AIMS COMMUNITY COLLEGE

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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AIMS COMMUNITY COLLEGE
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MANAGEMENT'S LETTER

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

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

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

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

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

Chuck Jensen
Vice President for Administrative Services

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of Aims Community College (the College), which comprise the statement of net position as of June 30, 2025 and the related statement of activities, statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Aims Community College as of June 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability (PERA – SDTF), the Schedule of the College's Proportionate Share of the Net OPEB Liability (PERA –HCTF), the Schedule of the College's Contributions (PERA – SDTF) and the Schedule of the College's Contributions (PERA – HCTF), collectively referred to as required supplementary information as listed in the table of contents, to be presented to supplement the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Actual to Budget Comparison – All Funds and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by* Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, CO
January 30, 2026

AIMS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Overview

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

Purpose: Opening Doors to Enrich Lives for a Better Tomorrow!

Vision: Looking Ahead to Empower the Future – Today!

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

With the Purpose, Vision, and Mission in mind, we are pleased to present this management's discussion and analysis (MD&A) of the Aims Local College District (the District). This discussion and analysis is intended to make the District's financial statements easier to understand and to communicate its financial situation in an open and accountable manner. It provides an objective analysis of the District's financial position and results of operations as of and for the fiscal year ended June 30, 2025. District Management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

The presented information relates to the financial activities of the District and focuses on the financial condition and results of operations as a whole. The financial statements for the Aims Community College Foundation, a legally separate organization whose operations benefit the District, are discretely presented within the District's financial statements. Unless otherwise noted, the information and financial data included in the MD&A relate solely to the District.

Understanding the Financial Statements

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

- The *Independent Auditors' Report* presents an unmodified opinion prepared by the District's auditors, CliftonLarsonAllen, LLP (CLA, LLP), an independent certified publicaccounting firm, on the fairness, in all material respects, of the District and its discretely presented component unit's respective financial position.

- The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District at a point in time (June 30, 2025 and 2024). Its purpose is to present a financial snapshot of the District. This statement aids readers in determining the assets available to continue the District's operations.

- *Statement of Revenues, Expenses, and Changes in Net Position* presents the total revenues earned and expenses incurred by the District for operating, nonoperating, and other related activities during a period of time (the years ended June 30, 2025 and 2024). Its purpose is to assess the District's operating results.

- *Statement of Cash Flows* presents the District's cash receipts and payments during a period of time (the years ended June 30, 2025 and 2024). Its purpose is to assess the District's ability to generate net cash flows and meet its payment obligations as they come due.

- *Notes to Financial Statements* present additional information to support the financial statements and are commonly referred to as Notes. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found. We suggest that you combine this financial analysis with relevant nonfinancial indicators to assess the overall health of the District.

Financial Highlights

The following are significant financial highlights for the fiscal year ended June 30, 2025:

- At June 30, 2025, District assets totaled $399.0 million. These assets included $107.9 million of cash and cash equivalents, $276.0 million of net capital assets, and $15.0 million of other assets.

- District liabilities include $15.7 million of current liabilities estimated to be payable within the 2026 fiscal year. Noncurrent liabilities in the amount of $111.6 million include:

  - $2.7 million for employee future compensated absences,

  - $5.5 million in future right-of-use (ROU) lease and subscription-based information technology agreement payments

  - $1.9 million for District's proportionate share of the net Other Postemployment Benefits (OPEB) liability as required by Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and

  - $101.5 million for the District's proportionate share of the net Colorado State Public Employees Retirement Association (PERA) pension liability as required by Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial reporting for Pensions.*

- GASB 68 and GASB 75 also required the District to record deferred outflows of resources and deferred inflows of resources related to pensions and OPEB. These deferred inflows and outflows reflect the change in the pension and OPEB liabilities and will be recognized in pension and OPEB expense in future periods. PERA pension and OPEB deferred outflows of resources were $15.3 million and $30.2 million at June 30, 2025 and 2024, respectively. Deferred inflows of resources related to pension and OPEB were recorded in the amounts of $4.6 million and $4.6 million at June 30, 2025 and 2024, respectively.

- The District's net position at June 30, 2025 was comprised of $4.5 million restricted by donor, grantor, or other external party intentions; $269.0 million was comprised of net investments in capital assets; and $8.9 million in unrestricted net position. The total net position of the District was $282.3 million and $264.1 million at June 30, 2025 and 2024, respectively. This increase in total net position of $18.2 million is detailed on the 2025 Statement of Revenues, Expenses, and Changes in Net Position.

- Operating revenues from student tuition, restricted grants and other operating revenues decreased by 3.7%, and were $21.9 million and $22.7 million in fiscal years 2025 and 2024, respectively.

- Net nonoperating revenues decreased by 11.8% and were $138.6 million and $157.2 million in fiscal years 2025 and 2024, respectively. This decrease was the result of decreases from property taxes ($22.7 million decrease), offset by increases in state appropriations of $1.3 million, investment income of $0.3 million, and federal nonoperating revenues of $3.3 million. Other nonoperating revenue decreased by $43,125.

- Total operating expenses increased 5.8% and were $142.4 million and $134.5 million in fiscal years 2025 and 2024, respectively. The change was driven by the District's education and general expenses increasing by $3.5 million, and a change in non-cash related PERA/OPEB expenses of $4.3 million.

- The District completed $4.8 million and $47.2 million of land and building improvement projects during fiscal years 2025 and 2024, respectively. Depreciation expense for the District increased 12.8% during fiscal year 2025 Depreciation expense was $23.5 million and $20.8 million for fiscal year 2025 and 2024, respectively. The District had $12.3 million and $4.4 million in building and land improvement construction projects in progress as of June 30, 2025 and 2024, respectively.

Statement of Net Position

The Statement of Net Position is a snapshot of the District's financial resources at June 30, 2025. This statement presents:

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

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

Condensed Statement of Net Position

	June 30, 2025	June 30, 2024
ASSETS		
Current assets	$ 122,918,655	$ 97,155,441
Capital assets	276,036,375	273,869,862
TOTAL ASSETS	398,955,030	371,025,303
DEFERRED OUTFLOWS OF RESOURCES	15,310,853	30,184,779
LIABILITIES		
Current liabilities	15,715,353	12,317,631
Noncurrent liability - Right-of-use liabilities	5,471,449	1,811,798
Noncurrent liabiliy-Employee compensated absences	2,744,599	2,635,635
Noncurrent liabiliy-Net pension liability	101,509,275	112,932,064
Noncurrent liabiliy-OPEB Liability	1,920,236	2,825,346
TOTAL LIABILITIES	127,360,912	132,522,474
DEFERRED INFLOWS OF RESOURCES	4,576,191	4,585,309
NET POSITION		
Net investment in capital assets	268,965,795	269,425,458
Restricted for expendable purposes	4,504,991	4,162,268
Unrestricted	8,857,994	(9,485,427)
TOTAL NET POSITION	$ 282,328,780	$ 264,102,299

ASSETS

Current Assets

Current assets consist of cash and cash equivalents, short term investments (investments with maturities less than twelve months), student accounts receivable, accounts receivable, property tax receivable, inventories and prepaid assets. Of the District's current assets, 87.8% was held in cash and cash equivalents. All operating expenses and capital projects were funded using cash and investment assets.

Accounts receivable includes credit and non-credit student tuition and fee billings, transactions between the College and the College Foundation, accrued interest, grant awards, financial aid and scholarships, and other miscellaneous operational transactions. Accounts receivable increased from 2024 to 2025 by $1.0 million, with the majority of the increase due to a receivable from the Aims Foundation and an increase in receivables for grants. Student accounts receivable remained steady with $1.7 million in receivables for both 2025 and 2024.

Property tax receivable represents taxes expected for the period January 1 through December 31. The property tax receivable between fiscal years 2024 and 2025 increased by 15.3%, or $1.5 million. As of the date of issuance, all of the certified amount has been collected.

Prepaid expenses arise from payments for insurance premiums, leases, warranties, maintenance agreements, professional dues, rent, memberships, subscriptions, deposits, and employee travel. The general dollar threshold for an expense to be considered for prepayment is $5,000 per item, except for insurance premiums, rents, leases, and p-card transactions, which are expensed 100% in the correct fiscal year, irrespective of amount. The $0.7 million increase in prepaid expenses from fiscal year 2024 to 2025 is the result of products and service terms crossing fiscal years, with products and services beginning in 2025-26 and payments made in 2024-25.

Capital Assets

The District's single largest financial resource is its campus facilities and capital assets. Capital assets consist of District land, land improvements, infrastructure and improvements, vehicles and equipment, capital leases, subscription-based information technology agreements (SBITA), and construction in progress. Capital assets of land, infrastructure, building improvements and new buildings are capitalized if they have a cost of $50,000 or more. Capital assets such as vehicles and equipment that have a unit cost of $5,000 or more and an initial useful life extending beyond one year are recorded at book value at the time of purchase. SBITA determined to have a right-of-use asset value of $75,000 or more are capitalized and amortized over the term length of the agreement or three years for annual subscriptions. Capital assets are reported net of accumulated depreciation.

Capital assets net of accumulated depreciation totaled $276.0 million at June 30, 2025, and $273.9 million at June 30, 2024. The $2.2 million increase in net capital assets is primarily attributable to capital acquisitions and ongoing capital construction projects. At June 30, 2025 the District had invested $12.5 million in capital construction projects in progress at year-end. Construction-in-progress increased by $8.1 million from the previous year end with the largest portion of the increase attributed to the construction of the new Aims Workforce Innovation Center building in the amount of $3.1 million, the new Student Health Center building in the amount of $2.3 million, and Aviation hangar renovations in the amount of $1.0 million.

Note 6 of this report summarizes changes in capital assets between June 30, 2024 and June 30, 2025.

Deferred Outflows of Resources

Deferred outflows of resources can be defined as an outlay of resources by the District that is applicable to a future reporting period. For fiscal year 2025, PERA pension and OPEB related outflows, which reflect the changes in the PERA pension and OPEB liabilities to be recognized in future periods, totaled $15.3 million. Deferred PERA pension outflows of resources were $14.8 million and $29.6 million, at June 30, 2025 and 2024, respectively; deferred OPEB outflows of resources were $0.5 million and $0.6 million, at June 30, 2025 and 2024, respectively.

LIABILITIES

Current Liabilities

Current liabilities include amounts owed to vendors, personnel commitments, and unearned revenue due to be paid or earned within one year. Accounts payable and accrued liabilities are the District's most significant current liabilities. Accounts payable liabilities at June 30, 2025 were $7.0 million and included amounts payable in July and August 2024 for contracted services and equipment purchases. Accrued liabilities of $4.7 million were primarily for employee payroll and fringe benefits paid during July 2025.

Current right-of-use (ROU) leases payable in the amount of $0.1 million represents amounts owed in the next 12 months for five airplane leases for the Aviation program, three truck leases for the Commercial Driver's License (CDL) program, and one mail postage machine. Current ROU subscription-based information technology agreements (SBITA) payable in the amount of $1.3 million includes subscription costs for the use of 43 individual software and IT assets in the next 12 months.

Unearned revenues of $1.6 million includes tuition and fees received by June 30, 2025 for services to be provided in fiscal year 2026. It also includes revenues received from grants and contracts that have not yet been earned.

Deposits held for others is cash that the District is holding for another organization that does not belong to the District. Deposits held for others were $0.4 million at June 30, 2025 including cash held for student clubs, third party scholarships, Colorado payback, and facility use deposits.

Noncurrent Liabilities

Noncurrent liabilities are those items that are due beyond the 12-month period ending June 30, 2025. The District's noncurrent liabilities include the District's net PERA pension liability required by GASB 68, its net OPEB liability required by GASB 75, its commitments to pay employee compensated absences for vacation and sick leave, and ROU asset lease liabilities.

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

The District's net pension liability required by GASB 68 was $101.5 million and $112.9 million at June 30, 2025 and 2024, respectively. This $11.4 million decrease was due to an decrease in proportionate share of the net pension liability as well as changes in assumptions in the actuarial valuation used to calculate the net pension liability. The District has no legal obligation to fund this net pension liability, nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

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

The District's net OPEB liability required by GASB 75 was $1.9 million at June 30, 2025, and $2.8 million at June 30, 2024. The District has no legal obligation to fund this net pension liability; nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA.

The District's noncurrent liability for employee compensated absences increased slightly to $2.7 million at June 30, 2025, up from $2.6 million at June 30, 2024. Details concerning the District's compensated absences is provided in Note 12.

The ROU lease liability of $0.4 million is the portion of the CDL truck leases, and mail postage machine that will be paid in a period longer than 12 months after June 30, 2025. Note 13 of these financial statements provides additional information related to long term lease obligations.

The ROU SBITA liability of $5.1 million is the portion of software subscription agreements that will be paid in a period longer than 12 months after June 30, 2025. Note 14 of these financial statements provides additional information related to SBITA obligations.

Deferred Inflows of Resources

Deferred inflows of resources can be defined as an acquisition of resources by the District that is applicable to a future reporting period. Deferred inflows of resources related to PERA pensions were recorded in the amount of $3.5 million and $3.7 million; deferred inflows of resources related to OPEB were $1.0 million and $0.9 million at June 30, 2025 and June 30, 2024, respectively.

Net Position

Net position represents the resources available for future operations. The District's total net position equals assets plus deferred outflows of resources, reduced by liabilities and deferred inflows of resources. Net position is classified in three types: Net Investment in Capital Assets, Restricted, and Unrestricted. Total net position was $282.3 million and $264.1 million at June 30, 2025 and 2024, respectively. The District's educational and auxiliary revenues contributed $21.9 million in net position; non-operating revenues contributed $138.6 million.

Net Investment in Capital Assets

Net investment in capital assets refers to purchases of capital assets including land, equipment, buildings and building improvements, infrastructure and infrastructure improvements, ROU leases, and ROU SBITA, less any related debt. This is the District's largest class of net position, comprising $269.0 million and $269.0 million of the District's net position at June 30, 2025 and 2024, respectively.

Restricted

Restricted expendable assets are those items restricted in use by parties external to the District. TABOR reserves are a requirement of the State of Colorado, and require the District to set aside reserves for declared emergencies of 3% or more of fiscal year spending, excluding bonded debt service payments and auxiliary funds. The TABOR reserve was $4.5 million and $3.7 million for the period ended June 30, 2025 and June 30, 2024, respectively. Nongovernmental grants and gifts make up the remaining portion of restricted net position and were $47,386 and $446,891 for the fiscal years ended June 30, 2025 and June 30, 2024, respectively.

Unrestricted

Unrestricted net position represents those balances received from operational activities that have not been restricted by parties external to the District. This includes funds which have been designated by the governing board for specific purposes as well as amounts that have been contractually committed for goods and services which have not yet been received. Unrestricted net position was $8.9 million and ($9.5 million) at June 30, 2025 and June 30, 2024, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position present the financial activity of the District over the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. A key component of this statement is the differentiation between operating and nonoperating activities.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	For the year ended June 30, 2025	For the year ended June 30, 2024
Operating Revenues:		
Net tuition and fees	$ 11,044,234	$ 11,927,822
Grants and contracts	9,846,201	9,681,761
Auxiliary operating revenue	721,598	972,201
Other operating revenues	262,533	140,600
Total Operating Revenues	**21,874,566**	**22,722,384**
Operating Expenses:		
Educational and general	117,621,030	112,489,394
Auxiliary	1,272,567	1,219,239
Depreciation and amortization	23,469,490	20,806,745
Total Operating Expenses	**142,363,087**	**134,515,378**
Operating Loss	**(120,488,521)**	**(111,792,994)**
Nonoperating Revenues (Expenses) and Gains (Losses)		
Net general property taxes	110,052,023	132,752,239
State appropriations	18,004,391	16,665,297
Federal nonoperating revenue	9,200,053	5,935,630
Investment income	1,891,145	1,553,863
Other nonoperating revenues	575,544	618,669
Loss on disposal of assets	(849,370)	(70,111)
Interest on capital asset	(246,589)	(212,821)
Net Nonoperating Revenues	**138,627,197**	**157,242,766**
Capital contributions	**87,805**	**190,564**
Increase in Net Position	**18,226,481**	**45,640,336**
Net Position, Beginning of Year	**264,102,299**	**218,461,963**
Net Position, End of Year	**$ 282,328,780**	**$ 264,102,299**

Revenues

Operating Revenues

Operating revenues are derived from tuition and fees, auxiliary activity, grants and contracts, and other operating revenues.

Tuition and fees

This category includes all tuition and fees assessed for educational purposes. Tuition and fees revenue, gross of the scholarship allowance, totaled $20.4 million and $17.7 million for the years ended June 30, 2025 and June 30, 2024, respectively. A scholarship allowance is applied to student accounts and is shown as a reduction of student tuition revenue. The scholarship allowance for FY25 and FY24, was $9.3 million and $5.8 million, respectively. This discount is calculated using an approved methodology designed to reflect other scholarship revenues and institutional scholarship expenses used specifically for tuition and fees. For example, the District records funds received from the Pell grant program as revenue. Those funds are then applied to student accounts in payment of tuition and fees which are also included as revenue. Without this discount, student tuition revenues would be overstated by the double counted amount. The increase in the amount of the allowance between the two fiscal years was due to a change in methodology that will be further explained in the "Scholarship Allowances" section of Note 1.

Enrollment Highlights

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

The tables below summarize student enrollment data over the past five years. The District's unduplicated student headcount and full time equivalent enrollment (FTE, defined as students enrolled in 30 or more credit hours per year), has steadily increased since 2021.

Student Headcount Enrollment

Fiscal Year	Unduplicated headcount	Percent Change
2025	11,317	12.5%
2024	10,056	4.3%
2023	9,643	6.5%
2022	9,054	3.2%
2021	8,775	-5.0%

Student FTE Enrollment

	Resident FTE				Nonresident FTE		Combined FTE	
Fiscal Year	In-District	Out-of-District	Total	Percent Change	Out-of-State	Percent Change	Total	Percent Change
2025	3760	820	4580	15.0%	79	2.7%	4659	14.7%
2024	3261	723	3984	4.2%	77	8.8%	4061	4.3%
2023	3041	783	3824	6.5%	71	-4.7%	3895	6.2%
2022	2891	701	3592	5.6%	74	1.6%	3666	5.5%
2021	2615	786	3401	-9.4%	73	-41.5%	3474	-10.4%

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

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

High school students enrolled in a concurrent high school/college program represented the majority of the increases in headcount and FTE from the 2023-24 to 2024-25 academic year. High school concurrent student FTE increased by 16.71%, while college-level student FTE increased by 10.84%. Of those college-level students, returning student FTE increased by 11.53%, while first time college-level students increased by 9.02%.

Grant and contract revenues

Grant and contract operating revenues include restricted revenues from governmental agencies and private agencies, excluding Pell grants revenues. The majority of grant revenues are recorded as reimbursement of expenses associated with the grant. Grant and contract revenue was $9.8 million and $9.7 million at June 30, 2025 and June 30, 2024, respectively. See Federal Nonoperating Revenue below for information on Pell and other nonoperating grants.

Auxiliary enterprises

Auxiliary enterprises exist primarily to furnish goods or services to students, faculty, staff, or the general public and charge a fee directly related to the cost of those goods or services with the intention of being self-supporting. Food Services, facility rentals, bookstore commissions, and event ticket sales provided $0.7 million in fiscal year 2025, which is down from the prior year amount of $1.0 million.

Other operating revenues

Other operating revenues are comprised of income from miscellaneous sources including collection of prior year bad debts, taxable and non-taxable sales, prior year insurance recoveries, and administration fees. Other operating revenues were $0.2 million in fiscal year 2025 and $0.1 million in 2024.

Nonoperating Revenues

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

General property tax revenue

Property taxes represent the District's largest source of revenue, generating 67.8% of total revenues to the District. Property tax revenues include oil and gas production, oil and gas equipment, business personal property, other natural resources and state assessed property. The FY25 valuation certified by the County Assessor for the District, decreased 17.1% primarily due to a decrease in oil and gas prices in Weld County. The values of the remaining items that make up property taxes as a whole increased. The base mill levy remained unchanged at 6.299 mills which generated $110.1 million and $132.8 million in gross revenue for fiscal years 2025 and 2024, respectively.

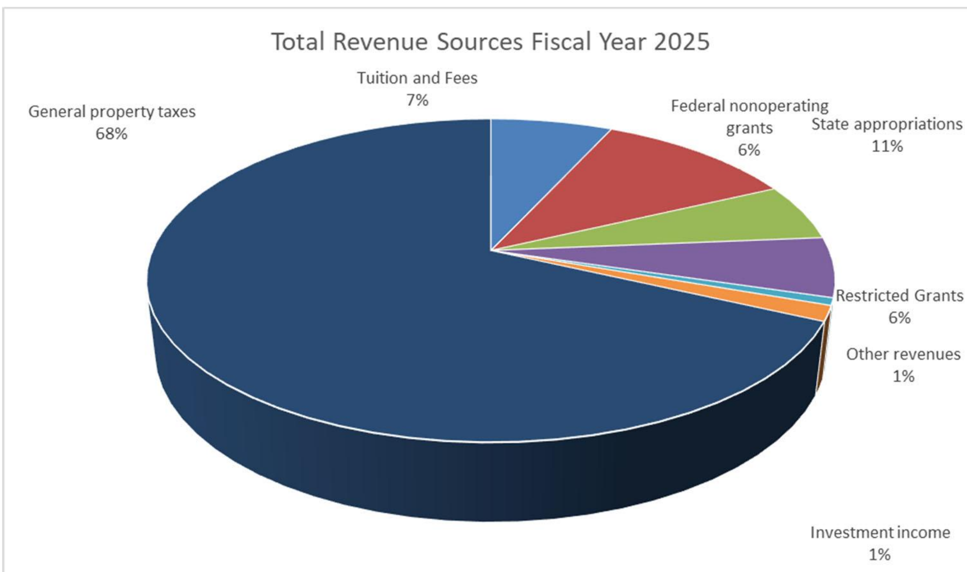
State appropriations

Colorado state appropriations and Amendment 50 gaming revenues are collectively reported as non-operating state appropriations. The increase in this category was $1.3 million, from $16.7 million in fiscal year 2024 to $18.0 million in fiscal year 2025.

Federal Nonoperating Revenue

Non-exchange funds are not direct payment for services or products. Pell grants account for all revenue in this category, and increased from $5.9 million in fiscal year 2024 to $9.2 million in fiscal year 2025. The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to postsecondary education. The $3.3 million increase was due to two factors: 1) the Federal Application for Student Financial Aid (FASFA) formula changed from "Expected Family Contribution" to "Student Aid Index" during the FASFA simplification, so more students became Pell eligible; and 2) there was an increase in student enrollment between FY24 and FY25. The number of students awarded in FY24 was 1,548; in FY25 2,096 students were awarded.

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



Expenses

Operating Expenses

Operating expenses include salaries and benefits, goods and services provided to the District, institutional scholarships, and operations and maintenance of plant. Total operating expenses were $142.4 million and $134.5 million for fiscal years 2025 and 2024, respectively, an increase of $7.8 million. The primary reason for this increase is due to salaries, wages and benefits.

Management's Analysis of Natural Classifications

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

Natural classifications

Operating Expenses by Natural Classification Exclusive of GASBs 68 and 75

	Year Ended June 30, 2025	Year Ended June 30, 2024	Variance
Employee & Personnel Services	$ 76,202,216	$ 69,929,399	$ 6,272,817
GASB 68 & 75 Expense	2,536,910	(1,742,043)	4,278,953
Subtotal Personnel Services	78,739,126	68,187,356	10,551,770
Supplies	4,289,285	6,092,769	(1,803,484)
Operating	26,515,156	29,428,137	(2,912,981)
Student Aid	9,350,030	10,000,371	(650,341)
Depreciation	23,469,490	20,806,745	2,662,745
Total Operating expenses	**$ 142,363,087**	**$ 134,515,378**	**$ 7,847,709**

Personnel costs are the District's largest operating expense, and increased to $76.2 million in 2025, up from $69.9 million in 2024. Increases in salaries and benefits are reflective of increased salary funding, and increased health insurance costs in fiscal year 2025 (exclusive of GASB 68 for pension expense of $3.2 million and GASB 75 for OPEB expense ($0.6 million)).

Total supplies and operating expenses decreased between fiscal years 2024 and 2025 by $4.7 million. The decrease is attributed to a $1.8 million decrease in supplies mainly because projects were finished in FY24 so continued expenditures did not occur in FY25. There was a $2.9 million decrease in operating expenses, primarily from IT software contracts that ended in FY24 that were not renewed in FY25, and partially due to the implementation of GASB 96 *Subscription Based IT Arrangements* (SBITA).

Scholarships, including Federal, state, local and institutional scholarships, decreased by $0.7 million, totaling $9.4 million and $10.0 million in fiscal years 2025 and 2024, respectively. The decrease in this category is a result of a change in the way the tuition discount was calculated in FY25, which was based upon industry guidance and best practices. For fiscal years 2025 and 2024, Pell grants were $9.2 million and $5.9 million, respectively.

The operating loss of $120.5 million is prior to the application of state and local revenues. The District is not intended to be self-supporting and, although tuition and fees are an important source of revenue, the District could not operate without funding from the Federal Government, State of Colorado and Weld County. Fiscal year 2025 operating loss increased by $8.7 million from fiscal year 2024 primarily due to the increase in employee and personnel services of $6.3 million.

Management's Analysis of Functional Classifications

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

Each functional area in the following tables was adjusted by the portion of the non-cash journal entries for GASB 68 and GASB 75 based on its proportion of PERA payroll (see Notes 8 and 10). The following two tables provide information regarding the District's expenditures by functional classifications prior to GASBs 68 and 75 for the years 2025 and 2024, respectively. The expenses for GASBs 68 and 75 were $2.5 million in fiscal year 2025, and ($1.7 million) in fiscal year 2024.

Functional Classification Operating Expenses by Function
With GASB 68 and 75 Expense Separately Identified

	Fiscal Year Ended June 30, 2025		
	Expenses before GASB 68 & 75 Expense	GASB 68 & 75 Expense	Total Expenses
Instruction	42,867,079	1,034,227	43,901,306
Public service	50,283	62	50,345
Academic support	16,272,716	438,876	16,711,592
Student services	15,720,748	445,954	16,166,702
Institutional support	18,860,647	453,651	19,314,298
Operation of plant	11,988,276	138,481	12,126,757
Student aid	9,350,030	-	9,350,030
Auxilliary	1,246,909	25,658	1,272,567
Depreciation and amortization	23,469,490	-	23,469,490
Total Operating Expenses	**139,826,177**	**2,536,910**	**142,363,087**

	Fiscal Year Ended June 30, 2024		
	Expenses before GASB 68 & 75 Expense	GASB 68 & 75 Expense	Total Expenses
Instruction	39,637,804	(712,885)	38,924,919
Public service	54,071	(78)	53,993
Academic support	14,831,892	(288,901)	14,542,991
Student services	14,639,877	(306,539)	14,333,338
Institutional support	22,859,628	(322,181)	22,537,447
Operation of plant	12,191,832	(95,497)	12,096,335
Student aid	10,000,371	-	10,000,371
Auxiliary	1,235,201	(15,962)	1,219,239
Depreciation and amortization	20,806,745	-	20,806,745
Total Operating Expenses	**136,257,421**	**(1,742,043)**	**134,515,378**
Variance Fiscal Year 2025 and 2024	**3,568,756**	**4,278,953**	**7,847,709**

	Variance before GASB 68 & 75	GASB 68 & 75 Variance	Total Variance
Instruction	3,229,275	1,747,112	4,976,387
Public service	(3,788)	140	(3,648)
Academic support	1,440,824	727,777	2,168,601
Student services	1,080,871	752,493	1,833,364
Institutional support	(3,998,981)	775,832	(3,223,149)
Operation of plant	(203,556)	233,978	30,422
Student aid	(650,341)	-	(650,341)
Auxilliary	11,708	41,620	2,662,745
Depreciation and amortization	2,662,745	-	53,328
Total Operating Expenses variances	**3,568,756**	**4,278,953**	**7,847,709**

The following analysis will discuss changes without the non-cash GASB 68 and 75 expenditures (PERA and OPEB) given the PERA and OPEB expense was previously discussed.

Instruction expenses increased by $3.2 million between fiscal years 2024 and 2025, due to an increase of $2.5 million in salary and fringe benefits and an increase in supplies and operating expenses in the amount of $0.7 million.

Academic support expenses increased by $1.4 million between fiscal years 2024 and 2025, due to an increase of $1.6 million in salary and fringe benefits and a decrease in supplies and operating expenses in the amount of $0.2 million.

Student services expenses increased by $1.1 million during fiscal year 2025 due to an increase in salary and benefit expenses of $1.0 million, and an increase in supplies and operating expenses of $0.1 million.

Institutional support expenses decreased by $4.0 million during fiscal year 2025 due to an increase in salary and benefit expenses of $0.8 million, and a decrease in supplies and operating expenses of $4.8 million.

Operation of plant expenses decreased $0.2 million during fiscal year 2025 due to an increase in salary and benefit expenses of $0.3 million, and a decrease in supplies and operating expenses in the amount of $0.5 million.

Auxiliary and public service expenses increased $7,919 during fiscal year 2025 due to an increase in salary and benefit expenses of $103,137, and a decrease in supplies and operating expenses in the amount of $92,218 million.

Student aid decreased by $0.7 million as a result of a higher discount with the implementation of NACUBO Advisory 2023-01. Depreciation expenses increased by $2.7 million between fiscal years 2024 and 2025 due to the completion of several large construction projects.

Economic Outlook

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

To manage student enrollment, the District has developed several programs to improve student success and retention as outlined in the five year strategic plan approved by the Board of Trustees on August 9, 2023. In 2025, the District completed a major renovation of a new airplane hanger and began construction of a new Student Health Center. In 2024, the District began construction of a new Aims Workforce Innovation Center. Both of the new building projects are expected to be completed in fiscal year 2027.

The economic issues that are affecting the State of Colorado are closely monitored by the District and the higher education community as a whole. The economic forecast for fiscal year 2026 is showing some positive indicators with expected strong property tax revenue from the oil and gas industry and increased residential and commercial property valuations. The District will continue to monitor economic forecasts issued by the State of Colorado and plan accordingly.

The growth and the assessed valuation of property within the taxing district play a critical role. Six counties contribute to the assessed value of the taxing district, with the largest contribution coming from Weld County. For fiscal year 2025, approximately 60% of property tax revenue was derived from oil and gas production in Weld County. The funding swings in oil and gas property tax revenues require careful monitoring by the District when planning for the future. The District has prepared well financially for economic swings in the oil and gas industry by maintaining adequate reserves to minimize potential impacts caused by economic fluctuations.

Additionally, the District analyzes tuition rates annually and adjusts tuition based on funding mix and projected costs. After remaining unchanged for eleven years, the Board of Trustees approved an increase in tuition rates for the 2022-23 Academic Year. This increase was the initial implementation of a 5-Year Tuition Strategy that was adopted by the Board of Trustees in March of 2021. The 5-year Tuition Strategy continues to prepare the College for the future by reducing risk within its revenue streams, providing long-term stewardship of future funding streams, and evenly distributing tuition growth in a manner that will be predictable for students. The District's tuition rates continue to be less than all thirteen of the Colorado State System community colleges and are competitive with Colorado Mountain College, a similarly funded Local College District.

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

Requests for Information

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

Requests for copies of the 2025 financial statements for Aims Community College Foundation should be also addressed to the Vice President for Administrative Services at the address provided above.

Financial Statements

AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 107,901,893
Student accounts receivable, net of allowance of $589,782	1,679,380
Accounts receivable, net	1,932,085
Property tax receivable, net	9,545,258
Inventories	59,237
Prepaid expenses and other current assets	1,800,802
Total Current Assets	122,918,655
Nondepreciable Capital Assets:	
Land	19,532,246
Land improvements	2,931,537
Art/historical figures	42,132
Construction-in-progress	12,522,631
Depreciable Capital Assets (Net):	
Land improvements	27,402,118
Buildings and improvements	183,716,883
Vehicles	1,037,442
Aircraft	5,207,815
Equipment and furniture	12,406,972
Right-of-Use (ROU) Leases	414,953
Right-of-Use (ROU) SBITAs	10,821,646
Total Capital Assets (Net)	276,036,375
Total Noncurrent Assets	276,036,375
TOTAL ASSETS	**398,955,030**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources-Pension	14,833,904
Deferred outflows of resources-OPEB	476,949
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**15,310,853**

AIMS COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
AS OFJUNE 30, 2025

LIABILITIES	
Current Liabilities:	
Accounts payable	7,033,593
Accrued liabilities	4,679,371
Unearned revenue	1,553,352
Compensated absence liabilities, current portion	686,150
Deposits held in custody for others	396,183
Right-of-use Leases payable	92,962
Right-of-use SBITAs payable	1,273,742
Total Current Liabilities	15,715,353
Noncurrent Liabilities:	
Compensated absence liabilities	2,744,599
Net pension liability	101,509,275
Net OPEB liability	1,920,236
Right-of-use assets Leases payable	394,751
Right-of-use assets SBITAs payable	5,076,698
Total Noncurrent Liabilities	111,645,559
TOTAL LIABILITIES	**127,360,912**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources-Pension	3,538,823
Deferred inflows of resources-OPEB	1,037,368
TOTAL DEFERRED INFLOWS OF RESOURCES	**4,576,191**
NET POSITION	
Net investment in capital assets	268,965,795
Restricted for expendable purposes	
TABOR reserves	4,457,605
Nongovernmental grants and gifts	47,386
Unrestricted	8,857,994
TOTAL NET POSITION	**$ 282,328,780**

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025

	2025
Assets	
Cash and cash equivalents	$ 5,050,509
Operating investments	3,532,259
Contributions receivable, net	61,993
Other receivables	54,159
Endowment	
Investments	6,845,616
Beneficial interest in perpetual trust	2,288,624
Total assets	$ 17,833,160
Liabilities	
Accounts payable	$ 141
Deposits held for Aims Community College	1,283,959
Unearned revenues	47,875
Total liabilities	1,331,975
Net Assets	
Without donor restrictions	
Board-designated endowment	495,619
Unrestricted	4,742,960
With donor restrictions	11,262,606
Total net assets	16,501,185
Total liabilities and net assets	$ 17,833,160

AIMS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2025

REVENUES	
Operating Revenues:	
Student tuition and fees, net of	
scholarship allowances of $9,344,989	$ 11,044,234
Federal grants and contracts	1,786,589
State and local grants, contracts and gifts	8,059,612
Sales and services of educational activities	50,052
Auxiliary operating revenue	721,598
Other operating revenue	212,481
Total Operating Revenues	**21,874,566**
EXPENSES	
Operating Expenses:	
Educational and general	
Instruction	43,901,306
Public service	50,345
Academic support	16,711,592
Student services	16,166,702
Institutional support	19,314,298
Operation of plant	12,126,757
Student aid	9,350,030
Depreciation and amortization	23,469,490
Auxiliary	1,272,567
Total Operating Expenses	**142,363,087**
Operating Loss	**(120,488,521)**
NONOPERATING REVENUES (EXPENSES)	
General property taxes, net of	
bad debt allowance of $501,712	110,052,023
State appropriations	18,004,391
Federal nonoperating revenue	9,200,053
Investment income	1,891,145
Other nonoperating revenues	575,544
(Loss) Gain on disposal of assets	(849,370)
Interest on right-of-use leases	(246,589)
Net Nonoperating Revenues	**138,627,197**
Income Before Other Revenues	**18,138,676**
Capital contributions	**87,805**
Change in Net Position	**18,226,481**
Net Position, beginning of year	**264,102,299**
Net Position, End of Year	**$ 282,328,780**

AIMS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions	$ 19,702	$ 636,751	$ 656,453
In-kind contributions	375,767	202,658	578,425
Net investment revenue (loss)	425,785	527,978	953,763
Grants	-	32,958	32,958
Special events revenue	-	8,651	8,651
Net assets released from restrictions	1,208,638	(1,208,638)	-
Total revenue, support, and gains	2,029,892	200,358	2,230,251
Expenses			
Program services expense			
Student scholarships	369,097		369,097
Support for academic programs	185,361		185,361
Support for student services	121,961		121,961
Other college programs	12,041		12,041
Total program expenses	688,460	-	688,460
Supporting services expense			
Management and general	499,937		499,937
Fundraising and development	100,431		100,431
Total supporting services expenses	600,368	-	600,368
Total expenses	1,288,828	-	1,288,828
Change in Net Assets	741,064	200,358	941,422
Net Assets, Beginning of Year	4,497,513	11,062,249	15,559,762
Net Assets, End of Year	$ 5,238,577	$ 11,262,606	$ 16,501,184

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Cash Received	
Tuition and fees	$ 10,427,414
Grants and gifts	8,175,676
Sales of services	50,052
Sales of products	693,143
Other receipts	315,730
Cash Payments	
Payments to or for employees	(75,442,917)
Payments to suppliers	(26,443,131)
Scholarships disbursed	(9,330,457)
Direct loans disbursements	(2,138,352)
Direct Loans receipts	2,138,352
Net cash used in operating activities	**(91,554,490)**
Cash Flows from Noncapital Financing Activities	
State appropriations, noncapital	18,004,391
Federal revenues, noncapital	9,200,053
General property taxes, noncapital	108,531,557
Increase in deposits held in custody for others	30,188
Other noncapital financing activities - royalties	575,548
Net cash provided by noncapital financing activities	**136,341,737**
Cash Flows From Capital and Related Financing Activities	
Acquisition or construction of capital assets	(20,103,245)
Principal paid on ROU asset debt	(3,668,151)
Interest paid on ROU asset debt	(246,589)
Net cash used in capital & related financing activities	**(24,017,985)**
Cash Flows from Investing Activities:	
Investment earnings or (loss)	1,946,565
Net cash used by investing activities	**1,946,565**
Increase (Decrease) in Cash and Cash Equivalents	22,715,827
Cash and Cash Equivalents, Beginning Year	85,186,066
Cash and Cash Equivalents, End of year	**$ 107,901,893**

AIMS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2025

Reconciliation of operating loss to net cash used in operating activities:		
Operating Loss	**$**	**(120,488,521)**
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense		23,469,490
Changes in operating assets, liabilities and deferred outflows and inflows:		
Receivables, net		(889,016)
Inventory, prepaid expenses and other assets		(655,241)
Deferred outflows of resources - Pension		14,767,045
Deferred outflows of resources - OPEB		106,880
Accounts payable and accrued liabilities		4,727,638
Unearned revenues		(384,095)
Compensated Absences		136,204
Deposits held in custody for others		(7,859)
Net Pension liability		(11,422,788)
Net OPEB liability		(905,110)
Deferred inflows of resources - Pension		(167,823)
Deferred inflows of resources - OPEB		158,705
Net cash used in operating activities	**$**	**(91,554,490)**
Noncash capital and related financing activities and investing activities:		
Construction accounts payable and retainages	$	(232,427)
Gain (loss) on disposal of capital assets		(849,370)
Donated Assets		87,805
Capital assets acquired through ROU SBITAs		6,536,323

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Blended Component Unit

The Aims Leasing Corporation (the Corporation), a Colorado not-for-profit corporation, was established on February 2, 2002, to acquire real and personal property to be used by the District. All assets and liabilities held by the Corporation were transferred to the District in 2017. During the fiscal year ended and as of June 30, 2025, there was no activity related to the Corporation.

The Aims College Campus Planned Community Association (the Association), a not-for- profit corporation under the Colorado Revised Nonprofit Corporation Act, was incorporated August 30, 2006, and was created pursuant to a Declaration (the Declaration) by the District to acquire real and personal property to be used by the District or the Association. The Declaration created separate ownership of a planned community unit, and for the ownership and management by the Association of the common elements appurtenant thereto. During fiscal year ended and as of June 30, 2025 there was no activity related to the Association.

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

Discretely Presented Component Unit

The Aims Community College Foundation (the Foundation), a not-for-profit corporation under Article 40, Title 7 of the Colorado Revised Statutes of 1973, was established in 1979 to promote the welfare, development, growth, and well-being of the District, and also to permit the Foundation to engage in such activities as may be beyond the scope of the Trustees of the District. In addition, the Foundation is concerned and involved in the affairs of the community. The Foundation is a separate legal entity with its own Board of Trustees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit (Continued)

Although the District does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the District. Because these restricted resources held by the Foundation can be used only by, or for the benefit of the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

The Foundation contributed $319,363 for program services to the District, $369,097 for student scholarships, and $87,805 in capital contributions during the year ended June 30, 2025. In addition, the District provided $375,767 of in-kind contributions to the Foundation. The District has recorded $1,283,959 in receivables from the Foundation as of June 30, 2025.

The financial statements of the Foundation may be obtained at the following address:

Aims Local College District
Attn: Vice President for Administrative Services
P.O. Box 69, 5401 W. 20th Street Greeley, CO 80634

Basis of Presentation

The District's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and Colorado Higher Education Accounting Standards.

The Foundation's financial statements have been presented under the reporting format described in FASB Accounting Standards Codification ASC 958-205, *Presentation of Financial Statements.*

Basis of Accounting

The District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. In addition, all significant inter-agency transactions have been eliminated.

Cash and Cash Equivalents

The District considers all liquid investments with original maturities of three months or less when purchased to be cash equivalents. At June 30, 2025, cash equivalents consisted primarily of cash on hand, bank deposits and money market accounts with brokers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments held by the District for the year ended June 30, 2025 were in money markets and the ColoTrust which is a statutory trust intended for the use of Colorado governments. These investments are classified as cash and cash equivalents on the Statement of Net Position. Investment income consists of interest income.

Accounts Receivable

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

Inventories

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

Property Taxes

Property taxes are levied in November and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. Six counties contribute to the assessed value of the taxing District, with the largest contribution coming from Weld County. The January 1, 2025 base mill levy for the District from Weld County was 6.299 mills, with a refund/abatement mill of 0.006. Total mill levy for the District was 6.305, or approximately $103.6 million. The District also receives specific ownership taxes paid for vehicle registrations. For the year ended June 30, 2025, the District received $4.7 million in specific ownership taxes. Anticipated tax revenue not received by June 30 is recorded as property tax receivable in the statement of net position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between 27 and 40 years for buildings, 15 to 25 years for land and building improvements, and 1 to 10 years for equipment, vehicles, aircraft, and ROU assets.

Due to requirements in GASB Statement No. 87, when operating as a lessee, the College is required to recognize a lease liability and an intangible right-to-use (ROU) lease asset, and when operating as a lessor, the College is required to recognize a lease receivable and a deferred inflow of resources. Assets recorded under ROU lease agreements are amortized over either the term of the lease or the estimated useful life, whichever period is shorter. The District has ROU leases commercial trucks, and one mail machine as of June 30, 2025.

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

Unearned Revenues

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

Compensated Absences

District policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. In accordance with GASB Statement No. 101, a liability for compensated absences is recognized when earned and attributable to services already rendered, and when it is probable that the District will compensate employees for such benefits, either through paid time off or cash payment. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation- related payments such as Medicare taxes and FAMLI Leave computed using rates in effect at that date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Noncurrent Liabilities

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

Deferred Outflows and Inflows of Resources

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

Cost-Sharing Defined Benefit Pension Plan

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

Other Postemployment Benefits (OPEB)

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of accumulated depreciation, and net of accounts payable related to capital construction and ROU leases and SBITA payable at June 30, 2025.

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

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

Classification of Revenue

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

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

Nonoperating revenues: Nonoperating revenues are those revenues that do not meet the definition of operating revenues. For example, nonoperating revenues include property taxes, state appropriations, Pell grants, gifts, and investment income.

Scholarship Allowances

Scholarship discounts and allowances represent the difference between the full cost of goods and services and the amount students pay or third parties pay on the students' behalf. Federal, state, and nongovernmental student aid grants are recorded as operating revenues, except for Federal Pell Grants, which are classified as non-operating revenues. To the extent that revenues from such programs are used to satisfy student fees and related charges, the District has recorded a scholarship discount or allowance.

Effective Fiscal Year 2025, the District shifted its method of calculating scholarship allowances from an estimated approach to an actual identification method. Previously, the District used an alternative method that allocated institutional aid proportionally between scholarship discounts and student aid expenses. The District is now leveraging improved information systems that are capable of matching student aid with student charges. The system uses ordering rules for applying aid which provide the actual scholarship allowance versus an estimate. In accordance with GASB statement No. 100, Accounting Changes and Error Corrections, this change is being made on a prospective basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of Restricted and Unrestricted Resources

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

Use of Estimates

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

Newly Implemented Accounting Standards

In June 2022, GASB issued Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District implemented this statement effective for the fiscal year ended June 30, 2025, however, there was no immediate impact to the District's financial statements as a result of the implementation.

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The District implemented this statement effective for the fiscal year ended June 30, 2025, however there was no immediate impact to the District's financial statements as a result of the implementation.

NOTE 2 BUDGET LAW

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

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

NOTE 3 DEPOSITS, INVESTMENTS, AND INVESTMENT RETURN

Cash and cash equivalents as of June 30, 2025 is comprised of the following:

Cash on Hand	$	6,215
ColoTrust	$	659,714
Deposits	$	8,493,028
Money Market Funds	$	98,742,935
Total Cash and Cash Equivalents	$	107,901,893

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Federal Deposit Insurance Corporation (FDIC) insurance level is $250,000. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

The Colorado Public Deposit Protection Act (PDPA) requires eligible depositories with public deposits in excess of the FDIC insurance levels to create a single institution collateral pool of defined eligible assets having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located within the state of Colorado.

At June 30, 2025, the carrying amount of the District's deposits was $8,493,028. Of the deposits held by the District, $250,000 was fully collateralized and insured by federal deposit insurance, and the remainder was collateralized in accordance with PDPA. The District also had cash on hand of $6,215.

Investments

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

At June 30, 2025, the District has invested $659,714 in the Colorado Government Liquid Asset Trust (ColoTrust). ColoTrust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1. As of June 30, 2025, the District's investment in ColoTrust investment pool was rated AAAm by Standard's and Poor's. The trust records its investments at fair value and the District records its investment in the Trust using the net asset value method. There are no unfunded commitments and there is no redemption notice period.

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

For the year ended June 30, 2025, the District held $98,742,935 in money market funds. Of the total held, $87,480,049 was invested in First National Bank Commercial Class Money Market fund. This is a bank account and does not have a Moody's or S&P rating.

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

FNB Commercial Class Money Market – Goldman Sachs Financial Square Government Fund - This is a Rule 2a-7 type government money market fund and maintains shares in value of $1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2025 was $5,745,948. The weighted average maturity for the fund was 30 days or less.

Wells Fargo Money Market Fund - Morgan Stan Gov Inst 8302 – This is a Rule 2a-7 type government money market fund and maintains shares in value of $1. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf. Total deposit in this fund as of June 30, 2025 was $5,516,968. The weighted average maturity for the fund was 60 days or less.

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

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

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

Custodial Credit Risk:

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

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government, such as U.S. Treasury Obligations, are excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2025, the District's investments did not include debt instruments that exceeded 5% of total investments.

Foreign Currency Risk:

Foreign currency risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The District had no investments denominated in foreign currency at June 30, 2025.

NOTE 4 FAIR VALUE MEASUREMENT

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

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

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

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

Recurring Measurements

Certain investments, such as ColoTrust and money market funds, are exempt from being measured at fair value and thus are excluded from the fair value hierarchy. As such, there are no assets or liabilities that are required to be reported under the hierarchy described above for the year ended June 30, 2025.

Investment in Local Government Investment Pool

The District utilizes one local government investment pool when a high degree of liquidity is prudent. ColoTrust is a local government investment pool with a stable net asset value. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. ColoTrust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of the U.S. government agencies and highly rated commercial paper.

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

NOTE 5 AIMS FOUNDATION INVESTMENTS

The following schedule of investments held by the Foundation for each major category of investments and the related fair market value at June 30, 2025:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mutual funds - fixed income	$ 3,840,051	$ 3,840,051	$ -	$ -
Mutual funds - equities	1,384,077	1,384,077	-	-
Alternatives - mutual funds equities	998,828	998,828	-	-
Common stocks	4,154,919	4,154,919	-	-
Beneficial interest in perpetual trust	2,288,624	-	-	2,288,624
	$ 12,666,499	$ 10,377,875	$ -	$ 2,288,624
Held as operating investments	$ 3,532,259			
Held as endowment investments	9,134,240			
	$ 12,666,499			

NOTE 6 CAPITAL ASSETS

The following presents changes in capital assets and accumulated depreciation for the year ended June 30, 2025.

	Balance June 30, 2024	Additions	Deductions	Transfers	Balance June 30, 2025
Capital Assets, not being depreciated:					
Land	$ 19,532,246	$ -	$ -	$ -	19,532,246
Land Improvements	2,931,537	-	-	-	2,931,537
Art/Historical Figures	42,132	-	-	-	42,132
Total capital assets, not being depreciated	**22,505,915**	**-**	**-**	**-**	**22,505,915**
Capital assets, being depreciated:					
Land Improvements	36,754,510	477,320		2,855,070	40,086,900
Buildings & Improvements	271,668,646	874,882		623,471	273,166,999
Vehicles	4,937,951	394,659			5,332,610
Aircraft	3,658,643	4,328,214			7,986,857
Equipment, FFE & Software	45,799,862	2,104,573	7,356	81,327	47,978,406
Right-of-Use (ROU) Leases	2,537,520	-	1,933,226		604,294
Right-of-Use (ROU) SBITAs	14,429,381	6,536,323	740,138	-	20,225,566
Total capital assets, being depreciated	379,786,513	14,715,971	2,680,720	3,559,868	395,381,632
Less accumulated depreciation:					
Land Improvements	10,360,649	2,324,134			12,684,783
Buildings & Improvements	79,408,050	10,042,065			89,450,115
Vehicles	3,723,951	571,217			4,295,168
Aircraft	2,051,197	727,844			2,779,041
Equipment, FFE & Software	30,848,954	4,727,628	5,149		35,571,433
Right-of-Use (ROU) Leases	1,757,251	120,859	1,688,768		189,342
Right-of-Use (ROU) SBITAs	4,715,095	4,955,743	266,917		9,403,921
Total accumulated depreciation	132,865,147	23,469,490	1,960,834	-	154,373,803
Total capital assets, being depreciated, net	**246,921,366**	**(8,753,520)**	**719,884**	**3,559,868**	**241,007,830**
Add construction-in-progress	4,442,581	11,769,403	129,486	(3,559,868)	12,522,630
Net carrying amount	**$ 273,869,862**	**$ 3,015,883**	**$ 849,370**	**$ -**	**$ 276,036,375**

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

NOTE 7 OIL AND GAS LEASE

On June 8, 2011, the District entered into an oil and gas lease with Extraction Oil and Gas, Inc. (formerly Synergy Resources Corporation) for the purpose of drilling oil and gas wells on the property in consideration of the District receiving a 16.67% net royalty interest after taxes and agreed-upon costs. The future value of royalties to be received is dependent upon the activity of the oil and gas wells. The term of the lease was five years and as long thereafter as oil and gas, or either of them, is produced from the leased premises or drilling operations are continuously prosecuted. At June 30, 2025, this lease continued to be in effect.

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

Total royalty revenues from oil and gas leases at June 30, 2025 was $459,823. This amount is reflected in Other Nonoperating Revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

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

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

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

Contributions

Eligible employees of the District are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employee contribution rates for the period of July 1, 2024, through June 30, 2025 are 11.00%. Employer contribution rates for the period of July 1, 2024, through June 30, 2025 are summarized in the table below:

	July 1, 2024 through December 31, 2024	January 1, 2025 through June 30, 2025
Employer Contribution Rate[1]	11.40 %	11.40 %
Amount of Employer Contribution Apportioned to the Health Care Trust Fund as Specified in C.R.S. 24-51-208(1)(f)[1]	(1.02)	(1.02)
Amount Apportioned to the SDTF[1]	10.38	10.38
Amortization Equalization Disbursement (AED)	5.00	5.00
as Specified in C.R.S. 24-51-411[1]	5.00	5.00
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. 24-51-208(1)(f)1	0.21	0.23
Total Employer Contribution Rate to the SDTF[1]	20.59 %	20.61 %

**Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions (Continued)

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the District were $10,406,113 and $9,546,257 for the years ended June 30, 2025 and 2024 respectively.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

The net pension liability was measured as of December 31, 2024, and the total pension liability (TPL) 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 TPL to December 31, 2024. The District's proportion of the net pension liability was based on District contributions to the SDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside the State's financial reporting entity.

At June 30, 2025, the District reported a liability of $101,509,275 for its proportionate share of the net pension liability.

At December 31, 2024, the District proportion was 1.067%, which was an decrease of 0.049% from its proportion measured as of December 31, 2023.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2025 and 2024, the District recognized a pension expense of $13,663,299 and $8,264,870, respectively. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 2,979,299	$ -
Earnings on Pension Plan Investments	2,235,928	-
Changes in Assumptions		(787,115)
Changes in Proportion	4,458,451	(2,751,708)
Contributions Subsequent to the Measurement Date	5,160,226	-
Total	$ 14,833,904	$ (3,538,823)

$5,160,226 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ 4,649,325
2027	367,566
2028	558,982
2029	558,982
Total	$ 6,134,855

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial assumptions

The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.30%-10.90%
Long-term investment rate of return, net of pension plan	7.25%
investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial assumptions (Continued)

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial assumptions (Continued)

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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 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 increases, including wage inflation:	
Members other than Safety Officers	2.70%-13.30%
Safety Officers	3.20%-16.30%

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. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial assumptions (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial assumptions (Continued)

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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 %	

Note: 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%.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rate in effect for each year, including the scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessment. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 135,254,926	$ 101,509,275	$ 7,308,414

Pension Plan Fiduciary Net Position

Detailed information about the SDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 9 DEFINED CONTRIBUTION PLAN AND DEFERRED COMPENSATION PLAN

Voluntary Investment Program

Plan Description

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

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District does not match contributions made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed $280,306.

Deferred Compensation Plan

Plan Description

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

Funding Policy

The deferred compensation plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District does not match contribution made by participants of the plan. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed $53,651.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS

PERA Health Care Trust OPEB Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

PERA Health Care Trust OPEB Plan (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $477,313 for the year ended June 30, 2025.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

At June 30, 2025, the District reported a liability of $1,920,236 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability (TOL) 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 TOL to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.402%, which was an increase of 0.006% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of $638,299. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 423,565
Changes of Assumptions or Other Inputs	22,018	613,803
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,510	-
Changes in Proportion	190,410	-
Contributions Subsequent to the Measurement Date	258,011	-
Total	$ 476,949	$ 1,037,368

$258,011 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ (106,930)
2027	(145,101)
2028	(157,999)
2029	(146,855)
2030	(159,019)
Thereafter	(102,526)
Total	$ (818,430)

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions

The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Government Division	Judicial Division
Actuarial Cost Method	Entry Age			
Price Inflation	2.30%			
Real Wage Growth	0.70%			
Wage Inflation	3.00%			
Salary Increases, Including Wage Inflation	3.30%-10.90%	3.40%-11.00%	3.20%-12.40%	2.80%-5.30%
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%			
Discount Rate	7.25%			
Health Care Cost Trend Rates:				
Service-based Premium Subsidy	0.00%			
PERACare Medicare Plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034			
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034			
Medicare Part A Premiums	3.50% in 2024, gradually increasing to 4.50% in 2033			

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) 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.

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65 - 68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75 - 85	0.90%	1.30%
86 and older	0.00%	0.00%

	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
Sample Age	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

	MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
Sample Age	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 $505 per month.

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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. PERACare 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 to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Year Ending June 30,	PERACare Medicare Plans	MAPD PPO #2[1]	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%

[1] 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 for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older; Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older; Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages; Females: 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Disabled Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

- The health care cost trend rates applicable to health care premiums were revised to reflect the 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 date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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 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

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflatioı	2.70% - 13.30%	4.00% - 13.40%	3.40% - 13.00%	2.30% - 4.70%

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

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

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, 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 State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages; Females: 85% of the rates prior to age 80/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages; Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages; Females: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Disabled Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019 meeting, and again at the Board's September 20, 2024, meeting. 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	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%.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
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%
Proportionate Share of the Net OPEB Liability	$ 1,978,786	$ 1,920,236	$ 1,868,500

[1] For the January 1, 2025 plan year.

Discount Rate

The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023 and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NOTE 10 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

Discount Rate (Continued)

- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health 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.

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

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

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

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 1,978,786	$ 1,920,236	$ 1,868,500

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES

Tax, Spending and Debt Limitations

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

On November 2, 1999, voters in the District approved superseding the provisions of TABOR and other state requirements that limit the amount of revenue the District could retain each year, without increasing or adding taxes of any kind. Included in the accompanying financial statements are emergency reserves required by TABOR of at least 3% of fiscal year spending. At June 30, 2025, an emergency reserve of $4,457,605 was recorded as restricted net position on the statement of net position.

Federally Assisted Grant Programs

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

Risk Management

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

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

Construction Commitments

The District had construction commitments outstanding of $59.8 million at June 30, 2025. These commitments are for the Aims Workforce Innovation Center in the amount of $37.4 million, the Student Health and Wellness Center in the amount of $19.9 million, and other smaller projects in process at June 30, 2025.

NOTE 12 COMPENSATED ABSENCES

District employees accrue annual vacation and sick leave based on length of service and may accumulate it subject to certain limitations regarding the amount that will be paid upon termination.

In accordance with GASB Statement No. 101, a liability for compensated absences is recognized when earned and attributable to services already rendered, and when it is probable that the District will compensate employees for such benefits, either through paid time off or cash payment.

The estimated liability related to compensated absences for which employees are vested at June 30, 2025 is $3,430,749. The District estimates 20% of the liability will be paid in the subsequent year as follows:

	Balance, July 1, 2024	Additions/ Reductions Net	Balance, June 30, 2025	Amounts Due Within One Year
Accrued Compensated Absences	$ 3,294,544	$ 136,205	$ 3,430,749	$ 686,150

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

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

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

NOTE 13 LEASES

The District has leases and financed purchases for airplanes used in its flight-training program, vehicles used in the CDL program, and a mail postage machine. Leases range between 5 and 8 years and are now accounted for under GASB 87: *Leases* as discussed in Note 1. Rental payments under these leases for the year ended June 30, 2025 were $458,938. For financed purchases, all were paid off during the year. The District's outstanding balances as of June 30, 2025 are detailed below:

Balance, July 1, 2024	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
$ 946,651	$ -	$ (458,938)	$ 487,713	$ 92,963

The District's future minimum lease payments under these ROU leases as of June 30, 2025 are detailed below:

Fiscal Years Ending June 30,	Principal Payment	Interest Payment	Total Payments
2026	$ 92,963	$ 18,374	$ 111,337
2027	96,870	14,466	111,336
2028	297,880	18,298	316,178
Total future mininum lease payments	$ 487,713	$ 51,138	$ 538,851

NOTE 14 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District has entered into subscription-based information technology arrangements (SBITA), for various terms under long-term, non-cancelable agreements. In accordance with GASB Statement No. 96, the District records a right-of-use asset and SBITA liability based on the present value of expected payments over the term of the agreement. The expected payments are discounted using the interest rate charged in the agreement, if available, or are otherwise discounted using Aims incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. See Note 6 Capital Assets for information on right-of-use assets and associated accumulated depreciation. The District's outstanding balances as of June 30, 2025 are detailed below:

Balance, July 1, 2024	Additions	Reductions	Balance, June 30, 2025	Amounts Due Within One Year
$ 3,482,269	$ 6,536,323	$ (3,668,151)	$ 6,350,441	$ 1,273,742

NOTE 14 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)

The District's future minimum lease payments under these ROU SBITA as of June 30, 2025 are detailed below:

Fiscal Years ending June 30,	Principal Payment	Interest Payment	Total Payments
2026	$ 1,273,742	$ 310,656	$ 1,584,398
2027	1,034,611	251,390	1,286,001
2028	979,598	199,060	1,178,658
2029	967,248	145,082	1,112,330
2030	1,006,369	91,673	1,098,042
2031	1,088,873	34,744	1,123,617
Total future mininum lease payments	$ 6,350,441	$ 1,032,605	$ 7,383,046

NOTE 15 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the year ended June 30, 2025, the following table represents operating expenses within both natural and functional classifications:

	NATURAL CLASSIFICATION						
FUNCTIONAL CLASSIFICATIONS	Employee & Personnel Services	Pensions/OPEB Expense Allocations	Supplies	Operating	Student Aid	Depreciation & Amortization	TOTAL OPERATING EXPENSES
Instruction	$ 31,420,163	1,034,227	$ 2,170,183	$ 9,276,733	$ -	$ -	$ 43,901,306
Public Service	1,940	62	1,705	46,638	-	-	50,345
Academic Support	13,264,001	438,876	343,518	2,665,196	-	-	16,711,592
Student Services	13,010,800	445,954	235,837	2,474,112	-	-	16,166,702
Institutional Support	13,596,554	453,651	920,793	4,343,300	-	-	19,314,298
Operation of Plant	4,158,891	138,481	244,706	7,584,678	-	-	12,126,757
Student Aid	-	-	-	-	9,350,030	-	9,350,030
Depreciation	-	-	-	-	-	23,469,490	23,469,490
Auxiliary	749,867	25,658	372,543	124,498	-	-	1,272,567
TOTAL EXPENSES	**$ 76,202,216**	**$ 2,536,910**	**$ 4,289,285**	**$ 26,515,156**	**$ 9,350,030**	**$ 23,469,490**	**$ 142,363,087**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's Proportion of the Net Pension Liability (Asset)	1.067%	1.117%	0.855%	0.994%	1.067%	0.908%	0.866%	0.886%	0.920%	0.964%	0.958%
College's Proportionate Share of the Net Pension Liability (Asset)	$ 101,509,275	$ 112,932,063	$ 92,984,648	$ 73,274,941	$ 101,182,572	$ 88,083,879	$ 98,538,561	$ 191,230,653	$ 172,723,035	$ 94,720,288	$ 77,557,998
Nonemployer Contributing Entity's Proportionate Share of the Net Pension Liability (Asset) Associated with College	$ -	$ -	$ -	$ -	$ -	$ 448,903	$ 542,415	$ -	$ -	$ -	$ -
Total Proportionate Share of the Net Pension Liability (Asset) Associated with College	$ 101,509,275	$ 112,932,063	$ 92,984,648	$ 73,274,941	$ 101,182,572	$ 88,532,782	$ 99,080,976	$ 191,230,653	$ 172,723,035	$ 94,720,288	$ 77,557,998
College's Covered Payroll	$ 48,468,105	$ 43,738,106	$ 38,017,571	$ 36,775,299	$ 34,972,155	$ 32,341,774	$ 29,826,834	$ 28,028,541	$ 27,355,210	$ 25,003,265	$ 22,200,317
College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	209%	258%	245%	199%	289%	272%	330%	672%	634%	377%	348%
Plan Fiduciary Net Position as a Position as a Percentage of the Total Pension Liability	67.44%	64.37%	60.63%	73.05%	65.34%	62.24%	55.11%	43.20%	43.80%	56.10%	59.80%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Pension Contribution	$ 10,406,113	$ 9,546,257	$ 8,220,241	$ 7,360,107	$ 7,168,675	$ 5,867,928	$ 5,531,525	$ 5,114,230	$ 4,661,032	$ 3,931,585	$ 3,383,030
Contributions in Relation to the Contractually Required Pension Contribution	10,406,113	9,546,257	8,220,241	7,360,107	7,168,675	5,867,928	5,531,525	5,114,230	4,661,032	3,931,585	3,383,030
Contribution Deficienty (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 50,546,858	$ 46,427,159	$ 40,090,014	$ 36,844,598	$ 36,017,363	$ 34,098,130	$ 30,673,946	$ 28,876,710	$ 27,355,210	$ 26,216,232	$ 23,280,009
Pension Contributions as a Percentage of Covered Payroll	20.59%	20.56%	20.50%	19.98%	19.90%	17.21%	18.03%	17.71%	17.04%	15.00%	14.53%

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's Proportion of the Net OPEB Liability (Asset)	0.4016%	0.3959%	0.3747%	0.3842%	0.3781%	0.3597%	0.3527%	0.3453%	0.3393%
College's Proportionate Share of the Net OPEB Liability (Asset)	$ 1,920,236	$ 2,825,346	$ 3,059,089	$ 3,313,198	$ 3,593,011	$ 4,042,902	$ 4,798,085	$ 4,486,921	$ 4,398,776
College's Covered Payroll	$ 50,546,858	$ 43,738,106	$ 38,017,571	$ 36,775,299	$ 34,972,155	$ 32,341,774	$ 29,826,834	$ 28,028,541	$ 27,355,210
College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.80%	6.46%	8.05%	9.01%	10.27%	12.50%	16.09%	16.01%	16.08%
Plan Fiduciary Net Position as a Position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required OPEB Contribution	$ 520,306	$ 477,313	$ 411,012	$ 368,005	$ 366,887	$ 347,801	$ 312,874	$ 287,133	$ 274,519	$ 267,397	$ 237,456
Contributions in Relation to the Contractually Required OPEN Contribution	$ 520,306	$ 477,313	$ 411,012	$ 368,005	$ 366,887	$ 347,801	$ 312,874	$ 287,133	$ 274,519	$ 267,397	$ 237,456
Contribution Deficienty (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 50,546,858	$ 46,427,159	$ 40,090,014	$ 36,844,598	$ 36,017,363	$ 34,098,130	$ 30,673,946	$ 28,876,710	$ 27,355,210	$ 26,216,232	$ 23,208,009
OPEB Contributions as a Percentage of Covered Payroll	1.03%	1.03%	1.03%	1.00%	1.02%	1.02%	1.02%	0.99%	1.00%	1.02%	1.02%

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

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

Year Ended	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	Contributing Entity's Proportionate Share of the Net Pension Liability (Asset) Associate with College	Total Propotionate Share of Net Pension Liability (Asset) with College	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Position as a Percentage of the Total Pension Liability
12/31/2024	1.067%	$ 101,509,275	$ -	$ 101,509,275	$ 48,468,105	209%	67.44%
12/31/2023	1.117%	112,932,063	-	112,932,063	43,738,106	258%	64.37%
12/13/2022	0.855%	92,984,648	-	92,984,648	38,017,571	245%	60.63%
12/31/2021	0.994%	73,274,941	-	73,274,941	36,775,299	199%	73.05%
12/31/2020	1.067%	101,182,572	-	101,182,572	34,972,155	289%	65.34%
12/13/2019	0.908%	88,083,879	448,903	88,532,782	32,341,774	274%	62.24%
12/31/2018	0.866%	98,538,561	542,415	99,080,976	29,826,834	332%	55.11%
12/31/2017	0.866%	191,230,653	-	191,230,653	28,028,541	682%	43.20%
12/31/2016	0.920%	172,723,035	-	172,723,035	27,355,210	631%	43.80%
12/31/2015	0.964%	94,720,288	-	94,720,288	25,003,265	379%	56.10%

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

AIMS COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Year Ended	Contractually Required Pension Contribution	Contributions in Relation to the Contractually Required Pension Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll
6/30/2025	$ 10,406,113	$ 10,406,113	$ -	$ 50,546,858	20.59%
6/30/2024	9,546,257	9,546,257	-	46,427,159	20.56%
6/30/2023	8,220,241	8,220,241	-	40,090,014	20.50%
6/30/2022	7,360,107	7,360,107	-	36,844,598	19.98%
6/30/2021	7,168,675	7,168,675	-	36,017,363	19.90%
6/30/2020	5,867,928	5,867,928	-	34,098,130	17.21%
6/30/2019	5,531,525	5,531,525	-	30,673,946	18.03%
6/30/2018	5,114,230	5,114,230	-	28,876,710	17.71%
6/30/2017	4,661,032	4,661,032	-	27,355,210	17.04%
6/30/2016	3,931,585	3,931,585	-	26,216,232	15.00%

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

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

Year Ended	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.402%	$ 1,920,236	$ 48,468,105	3.96%	59.83%
2023	0.396%	2,825,346	43,738,106	6.46%	46.16%
2022	0.3747%	3,059,089	38,017,571	8.05%	38.57%
2021	0.3842%	3,313,198	36,775,299	9.01%	39.40%
2020	0.3781%	3,593,011	34,972,155	10.27%	32.78%
2019	0.3597%	4,042,902	32,341,774	12.50%	24.49%
2018	0.3527%	4,798,085	29,826,834	16.09%	17.03%
2017	0.3453%	4,486,921	28,028,541	16.01%	17.53%
2016	0.3393%	4,398,776	27,355,210	16.08%	16.72%

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

AIMS COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

Fiscal Year Ended	Contractually Required OPEB Contribution	Contributions in Relation to the Contractually Required OPEB Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	OPEB Contributions as a Percentage of Covered Payroll
2025	$ 520,306	$ 520,306	$ -	$ 50,546,858	1.03%
2024	477,313	477,313	-	46,427,159	1.03%
2023	411,012	411,012	-	40,090,014	1.03%
2022	368,005	368,005	-	36,844,598	1.00%
2021	366,887	366,887	-	36,017,363	1.02%
2020	347,801	347,801	-	34,098,130	1.02%
2019	312,874	312,874	-	30,673,946	1.02%
2018	287,133	287,133	-	28,876,710	0.99%
2017	274,519	274,519	-	27,355,210	1.00%
2016	267,397	267,397	-	26,216,232	1.02%
2015	237,456	237,456	-	23,208,009	1.02%

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

AIMS COMMUNITY COLLEGE
JUNE 30, 2025

ACTUAL TO BUDGET COMPARISON
ALL FUNDS

Year Ended June 30, 2025	Budget	Actual	Favorable (Unfavorable) Variance
Revenues:			
Tuition and fees	19,980,000	20,389,223	409,223
Less: Tuition Discounts (Student Financial Aid)	(2,800,000)	(9,344,989)	(6,544,989)
Net Tuition and Fees	17,180,000	11,044,234	(6,135,766)
Gifts, grants and contracts (including Pell)	50,000	19,046,254	18,996,254
Auxiliary operating revenue	1,195,000	721,598	(473,402)
Other operating revenue	125,000	262,533	137,533
Total Operating Revenues	18,550,000	31,074,619	12,524,619
Operating Expenses:			
Education and general	116,286,000	105,759,749	10,526,251
Student aid	12,814,000	9,350,030	3,463,970
Auxiliary enterprises expenses	2,900,000	1,246,909	1,653,091
Total Operating Expenses	132,000,000	116,356,688	15,643,312
Nonoperating Revenues and Expenses:			
General property taxes	112,000,000	110,052,023	(1,947,977)
State appropriations	17,100,000	18,004,391	904,391
Investments	950,000	1,891,145	941,145
Federal non-operating revenue	50,000	0	(50,000)
Other non-operating revenue	125,000	575,544	450,544
Gain (Loss) on disposal of assets	-	(849,370)	(849,370)
Interest expense on ROU assets	-	(246,589)	(246,589)
Total Nonoperating Revenue and Expense	130,225,000	129,427,144	(797,856)
Transfers In (Out):			
Nonmandatory transfers in	33,524,000	24,569,874	(8,954,126)
Nonmandatory transfers out	(33,524,000)	(24,569,874)	8,954,126
Total Transfers In (Out)	-	-	-
Increase in Net Position, budgetary basis	16,775,000	44,145,075	27,370,075
Reconciling Items to GAAP Basis Net Position			
GASB 68 & 75 Adjustments		(2,536,910)	
Depreciation and amortization expense		(23,469,490)	
Capital Contribution		87,805	
Increase in Net Position, GAAP Basis		18,226,480	

SINGLE AUDIT

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Aims Community College (the College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated January 30, 2026. The financial statements of Aims Community College Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Aims Community College Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 30, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited Aims Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2025. The College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on The Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 30, 2026

AIMS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Program or Cluster Title	Federal ALN Number	Funding Agency	Pass Through Agency	Passthrough ID	Expenditures	Passed through to Subrecipients
FEDERAL DIRECT GRANTS						
Student Financial Assistance Cluster						
Federal Pell Grant Program	84.063	U.S. Department of Education			$ 9,087,754	$ -
Federal Supplemental Educational Opportunity Grants	84.007	U.S. Department of Education			153,030	-
Federal Work-Study Program	84.033	U.S. Department of Education			134,771	-
Federal Direct Student Loans	84.268	U.S. Department of Education			2,063,253	-
Total Student Financial Assistance Cluster					11,438,808	-
Federal Non-Student Aid						
TRIO - SSS	84.042A	U.S. Department of Education			297,288	-
TRIO SSS (STEM)	84.042A	U.S. Department of Education			274,931	-
Total US Department of Education Nonstudent Aid					572,219	-
Commercial Motor Vehicle Operator Safety Training Grant	20.235	U.S. Department of Transportation			112,220	-
Total US Department of Transportation					112,220	-
Total Direct Federal Awards					12,123,247	-
FEDERAL PASS-THROUGH GRANTS						
Perkins	84.048	Career and Technical Education -- Basic Grants to States	Colorado Community Colleges System Office		468,608	-
Total US Department of Education Nonstudent Aid Federal Subrecipient					468,608	-
National Space Grant College and Fellowship Program	43.008	National Aeronautics and Space Administration	CU Boulder	1554706	13,179	-
Total National Science Foundation Federal Subrecipient					13,179	-
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	U.S. Department of the Treasury	State of Colorado - CDHE	CTGG1 2022-2576	152,397	
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	U.S. Department of the Treasury	Colorado Community Colleges System Office		178,192	-
Total Other Federal Subrecipient					330,589	-
Total Subrecipient Federal Awards					812,376	-
Total Expenditures of Federal Awards					$12,935,623	$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Aims Community College (the College). The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the College through the State of Colorado or other nonfederal entities. The College's reporting entity is defined in Note 1 in the College's basic financial statements for the year ended June 30, 2025.

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 PASS-THROUGH GRANTOR'S NUMBER

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

NOTE 4 SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the College passed no funds through to subrecipients.

NOTE 5 STUDENT RATIOS

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

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

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)	**Name of Federal Program or Cluster**
Various	Student Financial Aid Cluster

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

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Program

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