of \$1. This fund is rated by Standard and Poor's at AAAM and by Moody's at Aaa-mf. The total deposit in this fund as of June 30, 2021, was \$13,851,230. The weighted average maturity for the fund was 30 days or less.

Wells Fargo Money Market Fund – Morgan Stan Gov Inst 8302 — This is a Rule 2a-7 type government money market fund and maintains shares in value of \$1. This fund is rated by Standard and Poor's at AAAM and by Moody's at Aaa-mf. The total deposit in this fund as of June 30, 2021, was \$1,171,910. The weighted average maturity for the fund was 60 days or less.

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Investments (Continued)

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, 2021, the District's investments included investments in four companies' bond funds that exceeded 5%.

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, 2021.

NOTE 4 FAIR VALUE MEASUREMENT

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

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

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

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

Recurring Measurements

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 FAIR VALUE MEASUREMENT(CONTINUED)

Recurring Measurements (Continued)

The fair value of assets and liabilities at June 30, 2021, are as follows:

Investments Measured at Fair Value	Fair Value	Level 1	Level 2	Level 3
U.S. Agency Obligations	\$ 6,205,167	\$ -	\$ 6,205,167	\$ -
U.S. Treasury Obligations	10,753,131	10,753,131	-	-
Corporate Bonds	32,573,650	32,573,650	-	-
Negotiable Certificates of Deposit	-	-	-	-
Total Investments by Fair Value Level	<u>\$ 49,531,948</u>	<u>\$ 43,326,781</u>	<u>\$ 6,205,167</u>	<u>\$ -</u>

Investments

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

Investment in Local Government Investment Pool

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021:

Assets	Total	Fair Value Measurements at Report Date Using		
		Level 1	Level 2	Level 3
Mutual Funds - Fixed Income	\$ 2,368,696	\$ 2,368,696	\$ -	\$ -
Mutual Funds - Equities	2,282,370	2,282,370	-	-
Common Stock	2,034,659	2,034,659	-	-
Beneficial Interest In Perpetual Trust	2,389,617	-	-	2,389,617
Total	<u>\$ 9,075,342</u>	<u>\$ 6,685,725</u>	<u>\$ -</u>	<u>\$ 2,389,617</u>
Held as Operating Investments				\$ 3,859,251
Held as Endowment Investments				5,216,091
Total Investments				<u>\$ 9,075,342</u>

NOTE 6 CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the year ended June 30, 2021.

	Balance June 30, 2020	Additions	Deductions	Transfers	Balance June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 15,120,841	\$ -	\$ -	\$ -	\$ 15,120,841
Land Improvements	2,931,537	-	-	-	2,931,537
Art/Historical Figures	42,132	-	-	-	42,132
Total Capital Assets, Not Being Depreciated	18,094,510	-	-	-	18,094,510
Capital Assets, Being Depreciated:					
Land Improvements	17,328,894	147,424	-	-	17,476,318
Buildings and Improvements	160,068,777	92,649	(2,173,700)	328,370	158,316,096
Vehicles	3,320,630	257,298	-	-	3,577,928
Equipment, FFE, and Software	25,506,999	1,452,296	(141,305)	178,951	26,996,941
Capital Leases	5,268,282	13,422	(1,073)	-	5,280,631
Total Capital Assets, Being Depreciated	211,493,582	1,963,089	(2,316,078)	507,321	211,647,914
Less Accumulated Depreciation:					
Land Improvements	4,762,016	970,814	-	-	5,732,830
Buildings and Improvements	52,427,042	6,055,899	(1,073,583)	-	57,409,358
Vehicles	2,011,017	407,215	-	-	2,418,232
Equipment, FFE, and Software	17,521,707	2,897,804	(141,305)	-	20,278,206
Capital Leases	1,006,912	681,413	-	-	1,688,325
Total Accumulated Depreciation	77,728,694	11,013,145	(1,214,888)	-	87,526,951
Total Capital Assets, Being Depreciated, Net	133,764,888	(9,050,056)	(1,101,190)	507,321	124,120,963
Add Construction-In-Progress	7,031,050	49,854,173	(143,452)	(507,321)	56,234,450
Net Carrying Amount	<u>\$ 158,890,448</u>	<u>\$ 40,804,117</u>	<u>\$ (1,244,642)</u>	<u>\$ -</u>	<u>\$ 198,449,923</u>

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021, 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 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, 2021, was \$478,401. 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, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the C.R.S., administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at:

www.copera.org/investments/pera-financial-reports

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained, and the benefit structure under which contributions were made.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive postretirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. §24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25% or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI for a given year by up to 0.25% based on the parameters specified C.R.S. § 24-51- 413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

All Except State Troopers

	Ended December 31 2019	Ended December 31, 2020
Employer Contribution Rate ¹	10.40 %	10.90 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	9.38 %	9.88 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	5.00 %	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	5.00 %	5.00 %
Total Employer Contribution Rate to the LGDTF ¹	19.38 %	19.88 %

As specified in C.R.S. § 24-51-414, the state is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the state's 2020-21 fiscal year.

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the District were \$7,079,885 for the year ended June 30, 2021.

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

The net pension liability for the SDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SDTF for the calendar year 2020 relative to the total contributions of participating employers and the state as a nonemployer contributing entity for participating employers of the SDTF that are outside of the state's financial reporting entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is 0%. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the state of Colorado is to recommence annually starting on July 1, 2021. 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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2021, the District reported a liability of \$101,182,572 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the state as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$ 101,182,572
State's Proportionate Share of the Net Pension Liability Associated with the District	-
Total	<u>\$ 101,182,572</u>

At December 31, 2020, the District's proportion was 1.067%, which was an increase over .908% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized contra pension expense of (\$15,636,846), and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,500,507	\$ -
Changes of Assumptions or Other Inputs	6,870,473	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	20,709,372
Changes in Proportion and Differences Between Contributions Recognized and Proportionate Share of Contributions	14,954,077	-
Contributions Subsequent to the Measurement Date	3,613,501	-
Total	<u>\$ 27,938,558</u>	<u>\$ 20,709,372</u>

The \$3,613,501 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, 2022. 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>
2022	\$ 9,948,300
2023	4,022,071
2024	(5,177,343)
2025	(5,177,343)
Thereafter	-
Total	<u>\$ 3,615,685</u>

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2019 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.5-9.17%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007, and DPS Benefit Structure (Automatic)	1.25%
PERA Benefit Structure Hired After December 31, 2006, (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Cost Method	<u>Entry Age</u>
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.5-9.17%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Future Postretirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007, and DPS Benefit Structure (Automatic)	1.25%
PERA Benefit Structure Hired After December 31, 2006, (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

Salary scale assumptions were revised to align with 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 long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40% per year to 2.30% per year.
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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%.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. 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 (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1279 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the state's 2020-21 fiscal year.
- 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.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 DEFINED BENEFIT PENSION PLAN (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 one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	One Percent Decrease 6.25%	Current Discount Rate (7.25%)	One Percent Increase 8.25%
Proportionate Share of the Net Pension Liability	\$ 133,867,518	\$ 101,182,572	\$ 73,739,009

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's FNP is available in PERA's Annual Report which can be obtained at: www.copera.org/investments/pera-financial-reports.

NOTE 9 DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN

Voluntary Investment Program

Plan Description

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

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$435,397.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Deferred Compensation Plan

Plan Description

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

Funding Policy

The deferred compensation plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District does not match contribution made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$47,877.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

PERA Health Care Trust Fund Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB)

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

General Information about the OPEB Plan

Plan Description

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description (Continued)

Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at: www.copera.org/investments/pera-financial-reports

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four divisions (State Division, School Division, Local Government Division and Judicial Division Trust Funds), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure (Continued)

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$367,377 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$3,593,012 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.378%, which was an increase of 0.360% from its proportion measured as of December 31, 2020, of 0.018%.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$187,679. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 9,536	\$ 789,916
Changes of Assumptions or Other Inputs	26,847	220,320
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	146,813
Changes In Proportion and Differences Between Contributions Recognized and Proportionate Share Share of Contributions	340,839	-
Contributions Subsequent to the Measurement Date	184,936	-
Total	<u>\$ 562,158</u>	<u>\$ 1,157,049</u>

\$184,936 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, 2021. 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 Ended June 30,</u>	<u>Amount</u>
2022	\$ (151,583)
2023	(151,583)
2024	(151,583)
2025	(151,583)
2026	(163,589)
Thereafter	(9,906)
Total	<u>\$ (779,827)</u>

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.50% for 2020, gradually increasing to 4.50% in 2029
DPS benefit structure	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	N/A
Medicare Part A Premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019 valuation, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$ 588	\$ 227
Kaiser Permanente Medicare Advantage HMO	621	232

The 2020 Medicare Part A premium is \$458 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2020	8.10 %	3.50 %
2021	6.40	3.75
2022	6.00	3.75
2023	5.70	3.75
2024	5.50	4.00
2025	5.30	4.00
2026	5.10	4.00
2027	4.90	4.25
2028	4.70	4.25
2029+	4.50	4.50

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A

The long-term expected return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25%.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Postretirement nondisabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

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

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

Postretirement nondisabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Postretirement nondisabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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

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

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

- Price inflation assumption decreased from 2.40% per year to 2.30% per year.
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate of Return</u>
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>	

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%.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

The following presents the District's proportionate share of the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rates:

	<u>One Percent Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>One Percent Increase in Trend Rates</u>
Initial PERACare Medicare Trend Rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 3,500,145	\$ 3,593,012	\$ 3,701,121

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, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the end of the month.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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 FNP was projected 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, and therefore, the discount rate is 7.25%.

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

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

	One Percent Decrease 6.25%	Current Discount Rate 7.25%	One Percent Increase 8.25%
Proportionate Share of the Net OPEB Liability	\$ 3,701,120	\$ 3,593,011	\$ 3,500,145

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued CAFR issued by PERA. That report can be obtained at:

www.copera.org/investments/pera-financial-reports

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES

Tax, Spending, and Debt Limitations

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

On November 2, 1999, voters in the District approved superseding the provisions of TABOR and other state requirements that limit the amount of revenue the District could retain each year, without increasing or adding taxes of any kind. Included in the accompanying financial statements are emergency reserves required by TABOR of at least 3% of fiscal year spending. At June 30, 2021, an emergency reserve of \$2,569,381 was recorded as restricted net position on the statement of net position.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Federally Assisted Grant Programs

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

Risk Management

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

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

In the prior fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on the global markets, supply chains, businesses, and communities. Specific to the College, COVID-19 continued to impact various parts of its 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, and shortages of personnel. While the CARES Act provided \$5.6 million in Coronavirus Relief Funding (CRF) in 2019-20 due to the abrupt end to in-person offerings in the Spring Semester, the \$5.6 million was used entirely in fiscal year 2021 to support salaries and benefits expense, per the approved budget. The District also received Higher Education Emergency Relief Funding (HEERF) of \$6.6 million, \$1.9 million of which was used to support students experiencing financial hardship as a result of COVID-19 via emergency financial aid grants, and \$4.7 million used to assist with operational expenses related to COVID-19. Management believes the District is taking appropriate actions to utilize additional funding and mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Construction Commitments

The District had construction commitments outstanding of \$31.0 million at June 30, 2021. At June 30, 2021, these commitments are for the Welcome Center, Student College Center renovation, Parking Infrastructure projects, and other capital construction projects in process at June 30, 2021.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 COMPENSATED ABSENCES

	Balance, July 1, 2020	Additions Reductions Net	Balance, June 30, 2021	Amounts Due Within One Year
Accrued Compensated Absences	<u>\$ 2,426,821</u>	<u>\$ 409,525</u>	<u>\$ 2,836,346</u>	<u>\$ 567,269</u>

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, 2021, is \$2,836,346. The District estimates 20% of the liability will be paid in the subsequent year as follows:

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

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

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

NOTE 13 LEASES

The District has capital leases for airplanes used in its flight-training program. Rental payments under these leases for the year ended June 30, 2021, were \$866,755. The District's capital leases and future minimum lease payments under these capital leases as of June 30 are detailed below:

	Balance, July 1, 2020	Additions	Reductions	Balance, June 30, 2021	Amounts Due Within One Year
Capital Leases Payable	<u>\$ 4,508,996</u>	<u>\$ 13,422</u>	<u>\$ 581,534</u>	<u>\$ 3,940,884</u>	<u>\$ 620,142</u>

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 LEASES (CONTINUED)

The District's future minimum lease payments under these capital leases as of June 30, 2021 are detailed below:

<u>Fiscal Years Ending June 30,</u>	<u>Lease Payments</u>
2022	\$ 866,755
2023	866,754
2024	851,705
2025	815,155
2026	655,812
2027 to 2028	715,807
Total	<u>\$ 4,771,988</u>

Of the amounts in the table above, \$831,104 represents payments of interest on capital leases.

**AIMS COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the year ended June 30, 2021, the following table represents operating expenses within both natural and functional classifications:

Functional Classifications	Natural Classification						Total Operating Expenses
	Employee and Personnel Services	Pensions/OPEB Expense Allocations	Supplies	Operating	Student Aid	Depreciation	
Instruction	\$ 23,013,024	\$ (10,327,097)	\$ 1,635,962	\$ 7,105,005	\$ -	\$ -	\$ 21,426,894
Public Service	4,769	(2,378)	3,445	33,836	-	-	39,672
Academic Support	8,650,777	(3,749,758)	277,017	2,295,446	-	-	7,473,482
Student Services	8,590,762	(3,667,574)	150,402	2,177,686	-	-	7,251,276
Institutional Support	10,071,855	(4,055,676)	1,761,818	10,003,576	-	-	17,781,573
Operation of Plant	2,557,229	(1,037,737)	989,030	7,679,081	-	-	10,187,603
Student Aid	-	-	-	-	9,237,368	-	9,237,368
Depreciation	-	-	-	-	-	11,013,145	11,013,145
Auxiliary	353,633	(162,735)	59,994	31,345	-	-	282,237
Total Expenses	\$ 53,242,049	\$ (23,002,955)	\$ 4,877,668	\$ 29,325,975	\$ 9,237,368	\$ 11,013,145	\$ 84,693,250

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

Plan Measurement Date	Fiscal Year							
	2021 December 31, 2020	2020 December 31, 2019	2019 December 31, 2018	2018 December 31, 2017	2017 December 31, 2016	2016 December 31, 2015	2015 December 31, 2014	2014 December 31, 2013
District's Proportion of the Net Pension Liability	1.067%	0.908%	0.866%	0.955%	0.940%	0.899%	0.825%	0.776%
District's Proportionate Share of the Net Pension Liability	\$ 101,182,572	\$ 88,083,879	\$ 98,538,561	\$ 191,230,653	\$ 172,723,035	\$ 94,720,288	\$ 77,557,998	\$ 69,116,756
State's Proportionate Share of the Net Pension Liability Associated with the District	-	448,903	542,415	-	-	-	-	-
Total	<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>	<u>\$ 69,116,756</u>
District's Covered Payroll	\$ 34,972,155	\$ 32,341,774	\$ 29,826,834	\$ 28,028,541	\$ 27,355,210	\$ 25,003,265	\$ 22,200,317	\$ 19,976,041
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	289.32%	272.35%	330.37%	682.27%	631.41%	378.83%	349.36%	346.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.34%	62.24%	55.11%	43.20%	42.60%	56.10%	59.80%	59.80%

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

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

See Notes to Required Supplemental Information.

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

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

*Information above is presented as of the measurement date.

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

See Notes to Required Supplemental Information.

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
District's Proportion (Percentage) of the Collective Net OPEB Liability	0.3781%	0.3597%	0.3527%	0.3453%	0.3393%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 3,593,011	\$ 4,042,902	\$ 4,798,085	\$ 4,486,921	\$ 4,398,776
Covered Payroll	34,972,155	34,098,130	30,673,946	20,028,541	27,355,210
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	10.27%	11.86%	15.64%	22.40%	16.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%	17.53%	16.72%

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

**Information earlier than 2017 was not available.

See Notes to Required Supplemental Information.

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

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 366,887	\$ 347,801	\$ 312,874	\$ 287,133	\$ 274,519	\$ 267,397	\$ 237,456	\$ 215,800
Contributions in Relation to the Contractually Required Contribution	<u>366,887</u>	<u>347,801</u>	<u>312,874</u>	<u>287,133</u>	<u>274,519</u>	<u>267,397</u>	<u>237,456</u>	<u>215,800</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 36,017,363	\$ 34,098,130	\$ 30,673,946	\$ 28,876,710	\$ 27,355,210	\$ 26,216,232	\$ 23,208,009	\$ 21,156,892
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*Information above is presented as of the measurement date.

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

See Notes to Required Supplemental Information.

**AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

Notes to Required Supplementary Information (Net Pension Liability) – Fiscal Year 2021

Changes in benefit terms and actuarial assumptions

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

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

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

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

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

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

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

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

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

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

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

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

Notes to Required Supplementary Information (Other Postemployment Benefits) – Fiscal Year 2021 Changes in benefit terms and actuarial assumptions

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

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

**AIMS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

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

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

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

**AIMS COMMUNITY COLLEGE
ACTUAL TO BUDGET COMPARISON – ALL FUNDS
YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues:			
Tuition and Fees	\$ 12,500,000	\$ 12,675,876	\$ 175,876
Less: Tuition Discounts (Student Financial Aid)	(2,300,000)	(4,331,000)	(2,031,000)
Net Tuition and Fees	10,200,000	8,344,876	(1,855,124)
Gifts, Grants, and Contracts (Including Pell)	20,000	5,889,212	5,869,212
Auxiliary Operating Revenue	430,000	271,772	(158,228)
Other Operating Revenue	170,000	125,326	(44,674)
Total Operating Revenues	10,820,000	14,631,186	1,956,062
Operating Expenses:			
Education and General	96,302,500	87,000,718	9,301,782
Student Aid	13,156,200	9,237,368	3,918,832
Auxiliary Enterprises Expenses	422,800	444,971	(22,171)
Total Operating Expenses	109,881,500	96,683,057	13,198,443
Nonoperating Revenues and Expenses:			
General Property Taxes	85,000,000	84,517,317	(482,683)
State Appropriations	5,200,000	5,347,295	147,295
Investments	1,015,000	390,208	(624,792)
Federal Nonoperating Revenue	16,325,300	17,698,039	1,372,739
Other Nonoperating Revenue	300,000	626,474	326,474
Loss on Disposal of Assets	-	(869,768)	(869,768)
Interest on Capital Lease	-	(285,221)	(285,221)
Total Nonoperating Revenues and Expenses	107,840,300	107,424,344	(415,956)
Transfers In (Out):			
Nonmandatory Transfers In	9,378,600	51,599,291	42,220,691
Nonmandatory Transfers Out	(9,378,600)	(51,599,291)	(42,220,691)
Total Transfers In (Out)	-	-	-
Increase in Net Position, Budgetary Basis	\$ 8,778,800	\$ 25,372,473	\$ 16,593,673
Reconciling Items to GAAP Basis			
Net Position:			
Pension and OPEB Expense		\$ 23,002,955	
Depreciation and Amortization Expense		(11,013,145)	
Capital Contribution		28,943	
Increase in Net Position, GAAP Basis		\$ 37,391,226	

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