COLORADO MOUNTAIN COLLEGE

FINANCIAL STATEMENTS
AND
SINGLE AUDIT COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2021

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SINGLE AUDIT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Mountain College
Glenwood Springs, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions and Related Ratios, the Schedule of Proportionate Share of the Net OPEB Liability, the Schedule of OPEB Contributions and Related Ratios, and the Schedule of Changes in Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College’s basic financial statements. The Actual to Budget Comparison Schedule – Collegewide and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Actual to Budget Comparison Schedule – Collegewide and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Colorado Mountain College

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, 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 result of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 20, 2021, except for the Schedule of Expenditures of Federal Awards as to which the date is July 8, 2022

Following is a discussion of Colorado Mountain College's (the College or CMC) financial performance for the fiscal year ended June 30, 2021. It should be read in conjunction with the College's financial statements, which begin on page 16.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The College strategic plan, Reaching Greater Heights (2019-23), sets forth a clear path over the next two years to build on the College's individual, organizational, and community strengths that have resulted in strong and stable enrollments; increased diversity and completion rates that are superior to state averages; sound financial position; and significant expansion of access for students through both CMC's concurrent enrollment and bachelor's degree offerings. As the College continues to thrive financially, operationally, and culturally, it remains prepared to invest in new programs and facilities that help support the needs of our mountain communities.

- The 2020-21 academic year was unlike anything in the College's 55-year history and yet CMC performed very well, accomplishing the majority of the goals it established for itself in the early months of a global pandemic. Additionally, though overall credit enrollments generally mirrored national trends (i.e., -10.5% in fall 2020; -5.1% in spring 2021), one of the largest classes in the history of CMC graduated in May 2021.

- By keeping a historically lean workforce and not adding positions beyond the College's enrollment, management was able to weather a -5% reduction in state revenues and a decline in net tuition revenue all while providing cost-of-living increases and merit payments to employees.

- The repeal of the Gallagher Amendment passed with 58% of statewide voter support in November 2020. This Amendment B froze the residential assessment rate at its current rate (7.15%) indefinitely. If ever needed in the future, the Board of Trustees maintains authority from the 2018 ballot question 7D to adjust future mill levy's solely for the purpose of maintaining revenues that would be lost due to statewide property tax assessment rate reductions.

- During its first full year of operations, the newly annexed Salida campus established its presence, operations and programming, and became fully staffed which led to enrollments exceeding goals set in 2019-20; its first class of students graduated in May.

- The College launched an Early Childhood Education pathway to the bachelor's degree in Teacher Education, successfully creating the capability for teacher candidates to be certified from pre-school through grade six. The College also launched a postbaccalaureate teacher certification education option.

- CMC reached the final planning stage for two new bachelor's degrees with strong local labor markets, one in human services with a certificate in addiction/crisis counseling and another in ecosystem science & management. CMC also added seven baccalaureate minors, including one in outdoor recreation. Finally, two new certificates in Pharmacy Technician and Wilderness Medical Professional have been developed to support these high demand areas.

- CMC worked to improve its collective awareness of structural barriers to success and developed a shared commitment to "expanding" our approaches and impact to better serve current students, employees, and community members as well as those whose needs or interests remain unmet by higher education generally or CMC specifically.

- In May, the College became recognized as an official "Hispanic Serving Institution" (HSI) by the U.S. Department of Education. As an HSI, CMC will be eligible to compete for numerous federal grant programs under federal Titles III and V that are specifically tailored for minority-serving institutions.

- Student Affairs implemented its Mental Health Strategic Plan to address student mental health and wellness. Initiatives included providing greater access to virtual and face-to-face counseling sessions per semester (over the year, CMC provided over 500 hours of mental health counseling to students). More than 60 faculty and staff and 100 students were trained in Mental Health First Aid (MHFA) and other mental health strategies and campus-based initiatives to improve wellness.

- CMC completed a major remodel of the Spring Valley Student Center, the final phase of the three building $35 million renovation of the campus, with overall project funds totaling just under budget. The Outdoor Leadership Center and the J. Robert Young Ascent Center were awarded the winner of the 2020 best higher education/research project by ENR Mountain States.

- In May, Moody's again rated CMC as an Aa3 institution with a "stable" outlook and specifically rated the operating environment within CMC as "excellent" mentioning several prudent decisions by college leadership to maintain the College's financial health and "improved operating performance over multiple years." The rating enabled the issue of Series 2021 Certificates of Participation to support a $40 million housing initiative that will bring apartment-style student housing to four campuses. Breckenridge, Edwards at Vail Valley, Spring Valley at Glenwood Springs and Steamboat Springs are each slated for 38 units (with approximately 50-60 beds) of on-campus housing with the potential to add units through partnerships in the future.

- Throughout the year, CMC distributed $1.4 million directly to 964 unique students, and recouped $5 million in lost revenue. Both of these efforts were funded through Higher Education Emergency Relief Funds (HEERF) made available via the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA), and the American Rescue Plan (ARP) Act.

- The College, through the support of state stimulus funding, invested heavily in state-of-the-art video and audio technologies across the campuses. This helped to connect classroom environments to students and other classrooms with high fidelity interactions and elevated student engagement, regardless of modality (i.e., face-to-face, remote, or hybrid). With an investment of nearly $1 million, new AV equipment was installed in 38 classrooms across the College. Furthermore, through the $2.9 million RISE grant from the state, the College will outfit similar high-fidelity video-enabled classrooms in 28 high schools across the College's district, thus creating an enormous network of connected classrooms.

- Operationally, the College met the challenges of the COVID-19 environment and successfully transitioned its academic delivery and student services activities to reach enrolled students while maintaining maximum sensitivity to health risks and operational sustainability. By issuing numerous iterations of guidance that adhered to ever-changing state and local requirements, the College ensured operational consistency and environmental safety for employees and students alike.

- Annually, the College adjusts the net pension liability to reflect the College's share of the overall plan liability (as provided by Colorado's Public Employee Retirement Association (PERA)) in accordance with GASB 68. For the third year in a row, the amounts booked are in the opposite direction of normal years, due to changes in actuarial assumptions that span multiple years. For FY2020-21 the required pension expense adjustment (including both pension expense and other adjustments) recognized was a credit of $30.2 million, and the net pension liability decreased by $0.7 million while the OPEB liabilities decreased by $1 million. As a part of this, the deferred inflows of resources decreased $25.4 million and the deferred outflows of resources increased by $3.9 million.

USING THIS ANNUAL REPORT

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

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

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

- Statement of Net Position, which presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the College at June 30, 2021. Its purpose is to present a financial snapshot of the College. It aids readers in determining the assets available to continue College operations; how much the College owes to employees, vendors and creditors; and a picture of net position and their availability for expenditure by the College.

- Statement of Revenues, Expenses and Changes in Net Position, which presents the total revenues, earned and expenses incurred by the College for operating, nonoperating and other related activities during the fiscal year ended June 30, 2021. Its purpose is to assess the College's operating and nonoperating activities.

- Statement of Cash Flows, which presents the cash receipts and disbursements of the College for the fiscal year ended June 30, 2021. Its purpose is to assess the College's ability to generate net cash flows to meet its obligations as they come due.

- Notes to the Financial Statements, which present additional information to support the financial statements and are commonly referred to as "Notes". Their purpose is to clarify and expand on the information in the financial statements.

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

Reporting the College as a Whole

The analysis shows the financial activity of the College as a whole (all funds combined) and begins on page 16. The Statement of Net Position includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. This means that regardless of which fund it was recorded in, it is included in these reports. All of the current year's revenue and expenses are also taken into account, regardless of the fund they are recorded in.

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Increases or decreases in net position are an indicator of the College's financial position. There are other factors that contribute to the College's financial position. They include, but are not limited to:

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

Enrollment Highlights

Following a year of frozen tuition in FY2019-20, the Board of Trustees raised tuition rates by $5 per credit within the state, and by 3% for out of state students, in order to continue their plan to increase revenue diversification in FY2020-21.

Associate degree tuition rates from 2016-17 to 2020-21:

Tuition Category	2016-17 Rate/Credit Hr.	2017-18 Rate/Credit Hr.	2018-19 Rate/Credit Hr.	2019-20 Rate/Credit Hr.	2020-21 Rate/Credit Hr.
In-District	$ 62.00	$ 65.00	$ 80.00	$ 80.00	$ 85.00
Service Area	$ 123.00	$ 143.00	$ 170.00	$ 170.00	$ 175.00
In-State	$ 127.00	$ 147.00	$ 180.00	$ 180.00	$ 185.00
Out of State	$ 429.00	$ 440.00	$ 453.00	$ 453.00	$ 466.00
Industry Rate	$ 127.00	$ 147.00	$ 180.00	$ 180.00	$ 185.00

Bachelor degree tuition rates from 2016-17 to 2020-21:

Tuition Category	2016-17 Rate/Credit Hr.	2017-18 Rate/Credit Hr.	2018-19 Rate/Credit Hr.	2019-20 Rate/Credit Hr.	2020-21 Rate/Credit Hr.
In-District	$ 99.00	$ 99.00	$ 80.00	$ 80.00	$ 85.00
Service Area	$ 205.00	$ 205.00	$ 170.00	$ 170.00	$ 175.00
In-State	$ 212.00	$ 212.00	$ 180.00	$ 180.00	$ 185.00
Out of State	$ 429.00	$ 440.00	$ 453.00	$ 453.00	$ 466.00

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

FTE Category	2019-20 Actual	2020-21 actual	% Change
Credit FTE	3,676.5	3,214.3	-12.6%
Noncredit FTE	197.9	167.8	-15.2%
ESL FTE	184.1	95.9	-47.9%
Total	**4,058.5**	**3,478.0**	**-14.3%**

Credit enrollments took a material -10% decline in Fall 2020 which tapered to -5% in Spring 2021. The CMC Responds free tuition discount waivers offered in Summer 2020 resulted in historically large summer enrollments. Such enrollments were naturally very hard to match in the summer of 2021, though credit enrollments were stronger than Summer 2019. Noncredit courses are offered as lifelong learning opportunities for the community and do not count towards a student degree or certificate. The pandemic impact on enrollment was felt most severely through ESL, HSE, and non-credit offerings especially in Fall 2020. This is reflected in the -30.4% combined change, and brought the overall enrollment for the year for all FTE types to a decline of -14.3%.

Additionally, gross tuition revenue declined by approximately $0.5 million, but with a downward shift in the scholarship allowance, the total tuition and fees, net of scholarship allowance presentation in the financials actually increased and can be better understood when considering the following detail:

	2019-20	2020-21
Gross Tuition	$ 13,273,401	$ 12,823,576
Ongoing Discounts	(1,705,634)	(1,733,368)
CMC Responds Discounts	(1,080,429)	(906,550)
Total Tuition and Fees	10,487,338	10,183,658
Less Scholarship Allowance	(4,173,801)	(3,360,729)
Total Tuition and Fees, Net of Scholarship Allowance	$ 6,313,537	$ 6,822,929

Net Position

The College's net position is $145,932,133 at June 30, 2021, reflecting an increase of $38,222,382 from last year, due mainly to non-cash pension expense entries. Total current assets increased by $3.1 million due mostly to a reclassification of a long-term investment to short-term. Total noncurrent assets increased by $36.8 million due to the proceeds held from the issue of Series 2021 Certificates of Participation for the housing project. All assets combined increased $39.9 million over last year.

A number of minor and major capital projects were started during FY2020-21 but are not complete, and thus are reflected in the Construction in Progress totals. The Construction in Progress projects from the prior year were completed and capitalized into the appropriate capital asset category and annual depreciation recorded including the final building in the major Spring Valley project. The net impact of these transactions along with equipment additions, offset by depreciation, was a $1.6 million increase in net capital assets. Other assets, which include cash, investments and accounts receivable, saw a $38.3 increase overall due to the new bond proceeds.

The Facilities Master Plan (FMP) provides recommendations for how to deliver the right facilities in the right locations at the right time to achieve CMC's strategic goals. While the FMP confirms there is room to accommodate standard enrollment growth in existing facilities, the plan asserts that simulation labs are needed to grow enrollments in nursing, a critical program with unmet demand throughout our local communities, and that classroom technology expansions are needed for better campus interconnectivity. During FY2020-21, major technology upgrades were installed in classrooms across the district, and the Steamboat nursing simulation lab neared completion. The cash and investments balances in the Other Assets category is still strong after building up over prior years and will help support the long-term capital projects the Board approves as a result of this plan.

GASB 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27 implemented during FY2014-15, establishes accounting and financial reporting standards for governments that provide their employees' pension benefits. The College participates in Colorado Public Employee Retirement Association (PERA), a cost-sharing pension plan. GASB 68 requires each employer involved in a cost-sharing pension plan, such as PERA, to report their proportionate share of the total unfunded net pension liability and expense of the plan. Having employers record their share of the unfunded liability provides transparency to financial statement users as to the entire net pension liability and pension expense of the cost-sharing plan. GASB 68 also requires an annual adjustment to the pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions, based on the change in the College's portion of the total Colorado's PERA liability and the changes in actuarial assumptions used to value the overall PERA plan liability. These changes for FY2020-21 resulted in a decrease to the College's portion of the liability in the amount of $0.7 million or a total liability of $60,280,480 at June 30, 2021.

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

Operating Expenses	**Financial Statement Presentation**	**Remove Pension Contra Expense**	**Actual Operating Expenses**
Instruction	12,079,702	14,232,111	26,311,813
Community Service	292,570	263,323	555,893
Academic Support	3,402,573	2,213,635	5,616,208
Student Services	6,971,759	6,227,421	13,199,180
Institutional Support	9,162,401	4,752,449	13,914,850
Operation and Maintenance of Plant	3,562,074	1,622,362	5,184,436
Scholarships	5,619,670	-	5,619,670
Auxiliary Enterprises	7,823,688	891,657	8,715,345
Depreciation	5,195,153	-	5,195,153
Total Operating Expenses	54,109,590	30,202,958	84,312,548

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

GASB 75, A*ccounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), is also reflected in the financial statements. Eligible employees of the College are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer other postemployment benefit (OPEB) plan administered by PERA. The PERA Board has the authority to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. More details concerning GASB 68 and 75 are provided in the notes to these financial statements.

Long-term debt owed by the College in the form of Certificates of Participation issued for $26,775,000, has a balance of $24,685,000 remaining at June 30, 2021. In addition, the Series 2021 issued for $33,530,000 has a balance of $33,530,000 remaining at June 30, 2021.

Overall, current liabilities decreased $6.2 million year over year. Noncurrent liabilities, including the pension and retirement liabilities and the new debt issue, increased a net of $37.2 million year over year as described above. All liabilities combined increased $31.0 million this year driven primarily by the debt issue which more than offset the required pension liability entry.

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

The following table breaks the net position down further:

Table 1
Net Position

	2021	2020
Capital Assets, Net	$ 175,995,389	$ 174,344,114
Other Assets	117,025,602	78,698,351
Total Assets	293,020,991	253,042,465
Deferred Outflows of Resources	8,387,799	4,519,123
Long-Term Liabilities	127,680,370	90,432,383
Other Liabilities	10,894,367	17,127,031
Total Liabilities	138,574,737	107,559,414
Deferred Inflows of Resources	16,901,920	42,292,423
Net Investment in Capital Assets	149,960,864	147,784,369
Restricted Net Position	2,883,495	3,019,115
Unrestricted Net Position	(6,912,226)	(43,093,733)
Total Net Position	$ 145,932,133	$ 107,709,751

The College has a deficit unrestricted net position as of June 30, 2021 due to the net pension liability totaling $60.3 million and the net OPEB liability totaling $2.3 million. The College has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. Unrestricted net position strictly from "University Operations" would be a surplus of approximately $66.0 million as detailed in Note 10. A Board of Trustee initiative requires the College to carry a reserve for the purpose of backfilling revenues if they decline, equal to 15% of the total operating revenue budget. Additional reserves are established to support specific initiatives and contribute to the net position of the College.

Following is a recap of the change in net position:

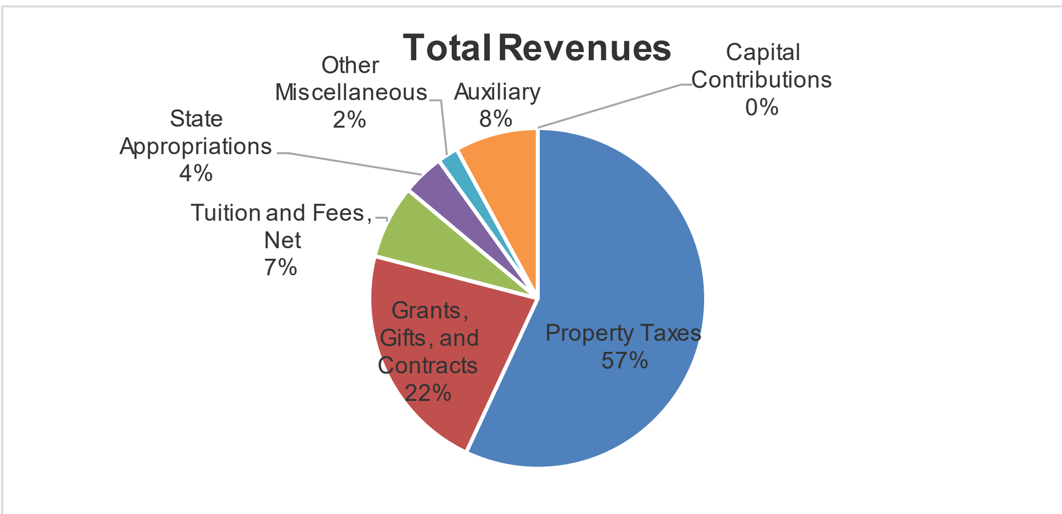
Table 2
Change in Net Position

	2021	2020
Operating Revenues		
Tuition and Fees, Net	$ 6,822,929	$ 6,313,543
Federal, State, Private Grants, and Contracts	6,782,542	6,049,615
Auxiliary Enterprises	7,122,031	8,725,220
Other	1,552,845	1,743,863
Total Operating Revenues	22,280,347	22,832,241
Nonoperating Revenues		
State Appropriations	3,791,765	9,010,043
Federal Nonoperating	12,773,247	4,720,208
Property Taxes	53,221,850	53,313,049
Investment Income	1,120,212	1,337,065
Gifts	1,018,965	929,418
Unrealized Gain (Loss) on Investments	(669,217)	455,109
Total Nonoperating Revenues	71,256,822	69,764,892
Capital Contributions	188,700	351,745
Total Revenues	$ 93,725,869	$ 92,948,878
Operating Expenses		
Instruction	$ 12,079,702	$ 11,014,331
Community Service	292,570	353,988
Academic Support	3,402,573	2,394,376
Student Services	6,971,759	4,081,255
Institutional Support	9,162,401	9,930,482
Operation and Maintenance of Plant	3,562,074	6,536,833
Scholarships	5,619,670	4,077,555
Auxiliary Enterprises	7,823,688	8,436,023
Depreciation	5,195,153	4,373,998
Total Operating Expenses	54,109,590	51,198,841
Nonoperating Expenses		
Interest Expense on Capital Debt	1,094,985	1,000,207
Bond Issuance Cost	283,261	-
Amortization of Prepaid Bond Insurance	15,651	18,551
Total Nonoperating Expenses	1,393,897	1,018,758
Total Expenses	$ 55,503,487	$ 52,217,599
Change in Net Position	$ 38,222,382	$ 40,731,279

Revenues

The College experienced an increase in total revenues over last year in the amount of $0.8 million. This is net of the decline in state funding, which represents the average percentage received by all Colorado institutions of higher education and reflects how the pandemic impacted revenues available to these institutions. While the state appropriation declined 58%, there was a federal stimulus pass-through grant (see increase in federal nonoperating revenue) that helped the College only feel a net impact of -5%. Nonoperating income related to investments also shows a decline in investment income due to a steady decline in the interest rate environment. From a budgetary perspective, the FY2020-21 Revenue Budget was relying on $98.7 million and yet the College only received $93.7 million of these funds.

The following graph depicts total revenue of the College:



Revenues from all sources total $93,725,464, with $22,280,347, or 23.8%, generated from operating revenues and $71,445,117, or 76.2%, from nonoperating revenues and capital contributions.

Property taxes, which account for 57.0% of the total revenues, are classified as nonoperating revenue in accordance with generally accepted accounting principles.

Expenses

Overall expenses increased by $3.3 million from the prior year, due primarily to a smaller GASB 68 adjustment. This contra expense reflects the College's portion of the PERA pension liability, and is a reversal of $30.2 million of expense this year, a third straight year of the entry reducing expenses following last year's contra expense of $32 million. The remainder of the difference can be attributed to an increase in depreciation after several large capital buildings were completed in the past 18 months. More specifically, regular operating expenditures in the general fund were $7.2 million less than budget as the College experienced large salary savings due not only to expected vacancies and retirements, but also to cost savings throughout the year due to the pandemic such as substantially reduced travel and utilities. Actual operating expenses with the pension contra expense removed (as displayed on page 9) increased 1.2% across all funds, which is well under inflation.

Cash Flows

The Statement of Cash Flows provides information concerning the cash receipts and disbursements during the fiscal year.

The main sources of cash received from operations are tuition and fees, grants and contracts, and auxiliary operations. The majority of cash payments are for salaries to employees and payments to suppliers.

Property tax and state revenues are not considered cash from operations; however, in combination, in most years they provide the majority of the cash received for the College. In FY2020-21 these receipts represent 46% of total receipts with the proceeds from capital debt representing another 30% of total receipts.

Net cash used by operating activities decreased $5,668,769 from FY2019-20 to FY2020-21. This is the net result of decreases in cash received and increases in cash payments, and the largest contributing factor was the $6.2 million decrease in payments to Employees. In contrast, net cash provided by noncapital financing activities decreased $5.9 million due to decreases in state appropriations and federal nonoperating revenue receipts. Overall cash and cash equivalents, from both operations and non-operations, only decreased by $0.3 million over the prior year. More detail can be found in the Statement of Cash Flows.

CAPITAL ASSETS AND DEBT

Capital Assets

At June 30, 2021, the College had $175,995,389 invested in capital assets, net of depreciation, consisting of buildings, land, land improvements, equipment, infrastructure, library materials and construction in progress. Following is a breakdown of those assets:

Table 3
Capital Assets at Year End
Net of Depreciation

	2021	2020
Land	$ 13,524,611	$ 13,524,612
Library Materials	547,045	568,227
Construction in Progress	2,702,785	14,112,335
Land Improvements	1,181,491	1,297,738
Buildings	150,275,627	137,572,855
Equipment and Software	3,274,361	2,876,546
Infrastructure	4,083,428	3,987,937
Other Fixed Assets	406,041	403,864
Total Capital Assets	$ 175,995,389	$ 174,344,114

Depreciation expense of $5,195,153 was recorded during FY2020-21. The final stages of the Residence Hall remodels, as well as four other projects at multiple campuses including the nursing simulation lab in Steamboat Springs and the Rifle student affairs remodel, comprise the construction in progress total. These projects were started in FY2020-21 or prior but will not be complete until FY2021-22. The net change, after additions, deletions, and depreciation is an increase in capital assets of $1.6 million.

Debt

The College has two debt issues outstanding, both of which are certificates of participation (COPs). The first series was issued in 2017 for the purpose of refunding the 2007 COPs and funding improvements on the Spring Valley campus, purchase of housing units in Breckenridge, and other capital facilities of the College designated by the Board. The COPs were issued for $26,775,000, with a premium of $999,118, and the outstanding principal balance at June 30, 2021 is $24,685,000. The bonds are scheduled to be paid off in FY2047.

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

COLORADO MOUNTAIN COLLEGE FOUNDATION

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

2020-21 was a fiscal year full of steady recovery from the COVID-19 pandemic which caused a chain of impacts on our economy and in our classrooms, and significant time and energy was expended throughout the year in response. While fall semester enrollments showed the largest lag over the prior "normal" year, there was improvement in the spring semester, which is a testament to the effectiveness of the College's efforts to maintain and adapt instruction and student services in sometimes overwhelming environmental conditions. While the loss of revenue was felt in the general fund, it was most significant in the auxiliary funds.

While the full impact of the pandemic is still unknown, it will certainly be substantial over the long-run and have the potential to permanently reshape local economies and the College. CMC's budget forecast for FY2021-22 is positive and stable, largely due to its heavy base of property tax dollars and a rapid recovery at the state level. The College already began work over the past few years to prepare leaner budgets based on an expected slowdown in the economy due to structural workforce limitations. Thus, the College's budget is balanced in a way that allows the administration to maintain lean, highly effective budgets in the future. Though significantly tested in FY2020-21, CMC faculty and staff are eager to rebuild and carry forward the positive lessons from the pandemic. They have expressed gratitude for the College's strong operating systems and resources, which enable them to serve the students, communities, local employers, and workforce needs of our district.

The College will continue its commitment to technology upgrades, classroom equipment upgrades, deferred maintenance on buildings, sustainability initiatives, and a few major capital projects in FY2021-22, with a total of $5.6 million budgeted for these investments.

General Fund Revenues in total are higher than the prior year budget by $2.4 million, after considering the state backfill from federal stimulus funds. This increase is due primarily to estimated increases in property valuation, and increased contributions from the state of Colorado due to the rapid economic recovery relative to the effects of COVID-19. The Board of Trustees voted to increase tuition rates by $5 for in-district, service area, and instate students, with no increase for out-of-state students, to create greater fiscal resiliency and revenue diversity.

Unlike previous recessions, the College did experience a decline in enrollments due to COVID-19, limited occupancy in the residence halls, and limited in-person offerings. For the upcoming year, enrollment forecasts are expected to improve upon the current year actual amounts but be more conservative than the current year budgeted amounts.

While rising housing prices result in more property tax revenues to CMC, the resulting impact on homebuyers is creating a scare for our mountain communities. Recent trends suggest that the housing dilemma is only getting more pronounced. After years of studying this issue, the Board of Trustees moved quickly this past spring to commit CMC resources to this need and will continue to pursue additional solutions in the future.

In summary, CMC is a strong and stable institution and is confident that by leveraging our greatest strengths, which include strong fiscal governance from the Board of Trustees, fiscal discipline from staff and faculty, and a flexible "we're all in this together" approach to problem-solving, we will come out of the pandemic as an even stronger, more nimble institution.

ACCREDITATION

AQIP (Academic Quality Improvement Process) was the College's method of accreditation through 2018. Due to changes within the Higher Learning Commission (HLC), the College transitioned to the Standard Pathway. The reaffirmation of accreditation occurs in 2023-24 when the College will submit an assurance argument (self-study). The most recent System Portfolio Report was submitted on June 4, 2018 and the College received feedback from HLC regarding the College's strengths and opportunities for improvement. Specifically, strengths in the mission, vision and values; ethics and integrity; and quality of faculty and staff. Areas of improvement include how we use data, program review, and assessment of student learning outcomes. A focused peer review visit took place in April 2019. The report to the HLC from the peer reviewers was positive and the Institutional Actions Council approved no further action (from the focus visit) was required.

CONTACTING THE COLLEGE

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

COLORADO MOUNTAIN COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 46,859,035
Restricted Cash and Cash Equivalents	1,078,237
Short-Term Investments	4,476,010
Property Tax Receivable, Net of Allowance of $182,962	9,622,327
Student Accounts Receivable, Net of Allowance of $159,000	351,614
Other Accounts Receivable	3,424,935
Inventories	68,100
Prepaid Expenses	587,641
Total Current Assets	66,467,899
NONCURRENT ASSETS	
Restricted Cash and Cash Equivalents	40,037,451
Long-Term Investments	10,363,476
Other Noncurrent Assets	156,776
Nondepreciable Capital Assets	
Land	13,524,611
Other Fixed Assets	406,041
Construction in Progress	2,702,785
Depreciable Capital Assets (Net)	
Land Improvements	1,181,491
Buildings and Improvements	150,275,627
Infrastructure	4,083,428
Equipment and Software	3,274,361
Library Materials	547,045
Total Noncurrent Assets	226,553,092
Total Assets	**293,020,991**
DEFERRED OUTFLOWS OF RESOURCES (NOTE 8 AND 9)	**8,387,799**

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	$ 2,458,819
Deposits Payable	184,542
Accrued Salaries	768,573
Accrued Interest Payable	531,698
Other Accrued Liabilities	1,852,219
Unearned Revenue	1,571,224
Funds Held for Others	166,041
Certificates of Participation and Capital Leases Payable	1,329,067
Compensated Absences	2,032,184
Total Current Liabilities	10,894,367
NONCURRENT LIABILITIES	
Certificates of Participation and Capital Leases Payable	64,644,467
Compensated Absences	225,798
Land Obligation Payable	269,999
OPEB Liabilities (Note 9)	2,259,626
Net Pension Liability (Note 8)	60,280,480
Total Noncurrent Liabilities	127,680,370
Total Liabilities	**138,574,737**
DEFERRED INFLOWS OF RESOURCES (NOTE 8 AND 9)	**16,901,920**
NET POSITION	
Net Investment in Capital Assets	149,960,864
Restricted for:	
TABOR Reserve	2,840,000
Loans	1,897
Scholarships and Other - Expendable	41,598
Unrestricted	(6,912,226)
Total Net Position	**$ 145,932,133**

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS	
Cash and Cash Equivalents	$ 2,759,563
Accounts Receivable	4,530
Contributions Receivable, Net	3,262,674
Investments	21,729,056
Cash Surrender Value of Life Insurance	33,445
Total Assets	**$ 27,789,268**
LIABILITIES AND NET ASSETS	
Accounts Payable	$ 667,971
Accrued Liabilities	65,957
Total Liabilities	733,928
Net Assets:	
Without Donor Restrictions	6,161,823
With Donor Restrictions	20,893,517
Total Net Assets	27,055,340
Total Liabilities and Net Assets	**$ 27,789,268**

See accompanying Notes to Financial Statements.

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

REVENUES	
Operating Revenues	
Tuition and Fees, Net of Scholarship Allowance of $3,360,729	$ 6,822,929
Federal, State, Private Grants, and Contracts	6,782,542
Auxiliary Enterprises	7,122,031
Other Operating Revenues	1,552,845
Total Operating Revenues	22,280,347
EXPENSES	
Operating Expenses	
Instruction	12,079,702
Community Service	292,570
Academic Support	3,402,573
Student Services	6,971,759
Institutional Support	9,162,401
Operation and Maintenance of Plant	3,562,074
Student Aid	5,619,670
Auxiliary Enterprises	7,823,688
Depreciation	5,195,153
Total Operating Expenses	54,109,590
Operating Revenue (Loss)	(31,829,243)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	3,791,765
Federal Nonoperating Revenue	12,773,247
Property Taxes	53,221,850
Investment Income	1,120,212
Gifts	1,018,965
Unrealized Loss on Investments	(669,217)
Bond Issuance Cost	(283,261)
Amortization of Prepaid Bond Insurance	(15,651)
Interest Expense on Capital Debt	(1,094,985)
Net Nonoperating Revenues (Expenses)	69,862,925
Income Before Other Revenues	38,033,682
Capital Contributions	188,700
Change in Net Position	38,222,382
Net Position - Beginning of Year	107,709,751
NET POSITION - END OF YEAR	$ 145,932,133

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE FOUNDATION INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND SUPPORT			
Contributions	$ 54,249	$ 4,002,301	$ 4,056,550
In-Kind Contributions:			
Colorado Mountain College	1,044,694	-	1,044,694
Other	60,719	-	60,719
Investment Return, Net of Investment	922,171	2,800,806	3,722,977
Other Income	109,597	-	109,597
Net Assets Released from Restrictions	2,190,926	(2,190,926)	-
Total Revenues, Gains, and Support	4,382,356	4,612,181	8,994,537
EXPENSES			
Program Services:			
Scholarships	1,169,322	-	1,169,322
Distributions to or for the Benefit of Colorado Mountain College	1,065,262	-	1,065,262
Scholarship Administration and Other Program Expenses	117,293	-	117,293
Total Program Services	2,351,877	-	2,351,877
Supporting Services:			
Management and General	639,718	-	639,718
Development and Fund Raising	400,294	-	400,294
Total Supporting Services	1,040,012	-	1,040,012
Total Expenses	3,391,889	-	3,391,889
Change in Net Assets	990,467	4,612,181	5,602,648
Net Assets - Beginning of Year (as Restated)	5,171,356	16,281,336	21,452,692
NET ASSETS - END OF YEAR	$ 6,161,823	$ 20,893,517	$ 27,055,340

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received:	
Tuition and Fees	$ 7,583,118
Contracts and Grants (Operating Revenue)	5,564,472
Sales and Services of Auxiliary Enterprises	6,955,271
Other Operating Receipts	1,436,588
Direct Loan Receipts	3,260,449
Cash Payments:	
Payments to Suppliers	(14,299,879)
Payments to Employees	(53,711,217)
Payments for Auxiliary Enterprises	(7,822,677)
Scholarships Disbursed	(5,619,670)
Direct Loan Disbursements	(3,260,449)
Net Cash Used by Operating Activities	**(59,913,994)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	3,791,765
Deposits Held in Custody for Others	16,852
Property Taxes	56,351,155
Federal Nonoperating Revenue	7,228,592
Gifts	1,018,965
Net Cash Provided by Noncapital Financing Activities	**68,407,329**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Gifts and Grants for Capital Purposes	188,700
Acquisition or Construction of Capital Assets	(6,821,573)
Proceeds from Sale of Capital Assets	(266,116)
Principal Paid on Capital Debt	(500,666)
Proceeds from Capital Debt	40,354,899
Interest Payments on Capital Debt and Leases	(1,024,632)
Net Cash Provided by Capital and Related Financing Activities	**31,930,612**
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	-
Purchase of Investments	-
Investment Income	1,120,212
Net Cash Provided by Investing Activities	**1,120,212**
INCREASE IN CASH AND CASH EQUIVALENTS	41,544,159
Cash and Cash Equivalents - Beginning of Year	46,430,564
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 87,974,723**

See accompanying Notes to Financial Statements.

COLORADO MOUNTAIN COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2021

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	$ 46,859,035
Restricted Cash and Cash Equivalents - Current	1,078,237
Restricted Cash and Cash Equivalents - Noncurrent	40,037,451
	$ 87,974,723
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Loss	$ (31,829,243)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	5,195,153
Amortization of Land Obligation Payable	(52,944)
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources	
Receivables, Net	(1,586,234)
Inventories	10,432
Prepaid Expenses	978,538
Pension Liability and Related Items	(30,204,056)
OPEB Liability and Related Items	(801,713)
Accounts Payable and Accrued Liabilities	(2,458,831)
Deposits Payable	(12,065)
Deferred Revenue	846,969
Net Cash Used by Operating Activities	**$ (59,913,994)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Accounts Payable Incurred for Purchase of Capital Assets	$ 62,251
Amortization of Prepaid Bond Insurance	15,651
Unrealized Loss on Investments	(669,217)
Amortization of Bond Premium	33,304
Tuition Provided Under Land Obligation Agreement	52,944
Assets Acquired Through a Capital Lease	42,000

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Discretely Presented Component Unit

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

Colorado Mountain College Foundation, Inc. (the Foundation) is a separate nonprofit 501(c)(3) corporation formed to promote the welfare, development and being of the College. The Foundation is a separate legal entity with its own Board of Trustees. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the College. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. Separately issued financial statements are available by contacting the Foundation at 802 Grand Avenue, Glenwood Springs, Colorado 81601.

Basis of Accounting and Presentation

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

The College considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2021, cash and cash equivalents consisted primarily of cash on hand, demand deposits and money market funds with brokers.

Investments and Investment Income

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

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

Accounts Receivable

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

Inventories

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

Property Taxes

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the following year. Taxes are payable in two installments on February 28 and June 15, or in full on April 30. An allowance for uncollectible taxes of $182,962 has been recorded based on an analysis of historical trends. The original January 1, 2021 levy for the College was 4.013 mills.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

The College follows the policy of capitalizing only those plant assets with an initial cost or fair value equal to or greater than $5,000. A physical inventory of all plant assets is updated annually with appropriate adjustments made to the financial records. Annual revisions of statement of values for insurance purposes are performed. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

The College leases copier equipment under capital leases to conduct its operations at the various campuses. Assets recorded under capital lease agreements are recorded at the present value of future minimum lease payments and are amortized over either the term of the lease or the estimated useful life of the asset, whichever period is shorter. Such amortization is included in depreciation expense in the accompanying financial statements.

Compensated Absences

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

Deferred Inflows and Outflows of Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

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

Budget

The Board of Trustees adopts an annual budget to authorize and control spending from the various accounting funds of the College. The 2020-21 budget was amended in June 2021. The College's expenditures for a fund may not exceed the amount budgeted. Budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America.

Original Budget*	Supplemental Appropriation*	Revised Budget*
$ 107,068,942	$ 8,600,689	$ 115,669,631

* Excludes agency funds, which are held by the College on behalf of others but not available to the College.

Cost-Sharing Defined Benefit Pension and Other Postemployment Benefits Plans

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

Net Position

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues and Expenses

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

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

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

Scholarship Discounts and Allowances

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

Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship allowance. The scholarship allowances on tuition and fees for the year ended June 30, 2021 was $3,360,729.

Application of Restricted and Unrestricted Resources

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

Related Party

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

A related condominium association was established in November 2013, with a Board of Directors comprised of an equal number of representatives from the College and the Library. Title of the building has been conveyed to the College and the Library based on ownership detailed in the Project Development Agreement. The College owns all parking spots and approximately 8,300 square feet on the second floor, while the Library owns approximately 12,800 square feet on the ground floor, 3,200 square feet on the second floor and the plaza unit. Other project components are considered as common elements. The College has ongoing financial responsibility related to maintenance over common areas and College-owned portions of the building.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Implemented Accounting Standards

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

HEERF and Coronavirus Relief Funding

Through the following three different Acts, Congress has provided budgetary relief to higher education institutions through numerous provisions. Under each of these acts, funds were allocated to the Higher Education Emergency Relief Fund (HEERF).

- The Coronavirus Aid, Relief, and Economic Security Act (CARES or HEERF I)
- Coronavirus Response and Relief Supplement Appropriations Act (CRRSAA or HEERF II)
- The American Rescue Plan Act (ARPA or HEERF III)

As of June 30, 2021, the total funding awarded to the College through the HEERF I, II, and III over the past two years was $12,316,237. Of that amount, a total of $1,694,668 was allocated under HEERF I and II for the student portion allocations. During the year ended June 30, 2021, $1,378,350 was disbursed directly to students as emergency assistance and emergency financial aid grants. The College recognized revenue in the Federal Nonoperating Revenue and student aid operating expense for the amount disbursed to students for campus disruptions due to coronavirus. The College was awarded $3,353,712 for HEERF III student portion allocations that will be disbursed during fiscal year 2022.

The College was awarded a total of $7,267,857 for the institutional portion allocation of HEERF I, II, and III as of June 30, 2021. The College recognized $3,585,976 in Federal Nonoperating revenue for the allowable expenditures incurred by the College in the year ended June 30, 2021. Expenditures identified primarily relate to forgone academic and auxiliary revenue attributed to the pandemic, and some HVAC ventilation expenditures. The remaining HEERF III institutional portion will be disbursed/recognized during the 2022 fiscal year.

Lastly, the state passed through $4,614,699 in Coronavirus Relief Funds, also reflected in the Federal Nonoperating revenue, that lessened the impact in the reduction of state appropriations.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits	$ 14,400,248
ColoTrust	26,287,760
Money Market Funds	6,163,475
Cash on Hand	7,552
Total Unrestricted Cash and Cash Equivalents	46,859,035
Restricted Cash and Cash Equivalents -	
Government Money Market Funds	1,078,237
Government Money Market Funds - Unspent Bond Proceeds	40,001,260
Restricted Cash and Cash Equivalents - Deposit	36,191
Total	$ 87,974,723

The restricted cash and cash equivalents consist of 1) funds held for payment to bondholders with the outstanding 2017 and 2021 COPs, 2) a deposit account restricted for tenant security deposits at Denison Commons in Breckenridge, and 3) unspent bond proceeds.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The College's deposit policy for custodial credit risk requires compliance with the provisions of state law.

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

At June 30, 2021, the amount of the College's deposits totaled $14,400,248, of which $1,500,000 was insured by federal deposit insurance and the remainder was collateralized in accordance with PDPA. The College also had cash on hand of $7,552 at June 30, 2021.

Investments

The statutes of the State of Colorado authorize the College 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.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2021, the College has invested $26,287,760 in the Colorado Government Liquid Asset Trust (ColoTrust), an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing ColoTrust. ColoTrust operates similarly to a money market fund and each share is equal in value to $1. As of June 30, 2021, the College'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, the redemption frequency is daily and there is no redemption notice period.

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

Dreyfus General Government Securities Money Market Fund - This is a U.S. Government money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $3,598,863. The weighted average maturity for the fund was less than 30 days. This fund is rated by Standard and Poor's at AAAm and by Moody's at Aaa-mf.

Zion – Interest Fund - This is an interest holding money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $74,432. The maturity for the fund was less than 30 days.

BNY Mellon – Interest Fund - This is an interest holding money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $1,003,805. The maturity for the fund was less than 30 days.

US Bank Money Market Fund - This is a FLIXX money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $2,059,896. The maturity for the fund was less than 30 days.

Alpine Bank Money Market Fund - This is an APEX money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $40,001,260. The maturity for the fund was less than 30 days.

First Bank Money Market Fund - This is a Denison Commons money market fund, which maintains a net asset value per share of $1. Total balance in this fund as of June 30, 2021 was $504,716. The maturity for the fund was less than 30 days.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

In addition, the College had the following investments as of June 30, 2021:

	Current Market Value	Cost Basis	Current Yield	Maturity	Fair Value Level	Credit Rating Moody's	Credit Rating S&P
Government Issued or Guaranteed Bonds							
Federal Home Loan Bank	$ 4,476,010	$ 4,334,536	4.37%	12/10/2021	2	AAA	AA+
Federal Home Loan Bank	10,363,476	8,690,491	3.66%	6/12/2026	2	AAA	AA+
	14,839,486	13,025,027					
Total Investments	$ 14,839,486	$ 13,025,027					
Statement of Net Position Classification							
Long-Term Investments	$ 10,363,476						
Short-Term Investments	4,476,010						
	$ 14,839,486						

Fair Value Measurement – The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certain investments, such as ColoTrust and money market funds, are exempt from being measured at fair value and thus are excluded from the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See table above for levels associated with applicable investments.

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. State law limits investments in commercial paper and corporate bonds to at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below “AA- or AA3” by any credit rating agency. See table above for ratings associated with the government issued or guaranteed bonds.

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

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Concentration of Credit Risk – is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government are excluded from this requirement. The College's investment policy states that no more than 50% of the portfolio may be placed in an investment pool, such as ColoTrust. As of June 30, 2021, 30% of the College's investments are in ColoTrust, 46% in COP MM. In addition, the College's investments in U.S. government agencies constituted 24% of its total investments.

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 College does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3 RECEIVABLES

Other accounts receivable balance is made up of the following as of June 30, 2021:

Type of Receivable	Amount
Federal Government Grant Receivable	$ 1,905,213
Private Foundations and Other Receivable	188,700
Local Government Accounts Receivable	7,031
State Government Grant Receivable	306,220
Other Miscellaneous Receivable	1,017,771
	$ 3,424,935

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 is:

	Balance July 1, 2020	Additions	Retirements	Transfers In (Out)	Balance June 30, 2021
Nondepreciable Capital Assets					
Artwork	$ 327,750	$ -	$ -	$ -	$ 327,750
Land	13,524,612	-	(1)	-	13,524,611
Other Fixed Assets	76,114	2,177	-	-	78,291
Construction in Progress	14,112,335	2,694,830	-	(14,104,380)	2,702,785
Total Nondepreciable Capital Assets	28,040,811	2,697,007	(1)	(14,104,380)	16,633,437
Depreciable Capital Assets					
Land Improvements	3,310,007	50,000	-	-	3,360,007
Buildings and Improvements	179,901,877	2,385,203	-	14,104,380	196,391,460
Equipment	10,348,678	1,414,386	(30,390)	-	11,732,674
Library Materials	3,153,621	37,411	(44,419)	-	3,146,613
Software	741,770	-	-	-	741,770
Infrastructure	5,358,773	279,566	-	-	5,638,339
Total Depreciable Capital Assets	202,814,726	4,166,566	(74,809)	14,104,380	221,010,863
Less Accumulated Depreciation					
Land Improvements	2,012,269	166,247	-	-	2,178,516
Buildings and Improvements	42,329,022	3,786,811	-	-	46,115,833
Equipment	7,472,133	999,425	(13,245)	-	8,458,313
Library Materials	2,585,394	58,594	(44,420)	-	2,599,568
Software	741,770	-	-	-	741,770
Infrastructure	1,370,835	184,076	-	-	1,554,911
Total Accumulated Depreciation	56,511,423	5,195,153	(57,665)	-	61,648,911
Net Depreciable Capital Assets	146,303,303	(1,028,587)	(17,144)	14,104,380	159,361,952
Net Carrying Amount	$ 174,344,114	$ 1,668,420	$ (17,145)	$ -	$ 175,995,389

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the College for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Certificates of Participation (COPs)	$ 25,165,000	$ 33,530,000	$ 480,000	$ 58,215,000	$ 1,040,000
COPs Premiums	899,206	6,824,899	33,304	7,690,801	260,801
Capital Leases	46,399	42,000	20,666	67,733	28,266
Compensated Absences	2,090,244	1,767,644	1,599,906	2,257,982	2,032,184
Total	$ 28,200,849	$ 42,164,543	$ 2,133,876	$ 68,231,516	$ 3,361,251

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

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

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

The premiums on the COPs of $999,118 and $6,824,899, and the prepaid bond insurance costs of $291,825, are being amortized over the life of the COPs. The balance of the premiums at June 30, 2021 is $7,690,801 and the unamortized balance of the prepaid bond insurance cost is $102,576 included in other noncurrent assets. The amount of the premium credited as a reduction of interest expense for the year was $33,304 and the amount of the prepaid bond insurance costs amortized for the year was $15,651.

The following is a schedule of the future COPs payments as of June 30, 2021:

Year Ending June 30	Principal	Interest	Total
2022	$ 1,040,000	$ 2,364,679	$ 3,404,679
2023	1,055,000	2,350,056	3,405,056
2024	1,100,000	2,312,206	3,412,206
2025	1,145,000	2,249,506	3,394,506
2026	1,205,000	2,190,006	3,395,006
2027 - 2031	7,010,000	9,945,530	16,955,530
2032 - 2036	8,815,000	8,403,334	17,218,334
2037 - 2041	7,500,000	6,215,801	13,715,801
2042 - 2046	6,790,000	3,824,500	10,614,500
2047 - 2051	22,555,000	1,181,000	23,736,000
	$ 58,215,000	$ 41,036,618	$ 99,251,618

Capital Lease Obligations

The College has an outstanding liability for capital leases of $67,734 relating to copiers at various campuses and a long-term lease at the central services. The following is a schedule of the future capital lease's payments as of June 30, 2021:

Year Ending June 30	Amount
2022	$ 28,266
2023	26,451
2024	14,052
2025	5,115
Gross Capital Lease Obligation	73,884
Less Interest	6,151
Net Capital lease Obligation	$ 67,733

The underlying gross capitalized asset cost of the capital leases is $107,806 and the accumulated amortization as of June 30, 2021 is $34,980.

NOTE 6 OPERATING LEASES

The College, as lessor, has several real estate operating leases for classroom, office and parking lot space, generally for periods of one year or less. Rental payments received on these leases for the year ended June 30, 2021, were approximately $666,546. Rental payments received on multi-year leases expiring from 2022 to 2041, for the year ended June 30, 2021, were approximately $979,306. In addition, the College entered into the following operating lease contract as the "Lessor".

Aspen Ballet Company

On March 20, 2000, the College entered into a lease contract with the Aspen Ballet Company and School (ABC) to lease a portion of the new Aspen Campus Building for 30 years. Rent for the entire 30-year term will be $637,000.

This was paid in the following manner: a gift by John and Carrie Morgridge of $250,000 was paid to the College in installments through the year 2004; $162,000 was paid on the date that the contract began; and $75,000 was paid on the first three anniversary dates of the commencement of the contract. The receipt of these funds is recorded in unearned revenue and then recognized as revenue over the 30-year term of the lease. The lease commenced in January 2001 at the completion of the building.

For the year ended June 30, 2021, the College earned $21,233 of rental income.

In addition, the College is committed under one building space lease. Under this lease the College will pay $181,400 annually to Salida School District R32J until the lease expires on July 31, 2024. This lease is considered for accounting purposes to be an operating lease.

Future minimum operating lease payments under this lease agreement are as follows:

Year Ending June 30	Amount
2022	$ 166,320
2023	181,440
2024	181,440
2025	15,120
Total	$ 544,320

NOTE 7 ACCRUED SALARIES AND COMPENSATED ABSENCES

Salaries of certain contractually employed personnel are paid over a 12-month period but are earned during an academic year of approximately nine months. The salaries and benefits earned but unpaid as of June 30, 2021 are estimated to be $761,195. Full-time employees sub-contracted to perform projects during the summer earned but unpaid as of June 30, 2021 are estimated to be $60,130.

Most employees receive annual leave, which may accumulate to 240 hours. Unused leave is paid upon termination. The liability for unused annual leave at June 30, 2021 is $2,257,982.

NOTE 8 PENSION PLAN

The College contributes to PERA, a cost-sharing, multiple-employer public employee retirement system. The secondary retirement program for full-time faculty and some administrators is a Defined Contribution Plan (DCP) which was established October 1, 1994 and is administered by two fund sponsors, VALIC and TIAA-CREF. Effective on and after September 1, 2017 the majority of new employees are able to elect a new Defined Contribution Plan (DCP2), which is also administered by VALIC and TIAA-CREF. No new employees are eligible to select the legacy DCP plan.

Plan Description (PERA)

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

Benefits Provided

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

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

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

NOTE 8 PENSION PLAN (CONTINUED)

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal 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 five years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

Contributions

Eligible employees and the College are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 10% of their PERA-includable salary. The employer contribution requirements for all employees are summarized in the table below:

NOTE 8 PENSION PLAN (CONTINUED)

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

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the College is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the College were $4,040,886 for the year ended June 30, 2021.

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

At June 30, 2021, the College reported a liability for its proportionate share of the net pension liability. The total portion of the net pension liability that was associated with the College were as follows:

College's Proportionate Share of the Net Pension Liability	$	60,280,480

The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The College proportion of the net pension liability was based on College contributions to the SDTF for the calendar year 2020 relative to the total contributions of participating employers to the SDTF.

At December 31, 2020, the measurement date of the net pension liability, the College proportion was 0.636%, which was an increase of 0.008% from its proportion measured as of December 31, 2019.

NOTE 8 PENSION PLAN (CONTINUED)

For the year ended June 30, 2021, the College recognized a negative pension expense of ($26,105,830). At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 1,489,701	$ -
Changes of Assumptions or Other Inputs	4,093,150	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	12,337,803
Changes in Proportion	592,403	2,975,719
Contributions Subsequent to the Measurement Date	2,059,472	-
Total	$ 8,234,726	$ 15,313,522

$2,059,472 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	$ (2,406,174)
2023	(563,194)
2024	(3,084,451)
2025	(3,084,449)
Total	$ (9,138,268)

Actuarial Assumptions

The December 31, 2019 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40 Percent
Real Wage Growth	1.10 Percent
Wage Inflation	3.50 Percent
Salary Increases; Including Wage Inflation	3.50 – 9.17 Percent
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Inflation	7.25 Percent
Discount rate[1]	7.25 Percent
Future Post-Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007 (Automatic) through 2019	0.00 Percent
Thereafter, compounded annually	1.25 Percent
PERA Benefit Structure Hired After December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

NOTE 8 PENSION PLAN (CONTINUED)

[1] The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25% as described below.

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

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

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

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

NOTE 8 PENSION PLAN (CONTINUED)

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate

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

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

- Employee contributions were assumed to be made at the member contribution rate as of the measurement date, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 PENSION PLAN (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 included 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 79,752,847	$ 60,280,480	$ 43,930,716

NOTE 8 PENSION PLAN (CONTINUED)

Pension Plan Fiduciary Net Position

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

Recent Changes to the Net Pension Liability

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100% funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25% on July 1, 2019.
- Increases employee contribution rates by a total of 2% (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the other divisions eligible for the direct distribution. A portion of the direct distribution allocated to the SDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

NOTE 8 PENSION PLAN (CONTINUED)

Plan Description (DCP and DCP2)

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

Funding Policy (DCP and DCP2)

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 C.R.S., as amended. Covered payrolls for the DCP for the fiscal year ended June 30, 2021 were $8,266,510. For the current fiscal year, the employer's contribution to the DCP, recognized as pension expense, was $1,642,562, which is 20.15% of covered payrolls. Contributions by employees were $661,321, which is 8% of covered payrolls.

Covered payrolls for the DCP2 for the fiscal year ended June 30, 2021 were $8,239,651. For the current fiscal year, the employer's contribution to the DCP2, recognized as pension expense, was $988,950, which is 12% of covered payrolls. Contributions by employees were $659,172, which is 8% of covered payrolls.

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS

PERA Health Care Trust OPEB Plan

General Information about the OPEB Plan

Plan Description

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

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

Benefits Provided

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

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

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

PERA Benefit Structure

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

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

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the College is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from College were $208,279 for the year ended June 30, 2021.

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

At June 30, 2021, the College reported a liability of $2,074,816 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020. The College's proportion of the net OPEB liability was based on the College's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF. At December 31, 2020, the College's proportion was 0.218%, which was a decrease of 0.024% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the College recognized negative OPEB expense of $196,798. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 5,507	$ 456,144
Changes of Assumptions or Other Inputs	15,503	127,226
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	84,779
Changes in Proportion	-	891,108
Contributions Subsequent to the Measurement Date	101,909	-
Total	$ 122,919	$ 1,559,257

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

$101,909 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2022. 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
2022	$ (336,667)
2023	(336,667)
2024	(336,667)
2025	(336,667)
2026	(176,539)
Thereafter	(15,040)
	$ (1,538,247)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the Aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	8.1% for 2020, Gradually Decreasing to 4.5% in 2029
Medicare Part A Premiums	3.5% for 2020, Gradually Increasing to 4.5% in 2029

- Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.
- The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

- In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-fee Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$ 588	$ 227
Kaiser Permanente Medicare Advantage HMO	621	232

- The 2020 Medicare Part A premium is $458 per month.
- In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$ 550
Kaiser Permanente Medicare Advantage HMO	586

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the Trust Fund.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.

- The morbidity assumptions were updated to reflect the assumed standard aging factors.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

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

The following presents the College's proportionate share of the net OPEB liability, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-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	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 2,021,189	$ 2,074,816	$ 2,137,244

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, 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 3.50%.
- 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

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

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

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 2,376,739	$ 2,074,816	$ 1,816,846

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Colorado Educators Benefit Trust OPEB Plan

General Information about the OPEB Plan

Plan Description

The College participates in a defined benefit postemployment healthcare plan administered by the Colorado Educators Benefit Trust (CEBT). Beginning in fiscal year 2021, the plan was closed to all active members. This plan offers healthcare assistance to eligible retired employees and their beneficiaries. The CEBT plan is considered a single-employer agent plan for financial reporting purposes and has no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB No. 75. CEBT does not issue a separate publicly available financial report for the plan.

The CEBT plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit rate subsidy."

Summary of Significant Accounting Policies

The College is required to report OPEB information in its financial statements, in accordance with GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

Summary of Membership Information

The following table provides a summary of the number of participants in the plan as of June 30, 2020:

Retirees and Beneficiaries	6
Inactive Plan Members	-
Active Plan Members (Nonretired Members)	-
Total Plan Members	6

Total OPEB Liability

At June 30, 2021, the College reported a liability of $184,810. The total OPEB liability as of June 30, 2021 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

For the year ended June 30, 2021, the College recorded total OPEB contra-expense of ($452,958) due to the change in the total OPEB liability, changes to deferred outflows and inflows of resources, and amortization of deferred amounts.

Deferred Items

Deferred inflows of resources and deferred outflows of resources are calculated based on various factors in the actuarial process. For the measurement period ended June 30, 2018 there were:

- Difference between expected and actual experience
- Changes in assumptions

Deferred items are amortized over the closed period equal to the average expected remaining service life of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, determined as of the beginning of the measurement period ended June 30, 2020 is 7.2777 years.

One year of amortization is recognized in the College's total OPEB expense for the fiscal year ended June 30, 2021.

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to the CEBT OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 10,730	$ -
Changes of Assumptions or Other Inputs	19,424	29,141
Contributions Subsequent to the Measurement Date	-	-
Total	$ 30,154	$ 29,141

$-0- reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2021. As of June 30, 2021, the remaining 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
2022	$ (1,098)
2023	(1,098)
2024	(1,098)
2025	(1,098)
2026	1,606
Thereafter	3,799
	$ 1,013

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.40%
Salary Increase	3.50% plus age-based increases
Demographic Assumptions	Same as used for PERA HCTF plan December 31, 2019 valuation
Mortality	For healthy retirees, the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and projected to 2018 for males and 2020 for females using scale MP-2015. For males, multiplied by 73% for ages below 80 and 108% for ages 80 and above. For females, multiplied by 78% for ages below 80 and 109% for ages 80 and above.
Discount rate	2.45%
Health Care Cost Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation Rates	As of July 1, 2019, the college no longer allows retirees to maintain their coverage until age 65

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 2.45% as of the prior measurement date. This rate changed from 3.62% from the prior year.

Sensitivity Analysis

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 2.45%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 1.45%	Current Rate 2.45%	1% Increase 3.45%
Total OPEB Liability	$ 191,937	$ 184,810	$ 178,127

NOTE 9 POSTEMPLOYMENT HEALTH CARE PLANS (CONTINUED)

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB to changes in health care cost

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 179,158	$ 184,810	$ 190,696

NOTE 10 UNRESTRICTED NET POSITION

Unrestricted net position is comprised of the following as of June 30, 2021:

College Operations	$ 66,399,983
Net Pension Liability	(60,280,480)
Pension Related Deferred Outflows	8,234,727
Pension Related Deferred Inflows	(15,313,523)
Net OPEB Liability	(2,259,626)
OPEB Related Deferred Outflows	153,072
OPEB Related Deferred Inflows	(1,588,397)
Compensated Absences Liability	(2,257,982)
Total Unrestricted Net Position	$ (6,912,226)

NOTE 11 COMMITMENTS AND CONTINGENCIES

Tax, Spending and Debt Limitations

In 1992 the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase or new debt. Voter approval is also required to increase annual property taxes, revenue, or spending by more than inflation plus a local growth factor. Spending not subject to TABOR includes that from enterprise activities, gifts, federal funds, reserve expenditures, damage awards or property sales. Also required by TABOR are emergency reserves of at least 3% of fiscal year spending. During 2000, the voters in the district passed an initiative allowing the College to retain all revenues from whatever source without increasing the mill levy. The College believes it is in compliance with the requirements of TABOR.

Federally Assisted Grant Program

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

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contracts

The College has negotiated an intergovernmental agreement related to the purchase of property in Edwards, Colorado. The College has paid $800,000 in cash and $800,000 in exchange for providing Eagle County and Eagle school district employees to receive credit towards classes taken at the College for up to $400,000 for each entity. Through June 30, 2021, $530,001 has been used. The remaining obligation of $269,999 is reflected as land obligation payable on the Statement of Net Position.

Construction Commitments

As of June 30, 2021, the College had various contracts for the acquisition and construction of projects, which totaled $1,523,755. Additionally, the $40 million in unspent Series 2021 certificates of participation bond proceeds are also committed to future capital housing projects.

NOTE 12 RISK MANAGEMENT

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

NOTE 13 COMPONENT UNIT – FOUNDATION

The following details the investments held by the Foundation at June 30, 2021:

Publicly Traded Mutual Funds Invested in	
Fixed Income	$ 7,666,038
U.S. Large Cap Equities	5,292,031
Other Equities	6,131,072
Foreign Large Cap Equities	325,762
Other Foreign Equities	671,307
Real Estate	374,644
U.S. Corporate Bonds	855,790
International Bonds	137,245
Cash and Cash Equivalents	275,167
Total Investments	$ 21,729,056

NOTE 13 COMPONENT UNIT – FOUNDATION (CONTINUED)

Investments are recorded in the following net asset balance at June 30, 2021:

Net Assets Without Donor Restrictions	$ 5,465,150
Net Assets With Donor Restrictions	16,263,906
	$ 21,729,056

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of June 30, 2021:

Description	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	$ 275,167	$ 275,167	$ -	$ -
Equity Mutual Funds	12,420,172	12,420,172	-	-
Fixed Income Mutual Funds	7,666,038	7,666,038	-	-
Real Estate Mutual Funds	374,644	374,644	-	-
Fixed Income Securities	993,035	-	993,035	-
Total	$ 21,729,056	$ 20,736,021	$ 993,035	$ -

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

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

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

Contributions Received or Receivable, Restricted for Specific Purposes or by Time:	$ 4,629,611
Endowments:	
Facility Maintenance	58,197
Scholarships	8,821,439
Unspent Earnings	7,384,270
Total Endowment Funds	16,263,906
Total Net Assets with Donor Restrictions	$ 20,893,517

Net assets totaling $2,190,926 were released from restriction in 2021 as donor imposed restrictions were met.

NOTE 13 COMPONENT UNIT – FOUNDATION (CONTINUED)

Unconditional contributions receivable consists of the following at June 30:

Receivable in Less than One Year	$	284,390
Receivable in One to Five Years		3,036,637
Receivable in More than Five Years		-
Total Unconditional Contributions Receivable		3,321,027
Less Discount to Net Present Value		(58,353)
Contributions Receivable, Net	$	3,262,674

Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 1.285%.

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

Net Assets Without Donor Restrictions	$	131,978
Net Assets With Donor Restrictions		3,130,696
Total Contributions Receivable	$	3,262,674

Conditional contributions receivable, which have not been recognized in the accompanying financial statements because the conditions have not been met, consist of the following at June 30, 2021:

Conditional Opportunity Scholarships Initiative Grants, Conditioned upon Matching Requirements	$	2,253,587
Total Conditional Contributions Receivable	$	2,253,587

Reclassification of Net Assets

In fiscal year 2021, the Foundation undertook a comprehensive analysis of net assets with donor restrictions for the purposes of determining whether net assets recorded in certain project codes were, in fact, donor restricted funds. As a result of the analysis, management has determined that amounts in certain project codes represented funds for which the restricted purpose had been met in a prior year. Accordingly, these funds should have been released from restriction when the requirements were met. A reclassification between net assets with donor restrictions and net assets without donor restrictions at July 1, 2019 and July 1, 2020 of $4,220,285 and $228,829, respectively, is required to properly state net assets with and without donor restrictions. The restatement had no effect on total net assets.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2020	2019	2018	2017	2016	2015	2014	2013
College's Proportion of the Net Pension Liability (Asset)	0.636%	0.628%	0.698%	0.886%	0.920%	0.964%	0.958%	0.972%
College's Proportionate Share of the Net Pension Liability (Asset)	$ 60,280,480	$ 60,977,633	$ 79,382,434	$ 177,361,268	$ 168,999,576	$ 101,536,835	$ 90,114,058	$ 86,616,427
College's Covered Payroll	$ 21,525,828	$ 22,974,055	$ 24,578,790	$ 26,406,021	$ 26,646,762	$ 26,962,425	$ 25,933,643	$ 25,188,488
College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	280.0%	265.4%	323.0%	671.7%	634.2%	376.6%	347.5%	343.9%
Plan Fiduciary Net Position as a Position as a Percentage of the Total Pension Liability	65.34%	62.24%	55.11%	43.20%	43.80%	56.10%	59.80%	61.08%

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

Information is required to be displayed for 10 years; information prior to 2013 is not available; additional years will be displayed as they become available.

See Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Pension Contribution	$ 4,040,886	$ 4,194,339	$ 4,468,863	$ 4,842,192	$ 4,778,605	$ 4,705,020	$ 4,458,106	$ 4,036,599
Contributions in Relation to the Contractually Required Pension Contribution	4,040,886	4,194,339	4,468,863	4,842,192	4,778,605	4,705,020	4,458,106	4,036,599
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 21,220,148	$ 22,257,781	$ 22,257,781	$ 25,707,008	$ 26,406,021	$ 26,646,762	$ 26,708,154	$ 25,495,463
Pension Contributions as a Percentage of Covered Payroll	19.04%	18.84%	20.08%	18.84%	18.10%	17.66%	16.69%	15.83%

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

Information is required to be displayed for 10 years; information prior to 2014 is not available; additional years will be displayed as they become available.

See Notes to Required Supplementary Information

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

	2020	2019	2018	2017
College's Proportion of the Net OPEB Liability (Asset)	0.218%	0.242%	0.277%	0.317%
College's Proportionate Share of the Net OPEB Liability (Asset)	$ 2,074,816	$ 2,723,000	$ 3,768,356	$ 4,122,435
College's Covered Payroll	$ 21,525,828	$ 22,974,055	$ 24,578,790	$ 26,406,021
College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	9.6%	11.9%	15.3%	15.6%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%	17.53%

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

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

See Notes to Required Supplementary Information

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

	2021	2020	2019	2018	2017
Contractually Required OPEB Contribution	$ 208,279	$ 214,801	$ 229,570	$ 253,770	$ 265,939
Contributions in Relation to the Contractually Required OPEB Contribution	208,279	214,801	229,570	253,770	265,939
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
College's Covered Payroll	$ 21,220,148	$ 22,257,781	$ 23,649,339	$ 25,707,008	$ 26,406,021
OPEB Contributions as a Percentage of Covered Payroll	0.98%	0.97%	0.97%	0.99%	1.01%

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

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

See Notes to Required Supplementary Information

COLORADO MOUNTAIN COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	$ -	$ 42,960	$ 43,950	$ 44,390
Interest on the total OPEB liability	6,311	21,663	19,736	15,499
Changes of benefit terms	(445,720)	-	-	-
Difference between expected and actual experience of the total OPEB liability	(18,760)	-	16,880	-
Changes in assumptions	6,329	25,612	(22,323)	(29,075)
Benefit payments	(21,405)	(18,243)	(9,174)	(4,816)
Net change in total OPEB liability	(473,245)	71,992	49,069	25,998
Total OPEB liability - beginning	658,055	586,063	536,994	510,996
Total OPEB liability - ending	$ 184,810	$ 658,055	$ 586,063	$ 536,994
Covered payroll	$ - *	$ 28,629,858	$ 27,661,699	$ 27,999,468
Total OPEB liability as a percentage of covered payroll	N/A	2.30%	2.12%	1.92%

Information above is presented as of the measurement date June 30.

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

Changes in assumptions related to other post employment benefit liability can be found in Notes 9

* Beginning in measurement year 2020, no active employees participate in the plan, so no covered payroll.

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

Changes in benefit terms and actuarial assumptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

COLORADO MOUNTAIN COLLEGE
SUPPLEMENTARY INFORMATION
ACTUAL TO BUDGET COMPARISON SCHEDULE – COLLEGEWIDE
YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Operating Revenues:			
Tuition and Fees	$ 12,585,649	$ 10,183,658	$ (2,401,991)
Federal, State, Private Grants, and Contracts	7,019,235	6,782,542	(236,693)
Auxiliary Enterprises	10,281,847	7,122,031	(3,159,816)
Other Operating Revenue	41,608	1,552,845	1,511,237
Total Operating Revenues	29,928,339	25,641,076	(4,287,263)
EXPENSES			
Operating Expenses:			
Instruction	30,207,682	12,079,702	18,127,980
Community Service	876,011	292,570	583,441
Academic Support	5,668,496	3,402,573	2,265,923
Student Services	21,609,968	6,971,759	14,638,209
Institutional Support	16,233,119	9,162,401	7,070,718
Operation and Maintenance of Plant	9,082,916	3,562,074	5,520,842
Student Aid	11,524,829	8,980,399	2,544,430
Auxiliary Enterprises	9,942,647	7,823,688	2,118,959
Depreciation	5,200,000	5,195,153	4,847
Reserve Expenditures	9,396,000	-	9,396,000
Capital Asset Offset	(5,500,000)	-	(5,500,000)
Total Operating Expenses	114,241,668	57,470,319	56,771,349
NONOPERATING REVENUES (EXPENSES)			
State Appropriations	3,791,360	3,791,765	405
Federal Nonoperating Revenue	10,474,511	12,773,247	2,298,736
Property Taxes	52,387,299	53,221,850	834,551
Gifts	1,032,000	1,018,965	(13,035)
Investment Income	1,114,318	1,120,212	5,894
Unrealized Gain on Investments	-	(669,217)	(669,217)
Bond Issuance Costs	(284,675)	(283,261)	1,414
Amortization of Prepaid Bond Insurance	(15,651)	(15,651)	-
Interest Expense on Capital Debt	(1,127,637)	(1,094,985)	32,652
Net Nonoperating Revenues (Expenses)	67,371,525	69,862,925	2,491,400
Capital Contributions	-	188,700	188,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,941,804)	38,222,382	55,164,186
Fund Balance - Beginning of Year	107,709,751	107,709,751	-
FUND BALANCE - END OF YEAR	$ 90,767,947	$ 145,932,133	$ 55,164,186

SINGLE AUDIT

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

Colorado Mountain College
Glenwood Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Colorado Mountain College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 20, 2021. Our report includes a reference to other auditors who audited the financial statements of the Colorado Mountain College Foundation, a discretely presented component unit, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 20, 2021

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

Board of Trustees
Colorado Mountain College
Glenwood Springs, Colorado

Report on Compliance for Each Major Federal Program

We have audited Colorado Mountain College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Board of Trustees
Colorado Mountain College

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
July 8, 2022

COLORADO MOUNTAIN COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Interior					
Environment Quality and Protection Resource Management	15.236	Colorado State Office Bureau of Land Management	L15AC00235	$ -	$ 12,497
Federal Leasing Minerals Act	15.437	Garfield Count Mineral Leasing District		-	50,000
Total U.S. Department of Interior				-	62,497
U.S. Department of the Treasury					
COVID-19: Coronavirus Relief Fund	21.019	Colorado Department of Higher Education	N/A	-	4,614,699
Total for U.S. Department of the Treasury				-	4,614,699
Environmental Protection Agency					
Superfund Cooperative Agreements	99.802	N/A	N/A	-	31,027
Total for Environmental Protection Agency				-	31,027
U.S. Department of Agriculture					
U.S. Forest Service CMC Partnership-Winter Internship Pilot	10.699	N/A	N/A	-	97,160
Total for U.S. Department of Agriculture				-	97,160
U.S. Department of State					
Academic Exchange Programs					
Ideas Study Abroad	19.009	N/A	N/A	-	13,239
Total U.S. Department of State				-	13,239
U.S. Department of Education					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	N/A	N/A	-	126,054
Federal Work-Study Program	84.033	N/A	N/A	-	14,053
Federal Pell Grant Program	84.063	N/A	N/A	-	3,120,448
Federal Direct Student Loans	84.268	N/A	N/A	-	3,021,805
Total for Student Financial Aid Cluster				-	6,282,360
Trio Cluster					
Trio Student Support Services	84.042	N/A	N/A	-	366,593
Trio Student Support Services	84.042A	N/A	N/A	-	258,352
Trio Upward Bound	84.047	N/A	N/A	-	684,336
Total for Trio Cluster				-	1,309,281

See accompanying notes to Schedule of Expenditures of Federal Awards.

COLORADO MOUNTAIN COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (Continued)					
Education Stabilization Fund					
COVID-19: Colorado Governor's Emergency Education Relief Funds	84.425C	Colorado Office of the Governor	6425	$ 670,806	$ 670,806
COVID-19: Higher Educational Emergency Relief Fund-HEERF I - Student Aid	84.425E	N/A	N/A	-	449,534
COVID-19: Strengthening Institutions Program	84.425M	N/A	N/A	-	248,556
COVID-19: Higher Educational Emergency Relief Fund-HEERF II - Student Aid	84.425E	N/A	N/A	-	847,334
COVID-19: Higher Educational Emergency Relief Fund-HEERF II - Institutional	84.425F	N/A	N/A	-	2,887,886
COVID-19: Higher Educational Emergency Relief Fund-HEERF III - Student Aid	84.425E	N/A	N/A	-	15,150
COVID-19: Higher Educational Emergency Relief Fund-HEERF III - Institutional	84.425F	N/A	N/A	-	1,992,286
Total for Educational Stabilization Fund				670,806	7,111,552
Office of Post Secondary Education					
Title III-Higher Education Institutional Aid	84.031A	N/A	N/A	-	63,737
Total for Post Secondary Education				-	63,737
Adult Education - Basic Grants to States	84.002A	Colorado Department of Education	5002	-	11,499
Career and Technical Education - Basic Grants to States (Perkins)	84.048A	Colorado Community College System	1622	-	209,424
Career and Technical Education - Basic Grants to States (Perkins E-sports)	84.048A	Colorado Community College System	1622	-	51,369
				-	260,793
Total U.S. Department of Education				670,806	15,039,222
TANF Cluster					
Temporary Assistance for Needy Families (TANF)	93.558	Colorado Department of Human Services and Garfield County DHS	2015-00000248	-	59,190
Centers for Medicare and Medicaid Services (CMS) Research, Demonstration and Evaluation	93.779	Colorado Department of Regulatory Agencies, Division of Insurance (SHIP)	OESFA 13SHIP000007	-	8,580
Total for TANF Cluster				-	67,770
Total U.S. Department of Health and Human Services				-	67,770
Corporation for National and Community Service					
Retired and Senior Volunteer Program	94.002	N/A	N/A	-	27,676
Total for Corporation for National and Community Service				-	27,676
Total Expenditures of Federal Awards				$ 670,806	$ 19,953,290

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 Colorado Mountain 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, 2021.

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

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, 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 included $670,806 of funds passed through to subrecipients.

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

CFDA Number(s)	Name of Federal Program or Cluster
84.042, 84.047	Trio Cluster
84.425C, 84.425E, 84.425F, 84.425M	COVID 19: Higher Education Emergency Relief Fund
21.019	COVID 19: Coronavirus Relief Fund

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

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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