



TECHNICAL COLLEGE OF THE ROCKIES

**A COMPONENT UNIT OF THE
DELTA COUNTY JOINT SCHOOL DISTRICT 50J**

DELTA, COLORADO

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

TECHNICAL COLLEGE OF THE ROCKIES

TABLE OF CONTENTS

June 30, 2025

FINANCIAL SECTION

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position..... 4

Statement of Activities 5

Governmental Funds Financial Statements

Balance Sheet 6

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position 7

Statement of Revenues, Expenditures and Changes in Fund Balances 8

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities 9

Notes to the Financial Statements..... 10

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 33

Schedule of Proportionate Share of the Net Pension Liability and Contributions 34

Schedule of Proportionate Share of the Net OPEB Liability and Contributions..... 36

Notes to the Required Supplementary Information..... 38

Supplementary Information

Budgetary Comparison Schedules

Student Activity Fund (College)..... 40

INDEPENDENT AUDITOR'S REPORT

Board of Education
Technical College of the Rockies
Delta, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Technical College of the Rockies (the College), a blended component unit of the Delta County Joint School District 50J, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the College, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the College, as of June 30, 2025, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's 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 Financial Statements

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

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

Auditor's 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 auditor's 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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DWC Auditing and Consulting, LLC

December 17, 2025
Bailey, Colorado

TECHNICAL COLLEGE OF THE ROCKIES
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025

Reporting the College as a Whole

The Technical College of the Rockies is a public institution of higher education, governed by the Delta County Joint School District No. 50J Board of Education. The College provides postsecondary and secondary career and technical programs that lead to a certificate of occupational proficiency. The College is affiliated with the Colorado Community College System and accredited by the Council of Occupational Education. The Service area of the College includes Delta, Montrose, Gunnison, Hinsdale, Ouray, and San Miguel counties.

This discussion and analysis provides an overall view of the Technical College of the Rockies’s financial activities for the fiscal year 2024-25. Revenues for the College come from the State of Colorado, school district funding for secondary students, contract revenue, student tuition and fees, grants and various enterprise ventures. The intent of this analysis is to look at the College’s financial performance as a whole. Complete understanding of the fiscal performance of the College may require reading of the basic financial statements for the College.

Financial Highlights

Key financial highlights for the fiscal year ended on June 30, 2025 are as follows:

- In total, net position increased by \$570,795 to \$1,068,329. The College’s General fund balance increased by \$731,686 to \$3,380,415. Total revenue increased \$533,698, total expenditures increased \$360,371. Increases to funding from Charges for Services and Sales (\$328K), State Area Technical Colleges Funding (\$228K), and Operating Grants and Contributions (\$126K) were the primary reason for the increase in net position as they offset increases in expenses from Instruction, Central Services, Operations and Maintenance, and Student Aid.
- The College had \$5,582,001 in total revenues. State FTE funding accounted for \$2,682,273 or 48% of total revenues. Program specific revenues accounted for \$2,709,906 or 49% of total revenues. Other operating grants, investment income, and other income accounted for \$189,822 or 3% of total revenues.
- The College had \$5,011,206 in total expenses. Instructional expenses accounted for \$2,523,004 or 50% of total expenses. Supporting Services, Business Services, Operations and Maintenance, Central Services, and Student Aid Programs accounted for \$2,488,202 or 50% of total expenses.
- Total revenues of \$5,582,001 exceeded total expenditures of \$4,856,446 by \$725,555 on the Statement of Revenues, Expenditures, and Changes in Fund Balances. The Governmental Activities Statement of Activities show a net increase to net position of \$570,795. Capital outlays were less than depreciation by \$72,922, liability for compensated absences (\$50,273), and the College’s pension expense of (\$31,565) make up the total of revenues exceeding expenditures.
- In fiscal year 2024-2025 the State of Colorado contributed \$225 million to the Colorado PERA fund, with \$130 million allocated to the School Division. Because the College is a participating employer in Colorado PERA, the College shows a Net pension liability of \$4,599,280, which is \$615,539 less than the prior year’s liability. A \$225 million contribution was intended to occur

annually, commencing on July 1, 2018, but with budget cuts at the State level, this contribution was not made by the State of Colorado during the 2020-2021 fiscal year. The State of Colorado made the annual \$225 million payment and an additional \$125 million payment to make up for the 2020-2021 payment in fiscal year 2022-2023 to the School Division. The fiscal year 2025-2026 contribution by the State of Colorado is intended to be \$225 million, unless reduced by the State Legislature. See Note 6 - Defined Benefit Pension Plan in the financial statements for further explanation of the College's pension plan.

- The College's Net OPEB, "Other Post-Employment Benefits", obligation as of June 30, 2025 is \$81,604. This liability decreased from the prior year by \$44,313. Eligible PERA benefit recipients and retirees are eligible to enroll in PERACare, and receive a health care premium subsidy. See Note 7 – Postemployment Healthcare Benefits for further explanation.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Technical College of the Rockies as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole College, presenting both an aggregate view of the College's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the College's operations in more detail than the government-wide statements by providing information about the College's most significant funds. The remaining statements provide financial information about the activities for which the College acts solely as a trustee or agent for the benefit of those outside the reporting entity.

Reporting the College as a Whole

While this report contains all funds used by the College to provide programs and activities, the view of the College as a whole, looks at all the financial transactions and asks the question, "How did we do financially during the 2024-2025 fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The accrual basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the College's net position and changes in that position. This change in net position is important because it identifies whether the financial position of the College has improved or diminished for the College as a whole. The cause of this change may be a result of many factors, some financial, some not. Non-financial factors include enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the College reports its governmental activities, which include instruction, support services and student aid programs.

Statement of Net Position

The following is a statement of the College's net position for the fiscal year 2024 compared to 2025.

<u>Assets</u>	<u>2024</u>	<u>2025</u>
Current Assets	\$ 2,938,369	\$ 3,638,748
Capital Assets, Net	1,864,911	1,791,989
Total Assets	4,803,280	5,430,737
 <u>Deferred Outflows</u>		
Pension Deferred Outflows	1,474,309	977,157
OPEB Deferred Outflows	27,634	21,366
Total Deferred Outflows	1,501,943	998,523
 Total Assets and Deferred Outflows		
	\$ 6,305,223	\$ 6,429,260
 <u>Liabilities</u>		
Current	\$ 228,709	\$ 203,533
Noncurrent	5,366,951	4,757,372
Total Liabilities	5,595,660	4,960,905
 <u>Deferred Inflows</u>		
Pension Deferred Inflows	170,879	347,312
OPEB Deferred Inflows	41,150	52,714
Total Deferred Inflows	212,029	400,026
 <u>Net Position</u>		
Net Investment in Capital Assets	1,864,911	1,791,989
Restricted	98,509	101,320
Unrestricted	(1,465,886)	(824,980)
Total Net Position	497,534	1,068,329
 Total Liabilities, Deferred Inflows, and Net Position		
	\$ 6,305,223	\$ 6,429,260

Total current assets increased by \$700,379. Total cash increased by \$774,819, receivables decreased by \$64,671, inventories increased by \$10,324, and prepaid expenses decreased by \$20,093. Capital Assets decreased by \$72,922 this year. Deferred outflows decreased in the current year by \$503,420.

Current liabilities decreased by \$25,176 in the current year. Noncurrent liabilities decreased by \$609,579 which are mostly made up by the College's net pension liability, and this liability decreased from the prior year, \$615,539. This decrease is due to the State of Colorado actuarial accounting for PERA in 2025 offset by investment returns and changes to obligation estimates. The OPEB (Other Post Employment Benefit) obligation, decreased from the prior year by \$44,313.

Statement of Activities

The Statement of Activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects total revenues for the College as a whole and expenditures listed as costs of operations.

<u>Revenues:</u>	<u>2024</u>	<u>2025</u>
Program Revenues:		
Charges for Services and Sales	\$ 1,278,442	\$ 1,606,542
Operating Grants and Contributions	976,973	1,103,364
Capital Grants and Contributions	60,000	-
Total Program Revenue	2,315,415	2,709,906
General Revenues:		
State Area Technical Colleges Funding	2,454,620	2,682,273
Grants and Contributions Not Restricted	50,000	-
Gain on Disposal of Capital Assets	50,000	-
Investment Income	156,145	163,719
Other	22,123	26,103
Total General Revenue	2,732,888	2,872,095
Total Revenue	5,048,303	5,582,001
Expenses:		
Instruction	2,284,760	2,523,004
Supporting Services	1,336,351	1,256,539
Business Services	486,476	471,108
Operations and Maintenance	265,907	319,422
Central Services	46,736	159,965
Student Aid	230,605	281,168
Total Expenses	4,650,835	5,011,206
Increase (Decrease) in Net Position	397,468	570,795
Net Position, Beginning	100,066	497,534
Net position, Ending	\$ 497,534	\$ 1,068,329

Revenues increased by \$533,698 from the prior year, of this, State funding increased by \$227,653, charges for services increased by \$328,100, operating grants increased by \$126,391 and capital grants and contributions decreased by \$60,000. Funding for technical colleges from the State of Colorado overall saw an increase in 2025, and the percent those funds increased for the College was 9% over 2024.

Program expenses increased by \$360,371. Student Aid had an increase of \$50,563. Instruction had an increase of \$238,244. Instructional activities at the College include: Nurse Aide, Law Enforcement, Auto Mechanics, EMT, Cosmetology, Barbering, Esthetician, Medical Assistant, Drafting and Massage. Industry

Training includes training such as Welding, Electrician Apprentice, and Phlebotomy. Supporting service expenses decreased \$79,812 and expenses for Business Services, Operations and Maintenance, and Central Services increased \$151,376.

The College also operates a comprehensive testing and assessment center and basic skills/career counseling service center.

The College provides student and business services for 762 total students, of which 107 are considered "full time." There were 297 "part-time" certificate-earning students, 358 were "part-time" non-certificate FTE students (this number is based on student enrollment in community education, industry training courses, and concurrent enrollment). Enrollment increased approximately 13 FTE in FY 22-23, increased 9.5 FTE in FY 23-24, and decreased 2.0 FTE to 298 FTE in 2025. There are morning, afternoon, and evening sessions available for secondary and post-secondary students to attend these programs.

The College depends on general State FTE funding. State funding was decreased from fiscal year 2019-2020 to fiscal year 2020-2021 by \$968,138 due to the Corona Virus pandemic. State funding increased significantly from fiscal year 2020-2021 to fiscal year 2021-2022, State funding was increased 157% or \$1,097,702. State funding in the fiscal year 2022-2023 was up an additional \$408,313 or 23%. State funding in the fiscal year 2023-2024 increased 11% or \$247,540. State funding in the fiscal year 2024-2025 increased 9% or \$227,653. The College did receive CARES Act funding through fiscal year 2022-2023 to help offset a portion of this State reduction but no longer receives that funding as of fiscal year 2023-2024.

Fund Financial Statements

Governmental Funds

Fund financial reports provide detailed information about the College's major funds. The College's only major governmental fund is the General Fund. The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. For financial reporting purposes, the College's General Fund is considered to be a governmental fund, which focuses on how monies flow into and out of the fund and the balances left at fiscal year-end for spending in future periods. This fund is combined for presentation purposes with the College's Student Financial Aid Fund. These funds are reported using an accounting method referred to as modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the College's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

Capital Assets and Debt

At the end of FY 2025, the College had \$1,791,989 invested in capital assets, including buildings, furniture and fixtures, and vehicles.

	<u>Capital Assets at Fiscal Year End, Net of Depreciation</u>	
	<u>2024</u>	<u>2025</u>
Land	\$ 97,233	\$ 97,233
Work in Progress	71,887	19,265
Buildings and Improvements	1,208,126	1,227,109
Equipment	487,665	448,382
Totals	<u>\$ 1,864,911</u>	<u>\$ 1,791,989</u>

The College had additions of \$116,275 in capital assets less \$189,197 of depreciation in FY 25 for a decrease of \$72,922. The College had a net reduction of \$0 in capital assets in FY 25 from the disposition of assets.

As of June 30, 2025, the College has a balance of \$76,488 in long-term debt, which is all for compensated absences.

General Fund Budgeting Highlights

The College’s procedures in establishing the budgetary data reflected in the financial statements are summarized on page 33 of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The College uses a line-item based budget. The budgeting systems are designed to tightly control line-item expenditures, but provide flexibility for overall budgetary management.

General Fund revenues and other financing sources in the amount of \$5,581,785 was \$419,883 less than budgeted. The major variances in the budgeted revenue came in Local revenue and Federal sources.

Expenditures and other financing uses had actual expenditures of \$4,850,099 which was \$835,230 under budget. Instructional Services was under budget by \$397,582, Supporting Services were in total under budget by \$572,841, and Capital Outlay was over budget by \$135,193.

Initiatives

The Technical College of the Rockies has launched several initiatives for the 2024-2025 and into the 2025-2026 school year.

Newly developed programming

- Introduced the Diagnostic Medical Sonography program
- Introduced the Surgical Technologist program
- Move the Cyber-Technology program from a high school pilot program to a complete Pell-eligible concurrent and post-secondary program
- Introduced the Patient Care Technology program
- Moved the Phlebotomy program from an industry credential to its own full-time program

Staff development and expansion

- Installed 12 new instructors across the Surgical Technologist program, Diagnostic Medical Sonography, Cyber-Technology, Computer-Aided Design, and Patient Care Technology
- Increased front office support for Cosmetology
- Increased Student Services (student wellness) support
- Increased inventory control in Cosmetology

Program Technology Integration

Campus-Wide

- Implemented a new Student Information System: Populi
- Implemented a new Learning Management platform: Canvas
- Increased device management support in IT

Program Specific Platforms

- MEEVO: Client productivity, inventory control, student management for Cosmetology, Barbering, and Esthetician
- Complio: Allied health on-boarding and screening
- Capacitor: Electrical Apprenticeship learning management system
- GW Publishing: Automotive Learning Management System
- IPAD Learning Management Access System

Facility Upgrades and Remodel

- Parking lot resurfacing and striping
- Shooting expansion with a 100m rifle range for the Law Academy
- Installation of a surgical technology lab
- Installation of the Diagnostic Medical Sonography classroom and lab
- Computer lab conversion to include a Cyber-Technology lab
- Soundproofing of the EMT and Medical Assistant lab

Furthermore, the TCR was recognized by Georgetown University's Center on Education and Workforce as the #2 IHE in Colorado for net ROI.

Current Issues

Capital Infrastructure Limitations

TCR remains ineligible for key capital funding sources such as the BEST Grant which is available to K-12 School District's in Colorado. The loss of SB 19-097 continues to highlight the disappointment surrounding state funding; however, our current challenge is even greater. We lack dedicated state-level capital investment pathways for Area Technical Colleges (ATCs), which severely constrains our ability to expand classroom and lab space, purchase updated equipment, and open new workforce-aligned programs.

Overreliance on Enrollment (FTE) for Funding

The current approach to funding, particularly proposals that emphasize FTE-based models, risks reducing our mission to enrollment numbers rather than to outcomes. This misalignment undervalues our 97% completion rate (C), 89% placement rate (P), and 98% licensure rate (L). Core metrics that directly fulfill the state's workforce and equity goals.

Exclusion/Forgotten from Key Statewide Funding Mechanisms

Despite the CPL data, we cannot access the same operating, capital, or competitive grant pools as other institutions (e.g., a 3-month delay in state-appropriated funding). This inequity makes it difficult to scale our high-performing, high-demand programs; even when we outperform peer institutions in licensure, placement, and completion.

Lack of Facility Space to Meet Demand

Our instructional spaces are currently at full capacity. With student and employer demand continuing to rise, particularly in healthcare, skilled trades, and emergency services, we lack the square footage and infrastructure to launch or scale critical programs without facility expansion.

Under-Recognition in Policy & Planning, despite strong ROI & CPL Data

ATCs are often underrepresented in statewide planning efforts, policy discussions, and higher education models that default to two- and four-year institutional frameworks. TCR operates on a fundamentally different model: short-term, high-impact, workforce-driven education that delivers immediate economic value to students and employers.

Contacting the College

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact the:

Technical College of the Rockies
Delta County Joint School District No. 50J
145 W. 4th St.
Delta, CO 81416
Tel: 970-874-4438
Fax: 970-874-5744

BASIC FINANCIAL STATEMENTS

TECHNICAL COLLEGE OF THE ROCKIES

STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY</u> <u>GOVERNMENT</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 3,426,273
Accounts Receivable, <i>Net of Allowance for Doubtful Accounts</i>	35,346
Grants Receivable	28,967
Inventories	102,735
Prepaid Expenses	45,427
Capital Assets, <i>Not Being Depreciated</i>	116,498
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>1,675,491</u>
TOTAL ASSETS	<u>5,430,737</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	977,157
OPEB, <i>Net of Accumulated Amortization</i>	<u>21,366</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>998,523</u>
LIABILITIES	
Accounts Payable	847
Accrued Salaries and Benefits	143,302
Unearned Revenue	59,384
Noncurrent Liabilities	
Compensated Absences	76,488
Net Pension Liability	4,599,280
Net OPEB Liability	<u>81,604</u>
TOTAL LIABILITIES	<u>4,960,905</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	347,312
OPEB, <i>Net of Accumulated Amortization</i>	<u>52,714</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>400,026</u>
NET POSITION	
Net Investment in Capital Assets	1,791,989
Restricted for:	
Emergencies	96,710
Scholarships	4,610
Unrestricted	<u>(824,980)</u>
TOTAL NET POSITION	<u>\$ 1,068,329</u>

TECHNICAL COLLEGE OF THE ROCKIES
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 2,523,004	\$ 1,606,332	\$ 213,269	\$ (703,403)
Supporting Services	1,256,539	210	-	(1,256,329)
Business Services	471,108	-	-	(471,108)
Operations and Maintenance	319,422	-	-	(319,422)
Central Services	159,965	-	-	(159,965)
Student Aid Programs, <i>Net of Scholarship Allowances</i>	281,168	-	890,095	608,927
TOTAL GOVERNMENTAL ACTIVITIES	\$ 5,011,206	\$ 1,606,542	\$ 1,103,364	(2,301,300)
GENERAL REVENUES				
				2,682,273
State Area Technical Colleges Funding				163,719
Investment Income				26,103
Other				26,103
				2,872,095
				2,872,095
				570,795
				497,534
				1,068,329
				\$ 1,068,329

See Notes to the Financial Statements.

TECHNICAL COLLEGE OF THE ROCKIES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	NONMAJOR STUDENT ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 3,371,473	\$ 54,800	\$ 3,426,273
Accounts Receivable, <i>Net of</i> <i>Allowance for Doubtful Accounts</i>	35,346	-	35,346
Grants Receivable	28,967	-	28,967
Inventory	102,735	-	102,735
Prepaid Expenditures	45,427	-	45,427
	TOTAL ASSETS	\$ 54,800	\$ 3,638,748
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 847	\$ -	\$ 847
Accrued Salaries and Benefits	143,302	-	143,302
Unearned Revenue	59,384	-	59,384
	TOTAL LIABILITIES	-	203,533
FUND BALANCES			
Nonspendable:			
Inventory	102,735		102,735
Prepaid Expenditures	45,427	-	45,427
Restricted for:			
Emergencies	96,710	-	96,710
Scholarships	4,610		4,610
Assigned to College Student Activities	-	54,800	54,800
Unassigned	3,130,933	-	3,130,933
	TOTAL FUND BALANCES	54,800	3,435,215
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,583,948	\$ 54,800	\$ 3,638,748

TECHNICAL COLLEGE OF THE ROCKIES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	3,435,215
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		1,791,989
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Compensated Absences		(76,488)
Net Pension Liability		(4,599,280)
Pension-Related Deferred Outflows of Resources		977,157
Pension-Related Deferred Inflows of Resources		(347,312)
Net OPEB Liability		(81,604)
OPEB-Related Deferred Outflows of Resources		21,366
OPEB-Related Deferred Inflows of Resources		(52,714)
		(4,478,827)
Total Net Position of Governmental Activities	\$	1,068,329

TECHNICAL COLLEGE OF THE ROCKIES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	GENERAL	NONMAJOR STUDENT ACTIVITIES	TOTAL
REVENUES			
Local Sources			
Tuition, Fees and Services, <i>Net of</i> <i>Scholarship Allowances</i>	\$ 1,943,515	\$ -	\$ 1,943,515
Other Local	304,110	216	304,326
State Sources	2,766,823	-	2,766,823
Federal Sources	567,337	-	567,337
TOTAL REVENUES	5,581,785	216	5,582,001
EXPENDITURES			
Current			
Instruction	2,281,920	-	2,281,920
Supporting Services	1,213,261	6,347	1,219,608
Business Services	467,121	-	467,121
Operations and Maintenance	314,805	-	314,805
Central Services	156,631	-	156,631
Student Aid Programs, <i>Net of</i> <i>Scholarship Allowances</i>	281,168	-	281,168
Capital Outlay	135,193	-	135,193
TOTAL EXPENDITURES	4,850,099	6,347	4,856,446
CHANGES IN FUND BALANCES	731,686	(6,131)	725,555
FUND BALANCES, Beginning	2,648,729	60,931	2,709,660
FUND BALANCES, Ending	\$ 3,380,415	\$ 54,800	\$ 3,435,215

TECHNICAL COLLEGE OF THE ROCKIES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	725,555
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(189,197)
Capital Outlay		116,275
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Compensated Absences		(50,273)
Net Pension Liability		615,539
Pension-Related Deferred Outflows of Resources		(497,152)
Pension-Related Deferred Inflows of Resources		(176,433)
Net OPEB Liability		44,313
OPEB-Related Deferred Outflows of Resources		(6,268)
OPEB-Related Deferred Inflows of Resources		<u>(11,564)</u>
Change in Net Position of Governmental Activities	\$	<u><u>570,795</u></u>

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Technical College of the Rockies (the College) conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the College's more significant policies.

Reporting Entity

The College is an area vocational school organized under the laws of the State of Colorado. The College provides post-secondary vocational training for Delta and Montrose, Colorado, and the surrounding area. The College is governed by the Board of Education of Delta County Joint School District No. 50J (the District).

The financial reporting entity consists of the College, organizations for which the College is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the College. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the College. Legally separate organizations for which the College is financially accountable are considered part of the reporting entity. Financial accountability exists if the College appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the College. The financial statements of the College do not include any separately administered organizations.

The College, while it is a legally separate entity, is a blended component unit of the District and has been included in the District's financial reporting entity. The College, a blended component unit of the District, is reported as a special revenue fund of the District. The District's Board of Education is also the governing body of the College, for which it exercises oversight and direction and retains accountability.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the College. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by charges for services, grants, and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Contributions and other items not properly included among program revenues are reported instead as *general revenues*.

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the governmental funds. The scholarship allowance is 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 where the College recognizes and records revenue.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for the governmental funds. Major and nonmajor individual governmental funds are reported as separate columns in the fund financial statements.

In the fund financial statements, the College reports the following major governmental funds:

The *General Fund* is the College's primary operating fund. It accounts for all financial resources of the College, except those accounted for in another fund.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the College considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The College considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the College.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the College's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The College uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The College established an allowance for doubtful accounts based upon factors including historical trends and the length of time that the student receivable has been outstanding.

Inventories – Inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government.

Prepaid Expenses / Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Capital Assets - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	20-50 years
Other Infrastructure	10-50 years
Furniture and Fixtures	20 years
Vehicles	8 years
Equipment	5-15 years

Deferred Outflows of Resources - This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability in the financial statements.

Compensated Absences – Compensated absence liabilities, when applicable, are reported on government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments are due upon the occurrence of employee resignations and retirements. Personnel accrue leave days based on the number of days worked in a year. Employees may accumulate up to 480 hours of leave, which may not be used for personal leave. Unused accumulated leave benefits are paid upon separation/termination at a percentage of the regular certified substitute rate depending on the years of service with the College. The College allows for leave to accumulate for full-time and part-time employees. An additional liability has been recognized for leave more likely than not to be used.

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

Postemployment Benefits Other Than Pensions (OPEB) - The College participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare 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, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Education formally commits resources for a specific purpose through passage of a resolution. The Board of Education has delegated to the Superintendent and their designee the authority to assign fund balances to be used for specific purposes.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, College policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

At June 30, 2025, the College had the following cash and investments:

Cash on Hand	\$	925
Deposits		110,257
Investments		3,315,092
Total	\$	<u>3,426,274</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The College is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

At June 30, 2025, the College had the following investments:

<u>Investment Type</u>	NSRO Rating	Fair Value	Maturity	% of Investments	Fair Value Heirarchy
			Less Than One Year		
Local Government Pools	AAAm	\$ 3,229,870	\$ 3,229,870	97%	NAV
Money Market Funds	Aaa-Mf	85,222	85,222	3%	2
Total Investments		<u>\$ 3,315,092</u>	<u>\$ 3,315,092</u>	<u>100%</u>	

Fair Value Measurements - At June 30, 2025, the College's investments in the local government investment pool reported at the net asset value per share.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

The College's investments in the Federated Hermes Government Obligation Funds were both rated Aaa-mf by Moody's Rating Agency, a nationally recognized statistical rating organization (NSRO) with a total of \$85,222.

Concentration of Credit Risk - State statutes do not limit the amount the College may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools - At June 30, 2025, the College had \$3,229,870, invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are reported at the net asset value per share, with each share valued at \$1. The Pools are rated AAAM by Standard and Poor's. 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.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The College utilizes a commercial insurance carrier for all risks of loss.

NOTE 4: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 97,233	\$ -	\$ -	\$ 97,233
Construction in Progress	71,887	19,265	71,887	19,265
Total Capital Assets, Not Being Depreciated	<u>169,120</u>	<u>19,265</u>	<u>71,887</u>	<u>116,498</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	4,752,019	139,281	-	4,891,300
Equipment	963,845	29,616	6,300	987,161
Total Capital Assets, Being Depreciated	<u>5,715,864</u>	<u>168,897</u>	<u>6,300</u>	<u>5,878,461</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,543,893)	(120,298)	-	(3,664,191)
Equipment	(476,180)	(68,899)	(6,300)	(538,779)
Total Accumulated Depreciation	<u>(4,020,073)</u>	<u>(189,197)</u>	<u>(6,300)</u>	<u>(4,202,970)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,695,791</u>	<u>(20,300)</u>	<u>-</u>	<u>1,675,491</u>
Capital Assets, Governmental Activities, Net	<u>\$ 1,864,911</u>	<u>\$ (1,035)</u>	<u>\$ 71,887</u>	<u>\$ 1,791,989</u>

Depreciation expense of the governmental activities was charged to programs of the College as follows:

Instruction	\$ 188,692
Supporting Services	<u>505</u>
Total	<u>\$ 189,197</u>

NOTE 5: Long-Term Obligations

Following is a summary of long-term obligation transactions for the year ended June 30, 2025.

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due in One Year
Compensated Absences	<u>\$ 26,215</u>	<u>\$ 50,273</u>	<u>\$ -</u>	<u>\$ 76,488</u>	<u>\$ -</u>

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description - The College contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the College participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided as of December 31, 2024 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of 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, referred to as annual increases in the CRS Subject to the automatic adjustment provision (AAP) under CRS § 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% 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% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 - The College, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The College's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the College's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The College's contributions to the SDTF for the year ended June 30, 2025, were \$442,099, equal to the required contributions at a contribution rate of 20.38%.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

For the 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 CRS § 24-51-414, the State of Colorado 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.

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

The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The College's proportion of the net pension liability was based on the College's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the College's proportion was 0.0266549219%, which was a decrease of 0.0028349540% from its proportion measured at December 31, 2023.

At June 30, 2025, the College reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and 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	\$ 4,599,280
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the College	413,088
Total	\$ 5,012,368

For the year ended June 30, 2025, the College recognized pension expense of \$499,931 and a revenue of (\$37,703) for support from the State as a nonemployer contributing entity. At June 30, 2025, 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
Differences between expected and actual experience	\$ 260,450	\$ -
Changes of assumptions and other inputs	34,481	-
Net difference between projected and actual earnings on plan investments	86,776	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	372,500	347,312
Contributions subsequent to the measurement date	222,950	-
Total	\$ 977,157	\$ 347,312

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

College contributions subsequent to the measurement date \$222,950 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ 363,432
2027	287,726
2028	(182,375)
2029	<u>(61,888)</u>
Total	<u>\$ 406,895</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability 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	3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories of the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of 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 of Directors at their November 20, 2020, meeting.

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

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projected scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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, PERA's Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director'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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- College 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, required adjustments resulting from the 2018 and 2020 AAP assessments. College 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 College contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, College 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 PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

- College contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount 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 Pension Liability to Changes in the Discount Rate - The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the College’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 6,235,558	\$ 4,599,280	\$ 3,228,669

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the College are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), 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. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the College's contributions to the School Division Trust Fund (SDTF) (Note 6) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The College's apportionment to the HCTF for the year ended June 30, 2025, was \$21,127, equal to the required amount.

At June 30, 2025, the College reported a net OPEB liability of \$81,604, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The College's proportion of the net OPEB liability was based on the College's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

At December 31, 2024, the College's proportion was 0.0170660565%, which was a decrease of 0.0005761431% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the College recognized OPEB expense of (\$4,355). At June 30, 2025, 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
Differences between expected and actual experience	\$ -	\$ 18,001
Changes of assumptions and other inputs	935	26,085
Net difference between projected and actual earnings on plan investments	276	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,997	8,628
Contributions subsequent to the measurement date	11,158	-
Total	\$ 21,366	\$ 52,714

College contributions subsequent to the measurement date of \$11,158 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (11,083)
2027	(5,949)
2028	(9,648)
2029	(7,480)
2030	(5,553)
2031	(2,793)
Total	\$ (42,506)

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
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	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and costs are based on 2024 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 to 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%

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare		MAPD PPO #2 with Medicare		MAPD HMO (Kaiser) with Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853

Sample Age	MAPD PPO #1 without Medicare		MAPD PPO #2 without Medicare		MAPD HMO (Kaiser) without Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	\$ 7,341	\$ 6,073	\$ 4,764	\$ 3,941	\$ 7,933	\$ 6,563
75	\$ 8,110	\$ 6,385	\$ 5,262	\$ 4,143	\$ 8,763	\$ 6,900

The 2024 Medicare Part A premium is \$506 per month. All costs are subject to the health care cost trend rates.

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. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Measurement Year	PERACare Medicare Plans *	PERACare Medicare Plans *	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

*Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 6). All categories of the mortality tables are generationally projected using scale MP-2019. Mortality assumptions used were as follows:

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option. The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation rate based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

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

- Salary increases, including wage inflation for the SDTF were 4% - 13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare	Without Medicare
	Part A	Part A
MAPD PPO#1	\$ 1,824	\$ 6,972
MAPD PPO #2	\$ 624	\$ 4,524
MAPD HMO (Kaiser)	\$ 2,040	\$ 7,596

The long-term expected return on plan assets is reviewed as part of regular 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.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the SDTF participate in the HCTF (Note 6).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubG-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board of Director's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three-to-five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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 PERA Board of Director's meetings on November 15, 2019, and the September 20, 2024.

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	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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, 2024, 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%.
- 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.

TECHNICAL COLLEGE OF THE ROCKIES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- As of December 31, 2023, measurement date, the fiduciary net position, and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on 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.

Based on the above assumptions and methods, the HCTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, 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 Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	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 MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 79,406	\$ 81,604	\$ 84,092

** For the January 1, 2025, plan year.

Sensitivity of the College’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 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 OPEB liability	\$ 100,007	\$ 81,604	\$ 65,739

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: Commitments and Contingencies

Claims and Judgments

The College participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the College may be required to reimburse the grantor government. At June 30, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the College.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The College is subject to the Amendment.

In November 1997, voters within the College's School District boundaries authorized the District to collect and to expend the full revenues received by the College from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the College believes it is in substantial compliance with the Amendment.

The Amendment requires the College to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the College's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$96,710.

Litigation

The College from time to time is involved in various legal matters. In the opinion of the College's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the College.

REQUIRED SUPPLEMENTARY INFORMATION

TECHNICAL COLLEGE OF THE ROCKIES
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Tuition, Fees and Services, <i>Net of Scholarship Allowances</i>	\$ 2,961,364	\$ 2,162,943	\$ 1,943,515	\$ (219,428)
Other Local	203,450	245,400	304,110	58,710
State Grants	2,759,161	2,718,705	2,766,823	48,118
Federal Grants	363,997	874,620	567,337	(307,283)
TOTAL REVENUES	6,287,972	6,001,668	5,581,785	(419,883)
EXPENDITURES				
Current				
Instruction	2,906,119	2,960,670	2,563,088	397,582
Supporting Services				
Students	573,511	538,133	591,787	(53,654)
Instructional Staff	105,999	161,864	179,010	(17,146)
General Administration	3,500	3,500	-	3,500
School Administration	433,371	431,497	442,464	(10,967)
Business Services	1,044,692	1,109,472	467,121	642,351
Operations and Maintenance	357,939	332,802	314,805	17,997
Central Services	112,558	147,391	156,631	(9,240)
Total Supporting Services	2,631,570	2,724,659	2,151,818	572,841
Capital Outlay	-	-	135,193	(135,193)
TOTAL EXPENDITURES	5,537,689	5,685,329	4,850,099	835,230
CHANGE IN FUND BALANCE	750,283	316,339	731,686	415,347
FUND BALANCE, Beginning	2,669,265	2,648,729	2,648,729	-
FUND BALANCE, Ending	\$ 3,419,548	\$ 2,965,068	\$ 3,380,415	\$ 415,347

TECHNICAL COLLEGE OF THE ROCKIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
College's Proportion of the Net Pension Liability	0.0266549219%	0.0294898759%	0.0233814853%	0.0255793012%
College's Proportionate Share of the Net Pension Liability	\$ 4,599,280	\$ 5,214,819	\$ 4,257,643	\$ 2,976,757
State's Proportionate Share of the Net Pension Liability Associated with the College	<u>413,088</u>	<u>114,346</u>	<u>1,240,720</u>	<u>306,151</u>
Total Proportionate Share of the Net Pension Liability	<u><u>5,012,368</u></u>	<u><u>5,329,165</u></u>	<u><u>5,498,363</u></u>	<u><u>3,282,908</u></u>
College's Covered Payroll	\$ 2,059,749	\$ 1,949,547	\$ 1,801,909	\$ 1,581,509
College's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	236%	188%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	75%	75%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
COLLEGE CONTRIBUTIONS				
Statutorily Required Contribution	\$ 442,099	\$ 398,811	\$ 396,719	\$ 337,501
Contributions in Relation to the Statutorily Required Contribution	<u>(442,099)</u>	<u>(398,811)</u>	<u>(396,719)</u>	<u>(337,501)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
College's Covered Payroll	\$ 2,169,275	\$ 1,956,872	\$ 1,946,601	\$ 1,697,689
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0278466040%	0.0245873930%	0.0253300495%	0.0301301015%	0.0327490355%	0.0349529803%
\$ 4,209,845	\$ 4,139,215	\$ 4,485,206	\$ 9,743,004	\$ 9,750,654	\$ 5,345,812
<u>-</u>	<u>465,912</u>	<u>539,518</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,209,845</u>	<u>4,605,127</u>	<u>5,024,724</u>	<u>9,743,004</u>	<u>9,750,654</u>	<u>5,345,812</u>
\$ 1,489,025	\$ 1,441,981	\$ 1,503,946	\$ 1,389,083	\$ 1,470,002	\$ 1,496,971
283%	287%	298%	701%	663%	357%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 292,345	\$ 281,160	\$ 274,111	\$ 253,426	\$ 264,005	\$ 262,268
<u>(292,345)</u>	<u>(281,160)</u>	<u>(274,111)</u>	<u>(253,426)</u>	<u>(264,005)</u>	<u>(262,268)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,489,851	\$ 1,450,775	\$ 1,432,884	\$ 1,341,989	\$ 1,436,049	\$ 1,478,116
19.62%	19.38%	19.13%	18.88%	18.38%	17.74%

TECHNICAL COLLEGE OF THE ROCKIES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
College's Proportion of the Net OPEB Liability	0.0170660565%	0.0176421996%	0.0177569065%	0.0167013446%
College's Proportionate Share of the Net OPEB Liability	\$ 81,604	\$ 125,917	\$ 144,981	\$ 144,017
College's Covered Payroll	\$ 2,059,749	\$ 1,949,547	\$ 1,801,909	\$ 1,581,509
College's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
COLLEGE CONTRIBUTIONS				
Statutorily Required Contribution	\$ 22,127	\$ 19,960	\$ 19,855	\$ 17,316
Contributions in Relation to the Statutorily Required Contribution	<u>(22,127)</u>	<u>(19,960)</u>	<u>(19,855)</u>	<u>(17,316)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$ 2,169,275	\$ 1,956,872	\$ 1,946,601	\$ 1,697,689
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
The full 10-year period will be presented when available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0161019934%	0.0160736790%	0.0164646654%	0.0171198174%
\$ 153,005	\$ 180,631	\$ 224,009	\$ 222,489
\$ 1,489,025	\$ 1,441,981	\$ 1,503,946	\$ 1,389,083
10%	13%	15%	16%
33%	24%	17%	18%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 15,196	\$ 14,798	\$ 14,615	\$ 13,688
<u>(15,196)</u>	<u>(14,798)</u>	<u>(14,615)</u>	<u>(13,688)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 1,489,851	\$ 1,450,775	\$ 1,432,884	\$ 1,341,989
1.02%	1.02%	1.02%	1.02%

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The College adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the School Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- All budget appropriations lapse at fiscal year-end.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - 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 the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of 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.

HCTF Plan - As of the 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 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.

As of the December 31, 2024, measurement date, the fiduciary net position, and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

TECHNICAL COLLEGE OF THE ROCKIES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

SB 25-310 was enacted on June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars will be proportioned over time to replace reductions to the future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

HCTF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups. Participation rates were reduced. MAPD premium costs are no longer age graded.

For RSI disclosures reported in previous years to the PERA’s annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

SUPPLEMENTARY INFORMATION

TECHNICAL COLLEGE OF THE ROCKIES
BUDGETARY COMPARISON SCHEDULE
STUDENT ACTIVITY FUND (COLLEGE)
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Contributions and Donations	\$ 10,000	\$ 10,000	\$ 216	\$ (9,784)
EXPENDITURES				
Current				
Instruction	10,000	10,000	6,347	3,653
TOTAL EXPENDITURES	10,000	10,000	6,347	3,653
CHANGE IN FUND BALANCE	-	-	(6,131)	(6,131)
FUND BALANCE, Beginning	-	50,267	60,931	10,664
FUND BALANCE, Ending	\$ -	\$ 50,267	\$ 54,800	\$ 4,533