

**MOUNTAIN BOARD  
OF COOPERATIVE  
EDUCATIONAL  
SERVICES  
BUENA VISTA,  
COLORADO**

**FINANCIAL  
STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR  
ENDED JUNE 30, 2024**

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES BUENA VISTA,  
COLORADO**

**ROSTER OF OFFICIALS June 30, 2024**

**BOARD MEMBERS**

Brett Mitchell – President– Buena Vista School District R-31  
Mandy Paschall – Vice-President – Salida School District R-32J  
Graham Fowler – Secretary/Treasury – Park County School District Re-2  
Kerry Charles – Member – Lake County School District R-1  
Gloria Perez – Member – Colorado Mountain College

**SUPERINTENDENTS**

Lisa Yates – Buena Vista School District R-31  
Kate Bartlett – Lake County School District R-1  
Cindy Bear – Park County School District Re-2  
David Blackburn – Salida School District R-32J

**ADMINISTRATIVE**

Susan Udenberg M.S. Ed.L, Executive Director and Director of Special Education  
Michele Williams MA,LPC, Business/HR/Operations Manager  
Wendy Wyman Phd, Professional Learning Director

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

### **Required Supplementary Information (RSI)**

**June 30, 2024**

The discussion and analysis of Mountain Board of Cooperative Educational Services (Mountain “BOCES”) financial performance provides an overall review of Mountain BOCES’ financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at Mountain BOCES’ financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, and budgetary comparison schedules to broaden their understanding of Mountain BOCES’ financial performance.

#### **Financial Highlights**

Mountain BOCES’ total net position decreased by \$7,810 compared to the prior year. The end of fiscal year 2024’s total net position was \$103,065, compared to \$110,875 at the end of fiscal year 2023.

Mountain BOCES ended with a fund balance in the General Fund of \$1,675,022 which is an increase of \$309,908 compared to the prior fiscal year.

Mountain BOCES flows all but the approved indirect cost rate of Federal IDEA Part B and Preschool funds to districts and the districts had the option to purchase Special Education Services through Mountain BOCES or hire their own staff as approved by IDEA regulations and the Federal Application. Mountain BOCES continues to employ low incidence staff (hearing, vision, audiology) who provide services to all districts and these costs were assessed to the districts.

Indirect costs were charged to Federal and State grants and other self-supporting programs. Member districts were assessed \$570,581 for Mountain BOCES’ general operations and for services provided in consortia programs.

#### **Using the Basic Financial Statements**

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand Mountain BOCES as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about Mountain BOCES’ overall financial status.

The remaining statements are fund financial statements that focus on individual parts of Mountain BOCES' operations in more detail. The governmental fund statements tell how general Mountain BOCES' services were financed in the short term as well as what remains for future spending. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **Financial Analysis of Mountain BOCES as a Whole**

At the end of the current fiscal year, the assets and deferred inflows of resources of Mountain BOCES exceeded its liabilities and deferred outflows of resources which resulted in a net position of \$103,065, compared to \$110,875 at the end of fiscal year 2023, decreasing the net position by \$7,810.

### **Government-Wide Financial Statements**

The government-wide statements report information about Mountain BOCES as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report Mountain BOCES' net position and how they have changed. The change in net position is important because it tells the reader that for Mountain BOCES as a whole, the financial position of Mountain BOCES has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, Mountain BOCES has one type of activity:

Governmental Activities – All of Mountain BOCES' programs and services are reported here including general operations support services, instruction and support of consortia programs, and instruction and support of programs for students with disabilities, plant operations and maintenance and pupil transportation.

Condensed summary of Net Position as follows:

	<u>2024</u>	<u>2023</u>
<b>Assets and Deferred Outflows of Resources:</b>		
Current Assets	\$ 1,984,451	\$ 1,533,140
Capital Assets - Net	29,400	45,577
Deferred Outflows of Resources	<u>749,544</u>	<u>528,689</u>
Total Assets & Deferred Outflows of Resources	<u>2,763,395</u>	<u>2,107,406</u>
<b>Liabilities and Deferred Inflows of Resources</b>		
Current Liabilities	309,429	118,414
Non-Current Liabilities	2,330,821	1,829,841
Deferred Inflows of Resources	<u>20,080</u>	<u>48,276</u>
Total Liabilities & Deferred Inflows of Resources	<u>2,660,330</u>	<u>1,996,531</u>
<b>Net Position</b>		
Net Investment in Capital Assets	29,400	45,577
Unrestricted Net Position	<u>73,665</u>	<u>65,298</u>
Total Net Position	<u>103,065</u>	<u>110,875</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,763,395</u>	<u>\$ 2,107,406</u>

Current assets increased by \$451,311, with a decrease in capital assets net of accumulated depreciation and an increase in deferred outflows of resources, the increase in total assets and deferred outflows of resources from the prior year is \$655,989.

Total liabilities increased \$691,995. The majority of increase in liabilities is due to increases to the pension and OPEB liability of \$500,980, an increase in accounts payable of \$238,428 and is offset by decreases in deferred revenues related to revenue advanced from the State.

Condensed Summary of Activities and Changes in Net Position as follows:

	2024	2023
<b>Program Revenues:</b>		
Charges for Services	\$ 574,879	\$ 591,838
Operating Grants	3,707,009	3,296,790
Total Program Revenues	<u>4,281,888</u>	<u>3,888,628</u>
<b>General Revenues:</b>		
Investment Earnings	50,719	28,030
Total General Revenues	<u>50,719</u>	<u>28,030</u>
<b>Total Revenues</b>	<u>4,332,607</u>	<u>3,916,658</u>
<b>Expenses:</b>		
Instruction	1,776,179	1,829,425
Supporting Services	2,564,238	2,065,406
<b>Total Expenses</b>	<u>4,340,417</u>	<u>3,894,831</u>
Change in Net Position	(7,810)	21,827
Net Position -Beginning	110,875	89,048
<b>Net Position - Ending</b>	<u>\$ 103,065</u>	<u>\$ 110,875</u>

A year-to-year increase in program revenues of \$393,260, is primarily attributed to an increase in operating grants of \$410,219. However, charges for services were down, and local revenues and grant revenue were also up from the prior year. State grant revenue increased \$232,179 due to increased funding overall and federal revenue increased \$158,346 largely due to a new Mentor Grant received in the current year. Expenses were also up \$445,586 partially due to increased pension expenses of \$83,927, but expenses were generally up in most areas which corresponds with increased revenues.

### Reporting Mountain BOCES' Most Significant Fund

The analysis of Mountain BOCES' major fund begins on page 6. Fund financial reports provide detailed information about Mountain BOCES' major fund. Mountain BOCES' had one operating fund for the 2024 fiscal year, the General Fund.

**Governmental Funds** - All of Mountain BOCES' activities are reported in the governmental funds (General Fund). Governmental funds focus on how money flows into and out of the funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of Mountain BOCES' general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements of the Governmental Funds. Mountain BOCES' governmental fund is the General Fund. The General Fund accounts for all of Mountain BOCES' instruction and support operations.

## Fund Financial Statements

As of June 30, 2024, Mountain BOCES' governmental funds reported a fund balance of \$1,675,022, that is an increase of \$309,908 from the June 30, 2023 fund balance.

The governmental fund has unassigned fundequity of \$589,586 which may be used to meet Mountain BOCES' ongoing obligations. The unassigned fund equity increased \$247,213 from the previous year. The assigned fund equity of \$485,436 is designated to specific programs and capital expenditures. The committed fund equity of \$600,000 is for capital reserves and SPED legal expenditures.

## Capital Assets

As of June 30, 2024, Mountain BOCES had a net \$29,400 invested in furniture and equipment. A summary of Mountain BOCES' capital assets is as follows:

	Balance 7/1/2023	Additions	Retirements	Balance 6/30/2024
<b>Depreciable assets</b>				
Transportation equipment	\$ 134,344	\$ -	\$ -	\$ 134,344
Other equipment	41,356	-	-	41,356
Total assets	<u>175,700</u>	<u>-</u>	<u>-</u>	<u>175,700</u>
<b>Accumulated depreciation</b>				
Transportation equipment	(103,074)	(12,459)	-	(115,533)
Other equipment	(27,049)	(3,718)	-	(30,767)
Total accumulated	<u>(130,123)</u>	<u>(16,177)</u>	<u>-</u>	<u>(146,300)</u>
<b>Net Capital assets</b>	<u>\$ 45,577</u>	<u>\$ (16,177)</u>	<u>\$ -</u>	<u>\$ 29,400</u>
Instruction		\$ 6,471		
Supporting services		9,706		
<b>Total depreciation</b>		<u>\$ 16,177</u>		

Mountain BOCES' policy is to capitalize and annually inventory capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

## **Debt Administration**

As of June 30, 2024 Mountain BOCES had no outstanding debt.

## **General Fund Budget**

The Board of Director's adopts Mountain BOCES' budget in May of each year. Changes are then made in January, if needed, after grant allocations are announced and staff changes are made for the new school year. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are due to grant revisions made after the May budget adoption.

General Fund revenues were \$11,301 lower than the revised budget. Expenditures were \$178,951 under the revised budget.

## **The State of Mountain BOCES**

Mountain BOCES includes Lake County, Park County Re2, Buena Vista and Salida School Districts.

## **Requests for Information**

The financial report is designed to provide a general overview of Mountain BOCES' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager at 27900 County Road 319 – PO Box 1010, Buena Vista, CO81211 or by calling 719.398.3509.



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*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mountain Board of Cooperative Educational Services  
Buena Vista, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of Mountain Board of Cooperative Educational Services (Mountain BOCES), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mountain BOCES' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Mountain Board of Cooperative Educational Services, as of and for the year ended June 30, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mountain BOCES and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Report on Summarized Comparative Information***

Mountain Board of Cooperative Educational Services' June 30, 2023 financial statements were audited by our firm and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information and pension and OPEB schedules as listed in the table of contents presented on pages M1 -M6 and 41 -48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Mountain BOCES’s basic financial statements. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 49-53 are presented for State regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Auditor’s Integrity and Bolded Balance Sheet reports are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of Mountain BOCES’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mountain BOCES’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 Mountain BOCES’s internal control over financial reporting and compliance.

*McPherson, Goodrich, Puchner & Michael, P.C.*

October 25, 2024

## **FINANCIAL SECTION**

## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of Mountain BOCES' operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2024.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>Governmental Activities</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 1,446,621
Grants Receivable	485,037
Other Accounts Receivable	50,293
Deposits	2,500
<b>Capital and Other Assets</b>	
Capital Assets Being Depreciated, net	29,400
<b>Total Assets</b>	2,013,851
<b>Deferred Outflows of Resources</b>	
Net Pension Deferred Outflows	722,327
Net OPEB Deferred Outflows	27,217
<b>Total Deferred Outflows of Resources</b>	749,544
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	248,867
Accrued Salaries & Benefits	12,314
Unearned Revenue Grants	48,248
<b>Noncurrent Liabilities</b>	
Due Within One Year	4,581
Due In More Than One Year	2,326,240
<b>Total Liabilities</b>	2,640,250
<b>Deferred Inflows of Resources</b>	
Net Pension	1,017
Net OPEB	19,063
<b>Total Deferred Inflows of Resources</b>	20,080
<b>Net Position</b>	
Net Investment in Capital Assets	29,400
Unrestricted Net Position	73,665
<b>Total Net Position</b>	\$ 103,065

The accompanying footnotes are an integral part of these financial statements.



**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**GENERAL FUND**

**June 30, 2024**

(With Comparative Totals for June 30, 2023)

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and Investments	\$ 1,446,621	\$ 1,439,688
Grants Receivable	485,037	76,155
Other Accounts Receivable	50,293	14,797
Deposits	2,500	2,500
<b>TOTAL ASSETS</b>	<b>\$ 1,984,451</b>	<b>\$ 1,533,140</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts Payable	\$ 248,867	\$ 10,439
Accrued Salaries & Benefits	12,314	6,646
Unearned Revenue-Grants	48,248	101,329
Total Liabilities	309,429	118,414
Deferred Inflows of Resources	-	49,612
<b>Fund Balance</b>		
Committed Fund Balance	600,000	600,000
Assigned Fund Balance	485,436	422,741
Unassigned Fund Balance	589,586	342,373
<b>Total Fund Balance</b>	<b>1,675,022</b>	<b>1,365,114</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,984,451</b>	<b>\$ 1,533,140</b>

The accompanying footnotes are an integral part of these financial statements.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Reconciliation of Governmental Fund Balances to Governmental Activities Net Position**  
**June 30, 2024**

Fund Balance - Governmental Funds		\$ 1,675,022
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, being depreciated	\$ 175,700	
Accumulated depreciation	<u>(146,300)</u>	\$ 29,400
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
<b>Pension Liability</b>		
Net pension deferred outflows	722,327	
Net pension liability	(2,275,868)	
Net pension deferred inflows	<u>(1,017)</u>	(1,554,558)
<b>OPEB Liability</b>		
Net OPEB deferred outflows	27,217	
Net OPEB liability	(54,953)	
Net OPEB deferred inflows	<u>(19,063)</u>	<u>(46,799)</u>
 Total Net Position- Governmental Activities		 <u><u>\$ 103,065</u></u>

The accompanying footnotes are an integral part of these financial statements.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds**  
**General Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals for the Year Ended June 30, 2023)**

	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Local Sources	\$ 927,893	\$ 830,758
State Sources	2,466,119	2,233,940
Federal Sources	988,207	829,861
<b>TOTAL REVENUES</b>	<b>4,382,219</b>	<b>3,894,559</b>
<b>EXPENDITURES</b>		
<b>Current:</b>		
Instruction	1,697,972	1,595,538
Pupil Support	1,131,958	1,061,050
Staff Support	761,426	555,583
General Administration	132,996	121,679
Business Services	121,051	132,368
Operations and Maintenance	35,963	40,131
Other Central Support	167,803	195,838
Risk Management	23,142	21,149
Debt Service	-	308
<b>TOTAL EXPENDITURES</b>	<b>4,072,311</b>	<b>3,723,644</b>
<b>CHANGE IN FUND BALANCE</b>	<b>309,908</b>	<b>170,915</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,365,114</b>	<b>1,194,199</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,675,022</b>	<b>\$ 1,365,114</b>

The accompanying footnotes are an integral part of these financial statements.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2024**

Change in Fund Balance - Governmental Funds \$ 309,908

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$ -	
Depreciation Expense	<u>(16,177)</u>	(16,177)

Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

**Pension Liability**

Current year change and amortization of deferred outflows - net	228,266	
Change in net pension liability	(506,343)	
Current year change and amortization of deferred inflows - net	<u>753</u>	(277,324)

**OPEB Liability**

Current year change and amortization of deferred outflows - net	(7,411)	
Change in OPEB liability	5,363	
Current year change and amortization of deferred inflows - net	<u>27,443</u>	25,395

Certain revenue was earned and accrued in the statement of activities, but has been deferred in the governmental funds balance sheet. (49,612)

Total Change in Net Position - Governmental Activities \$ (7,810)

The accompanying footnotes are an integral part of these financial statements.

# MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Mountain Board of Cooperative Educational Services (Mountain BOCES) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

#### **A. Reporting Entity**

In defining the reporting entity for financial reporting purposes, management has considered the inclusion of potential component units in Mountain BOCES' reporting entity by applying criteria outlined by generally accepted accounting principles. As such, inclusion or exclusion of a potential component unit is determined by selection of governing authority, ability to significantly influence operations, potential for providing specific financial benefits or impose specific financial burdens, fiscal dependency, and whether exclusion of a potential component unit would be misleading. Based on the above, Mountain BOCES' reporting entity does not include any component units as defined by generally accepted accounting principles.

#### **B. Basis of Presentation**

##### Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of Mountain BOCES as a whole. The reporting information includes all of the non-fiduciary activities of Mountain BOCES. These statements are used to distinguish between the governmental and business-type activities of Mountain BOCES. Governmental activities normally are supported by intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Mountain BOCES does not have any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of Mountain BOCES' governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues.

##### Fund Financial Statements

The fund financial statements provide information about Mountain BOCES' funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any fiduciary funds are presented separately. Mountain BOCES presently does not treat any of its funds as non-major and does not have any proprietary funds. Mountain BOCES also does not currently have any fiduciary activity to present.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation** (Continued)

Fund Financial Statements (Continued)

Mountain BOCES reports the following major governmental fund:

General Fund - This fund is the general operating fund of Mountain BOCES. It is used to account for all financial resources except those required to be accounted for in another fund.

**C. Measurement Focus and Basis of Accounting**

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which Mountain BOCES gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Mountain BOCES considers all revenues reported in the governmental funds to be available if they can be used to satisfy current obligations as of year-end. For this purpose, Mountain BOCES considers revenue to be available if collected within 60 days of the fiscal year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**D. Stewardship, Compliance and Accountability - Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

Mountain BOCES adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Executive Director submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets and Budgetary Accounting (Continued)**

- Public hearings are conducted by the Board to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgeted amounts reported in the accompanying financial statements are as adopted or amended by the Board.

**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**

Cash - Mountain BOCES pools cash resources of its various funds to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Mountain BOCES considers cash and cash equivalents to be all cash on hand, cash on demand deposit and highly liquid investments with a maturity of three months or less when purchased.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Mountain BOCES' policy is to capitalize and inventory annually all capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful estimated lives:

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)**

Buildings and Site Improvements	10-45 years
Vehicles	3-15 years
Other Equipment	5-20 years

Unearned Revenues - Unearned revenues include grants for which payment has been received but not yet earned as the underlying grant requirements have not yet been met.

Vacation, Sick Leave, and Other Compensated Absences – Mountain BOCES does not offer any vacation, sick leave or other compensated absences that contain vesting provisions that require financial statement disclosure. Vacation is not carried over from fiscal year to fiscal year. Sick leave is carried over but it is not paid out upon termination.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 7 and Note 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Mountain BOCES reports deferred inflows for pension and OPEB related deferrals as further described in Note 7 and Note 9. Other reported deferred inflows relate to grants where amounts due are not considered available to meet current obligations as these funds were not received within the 60-day availability period.

Fund Balance/Net Position - In the government-wide financial net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)**

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. Mountain BOCES has committed fund balances of \$600,000.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance amounts are shown as unassigned.

**F. Net Position/Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**G. Revenues and Expenditures**

Revenues and Expenditures - Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

**H. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Basic Financial Statements in order to provide an understanding of changes in Mountain BOCES financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

**Deposits**

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. Mountain BOCES’ deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2024, all of Mountain BOCES’ deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	June 30, 2024	
	<b>Bank Balance</b>	<b>Carrying Balance</b>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not in BOCES name)	459,835	420,681
Total Deposits	<b>\$ 709,835</b>	<b>\$ 670,681</b>

**Investments**

**Credit Risk**

Colorado statutes specify which instruments units of local government may invest, which include:

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

- Guaranteed investment contracts

Mountain BOCES investment policy limits its investments to those allowed by Colorado Revised Statute 24- 75-601.1 as described above.

During the year ended June 30, 2024, Mountain BOCES invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor’s Corporation. As the investment is completely liquid, there is no weighted average maturity.

Concentration of Credit Risk

Mountain BOCES places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. Mountain BOCES does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

A summary of BOCES' cash and investments balance is as follows:

Bank Deposits	\$ 670,681
Local Gov't Investment Pools	<u>775,940</u>
<b>Total Cash and Investments</b>	<b><u>\$ 1,446,621</u></b>

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 3: CAPITAL ASSETS**

Due to time involved in tracking the movement of Mountain BOCES' capital assets by program, depreciation has not been allocated across programs. Activity for capital assets is summarized below:

	<b>Balance 7/1/2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 6/30/2024</b>
<b>Depreciable assets</b>				
Transportation equipment	\$ 134,344	\$ -	\$ -	\$ 134,344
Other equipment	<u>41,356</u>	<u>-</u>	<u>-</u>	<u>41,356</u>
Total assets	<u>175,700</u>	<u>-</u>	<u>-</u>	<u>175,700</u>
<b>Accumulated depreciation</b>				
Transportation equipment	(103,074)	(12,459)	-	(115,533)
Other equipment	<u>(27,049)</u>	<u>(3,718)</u>	<u>-</u>	<u>(30,767)</u>
Total accumulated	<u>(130,123)</u>	<u>(16,177)</u>	<u>-</u>	<u>(146,300)</u>
<b>Net Capital assets</b>	<u>\$ 45,577</u>	<u>\$ (16,177)</u>	<u>\$ -</u>	<u>\$ 29,400</u>
Instruction		\$ 6,471		
Supporting services		<u>9,706</u>		
<b>Total depreciation</b>		<u>\$ 16,177</u>		

**NOTE 4: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2024, are \$12,314. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

**NOTE 5: LONG-TERM OBLIGATIONS**

Mountain BOCES long-term debt transactions for the year ended June 30, 2024, were as follows:

	Balance 6/30/2023	Advances	Payments	Balance 6/30/2024	Current Portion
Net OPEB Liability	\$ 60,316	\$ -	\$ (5,363)	\$ 54,953	\$ 4,581
PERA Net Pension Liability	<u>1,769,525</u>	<u>506,343</u>	<u>-</u>	<u>2,275,868</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 1,829,841</u>	<u>\$ 506,343</u>	<u>\$ (5,363)</u>	<u>\$ 2,330,821</u>	<u>\$ 4,581</u>

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 6: FUND BALANCE**

Based on an analysis of program operations, Mountain BOCES has assigned a portion of its year end fund balance for the following programs and activities:

SWAP Matching Funds	\$	170,000
Alt Licensure Assigned Fund Balance		<u>315,436</u>
<b>Total Assigned Fund Balance</b>	<b>\$</b>	<b><u><u>485,436</u></u></b>

Based on an analysis of program operations, Mountain BOCES has committed a portion of its year end fund balance for the following programs and activities:

Capital Reserve Committed Fund Balance	\$	400,000
SPED Legal Committed Fund Balance		<u>200,000</u>
<b>Total Committed Fund Balance</b>	<b>\$</b>	<b><u><u>600,000</u></u></b>

**NOTE 7: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan**

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

*Benefits provided as of December 31, 2023.* 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 percent and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (A1) or A1 cap of 1.00 percent unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.00 percent A1 cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

*Contributions provisions as of June 30, 2024:* Eligible employees Mountain BOCES and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	<b>July 1, 2023 Through June 30, 2024</b>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	10.38%
Ammortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and Mountain BOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Mountain BOCES were \$173,399 for the year ended June 30, 2024.

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

At June 30, 2024, Mountain BOCES reported a liability of \$2,325,874 for its proportionate share of the netpension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by Mountain BOCES as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the netpension liability that was associated with Mountain BOCES were as follows:

BOCES' proportionate share of the net pension liability	\$ 2,275,868
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with BOCES	50,006
Total	\$ 2,325,874

At December 31, 2023, Mountain BOCES proportion was 0.01287 percent, which was an increase of 0.003152 from its proportion measured as of December 31, 2022.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

For the year ended June 30, 2024, Mountain BOCES recognized a pension expense of \$368,863 and revenue of \$380,212 for support from the State as a nonemployer contributing entity. At June 30, 2024, Mountain BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 107,919	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	163,144	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	359,587	1,017
Differences between contributions recognized and proportionate share of contributions	138	
Contributions subsequent to the measurement date	91,539	-
Total	\$ 722,327	\$ 1,017

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

\$91,539 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 in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2025	\$ 216,254
2026	258,921
2027	200,085
2028	(45,489)
Total	\$ 629,771

*Actuarial assumptions.* The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior 1/1/07 and DPS benefit structure (automatic)	1.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projections using scale MP-2019.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

Post-retirement non-disabled mortality assumptions were based on the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projections using scale MP-2019.

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Rate of Return</b>
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 TPL was 7.25 percent. 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 rates in effect for each year, including the scheduled increases in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future planmembers.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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.
- As specified in law, the State of Colorado, as a non-employer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 67 projection test.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

Based on the above assumptions and methods, the SCHDTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of Mountain BOCES’ proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 3,043,214	\$ 2,275,868	\$ 1,635,994

*Pension plan fiduciary net position.* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE 8: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program (PERAPlus 401(k) Plan)

*Plan Description* - Employees of Mountain BOCES that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), 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 ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Mountain BOCES does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2024 there were no contributions by program members.

## MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2024

#### **NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

##### **Summary of Significant Accounting Policies**

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

##### **General Information about the OPEB Plan**

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

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (Continued)**

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

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent 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.

*DPS Benefit Structure*

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (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 percent 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 Mountain BOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Mountain BOCES were \$8,678 for the year ended June 30, 2024.

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

At June 30, 2024, Mountain BOCES reported a liability of \$54,953 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023. Mountain BOCES' proportion of the net OPEB liability was based on Mountain BOCES' contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, Mountain BOCES' proportion was 0.007699 percent, which was an increase of 0.000312 from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, Mountain BOCES recognized an OPEB expense of (\$20,814). At June 30, 2024, Mountain BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (11,263)
Net difference between projected and actual earnings on pension plan investments	1,700	-
Changes of assumptions or other inputs	646	(5,827)
Changes in proportion and differences between contributions recognized and proportionate share of contributions- Plan Basis	20,290	(1,973)
Contributions subsequent to the measurement date	4,581	-
<b>Total</b>	<b>\$ 27,217</b>	<b>\$ (19,063)</b>

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

\$4,581 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2025	\$ (2,842)
2026	1,627
2027	4,131
2028	208
2029	237
2030	212
Total	\$ 3,573

*Actuarial assumptions.* The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care costs trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% for 2023, gradually increasing to 4.50% in 2035
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

Age-Related Morbidity Assumptions

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)  
OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Sample Age	MAPO PPO #1 with Medicare Part A		MAPO PPO #2 with Medicare Part A		MAPO HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPO PPO #1 without Medicare Part A		MAPO PPO #2 without Medicare Part A		MAPO HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

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

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

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

Post-retirement non-disabled mortality assumptions for the School Division were based on the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent for ages 80 and older, with generational projection using scale MP-2019.

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to 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 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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

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

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

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

*Sensitivity of Mountain BOCES' proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates</b>			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (53,376)	\$ (54,953)	\$ (56,669)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

*Sensitivity of Mountain BOCES’ proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (64,906)	\$ (54,953)	\$ (46,438)

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s fiduciary net position is available in PERA’s ACFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## **MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

#### **NOTE 10: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND COMPLIANCE**

Claims and Judgments - Mountain BOCES participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, Mountain BOCES may be required to reimburse the grantor government. In the opinion of Mountain BOCES, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limits. The amendment does not specifically address BOCES. However, several legal opinions have been issued stating that a BOCES itself is not subject to the requirements and restrictions of the TABOR amendment. There have been several recent court cases with organizations similar to BOCES, where the court has found that these organizations are not subject to TABOR since they are not a municipality and do not exercise independent "Government" power. However, in virtually all situations, a BOCES will be impacted to the degree that their member BOCESs are impacted by the restrictions of TABOR. A BOCES does not need to maintain emergency reserves required by TABOR, and expenditures can fluctuate independently of TABOR.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**  
**(With Comparative Totals for the Year Ended June 30 2023)**

	<u>2024</u>			<u>2023</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Investment Earnings	\$ 11,400	\$ 38,000	\$ 50,719	\$ 12,719	\$ 28,030
District Assessments	625,829	625,829	666,270	40,441	648,050
Alternative License Revenue	55,000	200,000	97,494	(102,506)	39,407
Other Local	144,098	151,730	173,444	21,714	115,271
Total Local Sources	<u>836,327</u>	<u>1,015,559</u>	<u>987,927</u>	<u>(27,632)</u>	<u>830,758</u>
<b>State Sources</b>					
State Grants from CDE					
State ECEA (Special Education)	1,438,259	1,509,222	1,510,909	1,687	1,380,856
State Gifted and Talented	66,862	69,170	69,170	-	66,862
Expelled and At Risk Students	7,519	7,519	7,519	-	-
Implementing State Educational Priorities	220,720	219,735	155,091	(64,644)	207,448
Gifted Ed- Univ Screening and Qualified Personnel	31,136	51,067	40,006	(11,061)	28,653
Other State Grants	201,620	242,370	284,396	42,026	230,176
State Grants from Other Agencies					
School to Work Alliance Program(SWAP)	678,832	678,832	728,444	49,612	629,301
Workforce Education	25,000	10,000	10,000	-	30,100
Total State Sources	<u>2,669,948</u>	<u>2,787,915</u>	<u>2,805,535</u>	<u>17,620</u>	<u>2,573,396</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
Special Education- Grants to States- IDEA Part B	707,712	778,472	778,472	-	684,176
IDEA Part B- Special Education Preschool	24,234	26,727	26,727	-	21,043
Elementary and Secondary School Emergency Relief Fund	29,210	184,297	183,008	(1,289)	124,642
Total Federal Sources	<u>761,156</u>	<u>989,496</u>	<u>988,207</u>	<u>(1,289)</u>	<u>829,861</u>
<b>TOTAL REVENUES</b>	<u>4,267,431</u>	<u>4,792,970</u>	<u>4,781,669</u>	<u>(11,301)</u>	<u>4,234,015</u>

(Continued)

	2024			2023	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	17,225	16,575	9,981	6,594	13,453
Benefits	2,565	3,787	2,281	1,506	3,074
PS-Professional	98,955	81,000	80,739	261	106,769
PS-Other	1,527,855	1,602,350	1,604,324	(1,974)	1,464,965
Supplies	2,000	1,000	389	611	441
Property	500	500	-	500	5,281
PS-Property	600	600	-	600	1,555
Other Expenses	575	258	258	-	-
Total Instruction	1,650,275	1,706,070	1,697,972	8,098	1,595,538
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	285,321	282,844	267,159	15,685	273,899
Benefits	103,884	103,318	95,031	8,287	94,113
PS-Professional	23,548	1,500	2,529	(1,029)	2,291
PS-Other	661,800	732,757	732,621	136	632,373
Supplies	24,500	24,500	28,142	(3,642)	42,492
Property	3,000	3,000	2,876	124	14,832
PS-Property	3,600	3,600	3,600	-	1,050
Other Expenses	-	-	-	-	-
Total Pupil Support	1,105,653	1,151,519	1,131,958	19,561	1,061,050
<b>Staff Support</b>					
Salaries	316,419	518,363	473,376	44,987	342,240
Benefits	104,678	153,267	134,782	18,485	98,421
PS-Professional	84,000	96,000	72,933	23,067	43,385
PS-Other	36,425	60,162	42,653	17,509	39,275
Supplies	11,800	36,477	30,547	5,930	13,658
Property	2,000	2,000	669	1,331	409
Other Expenses	48,038	48,638	42,429	6,209	18,195
Total Staff Support	603,360	914,907	797,389	117,518	555,583
<b>General Administration</b>					
Salaries	51,000	51,000	51,000	-	59,770
Benefits	15,523	15,523	18,911	(3,388)	17,251
PS-Professional	48,500	56,339	46,881	9,458	35,026
PS-Other	1,600	4,016	4,305	(289)	1,793
Supplies	1,800	1,800	744	1,056	54
Property	-	-	-	-	808
PS-Property	4,900	4,900	6,699	(1,799)	4,147
Other Expenses	63,381	34,035	4,456	29,579	2,830
Total General Administration	186,704	167,613	132,996	34,617	121,679

(Continued)

	2024			2023	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Business Services</b>					
Salaries	86,353	86,013	80,733	5,280	93,867
Benefits	27,470	27,391	25,390	2,001	27,461
PS-Professional	2,000	2,000	2,065	(65)	1,922
PS-Other	3,640	4,445	4,627	(182)	2,480
Supplies	8,500	8,500	7,535	965	6,321
Other Expenses	480	500	701	(201)	317
Total Business Services	128,443	128,849	121,051	7,999	132,368
<b>Operations and Maintenance</b>					
Salaries	12,700	12,700	6,750	5,950	9,226
Benefits	2,902	2,902	1,542	1,360	2,107
PS-Property	26,500	31,000	36,290	(5,290)	21,917
Property	-	-	-	-	11,528
Other	(7,600)	(7,600)	(8,619)	1,019	(4,647)
Total Operations and Maintenance	34,502	39,002	35,963	3,039	40,131
<b>Other Central Support</b>					
Salaries	12,175	12,175	13,383	(1,208)	14,676
Benefits	2,782	2,782	3,058	(276)	3,357
PS-Other	85,392	70,690	56,696	13,994	66,701
Supplies	500	-	-	-	2,205
Other Expenses	427,401	434,268	458,153	(23,885)	448,355
Total Other Central Support	528,250	519,915	531,290	(11,375)	535,294
<b>Risk Management</b>					
PS-Other	23,991	22,636	23,142	(506)	21,149
Total Transportation	23,991	22,636	23,142	(506)	21,149

(Continued)

	2024			2023	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Debt Service</b>					
Interest	-	-	-	-	12
Principal	-	-	-	-	296
Total Debt Service	-	-	-	-	308
<b>TOTAL EXPENDITURES</b>	<u>4,261,178</u>	<u>4,650,511</u>	<u>4,471,761</u>	<u>178,951</u>	<u>4,063,100</u>
<b>Excess of Revenues over Expenditures</b>	<u>6,253</u>	<u>142,459</u>	<u>309,908</u>	<u>(190,252)</u>	<u>170,915</u>
<b>CHANGE IN FUND BALANCE</b>	6,253	142,459	309,908	167,449	170,915
BEGINNING FUND BALANCE	<u>1,365,114</u>	<u>1,365,114</u>	<u>1,365,114</u>	-	<u>1,194,199</u>
ENDING FUND BALANCE	<u>\$ 1,371,367</u>	<u>\$ 1,507,573</u>	<u>\$ 1,675,022</u>	<u>\$ 167,449</u>	<u>\$ 1,365,114</u>

RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING  
TO THE GAAP BASIS OF ACCOUNTING  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024

**Budgetary Basis**

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

**REVENUES**

Actual amounts (Budgetary Basis) total revenues from budgetary comparison Schedule	\$ 4,781,669
Reclassification of certain revenues that are considered a return of matching funds provided to the State	(339,416)
Indirect revenues that tracked for internal purposes	(24,071)
Internal allocations recorded as revenue and expenditures	<u>(35,963)</u>
GAAP Basis revenues	<u>\$ 4,382,219</u>

**EXPENDITURES**

Actual amounts (Budgetary Basis) total expenditures from budgetary comparison schedule	\$ 4,471,761
Reclassification of certain expenditures that are considered matching funds provided to the State that were later returned	(339,416)
Indirect expenditures that are tracked for internal purposes	(24,071)
Internal allocations recorded as revenue and expenditures	<u>(35,963)</u>
GAAP Basis revenues	<u>\$ 4,072,311</u>

See accompanying Independent Auditors' Report.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**JUNE 30, 2024**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)**  
**PERA Pension Plan**  
**Last 10 Fiscal Year**

<b>Fiscal Year</b>	<b>BOCES' proportion of the net pension asset (liability)</b>	<b>BOCES' proportionate share of the net pension asset (liability)</b>	<b>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</b>	<b>Total proportionate share associated with BOCES</b>	<b>BOCES' covered payroll</b>	<b>BOCES' proportionate share of the net pension asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
June 30, 2015	0.047128%	(6,387,447)	-	(6,387,447)	1,974,333	323.52%	62.84%
June 30, 2016	0.046290%	(7,081,153)	-	(7,081,153)	2,017,714	350.95%	59.16%
June 30, 2017	0.044074%	(6,480,942)	-	(6,480,942)	726,547	892.02%	43.13%
June 30, 2018	0.026794%	(8,664,272)	-	(8,664,272)	1,235,979	701.00%	43.96%
June 30, 2019	0.007089%	(1,255,303)	(150,998)	(1,406,301)	389,733	322.09%	57.01%
June 30, 2020	0.007684%	(1,148,003)	(129,220)	(1,277,223)	448,658	255.87%	64.52%
June 30, 2021	0.008470%	(1,280,471)	-	(1,280,471)	452,566	282.94%	66.99%
June 30, 2022	0.973480%	(1,132,874)	(125,875)	(1,258,749)	608,394	186.21%	74.86%
June 30, 2023	0.009718%	(1,769,525)	(525,797)	(2,295,322)	749,647	236.05%	61.79%
June 30, 2024	0.128701%	(2,275,868)	(50,006)	(2,325,874)	850,827	267.49%	64.74%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

See the accompanying Independent Auditors' Report.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**JUNE 30, 2024**

**SCHEDULE OF CONTRIBUTIONS**

**PERA Pension Plan**

**Last 10 Fiscal Years**

<b>Fiscal Year</b>	<b>Contractually required contributions</b>	<b>Actual contributions</b>	<b>Contribution deficiency (excess)</b>	<b>BOCES' covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
June 30, 2015	\$ 324,383	(324,383)	-	\$ 1,974,333	16.43%
June 30, 2016	\$ 349,670	(349,670)	-	\$ 2,017,714	17.33%
June 30, 2017	\$ 131,723	(131,723)	-	\$ 726,547	18.13%
June 30, 2018	\$ 230,263	(230,263)	-	\$ 1,235,979	18.63%
June 30, 2019	\$ 74,556	(74,556)	-	\$ 389,733	19.13%
June 30, 2020	\$ 86,950	(86,950)	-	\$ 448,658	19.38%
June 30, 2021	\$ 88,919	(88,919)	-	\$ 452,566	19.65%
June 30, 2022	\$ 120,949	(120,949)	-	\$ 608,394	19.88%
June 30, 2023	\$ 150,895	(150,895)	-	\$ 749,647	20.13%
June 30, 2024	\$ 173,399	(173,399)	-	\$ 850,827	20.38%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

**Notes to the Required Supplementary Information (Pension)**

**Note 1 – Significant Changes in Plan Provisions Affecting Trends in Actuarial Information**

**2023 Changes in Plan Provisions Since 2022**

Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

**Note 2 – Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information 2023 Changes in Assumptions or Other Inputs Since 2022**

There were no changes made to the actuarial methods or assumptions.

See the accompanying Independent Auditors' Report.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**JUNE 30, 2024**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET (LIABILITY)**

**PERA Health Care Trust Fund**

**Last 10 Fiscal Years**

<b>Fiscal Year Ended</b>	<b>BOCES' proportion of the net OPEB asset (liability)</b>	<b>BOCES' proportionate share of the net OPEB asset (liability)</b>	<b>BOCES' covered payroll</b>	<b>BOCES' proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
June 30, 2017	0.012373%	(160,417)	726,547	22.079%	16.70%
June 30, 2018	0.015224%	(197,855)	1,235,979	16.008%	17.53%
June 30, 2019	0.004608%	(62,695)	389,733	16.087%	17.03%
June 30, 2020	0.005026%	(56,489)	448,658	12.591%	24.49%
June 30, 2021	0.004894%	(46,503)	452,566	10.275%	32.78%
June 30, 2022	0.006356%	(54,809)	608,394	9.010%	39.40%
June 30, 2023	0.007387%	(60,316)	749,647	8.050%	38.57%
June 30, 2024	0.007699%	(54,953)	850,827	6.460%	46.16%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

Additional years will be added to this schedule as they become available

See the accompanying Independent Auditors' Report.

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**JUNE 30, 2024**  
**SCHEDULE OF CONTRIBUTIONS - OPEB**  
**PERA Health Care Trust Fund**  
**Last 10 Fiscal Years**

<b>Fiscal Year</b>	<b>Contractually required contributions</b>	<b>Actual Contributions</b>	<b>Contribution deficiency (excess)</b>	<b>BOCES' covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
June 30, 2017	7,411	(7,411)	-	726,547	1.02%
June 30, 2018	12,607	(12,607)	-	1,235,979	1.02%
June 30, 2019	3,975	(3,975)	-	389,733	1.02%
June 30, 2020	4,576	(4,576)	-	448,658	1.02%
June 30, 2021	4,616	(4,616)	-	452,566	1.02%
June 30, 2022	6,206	(6,206)	-	608,394	1.02%
June 30, 2023	7,646	(7,646)	-	749,647	1.02%
June 30, 2024	8,678	(8,678)	-	850,827	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 9030 - Mountain BOCES  
 Fiscal Year 2023-24  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,365,114	4,382,219	4,072,311	1,675,022
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>1,365,114</b>	<b>4,382,219</b>	<b>4,072,311</b>	<b>1,675,022</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 9030 - Mountain BOCES  
 Fiscal Year 2023-24  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Cash and Investments (8100-8104,8111)	1,446,621	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,446,621
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec (8141)	50,293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,293
Grants Accounts Receivable (8142)	485,036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	485,036
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets (8191-8194,8199)	2,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500
<b>Total Assets</b>	<b>1,984,450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,984,450</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>LIABILITIES &amp; FUND EQUITY</b>	<b>Governmental</b>							<b>Proprietary</b>					<b>Fiduciary</b>		<b>Totals</b>	
	<b>General Funds 10,12-18</b>	<b>Charter School Fund 11</b>	<b>Preschool Fund 19</b>	<b>Special Revenue Funds 20, 22-29</b>	<b>Supplemental Cap Const Fund 06</b>	<b>Total Program Reserve Fund 07</b>	<b>Food Service Special Revenue Fund 21</b>	<b>Debt Service Funds 30-39</b>	<b>Capital Projects Funds 40-45, 47-49</b>	<b>Supplemental Cap Const Fund 46</b>	<b>Other Enterprise Funds 50, 52-59</b>	<b>Risk-Related Activity Funds 63-64</b>	<b>Other Internal Service Funds 60</b>	<b>Trust &amp; Agency Funds 70-79</b>		<b>Foundations Fund 85</b>
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	248,867	0	0	0	0	0	0	0	0	0	0	0	0	0	0	248,867
Accrued Expenses (7461)	12,314	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,314
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	48,248	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48,248
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>309,429</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309,429</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Universal Preschool Program (UPK) Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600,000
Assigned Fund Balance 6760	485,436	0	0	0	0	0	0	0	0	0	0	0	0	0	0	485,436
Unassigned Fund Balance 6770	589,586	0	0	0	0	0	0	0	0	0	0	0	0	0	0	589,586
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>1,675,022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,675,022</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	1,984,450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,984,450

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>For Each Fund Type: Do Assets=Liability+Fund Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**SUPPLEMENTARY INFORMATION**  
***GOVERNMENT AUDITING STANDARDS***



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**McPherson, Goodrich, Paolucci & Mihelich, PC**  
*Tax/Consulting/Audit      Certified Public Accountants*

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

Board of Directors  
Mountain Board of Cooperative Education  
Buena Vista, 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 governmental activities and the major fund of the Mountain Board of Cooperative Education (Mountain BOCES), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the mountain BOCES's basic financial statements, and have issued our report thereon dated October 25, 2024

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mountain BOCES'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 Mountain BOCES's internal control. Accordingly, we do not express an opinion on the effectiveness of Mountain BOCES's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations,

during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*McPherson, Goodwin, Paducci & Muhlisch, P.C.*

October 25, 2024

**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Findings and Questioned Costs**  
**JUNE 30, 2024**

**1. Summary of Auditor's Results**

Type of Report issued on financial statements:	<b>Unmodified</b>
Material weaknesses in financial reporting internal control noted:	<b>None</b>
Significant deficiency(ies) indentified that are not considered to be material weaknesses in financial reporting:	<b>None</b>
Material noncompliance noted:	<b>None</b>

**2. Summary Schedule of Prior Audit Findings**

None