COLORADO MOUNTAIN COLLEGE

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Mountain College
Glenwood Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Colorado Mountain College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Colorado Mountain College's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of Colorado Mountain College Foundation (the Foundation), which represents 100% of the discretely presented component unit of Colorado Mountain College. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Colorado Mountain College Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Colorado Mountain College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions and Related Ratios, the Schedule of Proportionate Share of the Net OPEB Liability, and the Schedule of OPEB Contributions and Related Ratios, be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Colorado Mountain College's basic financial statements. The Actual to Budget Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2025, on our consideration of the Colorado Mountain College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Colorado Mountain College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Colorado Mountain College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 6, 2025

Following is a discussion of Colorado Mountain College's (the College or CMC) financial performance for the fiscal year ended June 30, 2024. It should be read in conjunction with the College's financial statements, which begin on page 15.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- CMC made significant progress on the first year of goals created as part of "Mountain Futures: CMC 2023-30," CMC's strategic plan which centers around four commitments: Equity, Care, Innovation, and Integrity. These values represent a compass to guide future directions – both internally and externally.
- Conferred 891 credentials to 817 graduates during the Spring Semester, including the college's first Bachelor of Arts in Human Services graduates. This was the largest graduating class in the college's history.
- Completed the first year of implementation for the college's new Workday Enterprise Resource Planning (ERP) and Student Information System (SIS). Human Resources, Payroll, and Finance functions went live in June 2024. The implementation of the student and academic segments of the ERP system are underway.
- Voluntarily certified a temporary mill levy rate reduction that ensured needed revenues were preserved and relief could be provided to our community members faced with rising property taxes. In total, CMC's decision to reduce its mill levy provided more than $25M in tax relief to local property owners.
- Awarded Colorado Mountain Promise financial aid—which covers any remaining tuition for Colorado residents whose family income is below $70,000 or independent students whose household income is below $50,000—to 250 students.
- Opened four student apartment housing buildings at Breckenridge, Steamboat Springs, Glenwood Springs, and Edwards, each with approximately 48 bedrooms. Also opened a fifth building at the Edwards site in partnership with the Eagle County government.
- Purchased three residential dwellings to rent to employees at affordable rates, bringing the total inventory to nine units. When combined with the existing Residence Halls and student apartments, the college now has a housing inventory that totals over 1,000 beds.
- Received initial accreditation from the Commission on Dental Accreditation (CODA) for an inaugural cohort of 10 dental hygiene students in Summer 2024, and completed construction of the Oral Health Clinic on the Edwards campus.
- Awarded a $3.3M grant from congressionally directed spending for dental hygiene program costs and for launching a study on English Language Learners across the college's 8-county district.
- Opened a new state-of-the-art teaching kitchen on the Aspen campus.
- Introduced legislation to the Colorado General Assembly that authorized the trustees to increase the number of trustees, including up to two at-large trustees, and eliminated an antiquated restriction in processes concerning annexation into the college's district.
- Submitted the college's self-study report for the Higher Learning Commission (HLC) and hosted a successful comprehensive evaluation and reaffirmation of accreditation site visit which included visits to four campuses.
- President and CEO Carrie Besnette Hauser announced her resignation from the college to occur in August after over 10 years in the position. Hauser is one of the most tenured higher education CEOs in Colorado and the longest-serving president in Colorado Mountain College history.
- CMC Board of Trustees announced the formal appointment of Dr. Matt Gianneschi as CMC's 10th president, effective July 2024.

- Annually, the College adjusts the net pension liability to reflect the College's share of the overall plan liability (as provided by Colorado's Public Employee Retirement Association (PERA)) in accordance with GASB 68. For the fourth year in a row, the amounts booked against expense are in the opposite direction of normal balances, due to changes in actuarial assumptions that span multiple years. For FY2023-2024 the net pension liability increased by $7.95 million while the OPEB liabilities decreased by $0.21 million. As a part of this, the deferred inflows of resources decreased $7.2 million, and the deferred outflows of resources increased by $3.39 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows represent the activities of the College as a whole, with all operating funds combined into one statement.

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

- Independent Auditors' Report, which presents an unmodified opinion prepared by our auditors, CliftonLarsonAllen LLP, an independent certified public accounting firm, on the fairness, in all material respects, of our financial statements.

- Statement of Net Position, which presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the College at June 30, 2024. Its purpose is to present a financial snapshot of the College. It aids readers in determining the assets available to continue College operations; how much the College owes to employees, vendors and creditors; and a picture of net position and their availability for expenditure by the College.

- Statement of Revenues, Expenses and Changes in Net Position, which presents the total revenues, earned and expenses incurred by the College for operating, nonoperating and other related activities during the fiscal year ended June 30, 2024. Its purpose is to assess the College's operating and nonoperating activities.

- Statement of Cash Flows, which presents the cash receipts and disbursements of the College for the fiscal year ended June 30, 2024. Its purpose is to assess the College's ability to generate net cash flows to meet its obligations as they come due.

- Notes to the Financial Statements, which 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.

- Required Supplementary Information, which presents this Management's Discussion and Analysis, and schedules providing additional net pension liability and OPEB information as required by the Governmental Accounting Standards Board.

Reporting the College as a Whole

The analysis shows the financial activity of the College as a whole (all funds and locations combined) and begins on page 15. The Statement of Net Position includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. Increases or decreases in net position are an indicator of the College's financial position. The Statement of Revenues, Expenses, and Changes in Net Position demonstrates the Change in Net Assets. Both reports display amounts regardless of the fund transactions are recorded in.

There are other factors that contribute to the College's financial position. They include, but are not limited to:

- Student enrollment
- State funding
- Property tax base
- Condition of CMC-owned property

Enrollment Highlights

For a fourth consecutive year, the Board of Trustees raised tuition rates by $5 per credit within the state. The Board of Trustees also raised tuition rates by 6.25% for out-of-state students. These rate increases are in line with their plan to increase revenue diversification in FY2023-2024.

Associate and Bachelor degree tuition rates from 2019-2020 to 2023-2024:

Tuition Category	2019-20 Rate/Credit Hr.	2020-21 Rate/Credit Hr.	2021-22 Rate/Credit Hr.	2022-23 Rate/Credit Hr.	2023-24 Rate/Credit Hr.
In-District	$ 80.00	$ 85.00	$ 90.00	$ 95.00	$ 100.00
Service Area*	$ 170.00	$ 175.00	$ 180.00	$ 185.00	$ -
In-State	$ 180.00	$ 185.00	$ 190.00	$ 195.00	$ 200.00
Out of State	$ 453.00	$ 466.00	$ 466.00	$ 480.00	$ 510.00
Industry Rate	$ 180.00	$ 185.00	$ 190.00	$ 195.00	$ 200.00

*The Board of Trustees voted to end the Service Area tuition rate to reflect changes at the state level. Students in these areas will be charged the In-State rate going forward.

Enrollments are generally measured in full-time equivalents (FTE) where a full-time student is counted as taking 30 credit hours per year. The following is an enrollment comparison with last year:

FTE Category	2022-23 Actual	2023-24 Actual	% Change
Credit FTE	3,144.1	3,408.4	8.4%
Non-Credit FTE	158.0	264.8	67.6%
High School Equivalency FTE	52.0	72.2	38.8%
ESL FTE	255.7	263.3	3.0%
Total	**3,609.8**	**4,008.7**	**11.1%**

While all FTE categories experienced increases, the most notable changes were in non-credit courses, which are offered as lifelong learning opportunities for the community and do not count towards a student degree or certificate, and High School Equivalency courses. The 8.4% growth in credit enrollments was the largest increase in this category in the past decade, and such growth helped bring the total credit enrollments closer to pre-pandemic levels. Finally, ESL already experienced substantial increase in the prior year, so this year's 3.0% increase helped solidify this upward trend. All combined, the annual enrollment for all FTE types increased 11.1%.

Additionally, gross tuition revenue increased by $1,796,549, but with an upward shift in the scholarship allowance, the total tuition and fees, net of scholarship allowance presentation in the financials actually increased by $603,646 and can be better understood when considering the following detail:

	2023-24	2022-23
Gross Tuition	$ 15,840,680	$ 14,044,131
Ongoing Discounts	(2,889,139)	(2,251,353)
Total Tuition and Fees	12,951,541	11,792,778
Less Scholarship Allowance	(4,372,092)	(3,816,975)
Total Tuition and Fees, Net of Scholarship Allowance	$ 8,579,449	$ 7,975,803

Net Position

The College's net position (Table 1) is $192,885,136 at June 30, 2024, reflecting an increase of $13.7 million from last year, due to a variety of increases to revenue and also to noncash pension contra-expense entries. Total current assets increased by $2.6 million seen mostly through increases in cash and cash equivalents and short-term investments, while receivables stayed similar to the prior year. Total noncurrent assets increased by $6.6 million due to an increase in Building and Improvements added during the current year for completed housing construction and other major construction projects. This increase was large enough to offset decreases in restricted cash and cash equivalents, long-term investments, and Construction in Progress. There was also a material increase in the Right of Use Asset – SBITA, that reflects the College's first phase of Workday software implementation. All assets combined increased $9.2 million over last year.

A number of minor capital projects were started during FY2023-2024 but are not complete, and thus are reflected in the Construction in Progress totals. The Construction in Progress projects from the prior year were completed and capitalized into the appropriate capital asset category and annual depreciation recorded. The net impact of these transactions along with equipment additions and facility improvements, offset by depreciation, was a $15.5 million increase in net investment in capital assets.

The Facilities Master Plan (FMP) provides recommendations for how to deliver the right facilities in the right locations at the right time to achieve CMC's strategic goals. While the FMP confirms there is room to accommodate standard enrollment growth in existing facilities, the plan asserts that classrooms for specialized programs, such as Dental Hygiene, enables investments in critical programs with unmet demand throughout our local communities, and that classroom technology expansions are needed for better campus interconnectivity. The plan also recognizes the importance of investing in affordable housing for both students and employees.

GASB 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 implemented during FY2014-15, establishes accounting and financial reporting standards for governments that provide their employees' pension benefits. The College participates in Colorado Public Employee Retirement Association (PERA), a cost-sharing pension plan. GASB 68 requires each employer involved in a cost-sharing pension plan, such as PERA, to report their proportionate share of the total unfunded net pension liability and expense of the plan. Having employers record their share of the unfunded liability provides transparency to financial statement users as to the entire net pension liability and pension expense of the cost-sharing plan. GASB 68 also requires an annual adjustment to the pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions, based on the change in the College's portion of the total Colorado's PERA liability and the changes in actuarial assumptions used to value the overall PERA plan liability. These changes for FY2023-2024 resulted in an increase to the College's portion of the liability in the amount of $7.95 million or a total liability of $60.95 million at June 30, 2024.

The pension expense is reflected in the Operating Expenses section of the Statement of Revenues, Expenses and Changes in Net Position, and is allocated proportionately to the functional areas by percentage of salary. The actual cost of operations, without this expense, is displayed in the far right column below:

Operating Expenses	Financial Statement Presentation	Remove Pension Contra Expense	Actual Operating Expenses
Instruction	$ 30,679,432	$ 660,365	$ 31,339,797
Community Service	579,212	12,369	591,581
Academic Support	6,701,146	142,539	6,843,685
Student Services	10,493,249	224,509	10,717,758
Institutional Support	23,644,320	636,367	24,280,687
Operation and Maintenance of Plant	8,655,335	588,740	9,244,075
Scholarships	7,780,336	338,500	8,118,836
Auxiliary Enterprises	11,651,161	249,106	11,900,267
Depreciation	7,995,703	-	7,995,703
Total Operating Expenses	108,179,894	2,852,495	111,032,389

* Note: the removed amount shown here is the difference between pension expense (or contra expense) and contributions made to PERA related to the defined benefit pension plan during the year.

GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), is also reflected in the financial statements. Eligible employees of the College are provided with OPEB through the Health Care Trust Fund (HCTF) – a cost-sharing multiple-employer other postemployment benefit (OPEB) plan administered by PERA. The PERA Board has the authority 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. More details concerning GASB 68 and 75 are provided in the notes to these financial statements.

Long-term debt owed by the College in the form of Certificates of Participation Series 2 issued for $26,775,000, has a balance of $23,140,000 remaining at June 30, 2024. In addition, the Series 2021 issued for $33,530,000 has a balance of $31,880,000 remaining at June 30, 2024.

Overall, current liabilities decreased $1.8 million due to the timing of a large construction draw for the apartment buildings that was included in prior year Accounts Payable and was paid with restricted cash and cash equivalents in the current fiscal year. This decrease was substantial enough to offset increases in accrued salaries and unearned revenues. Noncurrent liabilities, driven primarily by the pension and retirement liabilities, increased a net of $7.9 million year over year. All liabilities combined increased $6.1 million this year.

Restricted net position includes the required legal emergency reserve in compliance with the TABOR amendment, grant funds and loan funds.

The following table breaks the net position down further:

Table 1
Net Position

	2024	2023
Capital Assets, Net	$ 244,135,941	$ 221,160,602
Other Assets	81,737,922	95,498,197
Total Assets	325,873,863	316,658,799
Deferred Outflows of Resources	14,504,868	9,363,708
Long-Term Liabilities	125,593,926	117,676,161
Other Liabilities	18,312,306	20,135,399
Total Liabilities	143,906,232	137,811,560
Deferred Inflows of Resources	3,587,363	9,041,479
Net Investment in Capital Assets	178,191,437	162,648,766
Restricted Net Position	3,325,000	3,201,897
Unrestricted Net Position	11,368,699	13,318,805
Total Net Position	$ 192,885,136	$ 179,169,468

The College sustained its positive unrestricted net position as of June 30, 2024 despite the second recent change in direction of the net pension liability due to PERA investment performance. This shift is on the heels of four consecutive years of major improvement reflecting the College's decisions on retirement offerings and state legislation that supports PERA. The College has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. Unrestricted net position strictly from "College Operations" equals a surplus of approximately $64,779,692 as detailed in Note 11. A Board of Trustee initiative requires the College to carry a reserve for the purpose of backfilling revenues if they decline, equal to 15% of the total operating revenue budget. Though over the past two years they allowed for use of this revenue reserve to purchase residential real estate for employee housing up to $7.5 million. Additional reserves are established to support specific initiatives and contribute to the net position of the College.

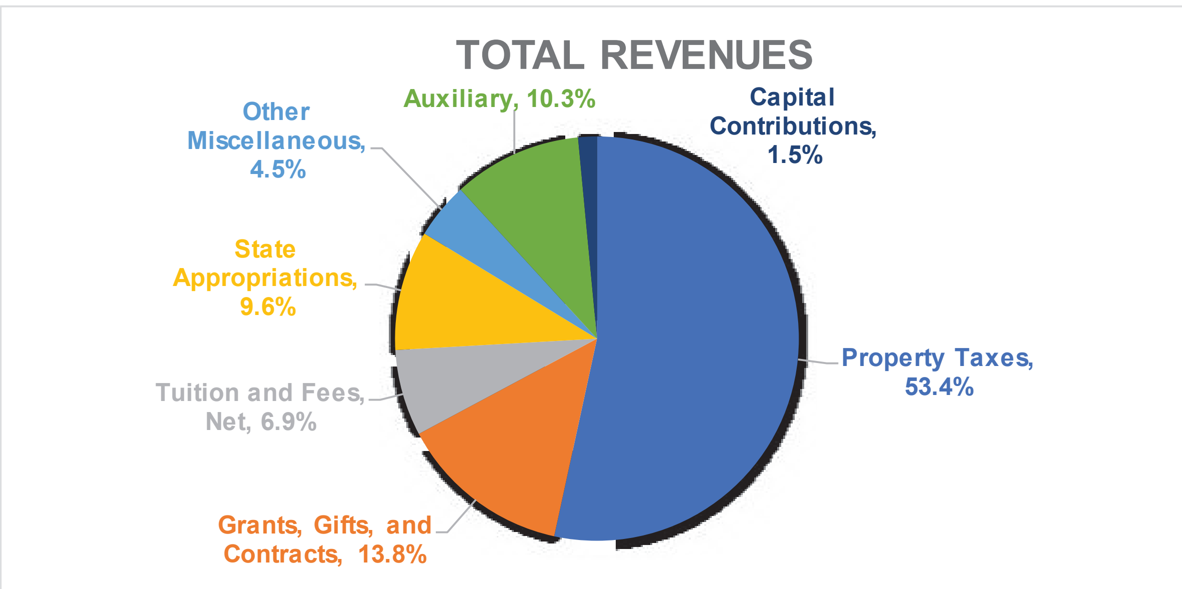
Following is a recap of the change in net position:

	2024	2023
Operating Revenues:		
Tuition and Fees, Net	$ 8,579,449	$ 7,975,803
Federal, State, Private Grants, and Contracts	11,298,049	10,594,952
Auxiliary Enterprises	12,806,421	10,801,675
Other	2,397,468	2,217,273
Total Operating Revenues	35,081,387	31,589,703
Nonoperating Revenues:		
State Appropriations	11,930,298	10,763,650
Federal Nonoperating	4,040,756	5,538,361
Property Taxes	66,227,636	60,305,712
Investment Income	3,075,055	3,526,328
Gifts	1,760,309	1,465,278
Gain (Loss) on Disposal of Capital Assets	5,155	(166,938)
Unrealized Loss on Investments	55,814	(447,427)
Total Nonoperating Revenues	87,095,023	80,984,964
Capital Contributions	1,829,837	726,788
Total Revenues	$ 124,006,247	$ 113,301,455
Operating Expenses:		
Instruction	$ 30,679,432	$ 28,216,771
Community Service	579,212	886,004
Academic Support	6,701,146	7,941,472
Student Services	10,493,249	9,155,452
Institutional Support	23,644,320	20,832,669
Operation and Maintenance of Plant	8,655,335	7,520,073
Scholarships	7,780,336	7,703,598
Auxiliary Enterprises	11,651,161	9,028,095
Depreciation	7,995,703	6,817,432
Total Operating Expenses	108,179,894	98,101,566
Nonoperating Expenses:		
Interest Expense on Capital Debt	2,092,259	2,088,858
Bond Trustee and Other Related Fees	2,775	3,275
Amortization of Prepaid Bond Insurance	15,651	15,651
Total Nonoperating Expenses	2,110,685	2,107,784
Total Expenses	$ 110,290,579	$ 100,209,350
Change in Net Position	$ 13,715,668	$ 13,092,105

Revenues

The College experienced an increase in total revenues over last year in the amount of $10.7 million. This includes large increases in tuition and fees as well as state funding, which represents the average percentage received by all Colorado institutions of higher education. Property Tax valuations for residential and commercial categories also increased by an average of 45% across the district, which was unprecedented. As a result, CMC voluntarily certified a temporary mill levy rate reduction that ensured needed revenues were preserved and relief could be provided to community members faced with rising property taxes. In total, CMC's decision to reduce its mill levy provided more than $25 million in tax relief to local property owners while maintaining a 5.7% revenue increase to keep pace with inflation. Nonoperating income related to investments remained high due to the interest rate environment remaining strong throughout the entire year. From a budgetary perspective, the FY2023-2024 Revenue Budget in the general fund exceeded the original budget by $5.3 million.

The following graph depicts total revenue of the College:



Revenues from all sources total $124,006,247, with $35,081,387, or 28.3%, generated from operating revenues and $88,924,860 or 71.7%, from nonoperating revenues and capital contributions.

Property taxes, which account for 53.4% of the total revenues, are classified as nonoperating revenue in accordance with accounting principles generally accepted in the United States of America (GAAP).

Expenses

Total operating expenses increased by $10.1 million from the prior year, due primarily to inflationary cost increases, more robust auxiliary operations, and a significantly smaller GASB 68 contra-expense adjustment. This contra expense reflects the College's portion of the PERA pension liability and is a reversal of $2.9 million of expense this year, a fifth straight year of the entry reducing expenses following last year's contra expense of $6.2 million. Actual operating expenses with the pension contra expense removed are displayed on page 8. Operationally, management examines the regular operating expenditures in the general fund as compared to the balanced budget, and these were $3.1 million less than budget. Most of these savings were the $2.6 million in salary savings due to regular vacancies that are not surprising given the current labor market.

CAPITAL ASSETS AND DEBT

Capital Assets

At June 30, 2024, the College had $244,135,941 invested in capital assets, net of depreciation, consisting of buildings, right-to-use buildings and subscription-based information technology arrangements (SBITAs), land, land improvements, equipment, infrastructure, library materials and construction in progress. Following is a breakdown of those assets:

Table 3
Capital Assets at Year End
Net of Depreciation

	2024	2023
Land	$ 13,517,611	$ 13,515,107
Library Materials	449,898	483,777
Construction in Progress	2,432,948	43,451,710
Land Improvements	775,950	855,573
Buildings	211,130,998	151,733,125
Right of Use Asset - Buildings	14,541	189,031
Right of Use Asset - SBITAs	6,072,882	1,351,446
Equipment and Software	5,106,400	5,088,169
Infrastructure	4,230,929	4,087,854
Other Fixed Assets	403,784	404,810
Total Capital Assets	$ 244,135,941	$ 221,160,602

Depreciation and Amortization expense of $7,995,703 was recorded during FY2023-2024.

Debt

The College has two debt issues outstanding, both of which are certificates of participation (COPs). The first series was issued in 2017 for the purpose of refunding the 2007 COPs and funding improvements on the Spring Valley campus, purchase of housing units in Breckenridge, and other capital facilities of the College designated by the Board. The COPs were issued for $26,775,000, with a premium of $999,118, and the outstanding principal balance at June 30, 2024 is $23,140,000. The bonds are scheduled to be paid off in FY2047.

The second series was issued in June 2021 for the purpose of constructing apartment-style affordable housing for students on four campuses. The COPs were issued for $33,530,000, with a premium of $6,824,899, and the outstanding principal balance at June 30, 2024 is $31,880,000. The bonds are scheduled to be paid off in FY2051.

COLORADO MOUNTAIN COLLEGE FOUNDATION

The Colorado Mountain College Foundation (the Foundation) is a discretely presented component unit of the College. The Foundation's primary purpose is to fundraise to help support College initiatives and student scholarships. The Foundation's financial statements have been audited by Kundinger, Corder & Montoya, P.C. an audit firm, different than the College's audit firm. The Foundation's financial statements are included in the basic financial statements in accordance with GAAP.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The CMC Board of Trustees announced the formal appointment of Dr. Matt Gianneschi as CMC's 10th president, effective July 2024. After a decade of serving as CMC's Chief Operating Officer, he is eager and ready to hit the ground running and embody CMC's western slope values and the institution's enduring strategic commitments to Equity, Care, Innovation and Integrity.

The 2023-24 fiscal year demanded a strategic response to a prolonged inflation spike that persisted for over two years before easing to 4.0% at the time of budget preparation. The 2024-25 fiscal year brings signs of economic stabilization and a slight increase in labor force participation rates compared to historic lows in 2023, meaning the labor market remains competitive for employers seeking skilled talent.

In September 2024, interest rates decreased for the first time since the onset of the pandemic in 2020, followed by a subsequent decrease in November 2024. Although inflation has moderated significantly over the past year, mountain communities are experiencing delayed relief, particularly in housing costs, which remain exceptionally high. CMC is acutely aware of the challenges posed by rising home prices in these areas and has taken bold steps to address them, including constructing apartments in four communities, purchasing rental properties for employees, and launching a buy-down program to support home purchases for staff.

Fortunately, the College's financial forecast is positive and stable, largely due to its heavy base of property tax dollars and continued recovery at the state level. On the heels of the CMC Board of Trustees' reducing its mill levy in 2023 to keep revenue growth from property taxes near inflation (5.7%), they plan to use this same authority found in SB23-108 to certify a temporary mill levy rate reduction that still adequately covers core inflation of 4% in December 2024. The revenue budget also includes $4 increases to tuition rates for in-district students, $8 for in-state students, and $20 for out-of-state students, all of which equate to a 4% inflationary increase that helps create greater fiscal resiliency and revenue diversity while maintaining very affordable costs for students. Overall revenues are expected to increase by a minimum of $5.0 million over the prior year budget due to these changes in property tax revenue, tuition, and strong state appropriations.

The overall FY2024-25 budget is balanced, and is based on the college's ability to reach students more effectively, more productively, and more efficiently while maintaining the fidelity of our instructional and operational models. The budget includes a 4% cost of living adjustment for all employees, to keep pace with inflation and ensure that CMC supports a workforce uniquely capable of successfully serving the college's rural, mountain communities. The budget maintains the College's commitment to technology upgrades, classroom equipment upgrades, minor maintenance on buildings, and sustainability initiatives with a total of $6.0 million budgeted for these investments.

CMC continues to distinguish itself as a leading institution regarding overall administrative operations, investments in state-of-the-art facilities and academic equipment, and innovation and strategic directions. Resources in FY2024-25 will be leveraged to create meaningful investments that continue the college on an innovative, yet sustainable path. CMC is committed to its sensible, prudent, and balanced approach to managing its annual budget and will continue making budget decisions with great care.

ACCREDITATION

The College's method of accreditation is the Standard Pathway within the Higher Learning Commission (HLC). Reaffirmation occurred during 2023-24 and CMC met all criteria and compliance items without any concerns. The Comprehensive Evaluation Components included an Assurance Review that demonstrated CMC's compliance with HLC's Criteria for Accreditation and provided examples of evidence of high quality academic, programmatic, and enrollment progress. Additionally, the evaluation included a Federal Compliance Review, a Student Opinion Survey conducted with students by HLC prior to the visit, and an on-site HLC Peer Review Team visit that occurred during April 2024. Throughout the 2023-24 year, College leadership reviewed all Board policies to ensure the policies accurately reflected current practice, were clearly written, and were consistent with applicable state and federal laws.

CONTACTING THE COLLEGE

The purpose of this financial report is to provide our students, taxpayers, investors, creditors and the general public with an overview of the College's finances. The financial statements show that the College is accountable for the funds it receives and is committed to being good stewards of these public funds. If you have any questions about this report or need additional information, please contact the office of the Vice President of Finance and Administration at 802 Grand Avenue, Glenwood Springs, Colorado 81601.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 51,223,454
Restricted Cash and Cash Equivalents	7,924
Short-Term Investments	3,362,284
Property Tax Receivable, Net of Allowance of $234,632	12,029,351
Student Accounts Receivable, Net of Allowance of $239,000	645,922
Leases Receivable	158,779
Other Accounts Receivable	3,602,031
Inventories	76,950
Prepaid Expenses	1,222,645
Total Current Assets	72,329,340
NONCURRENT ASSETS	
Restricted Cash and Cash Equivalents	124,165
Long-Term Investments	8,535,046
Leases Receivable	639,547
Other Noncurrent Assets	109,824
Nondepreciable Capital Assets:	
Land	13,517,611
Other Fixed Assets	403,784
Construction in Progress	2,432,948
Depreciable Capital Assets (Net):	
Land Improvements	775,950
Buildings and Improvements	211,130,998
Right of Use Asset - Buildings	14,541
Right of Use Asset - SBITAs	6,072,882
Infrastructure	4,230,929
Equipment and Software	5,106,400
Library Materials	449,898
Total Noncurrent Assets	253,544,523
Total Assets	$ 325,873,863
DEFERRED OUTFLOWS OF RESOURCES (NOTE 8)	14,504,868

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

LIABILITIES

CURRENT LIABILITIES	
Accounts Payable	$ 2,656,467
Deposits Payable	270,050
Accrued Salaries	4,792,446
Accrued Interest Payable	507,436
Other Accrued Liabilities	1,154,045
Unearned Revenue	3,676,976
Funds Held for Others	154,842
Certificates of Participation, SBITAs, and Leases Payable	2,692,312
Compensated Absences	2,407,732
Total Current Liabilities	18,312,306
NONCURRENT LIABILITIES	
Certificates of Participation, SBITAs, and Leases Payable	62,817,553
Compensated Absences	267,526
Land Obligation Payable	76,422
OPEB Liabilities (Note 9)	1,478,521
Net Pension Liability (Note 8)	60,953,904
Total Noncurrent Liabilities	125,593,926
Total Liabilities	$ 143,906,232
DEFERRED INFLOWS OF RESOURCES (NOTE 8)	3,587,363

NET POSITION

Net Investment in Capital Assets	$ 178,191,437
Restricted for:	
TABOR Reserve	3,325,000
Unrestricted	11,368,699
Total Net Position	$ 192,885,136

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Cash and Cash Equivalents	$ 3,683,275
Accounts Receivable	81,557
Contributions Receivable, Net	1,054,136
Investments	25,113,157
Cash Surrender Value of Life Insurance	32,855
Total Assets	$ 29,964,980
LIABILITIES AND NET ASSETS	
Accounts Payable	$ 1,283,136
Refundable advance	558,239
Accrued Liabilities	43,230
Total Liabilities	1,884,605
Net Assets:	
Without Donor Restrictions	6,591,765
With Donor Restrictions	21,488,610
Total Net Assets	28,080,375
Total Liabilities and Net Assets	$ 29,964,980

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

OPERATING REVENUES	
Tuition and Fees, Net of Scholarship Allowance of $4,372,092	$ 8,579,449
Federal, State, Private Grants, and Contracts	11,298,049
Auxiliary Enterprises	12,806,421
Other Operating Revenues	2,397,468
Total Operating Revenues	35,081,387
EXPENSES	
Operating Expenses:	
Instruction	30,679,432
Community Service	579,212
Academic Support	6,701,146
Student Services	10,493,249
Institutional Support	23,644,320
Operation and Maintenance of Plant	8,655,335
Student Aid	7,780,336
Auxiliary Enterprises	11,651,161
Depreciation and Amortization	7,995,703
Total Operating Expenses	108,179,894
OPERATING LOSS	(73,098,507)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	11,930,298
Federal Nonoperating Revenue	4,040,756
Property Taxes	66,227,636
Investment Income	3,075,055
Gifts	1,760,309
Gain on Disposal of Capital Assets	5,155
Unrealized Gain on Investments	55,814
Bond Trustee and Other Related Fees	(2,775)
Amortization of Prepaid Bond Insurance	(15,651)
Interest Expense on Capital Debt	(2,092,259)
Net Nonoperating Revenues	84,984,338
INCOME BEFORE OTHER REVENUES	11,885,831
Capital Contributions	1,829,837
CHANGE IN NET ASSETS	13,715,668
Net Position - Beginning of Year	179,169,468
NET POSITION - END OF YEAR	$ 192,885,136

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND SUPPORT			
Contributions	$ 218,869	$ 4,050,234	$ 4,269,103
In-Kind Contributions:			
Colorado Mountain College	1,337,365	-	1,337,365
Other	178,543	-	178,543
Investment Return, Net of Investment	726,099	1,968,327	2,694,426
Net Assets Released from Restrictions	6,486,919	(6,486,919)	-
Total Revenues, Gains, and Support	8,947,795	(468,358)	8,479,437
EXPENSES			
Program Services:			
Scholarships	1,436,998	-	1,436,998
Distributions to or for the Benefit of Colorado Mountain College	5,230,793	-	5,230,793
Scholarship Administration and Other Program Expenses	281,215	-	281,215
Total Program Services	6,949,006	-	6,949,006
Supporting Services:			
Management and General	697,823	-	697,823
Development and Fund Raising	496,201	-	496,201
Total Supporting Services	1,194,024	-	1,194,024
Total Expenses	8,143,030	-	8,143,030
CHANGE IN NET ASSETS	804,765	(468,358)	336,407
Net Assets - Beginning of Year	5,787,000	21,956,968	27,743,968
NET ASSETS - END OF YEAR	$ 6,591,765	$ 21,488,610	$ 28,080,375

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received:	
Tuition and Fees	$ 8,380,184
Contracts and Grants (Operating Revenue)	11,400,027
Sales and Services of Auxiliary Enterprises	13,086,954
Other Operating Receipts	3,540,499
Direct Loan Receipts	4,040,756
Cash Payments:	
Payments to Suppliers	(30,667,515)
Payments to Employees	(52,352,823)
Payments for Auxiliary Enterprises	(12,013,019)
Scholarships Disbursed	(7,780,336)
Direct Loan Disbursements	(4,040,756)
Net Cash Used by Operating Activities	(66,406,029)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	11,930,298
Deposits Held in Custody for Others	30,599
Property Taxes	66,877,260
Federal Nonoperating Revenue	4,040,756
Gifts	1,760,309
Net Cash Provided by Noncapital Financing Activities	84,639,222
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Gifts and Grants for Capital Purposes	1,829,837
Acquisition or Construction of Capital Assets	(32,254,313)
Bond Trustee and Other Related Fees	(2,775)
Proceeds from Sale of Capital Assets	85,898
Principal Paid on Capital Debt	(2,235,241)
Interest Payments on Capital Debt and Leases	(2,361,562)
Net Cash Used by Capital and Related Financing Activities	(34,938,156)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	2,985,312
Investment Income	3,075,055
Net Cash Provided by Investing Activities	6,060,367
DECREASE IN CASH AND CASH EQUIVALENTS	(10,644,596)
Cash and Cash Equivalents - Beginning of Year	62,000,139
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 51,355,543

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	$ 51,223,454
Restricted Cash and Cash Equivalents - Current	7,924
Restricted Cash and Cash Equivalents - Noncurrent	124,165
Total	$ 51,355,543
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (73,098,507)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation and Amortization	7,995,703
Amortization of Land Obligation Payable	(77,124)
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:	
Receivables, Net	(143,220)
Inventories	(1,041)
Prepaid Expenses	(334,832)
Pension Liability and Related Items	(2,335,973)
OPEB Liability and Related Items	(521,165)
Accounts Payable and Accrued Liabilities	634,950
Deposits Payable	19,556
Unearned Revenue	1,455,624
Net Cash Used by Operating Activities	$ (66,406,029)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Accounts Payable Incurred for Purchase of Capital Assets	$ 358,217
Subscription Based IT Arrangements Acquired with Long-Term Liability	3,154,051
Amortization of Prepaid Bond Insurance	15,651
Unrealized Gain on Investments	55,814
Amortization of Bond Premium	260,801
Tuition Provided Under Land Obligation Agreement	77,124

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Colorado Mountain College (the College or CMC) is a self-governing local college district with taxing authority. The College was formed in 1965 to serve post-high school education needs, including vocation and adult education.

The financial statements of the College include all of the integral parts of the College's operations. The College applied various criteria to determine if it is financially accountable for any organization that would require that organization to be included in the College'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 GAAP, these financial statements present the College (primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College.

Discretely Presented Component Unit

The College's financial statements include one supporting organization as a discretely presented component unit.

Colorado Mountain College Foundation, Inc. (the Foundation) is a separate nonprofit 501(c)(3) corporation formed to promote the welfare, development and being of the College. The Foundation is a separate legal entity with its own Board of Trustees. Although the College 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 College. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Separately issued financial statements are available by contacting the Foundation at 802 Grand Avenue, Glenwood Springs, Colorado 81601.

Basis of Accounting and Presentation

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

The Foundation reports under FASB Standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. Because the Foundation uses a GAAP reporting model that is different from the College's reporting model, the College has chosen to report the Foundation financial statements on separate pages as permitted by GASB Statement No. 39.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The College considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2024, cash and cash equivalents consisted primarily of cash on hand, demand deposits and money market funds with brokers.

Investments and Investment Income

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices.

Investment income consists of interest and dividend income. The unrealized gain (loss) on investments represents the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

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

Inventories

Inventories are stated at cost, determined using the first-in, first-out (FIFO) method, except for bookstore inventories, which are determined utilizing the retail method.

Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on February 28 and June 15, or in full on April 30. An allowance for uncollectible taxes of $234,632 has been recorded based on an analysis of historical trends. The original January 1, 2024 levy for the College was 4.241 mills.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset with a full-month convention for assets additions. The following estimated useful lives are being used by the College:

Land Improvements	15 Years
Buildings and Improvements	20 to 50 Years
Infrastructure	20 to 50 Years
Equipment and Software	3 to 10 Years
Library Materials	20 Years

The College follows the State of Colorado's guidelines on capitalization criteria, as stated in the State of Colorado Higher Education Accounting Standard #5, Capital Asset Reporting. The policy applies to all forms of capital assets including land, land improvements, building, building improvements, leasehold improvements, equipment, computer software, library materials, and artwork. A physical inventory of all plant assets is updated annually with appropriate adjustments made to the financial records. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Due to requirements in GASB Statement No. 87, when operating as a lessee, the College is required to recognize a lease liability and an intangible right-to-use lease asset, and when operating as a lessor, the College is required to recognize a lease receivable and a deferred inflow of resources. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the college's incremental borrowing rate. Amortization is computed using the straight-line method over the estimated useful life of asset or term of the lease, whichever is less.

Due to requirements in GASB Statement No. 96, for subscription-based information technology arrangements (SBITAs), the College is required to recognize a subscription liability and an intangible right-to-use subscription asset. The expected payments are discounted using the interest rate charged on the SBITA, if available, or are otherwise discounted using the college's incremental borrowing rate. Amortization is computed using the straight-line method over the estimated useful life of asset or term of the SBITA contract, whichever is less.

Compensated Absences

College policies permit most employees to accumulate annual 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 annual leave benefits and are earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as Medicare taxes computed using rates in effect at that date. The current portion represents estimated amounts that will be paid out within one year. Sick leave accumulates but does not vest and thus is not accrued for at year-end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

A deferred inflow of resources is an acquisition of net assets by the College that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net assets by the College 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.

Unearned Revenue

Unearned revenues include amounts received for tuition and fees and 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 the eligibility requirements associated with the grants have not been met.

Budget

The Board of Trustees adopts an annual budget to authorize and control spending from the various accounting funds of the College. The 2023-2024 budget was amended in July 2023 and June 2024. The College's expenditures for a fund may not exceed the amount budgeted. Budgets are adopted on a basis consistent with GAAP.

Original Budget	$ 128,955,418
Supplemental Appropriation	$ 7,897,661
Revised Budget	$ 136,853,079

Cost-Sharing Defined Benefit Pension and Other Postemployment Benefits Plans

The College participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA) and the Health Care Trust Fund (HCTF), a cost-sharing multiple employer other postemployment benefit (OPEB) plan administered by PERA. The net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources, pension expense, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF and HCTF 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 by the plans when earned by the employees in accordance with the benefit terms. The plans' investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position of the College is classified in three components. Net investment in capital assets consist of capital assets net of accumulated depreciation and amortization and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted net position is comprised of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the College or imposed by law through constitutional provisions or enabling legislation, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Classification of Revenues and Expenses

The College has classified its revenues and expenses as either operating or nonoperating revenues according to the following criteria:

Operating – Revenues or expenses generally resulting from providing goods and services for instruction, community service or related support services to an individual or entity separate from the College.

Nonoperating – Revenues or expenses that do not meet the definition of operating. Nonoperating revenues include property taxes, state appropriations, gifts, federal nonoperating grants, investment income, and insurance reimbursements.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position.

Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition and fees for the year ended June 30, 2024 was $4,372,092.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then toward unrestricted resources when both restricted and unrestricted resources are available to pay an expense.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related Party

In 2012, the College and Garfield County Public Library District (the Library) entered into an agreement to jointly participate in the construction of a building at the corner of 8th Street and Cooper Avenue in downtown Glenwood Springs, Colorado.

A related condominium association was established in November 2013, with a Board of Directors comprised of an equal number of representatives from the College and the Library. Title of the building has been conveyed to the College and the Library based on ownership detailed in the Project Development Agreement. The College owns all parking spots and approximately 9,873 square feet on the second floor, while the Library owns approximately 14,030 square feet on the ground floor, 1,428 square feet on the second floor and the plaza unit. Other project components are considered as common elements and total 4,022 square feet. The College has ongoing financial responsibility related to maintenance over common areas and College-owned portions of the building.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits	$ 9,746,198
ColoTrust PLUS+	18,721,626
ColoTrust EDGE	11,934,803
Money Market Funds	10,813,769
Cash on Hand	7,058
Total Unrestricted Cash and Cash Equivalents	51,223,454
Restricted Cash and Cash Equivalents:	
Restricted Deposit	124,165
Government Money Market Funds	7,924
Total	$ 51,355,543

The restricted cash and cash equivalents consist of 1) funds held for payment to bondholders with the outstanding 2017 and 2021 COPs and 2) a deposit account restricted for tenant security deposits at Denison Commons in Breckenridge.

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. The College'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 federal 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 in the state.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Deposits (Continued)

At June 30, 2024, the amount of the College's deposits totaled $9,746,198, of which $1,500,000 was insured by federal deposit insurance and the remainder was collateralized in accordance with PDPA. The College also had cash on hand of $7,058 at June 30, 2024.

Investments

It is the policy of the College to invest public funds in a manner that will provide preservation of capital, meet the daily liquidity needs of the College, diversify the College's investments, conform to all local and state statutes governing the investment of public funds, and generate reasonable rates of return. This policy shall apply to all forms of investments including U.S. Treasury Obligations, Federal Instrumentality Securities, Commercial Paper, Corporate Debt, Certificates of Deposit, Local Government Investment Pools, and Municipal Bonds.

At June 30, 2024, the College has invested a total of $30,656,429 in the Colorado Government Liquid Asset Trust (ColoTrust), 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 PLUS+ operates similarly to a money market fund and each share is equal in value to $1. As of June 30, 2024, the College's $18,721,626 investment in ColoTrust PLUS+ was rated AAAm by Standard's and Poor's. The Trust records its investments at fair value and the College records its investment using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

ColoTrust EDGE is an external investment pool established for local government entities in Colorado to pool surplus funds. The external investment pool is measured at net asset value per share and is managed to an approximately $10 transactional share price. As of June 30, 2024, the College's $11,934,803 investment in ColoTrust EDGE was rated AAAf/S1 by Fitch Ratings. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

There are no unfunded commitments and the redemption frequency is daily with a five business day notice period.

In addition, the College has invested in the following other types of money market funds, as follows:

US Bank Money Market Fund – This is a FLIXX money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2024 was $2,225,762. The maturity for the fund was less than 30 days.

Zions Bank – Total balance in this fund as of June 30, 2024 was $1,582. The maturity for the fund was less than 30 days.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

BNY Mellon Bank – Total balance in this fund as of June 30, 2024 was $6,343. The maturity for the fund was less than 30 days.

1st Bank – This is an Apartment Housing money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2024 was $1,262,692. The maturity for the fund was less than 30 days.

Alpine Bank – Is a money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2024 was $7,325,314. The maturity for the fund was less than 30 days.

In addition, the College had the following investments as of June 30, 2024:

	Current Market Value	Cost Basis	Current Yield	Maturity	Fair Value Level	Credit Rating Moody's	Credit Rating S&P
Government Issued or Guaranteed Bonds							
Federal Home Loan Bank	397,924	401,644	2.89 %	9/13/2024	2	Aaa	AA+
Federal Home Loan Bank	2,964,360	3,024,893	2.78 %	12/13/2024	2	Aaa	AA+
Federal Home Loan Bank	8,535,046	8,475,099	5.64 %	6/12/2026	2	Aaa	AA+
Total	11,897,330	11,901,636					
Total Investments	$ 11,897,330	$ 11,901,636					

Statement of Net Position Classification	
Long-Term Investments	$ 8,535,046
Short-Term Investments	3,362,284
Total	$ 11,897,330

Fair Value Measurement – The College categorizes its fair value measurements within the fair value hierarchy established by GAAP. Certain investments, such as ColoTrust and money market funds, are exempt from being measured at fair value and thus are excluded from the fair value hierarchy.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See table above for levels associated with applicable 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 investment or collateral securities that are in the possession of an outside party. 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 and must not be rated below “AA- or AA3” by any credit rating agency. See table above for ratings associated with the government issued or guaranteed bonds.

NOTE 2 CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments (Continued)

None of the College's money market funds are deemed to be exposed to custodial credit risk as they are considered open-ended money market mutual funds (i.e., a fund that does not have restrictions on the number of shares it can issue).

Concentration of Credit Risk – is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement. The College aims to diversify its investments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities while remaining flexible in order to respond to the outlook for the economy, the securities markets and the College's anticipated cash flow needs.

A summary of the College's concentration limits is as follows:

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions
U.S. Treasuries	100 %	100 %	5 Years
Federal Agencies and Instrumentalities	100	100	5 Years
Commercial Paper	25	5	270 Days
Corporate Bonds	25	5	3 Years
Time Deposit/CD	75	5	5 Years
Local Government Investment Pools	100	100	N/A
Municipal Bonds	20	10	5 Years

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.

NOTE 3 RECEIVABLES

Other accounts receivable balance is made up of the following as of June 30, 2024:

Type of Receivable	Amount
Federal Government Grant Receivable	$ 924,505
State Government Grant Receivable	742,017
Private Foundation Grant Receivable	876,519
Capital Projects Receivable	331,016
Miscellaneous Receivable	727,974
Total	$ 3,602,031

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is:

	Balance July 1 ,2023	Additions	Retirements	Transfers In (Out)	Balance June 30 ,2024
Nondepreciable Capital Assets:					
Artwork	$ 327,750	$ -	$ -	$ -	$ 327,750
Land	13,517,611	-	-	-	13,517,611
Other Fixed Assets	77,060	-	(1,026)	-	76,034
Construction in Progress	43,451,710	2,338,146	(60,813)	(43,296,095)	2,432,948
Total Nondepreciable Capital Assets	57,374,131	2,338,146	(61,839)	(43,296,095)	16,354,343
Depreciable Capital Assets:					
Land Improvements	3,360,007	75,380	-	-	3,435,387
Buildings and Improvements	205,981,638	21,168,750	-	43,296,095	270,446,483
ROU - Buildings	523,470	-	-	-	523,470
ROU - SBITAs	2,153,313	5,601,579	-	-	7,754,892
Equipment	14,844,919	1,468,759	(1,612,355)	-	14,701,323
Library Materials	3,115,261	24,667	(45,461)	-	3,094,467
Software	727,270	-	-	-	727,270
Infrastructure	6,056,244	374,504	-	-	6,430,748
Total Depreciable Capital Assets	236,762,122	28,713,639	(1,657,816)	43,296,095	307,114,040
Less: Accumulated Depreciation and Amortization:					
Land Improvements	2,506,938	152,499	-	-	2,659,437
Buildings and Improvements	54,248,514	5,066,971	-	-	59,315,485
ROU - Buildings	334,438	174,491	-	-	508,929
ROU - SBITAs	801,867	880,143	-	-	1,682,010
Equipment	9,756,750	1,431,625	(1,593,452)	-	9,594,923
Library Materials	2,631,484	58,545	(45,460)	-	2,644,569
Software	727,270	-	-	-	727,270
Infrastructure	1,968,390	231,429	-	-	2,199,819
Total Accumulated Depreciation	72,975,651	7,995,703	(1,638,912)	-	79,332,442
Net Depreciable Capital Assets	163,786,471	20,717,936	(18,904)	43,296,095	227,781,598
Net Carrying Amount	$ 221,160,602	$ 23,056,082	$ (80,743)	$ -	$ 244,135,941

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the College for the year ended June 30, 2024:

	Balance July 1 ,2023	Additions	Retirements	Balance June 30 ,2024	Amounts Due Within One Year
Certificates of Participation (COPs)	$ 56,120,000	$ -	$ 1,100,000	$ 55,020,000	$ 1,145,000
COPs Premiums	7,169,199	-	260,801	6,908,398	260,801
Leases	211,772	-	191,631	20,141	20,141
SBITAs	1,350,885	3,154,051	943,610	3,561,326	1,266,370
Compensated Absences	2,642,779	2,282,015	2,249,536	2,675,258	2,407,732
Total	$ 67,494,635	$ 5,436,066	$ 4,745,578	$ 68,185,123	$ 5,100,044

On January 1, 2008, the College issued $19,580,000 in COPs, Series 2007, at a premium of $7,353, with interest rates varying from 3.75% to 4.375%. The COP Series 2007 were refinanced during fiscal year 2017 as part of the 2017 COPs issued for $26,775,000, at a premium of $999,118, and with interest rates ranging from 2.00% to 5.00%.

On June 8, 2021, the College issued $33,530,000 in COPs, Series 2021, at a premium of $6,824,899, with interest rates varying from 4.00% to 5.00%.

The premiums on the COPs of $999,118 and $6,824,899, and the prepaid bond insurance costs of $291,825, are being amortized over the life of the COPs. The balance of the premiums at June 30, 2024 is $6,908,398, and reported within debt balance, and the unamortized balance of the prepaid bond insurance cost is $55,624 included in other noncurrent assets. The amount of the prepaid bond insurance costs amortized for the year was $15,650.

The following is a schedule of the future COPs payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,145,000	$ 2,264,256	$ 3,409,256
2026	1,205,000	2,205,506	3,410,506
2027	1,265,000	2,143,756	3,408,756
2028	1,330,000	2,078,881	3,408,881
2029	1,400,000	2,010,631	3,410,631
2030-2034	8,100,000	8,944,488	17,044,488
2035-2039	9,900,000	7,136,309	17,036,309
2040-2044	12,075,000	4,965,900	17,040,900
2045-2049	13,210,000	2,323,600	15,533,600
2050-2052	5,390,000	329,200	5,719,200
Total	$ 55,020,000	$ 34,402,527	$ 89,422,527

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Lease Obligations

The College is committed long-term under one building space lease. Under this lease the College will pay $181,440 annually to Salida School District R32J until the lease expires on July 31, 2024. The following is a schedule of the remaining principal and interest lease payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	$ 20,141	$ 34	$ 20,175
Total	$ 20,141	$ 34	$ 20,175

SBITA Obligations

The following is a schedule of the remaining principal and interest lease payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	$ 1,137,200	$ 116,636	$ 1,253,836
2026	596,939	93,571	690,510
2027	472,552	67,739	540,291
2028	425,157	52,285	477,442
2029	451,117	35,874	486,991
2030-2034	478,361	18,461	496,822
Total	$ 3,561,326	$ 384,566	$ 3,945,892

NOTE 6 LESSOR RECEIVABLES

The College, as lessor, rents classrooms as real estate, as well as office and parking lot spaces, generally for periods of one year or less. These inflows are accounted for as received. In accordance with GASB 87, the college also has larger leases for cell towers, a solar field, and a piece of land as summarized in the following chart:

Beginning Asset Balance	New Addition	Principal Payments	Ending Asset Balance	Amounts Due Within One Year	Interest Payments
$ 810,649	$ 136,650	$ (148,972)	$ 798,327	$ 158,779	$ (23,874)

NOTE 7 ACCRUED SALARIES AND COMPENSATED ABSENCES

Most employees receive annual leave, which may accumulate to 240 hours. Unused leave is paid upon termination. The liability for unused annual leave at June 30, 2024 is $2,675,258.

NOTE 8 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

At June 30, 2024, the College had deferred outflows and inflows of resources comprised the following:

Deferred Outflows of Resources	
Pension	
Difference Between Expected and Actual Experience	$ 996,355
Changes in Proportion	6,533,948
Earnings on Pension Plan Investments	4,427,077
Contributions Subsequent to the Measurement Date	2,370,322
OPEB	
Changes of Assumptions or Other Inputs	17,387
Contributions Subsequent to the Measurement Date	114,051
Earnings on Pension Plan Investments	45,728
Total	$ 14,504,868
Deferred Inflows of Resources	
Pension	
Difference Between Expected and Actual Experience	$ 323,662
Changes in Proportion	1,754,353
OPEB	
Difference Between Expected and Actual Experience	303,037
Changes of Assumptions or Other Inputs	156,773
Net Change in Proportion	270,353
Leases	779,185
Total	$ 3,587,363

NOTE 9 PENSION PLAN

Summary of Significant Accounting Policies

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

Plan Description (PERA)

Eligible employees of the College, those with a minimum of one year previous PERA service, are provided with pensions through SDTF – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code (IRC). Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 PENSION PLAN (CONTINUED)

Plan Description (PERA) (Continued)

Benefits Provided

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

NOTE 9 PENSION PLAN (CONTINUED)

Plan Description (PERA) (Continued)

Contributions

Eligible employees and the College are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employee contribution rates for the period of July 1, 2023, through June 30, 2024 are 11%. Employer contribution rates for the period of July 1, 2023, through June 30, 2024 are summarized in the table below:

	July 1, 2023 through December 31, 2023	January 1, 2024 through June 30, 2024
Employer Contribution Rate[1]	11.40 %	11.40 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)	(1.02)
Amount Apportioned to the SDTF[1]	10.38	10.38
Amortization Equalization Disbursement (AED)	5.00	5.00
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. 24-51-208(1)(f)1	0.17	0.21
Total Employer Contribution Rate to the SDTF[1]	20.55 %	20.59 %

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the College were $4,842,285 for the year ended June 30, 2024.

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

NOTE 9 PENSION PLAN (CONTINUED)

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

The net pension liability was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TPL to December 31, 2023. The College's proportion of the net pension liability was based on College contributions to the SDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside the State's financial reporting entity.

At June 30, 2024, the College reported a liability for its proportionate share of the net pension liability. The total portion of the net pension liability that was associated with the College were as follows:

College's Proportionate Share of the Net Pension Liability	$ 60,953,904

At December 31, 2023, the College proportion was 0.603%, which was an increase of 0.115% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the College recognized a pension expense of $2,506,052. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 996,355	$ 323,662
Earnings on Pension Plan Investments	4,427,077	-
Changes in Proportion	6,533,948	1,754,353
Contributions Subsequent to the Measurement Date	2,370,322	-
Total	$ 14,327,702	$ 2,078,015

$2,370,322 reported as deferred outflows of resources 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	$ 4,392,025
2026	3,273,801
2027	1,106,770
2028	1,106,769
Total	$ 9,879,365

NOTE 9 PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The TPL in the December 31, 2022 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30 %
Real Wage Growth	0.70 %
Wage Inflation	3.00 %
Salary Increases; Including Wage Inflation	3.30 – 10.90 %
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Inflation	7.25 %
Discount rate	7.25 %
Future Post-retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007 and DPS benefit structure, compounded annually	1.00 %
PERA Benefit Structure Hired After December 31, 2006[1] (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

NOTE 9 PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

NOTE 9 PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00 %	1.30 %
Private Equity	8.50 %	7.10 %
Real Estate	8.50 %	4.40 %
Alternatives	6.00 %	4.70 %
Total	100.00 %	

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

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

NOTE 9 PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessment. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

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

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

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

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

NOTE 9 PENSION PLAN (CONTINUED)

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

Sensitivity 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 79,666,695	$ 60,953,904	$ 45,218,997

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's FNP is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Additional Voluntary Options

Employees of the College that are also members of the SDTR 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 C.R.S., as amended, assigns the authosrity to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Plan Description (DCP-Legacy and DCPII)

The secondary and third retirement programs available are the Defined Contribution Plan Legacy (DCP-L) and the Defined Contribution Plan II (DCP2). Both are administered by two fund sponsors, Corebridge Financial and TIAA-CREF.

The Defined Contribution Plan – Legacy (DCP-L) was established October 1, 1994 and is administered by two fund sponsors, VALIC and TIAA-CREF. Effective on and after September 1, 2017 the majority of new employees are able to elect a new Defined Contribution Plan II (DCP2), which is also administered by Corebridge and TIAA-CREF. No new employees are eligible to select the DCP-L plan.

Covered payrolls for the DCP-L for the fiscal year ended June 30, 2024 were $7,399,176. For the current fiscal year, the employer's contribution to the DCP-L, recognized as pension expense, was $1,466,151, which is 20% of covered payrolls. Contributions by employees were $591,934 which is 8% of covered payrolls.

Covered payrolls for the DCP2 for the fiscal year ended June 30, 2024 were $14,217,600. For the current fiscal year, the employer's contribution to the DCP2, recognized as pension expense, was $1,706,109, which is 12% of covered payrolls. Contributions by employees were $1,137,405 which is 8% of covered payrolls.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS

PERA Health Care Trust OPEB Plan

Summary of Significant Accounting Policies

The College 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). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

Eligible employees of the College are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

PERA Health Care Trust OPEB Plan (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the College is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from College were $238,382 for the year ended June 30, 2024.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

At June 30, 2024, the College reported a liability of $1,478,521 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TOL to December 31, 2023. The College's proportion of the net OPEB liability was based on the College's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the College's proportion was 0.207%, which was an increase of 0.0001% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the College recognized negative OPEB expense of $288,472. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 303,037
Changes of Assumptions or Other Inputs	17,387	156,773
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	45,728	-
Changes in Proportion	-	270,353
Contributions Subsequent to the Measurement Date	114,051	-
Total	$ 177,166	$ 730,163

$114,051 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2025	$ (223,034)
2026	(147,357)
2027	(94,447)
2028	(79,730)
2029	(82,328)
Thereafter	(40,152)
Total	$ (667,048)

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.3-10.9%
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount Rate	7.25%
Health Care Cost Trend Rates:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	7.00 % in 2023 Gradually Decreasing to 4.5% in 2033
Medicare Part A Premiums	3.50% in 2023 Gradually Increasing to 4.5% in 2035

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

Age-Related Morbidity Assumptions

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

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

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, which generational projection using sale 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.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

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

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

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

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

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

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

Several factors were 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 percentage and then adding expected inflation.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00 %	5.60 %
Fixed Income	23.00	1.30
Private Equity	8.50	7.10
Real Estate	8.50	4.40
Alternatives	6.00	4.70
Total	100.00 %	

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

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75 %	6.75 %	7.75 %
Ultimate PERACare Medicare Trend Rate	3.50	4.50	5.50
Initial Medicare Part A Trend Rate	2.50	3.50	4.50
Ultimate Medicare Part A Trend Rate	3.50	4.50	5.50
Proportionate Share of the Net OPEB Liability	$ 1,436,085	$ 1,478,521	$ 1,524,681

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Discount Rate

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (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 FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

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

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 1,436,085	$ 1,478,521	$ 1,524,681

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 11 UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following as of June 30, 2024:

College Operations	$ 64,779,692
Net Pension Liability	(60,953,904)
Pension Related Deferred Outflows	14,327,702
Net OPEB Liability	(1,478,521)
OPEB Related Deferred Outflows	177,166
OPEB Related Deferred Inflows	(730,163)
Compensated Absences Liability	(2,675,258)
Total Unrestricted Net Position	$ 11,368,699

NOTE 12 COMMITMENTS AND CONTINGENCIES

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. Also required by TABOR are emergency reserves of at least 3% of fiscal year spending. During 2000, the voters in the district passed an initiative allowing the College to retain all revenues from whatever source without increasing the mill levy. The College believes it is in compliance with the requirements of TABOR.

Federally Assisted Grant Programs

The College is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Contracts

The College has negotiated an intergovernmental agreement related to the purchase of property in Edwards, Colorado. The College has paid $800,000 in cash and $800,000 in exchange for providing Eagle County and Eagle school district employees to receive credit towards classes taken at the College for up to $400,000 for each entity. Through June 30, 2024, $723,578 has been used. The remaining obligation of $76,422 is reflected as land obligation payable on the Statement of Net Position.

Construction Commitments

As of June 30, 2024, the College had various contracts for the acquisition and construction of projects, which totaled $2,954,689.

NOTE 13 RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses and natural disasters. The College maintains a broad commercial insurance program for claims that may arise from such matters, which includes property, liability, workers compensation/employers liability, errors & omissions, crime cyber and foreign liability insurance. Claims have not exceeded the policy limits in any of the three preceding years. There have been no significant decreases in insurance coverage or limits.

NOTE 14 COMPONENT UNIT – FOUNDATION

During fiscal year 2024, the Foundation provided the College support totaling $5,230,793 for campus facilities and other program activities. The Foundation also provided scholarships to the College for students totaling $1,436,998 in 2024.

The following details the investments held by the Foundation at June 30, 2024:

Publicly Traded Mutual Funds Invested in:	
Fixed Income	$ 12,299,418
U.S. Large Cap Equities	5,477,464
Other Equities	5,912,047
Foreign Large Cap Equities	293,493
Other Foreign Equities	568,360
Cash and Cash Equivalents	562,375
Total Investments	$ 25,113,157

Investments are recorded in the following net asset balance at June 30, 2024:

Net Assets Without Donor Restrictions	$ 6,403,416
Net Assets With Donor Restrictions	18,709,741
Total	$ 25,113,157

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of June 30, 2024:

Description	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 562,375	$ 562,375	$ -	$ -
Equity Mutual Funds	12,251,364	12,251,364	-	-
Fixed Income Mutual Funds	10,631,212	10,631,212	-	-
Fixed Income U.S. Treasury securities	1,668,206	-	1,668,206	-
Total	$ 25,113,157	$ 23,444,951	$ 1,668,206	$ -

All assets have been valued using a market approach, except for Level 2 assets. The fair value of Level 2 assets has been estimated using models and other valuation methodologies. There were no changes in valuation techniques during the current year.

Net assets with donor-imposed restrictions are available for the Foundation to provide scholarships to students of the College, support the faculty and leaders of the College, fund College facilities' construction and maintenance, and support various academic and community programs.

NOTE 14 COMPONENT UNIT – FOUNDATION (CONTINUED)

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

Contributions Received or Receivable, Restricted for Specific Purposes or by Time	$ 2,778,869
Endowments:	
Scholarships	11,177,228
Unspent Earnings	7,532,513
Total Endowment Funds	18,709,741
Total Net Assets with Donor Restrictions	$ 21,488,610

Net assets totaling $6,486,919 were released from restriction in 2024 as donor-imposed restrictions were met.

Unconditional contributions receivable consists of the following at June 30:

Receivable in Less than One Year	$ 656,922
Receivable in One to Five Years	405,459
Total Unconditional Contributions Receivable	1,062,381
Less: Discount to Net Present Value	(8,245)
Contributions Receivable, Net	$ 1,054,136

Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 3.81%.

Contributions receivable are recorded in the following net asset classes at June 30:

Net Assets Without Donor Restrictions	$ 40,323
Net Assets With Donor Restrictions	1,013,813
Total Contributions Receivable	$ 1,054,136

Conditional contributions receivable, which have not been recognized in the accompanying financial statements because the conditions have not been met, consist of the following at June 30, 2024:

Conditional Opportunity Scholarships Initiative Grants,	
Conditioned upon Matching Requirements	$ 710,141
Conditioned upon Operating a Dental Clinic for Five Years	600,000
Conditioned upon Actual Spending	201,148
Total Conditional Contributions Receivable	$ 1,511,289

COLORADO MOUNTAIN COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

Year Ended	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Position as a Percentage of the Total Pension Liability
12/31/2023	0.603%	$ 60,953,904	$ 24,098,399	252.94%	64.37%
12/13/2022	0.487%	53,003,590	22,435,272	236.25%	60.63%
12/31/2021	0.566%	41,713,709	21,656,313	192.62%	73.05%
12/31/2020	0.636%	60,280,480	21,525,828	280.04%	65.34%
12/13/2019	0.628%	60,977,633	22,974,055	265.42%	62.24%
12/31/2018	0.698%	79,382,434	24,578,790	323.00%	55.11%
12/31/2017	0.886%	177,361,268	26,406,021	671.67%	43.20%
12/31/2016	0.920%	168,999,576	26,646,762	634.22%	43.80%
12/31/2015	0.964%	101,536,835	26,962,425	376.60%	56.10%
12/31/2014	0.958%	90,114,058	25,933,643	347.50%	59.80%

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

See accompanying Notes to Required Supplementary Information.

COLORADO MOUNTAIN COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Year Ended	Contractually Required Pension Contribution	Contributions in Relation to the Contractually Required Pension Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll
6/30/2024	$ 4,842,285	$ 4,842,285	$ -	$ 24,004,809	20.17%
6/30/2023	4,644,069	4,644,069	-	23,439,826	19.81%
6/30/2022	4,050,323	4,050,323	-	21,933,773	18.47%
6/30/2021	4,040,886	4,040,886	-	21,220,148	19.04%
6/30/2020	4,194,339	4,194,339	-	22,257,781	18.84%
6/30/2019	4,468,863	4,468,863	-	23,649,339	18.90%
6/30/2018	4,842,192	4,842,192	-	25,707,008	18.84%
6/30/2017	4,778,605	4,778,605	-	26,406,021	18.10%
6/30/2016	4,705,020	4,705,020	-	26,646,762	17.66%
6/30/2015	4,458,106	4,458,106	-	26,708,154	16.69%

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

See accompanying Notes to Required Supplementary Information.

COLORADO MOUNTAIN COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN FISCAL YEARS*

Year Ended	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2023	0.207%	$ 1,478,521	$ 24,098,399	6.14%	46.16%
12/13/2022	0.207%	1,690,696	22,435,272	7.54%	38.57%
12/31/2021	0.211%	1,825,078	21,656,313	8.43%	39.40%
12/31/2020	0.218%	2,074,816	21,525,828	9.64%	32.78%
12/13/2019	0.242%	2,723,000	22,974,055	11.85%	24.49%
12/31/2018	0.277%	3,768,356	24,578,790	15.33%	17.03%
12/31/2017	0.317%	4,122,435	26,406,021	15.61%	17.53%

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

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

See accompanying Notes to Required Supplementary Information.

COLORADO MOUNTAIN COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	Contractually Required OPEB Contribution	Contributions in Relation to the Contractually Required OPEB Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	OPEB Contributions as a Percentage of Covered Payroll
6/30/2024	$ 238,382	$ 238,382	$ -	$ 24,004,809	0.99%
6/30/2023	223,840	223,840	-	23,439,826	0.95%
6/30/2022	216,118	216,118	-	21,933,773	0.99%
6/30/2021	208,279	208,279	-	21,220,148	0.98%
6/30/2020	214,801	214,801	-	22,257,781	0.97%
6/30/2019	229,570	229,570	-	23,649,339	0.97%
6/30/2018	253,770	253,770	-	25,707,008	0.99%
6/30/2017	265,939	265,939	-	26,406,021	1.01%

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

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

See accompanying Notes to Required Supplementary Information.

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

Changes in Benefit Terms and Actuarial Assumptions

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

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

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

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

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

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

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

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

Changes in Benefit Terms and Actuarial Assumptions (Continued)

- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

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

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

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

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

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.

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

Changes in Benefit Terms and Actuarial Assumptions (Continued)

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

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

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

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

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

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

Changes in Benefit Terms and Actuarial Assumptions

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

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

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

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

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

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

- The price inflation assumption was lowered from 2.40% to 2.30%, and the wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

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

Changes in Benefit Terms and Actuarial Assumptions (Continued)

- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement 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 Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
  - The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

COLORADO MOUNTAIN COLLEGE
SUPPLEMENTARY INFORMATION
ACTUAL TO BUDGET COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Operating Revenues:			
Tuition and Fees	$ 12,140,283	$ 12,951,541	$ 811,258
Federal, State, Private Grants, and Contracts	13,331,870	11,298,049	(2,033,821)
Auxiliary Enterprises	13,157,442	12,806,421	(351,021)
Other Operating Revenue	2,025,514	2,397,468	371,954
Total Operating Revenues	40,655,109	39,453,479	(1,201,630)
EXPENSES			
Operating Expenses:			
Instruction	32,597,447	30,679,432	1,918,015
Community Service	498,841	579,212	(80,371)
Academic Support	7,062,706	6,701,146	361,560
Student Services	11,096,171	10,493,249	602,922
Institutional Support	24,881,667	23,644,320	1,237,347
Operation and Maintenance of Plant	21,809,468	8,655,335	13,154,133
Student Aid	15,480,059	12,152,428	3,327,631
Auxiliary Enterprises	13,172,706	11,651,161	1,521,545
Depreciation	7,900,000	7,995,703	(95,703)
Total Operating Expenses	134,499,065	112,551,986	21,947,079
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	11,913,376	11,930,298	16,922
Federal Nonoperating Revenue	4,052,296	4,040,756	(11,540)
Property Taxes	62,659,612	66,227,636	3,568,024
Investment Income	1,723,153	3,075,055	1,351,902
Gifts	1,776,000	1,760,309	(15,691)
Loss on Disposal of Capital Assets	-	5,155	5,155
Unrealized Gain on Investments	-	55,814	55,814
Bond Trustee and Other Related Fees	(26,157)	(2,775)	23,382
Amortization of Prepaid Bond Insurance	(15,651)	(15,651)	-
Interest Expense on Capital Debt	(2,312,206)	(2,092,259)	219,947
Net Nonoperating Revenues	79,770,423	84,984,338	5,213,915
CAPITAL CONTRIBUTIONS	1,275,000	1,829,837	554,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,798,533)	13,715,668	26,514,201
Fund Balance - Beginning of Year	179,169,468	179,169,468	-
FUND BALANCE - END OF YEAR	$ 166,370,935	$ 192,885,136	$ 26,514,201

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED
STUDENT ASSISTANCE PROGRAMS

YEAR ENDED JUNE 30, 2024

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
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YEAR ENDED JUNE 30, 2024

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
INTRODUCTION
YEAR ENDED JUNE 30, 2024

Introduction

Colorado Mountain College (the College) is a public institution of higher education located in Glenwood Springs, Colorado.

Our audit of the various state-funded student assistance programs at the College for the year ended June 30, 2024, was directed toward the objectives and criteria set forth in the College's Financial Aid Policy. The state student financial assistance programs were audited simultaneously with the federal financial aid programs for the year ending on June 30, 2024.

State-Funded Assistance Programs

The state-funded student assistance programs at the College include the Colorado Student Grant Program, Colorado Work-Study Program, the Career and Technical Education (CTE) Grant and the Early Childhood Educators (ECE) Program.

The state-funded student assistance awards made by the College were $3,256,849 during the year ended June 30, 2024.

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

During the year ended June 30, 2024, the College obtained authorizations to award federal student financial aid funds as follows:

Pell Grants	$	3,897,319
Direct Loan		2,919,829
Supplemental Educational Opportunity Grant		87,996
College Work-Study		56,774

During the year ended June 30, 2024, the College obtained authorizations to award state student financial aid funds as follows:

Colorado Student Grant Program	$	3,027,564
Colorado CTE Grant Program		23,913
Colorado Work-Study Program		195,695
ECE Program		9,677

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
REPORT SUMMARY
YEAR ENDED JUNE 30, 2024

Report Summary

Purpose and Scope of Audit

Our audit of the state-funded student assistance programs was performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The purpose of the audit was to formulate an opinion on the statement of student aid program allocations, expenditures, and reversions for the fiscal year ending June 30, 2024 and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements, and Governing Board directives which were set forth in the handbook.

Our audit included:

- Expressing an opinion on the statement of student aid program allocations, expenditures, and reversions.

- Evaluation of the policies, procedures, and practices used to administer these programs.

- Determination of compliance with applicable sections of Colorado Revised Statutes 23-3.3 et. seq. and approved Governing Board policies.

Summary of Current Year Comments

The audit report for the year ended June 30, 2024, contained no findings or recommendations.

Summary of Progress in Implementing Prior Comments

The audit report for the year ended June 30, 2022, contained no findings or recommendations.

INDEPENDENT AUDITORS' REPORT ON THE STATEMENT OF ALLOCATIONS, EXPENDITURES, AND REVERSIONS OF THE STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS

Board of Trustees
Colorado Mountain College
Glenwood Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of student aid program allocations, expenditures, and reversions of the State of Colorado State-Funded Assistance Programs (the Statement) of Colorado Mountain College (the College) for the year ended June 30, 2024, and the related notes.

In our opinion, the statement referred to above presents fairly, in all material respects, the student aid allocations, expenditures, and reversions of the State of Colorado State-Funded Student Assistance Programs of the Colorado Mountain College for the year ended June 30, 2024, in accordance with the format set forth in the 2023-2024 *Audit Guide, Colorado-Funded Student Aid* issued by the Department of Higher Education (DHE) and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the College, as described in Note 1 to the Statement.

Basis for Opinion

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

Responsibilities of Management for the Statement

Management is responsible for the preparation and fair presentation of the Statement. The Statement was prepared in accordance with the format set forth in the 2023-2024 *Audit Guide, Colorado-Funded Student Aid* issued by the DHE and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the College; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statement.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statement.

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

Basis of Accounting

We draw your attention to Notes 1 and 2 of the Statement, which describes the basis of accounting. The Statement is a summary of cash activity of the state-funded financial assistance programs with the exception of the Colorado Work-Study program, and it does not present certain transactions that would be included in the statement of the state-funded student assistance programs if it was presented on the accrual basis of accounting, as prescribed by U.S. generally accepted accounting principles. Accordingly, the accompanying statement is not intended to, and does not present the financial position, changes in financial position or cash flows of the College in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use the Board of Trustees, management, the Colorado Department of Higher Education, and the Colorado Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2025, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 6, 2025

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
STATEMENT OF ALLOCATIONS, EXPENDITURES, AND REVERSIONS
YEAR ENDED JUNE 30, 2024

	Colorado Student Grant Program	Colorado Work-Study Program	CTE Grant	Total State-Funded Student Assistance
Allocations				
Original	$ 3,004,745	$ 228,191	$ 23,913	$ 3,256,849
Additional Allocations	22,819	(22,819)	-	-
Total Appropriations	3,027,564	205,372	23,913	3,256,849
Expenditures	3,027,564	182,524	23,913	3,256,849
Reversions to State General Fund	$ -	$ 22,848	$ -	$ 22,848

NOTE 1 BASIS OF PRESENTATION

The Colorado Mountain College (the College) is governed by the College's Board of Trustees. The accompanying statement of student aid program allocations, expenditures, and reversions of state-funded student financial assistance programs (the Statement) has been prepared in accordance with the format set forth in the 2023-2024 *Audit Guide, Colorado-Funded Student Aid* issued by the Department of Higher Education (DHE) and in conformity with the policies and procedures for State-Funded Student Financial Assistance Programs established by the Board of Trustees of the College. The purpose of the Statement is to present the state-funded student financial assistance activities for the year ended June 30, 2024.

Because the Statement presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in financial position of the College in conformity with U.S. generally accepted accounting principles.

NOTE 2 BASIS OF ACCOUNTING

All state-funded student financial assistance is expensed on a cash basis, except for the Colorado Work-Study program. Colorado Work-Study wages are recorded on the accrual basis recognizing expenses when the services are performed.

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

Board of Trustees
Colorado Mountain College
Glenwood Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of student aid program allocations, expenditures and reversions of the State of Colorado State-Funded Assistance Programs (the Statement) of Colorado Mountain College (the College), for the year ended June 30, 2024, and the related notes to the Statement, and have issued our report thereon dated March 6, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Board of Trustees
Colorado Mountain College

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 6, 2025

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

There were no matters to report for the year ended June 30, 2024.

COLORADO MOUNTAIN COLLEGE
STATE OF COLORADO STATE-FUNDED STUDENT ASSISTANCE PROGRAMS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2023

There were no prior audit recommendations for the year ended June 30, 2023.

COLORADO MOUNTAIN COLLEGE

SINGLE AUDIT COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2024

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

Board of Trustees
Colorado Mountain College
Glenwood Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Colorado Mountain College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated March 6, 2025. Our report includes a reference to other auditors who audited the financial statements of the Colorado Mountain College Foundation, a discretely presented component unit, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 6, 2025

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

Board of Trustees
Colorado Mountain College
Glenwood Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Colorado Mountain College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Trustees
Colorado Mountain College

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 6, 2025

COLORADO MOUNTAIN COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of the Treasury					
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Community College System	N/A	$ -	$ 686,734
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Mountain College Foundation	N/A	-	393,872
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Higher Education	N/A	-	172,772
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	Career Wise Colorado	N/A	-	106,945
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Office of Economic Development and International Trade	N/A	-	28,142
Total Department of the Treasury				-	1,388,465
Department of Agriculture					
U.S. Forest Service CMC Partnership-Winter Internship Pilot	10.699	United States Forest Service	16-PA-11021500-051	-	50,726
Total Department of Agriculture				-	50,726
Department of Education					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants	84.007	N/A	N/A	-	87,996
Federal Work-Study Program	84.033	N/A	N/A	-	55,441
Federal Pell Grant Program	84.063	N/A	N/A	-	3,897,319
Federal Direct Student Loans	84.268	N/A	N/A	-	2,919,829
Total Student Financial Assistance Cluster				-	6,960,585
Trio Cluster:					
Trio Student Support Services	84.042	N/A	N/A	-	359,344
Trio Student Support Services	84.042A	N/A	N/A	-	276,521
Trio Upward Bound	84.047	N/A	N/A	-	455,772
Total Trio Cluster				-	1,091,637
Education Stabilization Fund:					
Higher Educational Emergency Relief Fund-IREPO Rural Support Initiative	84.425P	N/A	N/A	-	176,268
Total Educational Stabilization Fund				-	176,268
Office of Post Secondary Education					
Title III-Higher Education Institutional Aid	84.031A	N/A	N/A	-	386,597
Total Post Secondary Education				-	386,597
Career and Technical Education - Basic Grants to States (Perkins)	84.048A	Colorado Community College System	1622	-	204,030
Total Department of Education				-	8,819,117
Department of Health and Human Services					
Child Care Operations Stabilization	93.575	Colorado Mountain College Foundation	N/A	-	178,191
Total Department of Health and Human Services				-	178,191
Total Expenditures of Federal Awards				$ -	$ 10,436,499

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Colorado Mountain College (the College). The Schedule includes federally funded projects received directly from federal agencies and the federal amounts of pass-through awards received by the College through the state of Colorado or other nonfederal entities. The College's reporting entity is defined in Note 1 in the College's basic financial statements for the year ended June 30, 2024.

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

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years, if any. The College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 PASS-THROUGH GRANTOR'S NUMBER

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

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ____ yes __X__ no
   - Significant deficiency(ies) identified? ____ yes __X__ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ yes __X__ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.042, 84.042A, 84.047	Trio Student Support Services
21.027	Coronavirus State and Local Fiscal Recovery Fund

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

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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