

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BASIC FINANCIAL STATEMENTS

June 30, 2024

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Uncompahgre Board of Cooperative Educational Services
Ridgway, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the UnBOCES as of June 30, 2024, and the respective changes in financial position and, thereof 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the UnBOCES and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the UnBOCES'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 37-41 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

John Cutler & Associates, LLC

December 23, 2024

Management’s Discussion and Analysis Year Ended June 30, 2024

As management of Uncompahgre Board of Cooperative Services herein after known as “UnBOCES”, we offer readers of these financial statements this narrative and analysis of the financial activities of the UnBOCES for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to UnBOCES’s financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. For the year ended June 30, 2024 UnBOCES had its twenty-fifth financial audit completed.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of UnBOCES’s finances in a manner similar to a private-sector business.

The statement of net position presents information on all of UnBOCES’s net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows in future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MPA like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental fund, its general fund.

UnBOCES adopts an annual budget for its general fund. A budgetary comparison has been provided for the general fund on page 37 as part of the basic financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of MPA's financial position. For the year ended June 30, 2024, UnBOCES's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$501,540. Approximately \$3,564 of total net position is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Net Position as of June 30, 2024

	2024	2023
Assets:		
Current Assets	\$ 533,244	\$ 455,176
Capital and Other Assets, Net	19,722	42,871
Total Assets	<u>552,966</u>	<u>498,047</u>
Deferred Outflows of Resources	<u>442,964</u>	<u>189,924</u>
Liabilities:		
Current Liabilities	156,323	127,877
Long-term Liabilities	1,303,373	957,351
Total Liabilities	<u>1,459,696</u>	<u>1,085,228</u>
Deferred Inflows of Resources	<u>37,682</u>	<u>48,616</u>
Net Position		
Net Investment in Capital		
Assets		
Restricted	3,564	3,564
Unrestricted	(505,104)	(449,437)
Total Net Position	<u>\$ (501,540)</u>	<u>\$ (445,873)</u>

The total net position of MPA is in a deficit position of \$501,540 due to the Net Pension Liability per GASB No. 68.

Change in Net position for the Year Ended June 30, 2023

	2024	2023
Revenue:		
Program Revenues		
Charges for Services	\$	\$
Operating Grants and Contributions		
Capital Grants and Contributions		
General Revenue		
Federal and State Revenue	1,597,960	1,529,299
Other (Local)	259,887	205,310
Total Revenue	<u>1,857,847</u>	<u>1,734,609</u>
Expenses:		
Instruction	523,646	434,883
Supporting Services	1,402,803	1,264,051
Debt Service – Interest and Amortization		
Total Expenses	<u>1,926,449</u>	<u>1,674,934</u>
Change in Net Position	55,575	59,675
Net Position, July 1	(445,873)	(505,548)
Net Position, June 30	<u>\$ (501,540)</u>	<u>\$ (445,873)</u>

The operations of UnBOCES are funded primarily by ECEA, IDEA and Local Sources. State and Federal revenue for fiscal year 2024 totaled approximately \$1,595,404.

Capital Assets and Debt Administration

Capital Assets – N/A

Long-Term Debt – N/A

Requests for Information

This financial report is designed to provide a general overview of UnBOCES's finances for all those with an interest in UnBOCES. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

UnBOCES
Attention: Eric Davies,
Fiscal Manager
1115 W. Clinton Street
Ridgway, CO 81432

BASIC FINANCIAL STATEMENTS

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET POSITION

As of June 30, 2024

	GOVERNMENTAL ACTIVITIES	
	2024	2023
ASSETS		
Cash	\$ 533,244	\$ 455,176
Accounts Receivable	19,722	42,871
TOTAL ASSETS	<u>552,966</u>	<u>498,047</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	433,854	182,473
Related to OPEB	9,110	7,451
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>442,964</u>	<u>189,924</u>
LIABILITIES		
Accounts Payable	35,818	-
Unearned Revenue	120,505	113,889
Accrued Compensated Absences	-	13,988
Noncurrent Liabilities		
Pension Liability	1,272,644	925,790
OPEB Liability	30,729	31,561
TOTAL LIABILITIES	<u>1,459,696</u>	<u>1,085,228</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	28,126	37,501
Related to OPEB	9,556	11,115
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>37,682</u>	<u>48,616</u>
NET POSITION		
Restricted	3,564	3,564
Unrestricted, Unreserved	(505,012)	(449,437)
TOTAL NET POSITION	<u>\$ (501,448)</u>	<u>\$ (445,873)</u>

The accompanying notes are an integral part of the financial statements.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2024	2023
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 523,646	\$ -	\$ 515,186	\$ -	\$ (8,460)	\$ (11,118)
Supporting Services	1,402,803	-	1,342,661	-	(60,142)	35,756
Total Governmental Activities	<u>\$ 1,926,449</u>	<u>\$ -</u>	<u>\$ 1,857,847</u>	<u>\$ -</u>	(68,602)	24,638
GENERAL REVENUES						
					10,471	10,471
					2,556	24,566
					<u>13,027</u>	<u>35,037</u>
CHANGE IN NET POSITION					(55,575)	59,675
NET POSITION, Beginning					<u>(445,873)</u>	<u>(505,548)</u>
NET POSITION, Ending					<u>\$ (501,448)</u>	<u>\$ (445,873)</u>

The accompanying notes are an integral part of the financial statements.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2024

	<u>GENERAL FUND</u>	
	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 533,244	\$ 455,176
Accounts Receivable	19,722	42,871
	<u>552,966</u>	<u>498,047</u>
TOTAL ASSETS		
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 35,818	-
Unearned Revenue	120,505	113,889
	<u>156,323</u>	<u>113,889</u>
TOTAL LIABILITIES		
FUND BALANCES		
Restricted	3,564	3,564
Unassigned	393,079	380,594
	<u>396,643</u>	<u>384,158</u>
TOTAL FUND BALANCE		
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities and related assets are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$1,272,644), net OPEB liability (\$30,729) deferred outflows related to pensions \$433,854, deferred outflows related to OPEB \$9,110, deferred inflows related to pensions (\$28,126), and deferred inflows related to OPEB (\$9,556).	\$ (898,091)	\$ (830,031)
Net position of governmental activities	<u>\$ (501,448)</u>	<u>\$ (445,873)</u>

The accompanying notes are an integral part of the financial statements.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
Year Ended June 30, 2024

	GENERAL FUND	
	2024	2023
REVENUES		
Local Sources	\$ 272,914	\$ 180,106
State and Federal Sources	1,595,404	1,529,299
TOTAL REVENUES	<u>1,868,318</u>	<u>1,709,405</u>
EXPENDITURES		
Current		
Instruction	515,186	434,883
Supporting Services	1,340,647	1,197,138
TOTAL EXPENDITURES	<u>1,855,833</u>	<u>1,632,021</u>
CHANGE IN FUND BALANCE	12,485	77,384
FUND BALANCE, Beginning	<u>384,158</u>	<u>306,774</u>
FUND BALANCE, Ending	<u>\$ 396,643</u>	<u>\$ 384,158</u>

The accompanying notes are an integral part of the financial statements.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	12,485
Repayment of long-term is an expenditure in the governmental funds, but repayment of principal reduces long-term liabilities in the statement of net position. This is the amount of the change in compensated absences for the year.		13,988
Deferred Charges related to pensions are not recognized in the governmental funds. However, in the government-wide statements these amounts are capitalized and amortized.		<u>(82,048)</u>
Change in net position of governmental activities	\$	<u><u>(55,575)</u></u>

The accompanying notes are an integral part of the financial statements.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Uncompahgre Board of Cooperative Services (the “UnBOCES”) operates under Colorado Revised Statutes providing educational and educational support services for the five member UnBOCES districts in Montrose, Ouray, and San Miguel counties.

The accounting policies of UnBOCES conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

For financial reporting purposes, the UnBOCES includes all funds and activities for which the UnBOCES exercises financial accountability. The Board members are appointed by the Boards of the five member districts, with one from each UnBOCES district Board, which consist of the Ouray, Ridgway, Telluride, Norwood and West End UnBOCES districts. The UnBOCES board has decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The UnBOCES is not a component unit of any other entity and does not have any component units which require inclusion in the basic financial statements.

Government-Wide and Fund Financial Statements

The UnBOCES’ basic financial statements include both government-wide (reporting the UnBOCES as a whole) and fund financial statements (reporting the UnBOCES major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the UnBOCES has only governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide focus is on the sustainability of the UnBOCES as an entity and the change in the UnBOCES’s net position resulting from the current year’s activities.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The financial transactions of the UnBOCES are reported in an individual fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. The fund focus is on current available resources and budget compliance.

Major individual governmental funds are reported in separate columns in the fund financial statements. At this time, the UnBOCES only uses governmental funds. The General Fund is used to account for all financial resources of the UnBOCES.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, generally not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the UnBOCES.

Internally dedicated resources are reported as general revenues rather than as program revenues. Amounts reported as program revenues include 1) charges to the member districts for services provided, and 2) operating grants and contributions.

When both restricted and unrestricted resources are available for use, it is the UnBOCES policy to use restricted resources first and the unrestricted resources as they are needed.

The General Fund is used to account for all financial resources of the UnBOCES.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Assets, Liabilities and Fund Balance/Net Position

Receivables – Receivables are reported at their gross value, and, where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

Capital Assets - Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the UnBOCES as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. For the year ended June 30, 2024, the UnBOCES has one capital asset in excess of \$5,000.

Unearned Revenues – Unearned revenues include grant funds that have been collected but the corresponding expense has not been incurred.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

Net Position - The government-wide financial statements, utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

- Net Investment in Capital Assets includes the UnBOCES capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. The UnBOCES has no outstanding debt as of June 30, 2024.
- Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The UnBOCES typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the UnBOCES is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The UnBOCES has not classified any fund balance as Nonspendable as of June 30, 2024.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The UnBOCES has classified Emergency Reserves as being restricted because their use is restricted by the State Constitution for declared emergencies.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The UnBOCES has no committed resources as of June 30, 2024.
- Assigned – This classification includes amounts the UnBOCES intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. As part of the budget process, The Board has directed staff to assign funds for future opportunities or events.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The UnBOCES does not currently have any funds that are nonspendable, committed, or assigned.

The UnBOCES would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Risk Management

The UnBOCES is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The UnBOCES purchases commercial insurance for these risks of loss. Settled claims have not exceeded any coverage in any of the past three years.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles.

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. The UnBOCES 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 a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by formal resolution.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2024 consisted of the following:

Deposits \$ 533,244

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the UnBOCES are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all 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 BOC has no policy regarding custodial credit risk for deposits.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At June 30, 2024, the UnBOCES had deposits with financial institutions with a carrying amount of \$533,244. The bank balances with the financial institutions were \$534,187. Of these balances, \$250,000 was covered by federal depository insurance and \$284,187 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Interest Rate and Credit Risk Policies

The UnBOCES 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, or a formal policy to limit credit risk. However, they follow state statutes regarding investments.

The UnBOCES has no investments as of June 30, 2024.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The UnBOCES 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.

General Information about the Pension Plan

Plan description. Eligible employees of the UnBOCES are provided with pensions through the 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.

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 4: 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP.

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

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

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

Contributions provisions as of June 30, 2024: Eligible employees of the UnBOCES 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% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
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%
Amortization 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%
Total employer contribution rate to the SCHDTF	20.38%

*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 the UnBOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from UnBOCES were \$99,556 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 a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual 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.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: 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. The UnBOCES' proportion of the net pension liability was based on the UnBOCES' 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, the UnBOCES reported a liability of \$1,272,644 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the UnBOCES 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 net pension liability that was associated with UnBOCES were as follows:

UnBOCES's proportionate share of the net pension liability	\$1,272,644
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the UnBOCES	27,307
Total	\$1,299,951

At December 31, 2023, the UnBOCES's proportion was .0072%, which was an increase of .0021% from its proportion measured as of December 31, 2022.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: 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, the UnBOCES recognized pension expense of \$188,210 and revenue of \$2,556 for support from the State as a nonemployer contributing entity. At June 30, 2024, the UnBOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$60,347	N/A
Changes of assumptions or other inputs	N/A	N/A
Net difference between projected and actual earnings on pension plan investments	91,229	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	232,217	\$28,126
Contributions subsequent to the measurement date	50,061	N/A
Total	\$433,854	\$28,126

\$50,061 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,	
2025	\$137,854
2026	\$136,425
2027	\$81,388
2028	-

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The 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 increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	1.00%

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

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$1,701,736	\$1,272,644	\$914,832

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

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The UnBOCES 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 FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

Summary of Significant Accounting Policies (Continued)

For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(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% 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.

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.

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the UnBOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the UnBOCES were \$4,984 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, the UnBOCES reported a liability of \$30,729 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 (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The UnBOCES's proportion of the net OPEB liability was based on the UnBOCES's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the UnBOCES' proportion was .0043%, which was an increase of .00044% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the UnBOCES recognized OPEB expense of \$934. At June 30, 2024 the UnBOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$6,298
Changes of assumptions or other inputs	\$361	3,258
Net difference between projected and actual earnings on OPEB plan investments	950	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,293	N/A
Contributions subsequent to the measurement date	2,506	N/A
Total	\$9,110	\$9,556

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

\$2,506 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,	
2025	(\$2,161)
2026	(\$680)
2027	\$329
2028	(\$546)
2029	\$157
Thereafter	(\$51)

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

	School Division
Actuarial cost method	<u>Entry age</u>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans ¹	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 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

¹ UnitedHealthcare MAPD PPO plans are 0% for 2023.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(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 option; currently based on 2023

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

Age-Related Morbidity Assumptions

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD 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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD 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.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(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 used to measure the TOL are summarized in the table below:

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

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

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

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

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

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

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

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- 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 PERA Board's actuary, as discussed above.

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

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

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

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.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	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%
Net OPEB Liability	\$29,847	\$30,729	\$31,689

¹For the January 1, 2024, plan year.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received 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 FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$36,295	\$30,729	\$25,968

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 6: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The UnBOCES participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor. If expenditures are disallowed due to noncompliance with grant program regulations, the UnBOCES may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited, but the UnBOCES believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the UnBOCES.

Tabor Amendment

In November of 1992 Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. TABOR is subject to judicial interpretations, but the UnBOCES believes it is exempt because it receives no taxes and is a jointly governed service organization.

NOTE 7: DEFICIT NET POSITION

The net position of the governmental activities is in a deficit position of \$501,540 due to the UnBOCES including its Net Pension Liability per the requirements of GASB Statements No. 68 and 75.

NOTE 8: SUBSEQUENT EVENTS

Potential subsequent events were considered through December 23, 2024. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2024

	2024			VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Intergovernmental					
Local Sources	419,719	\$ 420,119	\$ 272,914	\$ (147,205)	\$ 180,106
State Sources	1,069,490	1,019,025	1,169,957	150,932	1,083,029
Federal Sources	465,599	484,135	425,447	(58,688)	446,270
TOTAL REVENUES	1,954,808	1,923,279	1,868,318	(54,961)	1,709,405
EXPENDITURES					
Current					
Instruction	322,832	322,832	344,909	(22,077)	276,309
Support Services				-	
Students	815,160	802,492	748,911	53,581	619,131
Instructional Staff	194,241	194,243	170,277	23,966	158,574
General Administration	-	-	-	-	-
Business	147,224	147,228	123,424	23,804	84,614
Central	-	-	131	(131)	1,107
Other	691,791	672,924	468,181	204,743	492,286
TOTAL EXPENDITURES	2,171,248	2,139,719	1,855,833	283,886	1,632,021
CHANGE IN FUND BALANCES	(216,440)	(216,440)	12,485	228,925	77,384
FUND BALANCE, Beginning	455,176	455,176	384,158	(71,018)	306,774
FUND BALANCE, Ending	<u>\$ 238,736</u>	<u>\$ 238,736</u>	<u>\$ 396,643</u>	<u>\$ 157,907</u>	<u>\$ 384,158</u>

See the accompanying independent auditors' report.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF THE BOCS PROPORTIONATE SHARE
SCHOOL DIVISION TRUST FUND

Years Ended December 31,
(School Division Trust Fund Measurement Date)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
UnBOCES' proportionate share of the Net Pension Liability	0.0046%	0.0057%	0.0057%	0.0055%	0.0527%	0.0582%	0.0600%	0.0051%	0.0072%
UnBOCES' proportionate share of the Net Pension Liability	\$ 708,127	\$ 1,694,556	\$ 1,844,386	\$ 966,931	\$ 787,511	\$ 880,462	\$ 604,810	\$ 925,790	\$ 1,272,644
State of Colorado Proportionate Share of the Net Pension Liability associated with the School	-	-	-	116,311	88,643	-	62,203	208,907	27,307
Total portion of the Net Pension Liability associated with the UnBOCES	<u>708,127</u>	<u>1,694,556</u>	<u>1,844,386</u>	<u>1,083,242</u>	<u>876,154</u>	<u>880,462</u>	<u>667,013</u>	<u>1,134,697</u>	<u>1,299,951</u>
UnBOCES' covered payroll	\$ 201,775	\$ 256,503	\$ 263,106	\$ 290,204	\$ 309,912	\$ 311,358	\$ 319,805	\$ 321,558	\$ 404,512
UnBOCES' proportionate share of the Net Pension Liability as a percentage of its covered payroll	350.9%	660.6%	701.0%	373.3%	282.7%	282.8%	208.6%	352.9%	321.4%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%

See the accompanying independent auditors' report.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF THE BOCS CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statutorily required contributions	\$ 33,031	\$ 38,571	\$ 50,317	\$ 50,205	\$ 61,007	\$ 57,233	\$ 64,828	\$ 72,893	\$ 67,242	\$ 99,556
Contributions in relation to the Statutorily required contributions	<u>33,031</u>	<u>38,571</u>	<u>50,317</u>	<u>50,205</u>	<u>61,007</u>	<u>57,233</u>	<u>64,828</u>	<u>72,893</u>	<u>67,242</u>	<u>99,556</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UnBOCES' covered payroll	\$ 195,470	\$ 217,161	\$ 273,828	\$ 265,804	\$ 318,909	\$ 295,318	\$ 310,183	\$ 348,768	\$ 329,938	\$ 488,504
Contributions as a percentage of covered payroll	16.90%	17.76%	18.38%	18.89%	19.13%	19.38%	20.90%	20.90%	20.38%	20.38%

See the accompanying independent auditors' report.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF THE BOCS PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,
(School Division Trust Fund Measurement Date)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
UnBOCES' proportionate share of the OPEB Liability	0.0035%	0.0034%	0.0034%	0.0034%	0.0039%	0.0043%
UnBOCES' proportionate share of the Net OPEB Liability	\$ 48,292	\$ 38,741	\$ 31,994	\$ 37,409	\$ 31,561	\$ 30,729
UnBOCES' covered payroll	\$ 290,204	\$ 309,912	\$ 311,358	\$ 319,808	\$ 321,558	\$ 404,512
UnBOCES' proportionate share of the Net Pension Liability as a percentage of its covered payroll	16.6%	12.5%	10.3%	11.7%	9.8%	7.6%
Plan fiduciary net position as a percentage of the total pension liability	17.00%	24.00%	124.00%	39.00%	38.57%	46.16%

See the accompanying independent auditors' report.

UNCOMPAHGRE BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF THE BOCS CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statutorily required contributions	\$ 3,253	\$ 3,012	\$ 3,164	\$ 3,557	\$ 3,365	\$ 4,984
Contributions in relation to the Statutorily required contributions	<u>3,253</u>	<u>3,012</u>	<u>3,164</u>	<u>3,557</u>	<u>3,365</u>	<u>4,984</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
UnBOCES' covered payroll	\$ 318,909	\$ 295,318	\$ 310,183	\$ 348,767	\$ 329,938	\$ 488,504
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9145 - Uncompahgre 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	384,158	1,868,318	1,855,833	396,643
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	384,158	1,868,318	1,855,833	396,643
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
Totals	0	0	0	0
Proprietary				
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
Totals	0	0	0	0
Fiduciary				
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
Totals	0	0	0	0

FINAL