

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

**FINANCIAL
STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

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

ROSTER OF OFFICIALS June 30, 2025

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
Kevin Sellers – 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
Andi Weigel, Professional Learning Director

TABLE OF CONTENTS

INTRODUCTORY SECTION

Roster of Officials

Table of Contents

FINANCIAL SECTION

PAGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information - Unaudited)

M1 – M6

INDEPENDENT AUDITORS' REPORT

1 – 3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position

4

Statement of Activities

5

Fund Financial Statements

Balance Sheet - Governmental Funds

6

Reconciliation of Governmental Fund Balance to Governmental Activities

Net Position

7

Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Funds

8

Reconciliation of Governmental Fund Net Change in Fund Balance to
Governmental Activities Change in Net Position

9

Notes to Financial Statements

10 – 42

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual - General Fund

43 - 46

Schedule of BOCES' Proportionate Share of the Net Pension Liability

47

Schedule of BOCES Contributions—PERA Pension Plan

48

Notes to Required Supplementary Information – Pension

48

Schedule of BOCES' Proportionate Share of the Net OPEB Liability

49

Schedule of BOCES Contributions—OPEB—PERA Health Care Trust Fund

50

STATE COMPLIANCE

Auditors Integrity Report

51

Bolded Balance Sheet Report

52 – 54

GOVERNMENT AUDITING STANDARDS

Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

55 – 56

Schedule of Findings and Questioned Costs

57

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information (RSI)

June 30, 2025

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, 2025. 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 increased by \$6,714 compared to the prior year. The end of fiscal year 2025’s total net position was \$109,779, compared to \$103,065 at the end of fiscal year 2024.

Mountain BOCES ended with a fund balance in the General Fund of \$1,860,379 which is an increase of \$185,357 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 \$767,438 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 \$109,779, compared to \$103,065 at the end of fiscal year 2024, increasing the net position by \$6,714.

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>2025</u>	<u>2024</u>
Assets and Deferred Outflows of Resources:		
Current Assets	\$ 2,056,917	\$ 1,984,451
Capital Assets - Net	15,388	29,400
Deferred Outflows of Resources	511,693	749,544
Total Assets & Deferred Outflows of Resources	<u>2,583,998</u>	<u>2,763,395</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities	196,538	309,429
Non-Current Liabilities	2,248,800	2,330,821
Deferred Inflows of Resources	28,881	20,080
Total Liabilities & Deferred Inflows of Resources	<u>2,474,219</u>	<u>2,660,330</u>
Net Position		
Net Investment in Capital Assets	15,388	29,400
Unrestricted Net Position	94,391	73,665
Total Net Position	<u>109,779</u>	<u>103,065</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,583,998</u>	<u>\$ 2,763,395</u>

Current assets increased by \$72,466, with a decrease in capital assets net of accumulated depreciation and a decrease in deferred outflows of resources, the decrease in total assets and deferred outflows of resources from the prior year is \$179,397.

Total liabilities decreased \$194,912. The majority of decrease in liabilities is due to decreases to the pension and OPEB liability of \$82,021, a decrease in accounts payable of \$118,835 and is offset by increases in deferred revenues related to revenue advanced from the State.

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

	2025	2024
Program Revenues:		
Charges for Services	\$ 849,225	\$ 574,879
Operating Grants	3,763,240	3,707,009
Total Program Revenues	<u>4,612,465</u>	<u>4,281,888</u>
General Revenues:		
Investment Earnings	44,558	50,719
Total General Revenues	<u>44,558</u>	<u>50,719</u>
Total Revenues	<u>4,657,023</u>	<u>4,332,607</u>
Expenses:		
Instruction	1,786,092	1,776,179
Supporting Services	2,864,217	2,564,238
Total Expenses	<u>4,650,309</u>	<u>4,340,417</u>
Change in Net Position	6,714	(7,810)
Net Position -Beginning	103,065	110,875
Net Position - Ending	<u>\$ 109,779</u>	<u>\$ 103,065</u>

A year-to-year increase in program revenues of \$330,577, is primarily attributed to an increase in charges for services of \$274,346. Local and grant revenues were also up from the prior year. State grant revenue increased \$126,344 due to increased funding overall and federal revenue decreased \$176,430 largely due to the conclusion of the Mentor grant. Expenses were also up \$309,892 even though pension expenses decreased by \$87,298, 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 2025 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, 2025, Mountain BOCES' governmental funds reported a fund balance of \$1,860,379, that is an increase of \$185,357 from the June 30, 2024 fund balance.

The governmental fund has unassigned fundequity of \$770,379 which may be used to meet Mountain BOCES' ongoing obligations. The unassigned fund equity increased \$180,793 from the previous year. The assigned fund equity of \$490,000 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, 2025, Mountain BOCES had a net \$15,388 invested in furniture and equipment. A summary of Mountain BOCES' capital assets is as follows:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Depreciable assets				
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>
Accumulated depreciation				
Transportation equipment	(115,533)	(11,015)	-	(126,548)
Other equipment	(30,767)	(2,997)	-	(33,764)
Total accumulated	<u>(146,300)</u>	<u>(14,012)</u>	<u>-</u>	<u>(160,312)</u>
Net Capital assets	<u>\$ 29,400</u>	<u>\$ (14,012)</u>	<u>\$ -</u>	<u>\$ 15,388</u>
Instruction		\$ 5,605		
Supporting services		<u>8,407</u>		
Total depreciation		<u>\$ 14,012</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, 2025 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 \$101,754 higher than the revised budget. Expenditures were \$44,714 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. CO 81211 or by calling 719.398.3509.



503 N. Main St., Suite 740
Pueblo, CO 81003-3131
719.543.0516
719.544.2849 Fax
www.cpapueblo.com

McPherson, Goodrich, Paolucci & Mihelich, PC

Tax/Consulting/Audit

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, 2025, 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, 2025 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, 2024 financial statements were audited by our firm and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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 7, 2025, 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, Paulson & Mitchell, P.C.

October 17, 2025

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, 2025.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF NET POSITION
June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities
Assets	
Current Assets	
Cash and Investments	\$ 1,728,246
Grants Receivable	325,457
Other Accounts Receivable	714
Deposits	2,500
Capital and Other Assets	
Capital Assets Being Depreciated, net	15,388
Total Assets	2,072,305
Deferred Outflows of Resources	
Net Pension Deferred Outflows	486,935
Net OPEB Deferred Outflows	24,758
Total Deferred Outflows of Resources	511,693
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	130,032
Accrued Salaries & Benefits	7,428
Unearned Revenue Grants	59,078
Noncurrent Liabilities	
Due Within One Year	-
Due In More Than One Year	2,248,800
Total Liabilities	2,445,338
Deferred Inflows of Resources	
Net Pension	7,394
Net OPEB	21,487
Total Deferred Inflows of Resources	28,881
Net Position	
Net Investment in Capital Assets	15,388
Unrestricted Net Position	94,391
Total Net Position	\$ 109,779

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 1,786,092	\$ -	\$ 2,573,616	\$ 787,524
Supporting Services	2,864,217	849,225	1,189,624	(825,368)
Total Primary Government	4,650,309	849,225	3,763,240	(37,844)
General Revenues				
Investment Earnings				44,558
Total General Revenues				44,558
Change in Net Position				6,714
Beginning Net Position				103,065
Ending Net Postion				109,779

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, 2025

(With Comparative Totals for June 30, 2024)

	2025	2024
ASSETS		
Cash and Investments	\$ 1,728,246	\$ 1,446,621
Grants Receivable	325,457	485,037
Other Accounts Receivable	714	50,293
Deposits	2,500	2,500
TOTAL ASSETS	\$ 2,056,917	\$ 1,984,451
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 130,032	\$ 248,867
Accrued Salaries & Benefits	7,428	12,314
Unearned Revenue-Grants	59,078	48,248
Total Liabilities	196,538	309,429
 Fund Balance		
Committed Fund Balance	600,000	600,000
Assigned Fund Balance	490,000	485,436
Unassigned Fund Balance	770,379	589,586
Total Fund Balance	1,860,379	1,675,022
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,056,917	\$ 1,984,451

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, 2025

Fund Balance - Governmental Funds		\$ 1,860,379
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>(160,312)</u>	\$ 15,388
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		
Pension Liability		
Net pension deferred outflows	486,935	
Net pension liability	(2,209,596)	
Net pension deferred inflows	<u>(7,394)</u>	(1,730,055)
OPEB Liability		
Net OPEB deferred outflows	24,758	
Net OPEB liability	(39,204)	
Net OPEB deferred inflows	<u>(21,487)</u>	<u>(35,933)</u>
 Total Net Position - Governmental Activities		 <u><u>\$ 109,779</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, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
REVENUES		
Local Sources	\$ 1,252,783	\$ 927,893
State Sources	2,592,463	2,466,119
Federal Sources	811,777	988,207
TOTAL REVENUES	4,657,023	4,382,219
EXPENDITURES		
Current:		
Instruction	1,780,487	1,697,972
Pupil Support	1,107,210	1,131,958
Staff Support	1,114,492	761,426
General Administration	139,305	132,996
Business Services	120,856	121,051
Operations and Maintenance	27,779	35,963
Other Central Support	152,750	167,803
Risk Management	28,787	23,142
TOTAL EXPENDITURES	4,471,666	4,072,311
CHANGE IN FUND BALANCE	185,357	309,908
BEGINNING FUND BALANCE	1,675,022	1,365,114
ENDING FUND BALANCE	\$ 1,860,379	\$ 1,675,022

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, 2025

Change in Fund Balance - Governmental Funds \$ 185,357

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>(14,012)</u>	(14,012)

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	(235,392)	
Change in net pension liability	66,272	
Current year change and amortization of deferred inflows - net	<u>(6,377)</u>	(175,497)

OPEB Liability

Current year change and amortization of deferred outflows - net	(2,459)	
Change in OPEB liability	15,749	
Current year change and amortization of deferred inflows - net	<u>(2,424)</u>	10,866

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

-

Total Change in Net Position - Governmental Activities \$ 6,714

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2025, 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, 2025	
	Bank Balance	Carrying Balance
FDIC Insured	\$ 760,848	\$ 759,276
PDPA Collateralized (Not in BOCES name)	273,572	257,749
Total Deposits	\$ 1,034,420	\$ 1,017,025

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, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

- 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, 2025, 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	\$ 1,017,025
Local Gov't Investment Pools	<u>711,221</u>
Total Cash and Investments	<u><u>\$ 1,728,246</u></u>

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Depreciable assets				
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>
Accumulated depreciation				
Transportation equipment	(115,533)	(11,015)	-	(126,548)
Other equipment	<u>(30,767)</u>	<u>(2,997)</u>	<u>-</u>	<u>(33,764)</u>
Total accumulated	<u>(146,300)</u>	<u>(14,012)</u>	<u>-</u>	<u>(160,312)</u>
Net Capital assets	<u>\$ 29,400</u>	<u>\$ (14,012)</u>	<u>\$ -</u>	<u>\$ 15,388</u>
Instruction		\$ 5,605		
Supporting services		<u>8,407</u>		
Total depreciation		<u>\$ 14,012</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, 2025, are \$7,428. 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, 2025, were as follows:

	Balance 6/30/2024	Advances	Payments	Balance 6/30/2025	Current Portion
Net OPEB Liability	\$ 54,953	\$ -	\$ (15,749)	\$ 39,204	\$ -
PERA Net Pension Liability	<u>2,275,868</u>	<u>-</u>	<u>(66,272)</u>	<u>2,209,596</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 2,330,821</u>	<u>\$ -</u>	<u>\$ (82,021)</u>	<u>\$ 2,248,800</u>	<u>\$ -</u>

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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	\$	190,000
Alt Licensure Assigned Fund Balance		<u>300,000</u>
Total Assigned Fund Balance	\$	<u>490,000</u>

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>
Total Committed Fund Balance	\$	<u>600,000</u>

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, 2025

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.

Benefits provided as of December 31, 2024. 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, 2025

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, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2025: 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, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

	July 1, 2024 Through June 30, 2025
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 Mountain BOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Mountain BOCES were \$201,670 for the year ended June 30, 2025.

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 direct distribution each year to PERA starting on July 1, 2018. For 2024, 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.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability(TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. Mountain BOCES proportion of the net pension liability was based on Mountain BOCES' contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, Mountain BOCES reported a liability of \$2,386,364 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	\$	2,209,596
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with BOCES		176,768
Total	\$	2,386,364

At December 31, 2024, Mountain BOCES proportion was 0.01281 percent, which was an increase of 0.000064 from its proportion measured as of December 31, 2023.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2025, Mountain BOCES recognized a pension expense of \$286,677 and revenue of \$18,642 for support from the State as a nonemployer contributing entity. At June 30, 2025, 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	\$ 125,126	\$ -
Changes of assumptions or other inputs	16,566	-
Net difference between projected and actual earnings on pension plan investments	41,689	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	192,243	7,394
Differences between contributions recognized and proportionate share of contributions	131	
Contributions subsequent to the measurement date	111,180	-
Total	\$ 486,935	\$ 7,394

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

\$111,180 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, 2026. 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
2026	\$ 259,178
2027	200,152
2028	(61,238)
2029	(29,731)
Total	\$ 368,361

Actuarial assumptions. The TPL in the December 31, 2023, 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 (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 (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.)	Financed by the Annual Increase Reserve (AIR)

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT- 2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages.
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

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

Salary increases, including wage inflation: 4.00%-13.40%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows: the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT- 2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages.
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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 2024 Experience Study report dated January 3, 2025.

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, and again at the Board’s September 20, 2024. meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

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 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 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 percent, at which point, the AED and SAED will each drop 0.50 percent 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 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.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 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.

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 the 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	\$ 2,995,700	\$ 2,209,596	\$ 1,551,124

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.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

Subsequent Events

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

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.

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the 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, 2025 there were no contributions by program members.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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.

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, 2025

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, 2025

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 \$10,093 for the year ended June 30, 2025.

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

At June 30, 2025, Mountain BOCES reported a liability of \$39,204 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. Mountain BOCES' proportion of the net OPEB liability was based on Mountain BOCES' contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, Mountain BOCES' proportion was 0.008199 percent, which was an increase of 0.0005 from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, Mountain BOCES recognized an OPEB expense of (\$5,302). At June 30, 2025, 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	\$ -	\$ 8,647
Net difference between projected and actual earnings on pension plan investments	133	-
Changes of assumptions or other inputs	449	12,532
Changes in proportion and differences between contributions recognized and proportionate share of contributions- Plan Basis	18,612	308
Contributions subsequent to the measurement date	5,564	-
Total	\$ 24,758	\$ 21,487

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

\$5,564 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, 2026. 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
2026	\$ (166)
2027	2,481
2028	(1,517)
2029	(1,374)
2030	(1,006)
2031	(711)
Total	\$ (2,293)

Actuarial assumptions. The total OPEB liability in the December 31, 2023 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	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% for 2024, then 8.55% in 2025, gradually increasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033.
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, 2025

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)

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

Each year the per capita health care costs are developed by plan options. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies 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%

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

**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	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample Age	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	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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:

Year	PERACare Medicare Plans	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

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

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

	Mortality Tablr	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT- 2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages.
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)
reflect the change in costs for the 2024 plan year.

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 current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

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

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

Salary increases, including wage inflation was changed to 4.00% - 13.40%.

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the JCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT- 2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages.
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation 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, and again at the Board’s September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

Sensitivity of the 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:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	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 MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share fo the net OPEB asset (liability)	\$ (38,148)	\$ (39,204)	\$ (40,400)

Initial trend rates are for the January 1, 2025, plan year

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- *Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.*
- *Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.*
- *Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.*
- *Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.*
- *Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.*
- *Benefit payments and contributions were assumed to be made at the middle of the year.*
- *As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.*

Based on the above assumptions and methods, the fiduciary net position 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 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.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 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:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (48,046)	\$ (39,204)	\$ (31,582)

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.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND
NOTE 10: 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, 2025
(With Comparative Totals for the Year Ended June 30 2024)

	<u>2025</u>			<u>2024</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
REVENUES					
Local Sources					
Investment Earnings	\$ 39,600	\$ 39,600	\$ 44,558	\$ 4,958	\$ 50,719
District Assessments	808,042	799,249	790,414	(8,835)	666,270
Alternative License Revenue	255,000	300,000	308,994	8,994	97,494
Other Local	139,114	136,012	161,028	25,016	173,444
Total Local Sources	<u>1,241,756</u>	<u>1,274,861</u>	<u>1,304,994</u>	<u>30,133</u>	<u>987,927</u>
State Sources					
State Grants from CDE					
State ECEA (Special Education)	1,637,329	1,638,758	1,642,851	4,093	1,510,909
State Gifted and Talented	69,170	66,222	77,282	11,060	69,170
Expelled and At Risk Students	7,519	7,519	-	(7,519)	7,519
Implementing State Educational Priorities	175,769	141,278	140,984	(294)	155,091
Gifted Ed- Univ Screening and Qualified Personnel	47,427	75,943	64,882	(11,061)	40,006
Other State Grants	215,000	234,526	321,068	86,542	284,396
State Grants from Other Agencies					
School to Work Alliance Program(SWAP)	690,791	690,791	690,791	-	728,444
Workforce Education	10,000	10,000	-	(10,000)	10,000
Total State Sources	<u>2,853,005</u>	<u>2,865,037</u>	<u>2,937,858</u>	<u>72,821</u>	<u>2,805,535</u>
Federal Sources					
Federal Grants from CDE					
Special Education- Grants to States- IDEA Part B	754,936	763,651	763,651	-	778,472
IDEA Part B- Special Education Preschool	23,536	19,376	19,376	-	26,727
Elementary and Secondary School Emergency Relief Fund	-	29,950	28,750	(1,200)	183,008
Total Federal Sources	<u>778,472</u>	<u>812,977</u>	<u>811,777</u>	<u>(1,200)</u>	<u>988,207</u>
TOTAL REVENUES	<u>4,873,233</u>	<u>4,952,875</u>	<u>5,054,629</u>	<u>101,754</u>	<u>4,781,669</u>

(Continued)

	2025			2024	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
EXPENDITURES					
Instruction					
Salaries	9,785	3,863	753	3,110	9,981
Benefits	2,236	883	172	711	2,281
PS-Professional	92,000	50,500	47,024	3,476	80,739
PS-Other	1,727,366	1,721,381	1,732,050	(10,669)	1,604,324
Supplies	1,000	1,000	488	512	389
Property	500	500	-	500	-
PS-Property	500	500	-	500	-
Other Expenses	-	-	-	-	258
Total Instruction	1,833,387	1,778,627	1,780,487	(1,860)	1,697,972
Supporting Services					
Pupil Support					
Salaries	264,295	276,175	274,233	1,942	267,159
Benefits	102,012	101,232	100,764	468	95,031
PS-Professional	1,000	700	314	386	2,529
PS-Other	701,700	709,487	710,645	(1,158)	732,621
Supplies	18,500	16,515	16,202	313	28,142
Property	2,000	1,500	1,452	48	2,876
PS-Property	3,600	3,600	3,600	-	3,600
Total Pupil Support	1,093,107	1,109,209	1,107,210	1,999	1,131,958
Staff Support					
Salaries	694,400	701,188	700,855	333	473,376
Benefits	229,885	231,384	217,043	14,341	134,782
PS-Professional	79,500	81,667	88,734	(7,067)	72,933
PS-Other	41,113	66,891	34,228	32,663	42,653
Supplies	24,600	28,810	53,527	(24,717)	30,547
Property	16,000	14,000	2,859	11,141	669
Other Expenses	48,637	53,172	53,209	(37)	42,429
Total Staff Support	1,134,135	1,177,112	1,150,455	26,657	797,389
General Administration					
Salaries	51,000	51,000	51,000	-	51,000
Benefits	16,161	16,161	34,030	(17,869)	18,911
PS-Professional	46,000	46,325	40,283	6,042	46,881
PS-Other	4,016	4,016	4,196	(180)	4,305
Supplies	1,000	1,000	199	801	744
PS-Property	4,900	5,400	5,131	269	6,699
Other Expenses	21,516	11,923	4,466	7,457	4,456
Total General Administration	144,593	135,825	139,305	(3,480)	132,996

(Continued)

	2025			2024	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
Business Services					
Salaries	87,625	82,243	82,243	-	80,733
Benefits	29,036	27,807	24,533	3,274	25,390
PS-Professional	2,000	2,400	2,281	119	2,065
PS-Other	4,445	5,060	5,265	(205)	4,627
Supplies	8,500	8,500	5,173	3,327	7,535
Other Expenses	500	500	1,361	(861)	701
Total Business Services	132,106	126,510	120,856	6,515	121,051
Operations and Maintenance					
Salaries	7,416	7,416	6,880	536	6,750
Benefits	1,695	1,695	1,572	123	1,542
PS-Property	31,000	31,000	25,543	5,457	36,290
Other	(7,600)	(7,600)	(6,216)	(1,384)	(8,619)
Total Operations and Maintenance	32,511	32,511	27,779	4,732	35,963
Other Central Support					
Salaries	16,052	16,052	5,737	10,315	13,383
Benefits	3,668	3,668	1,311	2,357	3,058
PS-Professional	-	-	8,929	(8,929)	-
PS-Other	67,125	72,052	62,368	9,684	56,696
Other Expenses	435,345	432,643	436,048	(3,405)	458,153
Total Other Central Support	522,190	524,415	514,393	10,022	531,290
Risk Management					
PS-Other	24,843	28,916	28,787	129	23,142
Total Transportation	24,843	28,916	28,787	129	23,142

(Continued)

	2025			2024	
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Actual Amounts
TOTAL EXPENDITURES	4,916,872	4,913,125	4,869,272	44,714	4,471,761
Excess of Revenues over Expenditures	(43,639)	39,750	185,357	57,040	309,908
CHANGE IN FUND BALANCE	(43,639)	39,750	185,357	145,607	309,908
BEGINNING FUND BALANCE	1,365,114	1,675,022	1,675,022	-	1,194,199
ENDING FUND BALANCE	<u>\$ 1,321,475</u>	<u>\$ 1,714,772</u>	<u>\$ 1,860,379</u>	<u>\$ 145,607</u>	<u>\$ 1,504,107</u>

RECONCILIATION OF THE BUDGETARY BASIS OF ACCOUNTING
TO THE GAAP BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED JUNE 30, 2025

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	\$ 5,054,629
Reclassification of certain revenues that are considered a return of matching funds provided to the State	(345,395)
Indirect revenues that are tracked for internal purposes	(3,577)
Internal allocations recorded as revenue and expenditures	<u>(48,634)</u>
GAAP Basis revenues	<u>\$ 4,657,023</u>

EXPENDITURES

Actual amounts (Budgetary Basis) total expenditures from budgetary comparison schedule	\$ 4,869,272
Reclassification of certain expenditures that are considered matching funds provided to the State that were later returned	(345,395)
Indirect expenditures that are tracked for internal purposes	(3,577)
Internal allocations recorded as revenue and expenditures	<u>(48,634)</u>
GAAP Basis expenditures	<u>\$ 4,471,666</u>

See accompanying Independent Auditors' Report.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

JUNE 30, 2025

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Year

Fiscal Year	BOCES' proportion of the net pension asset (liability)	BOCES' proportionate share of the net pension asset (liability)	Non-employer contributing entity's total proportionate share of the net pension asset (liability)	Total proportionate share associated with BOCES	BOCES' covered payroll	BOCES' proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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%
June 30, 2025	0.012810%	(2,209,596)	(176,768)	(2,386,364)	989,549	223.29%	61.17%

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, 2025

SCHEDULE OF CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	BOCES' covered payroll	Contributions as a percentage of covered payroll
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%
June 30, 2025	\$ 201,670	(201,670)	-	\$ 989,549	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

2024 Changes in Plan Provisions Since 2023

There were no changes made to plan provisions.

Note 2 – Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information 2024

Changes in Assumptions or Other Inputs Since 2023

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

See the accompanying Independent Auditors' Report.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

JUNE 30, 2025

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

PERA Health Care Trust Fund

Last 10 Fiscal Years

Fiscal Year Ended	BOCES' proportion of the net OPEB asset (liability)	BOCES' proportionate share of the net OPEB asset (liability)	BOCES' covered payroll	BOCES' proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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%
June 30, 2025	0.008199%	(39,204)	989,549	3.960%	59.83%

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, 2025
SCHEDULE OF CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years

Fiscal Year	Contractually required contributions	Actual Contributions	Contribution deficiency (excess)	BOCES' covered payroll	Contributions as a percentage of covered payroll
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%
June 30, 2025	10,093	(10,093)	-	989,549	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.

Notes to the Required Supplementary Information (OPEB)

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

2024 Changes in Plan Provisions Since 2023

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

Note 2 – Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2024 Changes in Assumptions or Other Inputs Since 2023

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

See the accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education

Auditors Integrity Report

District: 9030 - Mountain BOCES

Fiscal Year 2024-25

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	1,675,022	4,657,023	4,471,666	1,860,379
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,675,022	4,657,023	4,471,666	1,860,379
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



Colorado Department of Education
Bolded Balance Sheet Report
 District: 9030 - Mountain BOCES
 Fiscal Year 2024-25
 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)	1,728,246	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,728,246
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)	714	0	0	0	0	0	0	0	0	0	0	0	0	0	0	714
Grants Accounts Receivable (8142)	325,457	0	0	0	0	0	0	0	0	0	0	0	0	0	0	325,457
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
Total Assets	2,056,917	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,056,917

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY	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	
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	130,032	0	0	0	0	0	0	0	0	0	0	0	0	0	130,032
Accrued Expenses (7461)	7,428	0	0	0	0	0	0	0	0	0	0	0	0	0	7,428
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	59,078	0	0	0	0	0	0	0	0	0	0	0	0	0	59,078
Other Current Liabilities (7491,7492,7499)	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
Total Liabilities	196,538	0	0	0	0	0	0	0	0	0	0	0	0	0	196,538

Governmental

Proprietary

Fiduciary

FUND EQUITY	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	490,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	490,000
Unassigned Fund Balance 6770	770,379	0	0	0	0	0	0	0	0	0	0	0	0	0	0	770,379
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
Total Fund Equity	1,860,379	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,860,379

	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
Total Liabilities & Fund Equity	2,056,917	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,056,917

	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
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

SUPPLEMENTARY INFORMATION
GOVERNMENT AUDITING STANDARDS



503 N. Main St., Suite 740
Pueblo, CO 81003-3131
719.543.0516
719.544.2849 Fax
www.cpapueblo.com

McPherson, Goodrich, Paolucci & Mihelich, PC

Tax/Consulting/Audit

Certified Public Accountants

**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, 2025 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 17, 2025

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.

M. Pherson, Cooridin, Puelucci & Mahlich, P.C.

October 17, 2025

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Schedule of Findings and Questioned Costs
JUNE 30, 2025

1. Summary of Auditor's Results

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

2. Summary Schedule of Prior Audit Findings

None