

January 23, 2026

Board of Directors
Northeast Colorado Board of Cooperative Educational Services (NEBOCES)
Haxtun, Colorado

We have audited the financial statements of the governmental activities and each major fund of Northeast Colorado Board of Cooperative Educational Services (the BOCES) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally in our discussion on November 17, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during year ended June 30, 2025. The BOCES implemented GASBS No. 101, *Compensated Absences*, but the impact of the implementation on the BOCES was immaterial. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements was:

Management's estimate of the PERA net pension liability and net OPEB liability is based on projected compared to actual experience, assumptions, investments, and proportionate share of the net pension liability and net OPEB liability. We evaluated the methods, assumptions, and data used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. Any material misstatements that were corrected by management and attached to this document.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information as identified in the table of contents in the audited financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information as identified in the table of contents as the auditor's integrity report in the audited financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of the BOCES and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DMC Auditing and Consulting, LLC

DMC Auditing and Consulting, LLC



**NORTHEAST COLORADO BOARD OF
COOPERATIVE EDUCATIONAL SERVICES**

HAXTUN, COLORADO

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

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

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES

TABLE OF CONTENTS

June 30, 2025

FINANCIAL SECTION

Independent Auditor's Report..... 1

Management's Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

 Statement of Net Position..... 4

 Statement of Activities 5

Governmental Funds Financial Statements

 Balance Sheet 6

 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position 7

 Statement of Revenues, Expenditures and Changes in Fund Balances 8

 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities 9

Notes to the Financial Statements..... 10

Required Supplementary Information

 Budgetary Comparison Schedule – General Fund 31

 Schedule of Proportionate Share of the Net Pension Liability and Contributions 32

 Schedule of Proportionate Share of the Net OPEB Liability and Contributions..... 34

 Notes to the Required Supplementary Information..... 36

COMPLIANCE SECTION

Single Audit

Independent Auditor's 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* 38

Independent Auditor's Report on Compliance for Each Major Federal Program,
Internal Control over Compliance, and the Schedule of Expenditures of Federal
Awards Required by the Uniform Guidance 40

Schedule of Findings and Questioned Costs 43

Summary Schedule of Prior Year Findings and Questioned Costs 44

Schedule of Expenditures of Federal Awards 45

Notes to the Schedule of Expenditures of Federal Awards 46

State Compliance

Auditor's Integrity Report 47

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northeast Colorado Board of Cooperative Educational Services
Haxtun, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Northeast Colorado Board of Cooperative Educational Services (the BOCES) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Northeast Board of Cooperative Educational Services, 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 each major fund of the BOCES as of 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 and the required supplementary information listed in the table of contents 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BOCES' basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the auditor's integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the auditor's integrity report 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 January 23, 2026, on our consideration of the 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 the 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 the BOCES's internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

January 23, 2026
Bailey, Colorado

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) Year Ended June 30, 2025

The discussion and analysis of Northeast Board of Cooperative Educational Services' (the "BOCES") financial performance provides an overall review of the BOCES' financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the BOCES' financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the BOCES' financial performance.

Financial Highlights

The BOCES' annual budget was developed via discussions with the Superintendents' Advisory Committee (SAC) with input and approval by the BOCES Board. The process of developing a budget begins by identifying the priorities and needs of member school districts, along with establishing priorities and needs for the NE BOCES.

The BOCES Board adopted the 2024-25 Budget Appropriation Resolution on May 13, 2024. Over the course of the year, additional revenue and expenditures were added to the budget as a result of competitive grant awards allowing the BOCES to provide enhanced services to member school districts. The Appropriation Resolution for the Re-Adoption of the 2024-25 Budget was approved by the BOCES Board on January 27, 2025.

In preparing the budget, the BOCES budgeted a 5.2% increase in the BOCES local assessment consistent with the projected increase in the Colorado School Finance Act. Since 2017-18, an annual increase (or decrease) in local assessment has been directly tied to the increase or decrease to the Colorado School Finance Act based on pupil growth and inflation. The budgeted increase in local assessment was \$98,330 total.

Increases in revenue were also projected for competitive grants, including the Opportunity Now grant, received via OEDIT, which added \$609,786 in revenue to the budget. Increases in revenue were projected from the Exceptional Children's Educational Act (ECEA), special education categorical funding from the State, largely due to increases in enrollment, and a larger number of students with disabilities attending the Destinations Career Academy online school operated by the Julesburg School District, a member of the BOCES.

The budget was adjusted for loss of revenue due to the finalization of several competitive and/or Covid-19 related grants, including the Local Accountability, Rural Coaction, SAFER, ARP/HCYI, ARP/HCYII, and the Expanded Learning Opportunity grants.

The BOCES has an adequate fund balance in the General Fund with enough cash on hand to meet BOCES spending obligations before reimbursement from federal programs. In planning for this budget, there was no plan to use fund balance as revenue. The focus was on using anticipated revenues to meet budgetary obligations of BOCES programs.

Salary and Benefits make up the greatest portion of the BOCES budget and are a top priority. The Salary Schedule for 2024-25 was approved with a 5% increase to the base of Lanes 2, 3, 4, and 8 along with a step increase. Employees not on the salary schedule received a 5% increase to salary. A priority for revenue was to increase salaries of existing personnel versus increasing the number of personnel at the BOCES. No increase in FTE was budgeted.

Health insurance benefits per full-time employee increased in 2024-2025. NE BOCES selected CEBT Benefit by Trust, for the second year, as the employer health insurance provider. The employee benefit amount for full-time employees for full coverage of a single health insurance policy increased to \$823 monthly compared to \$762 the prior year.

The BOCES retained payment of employee's portion of PERA costs at 2%, a practice which started during the 2020-2021 budget year. A travel stipend of \$2,000 was budgeted for personnel assigned to 3 or more school districts. Personnel recruitment and retention continues to be a priority. Competitive wages and benefits are always a goal.

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) Year Ended June 30, 2025

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 the 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 the BOCES' overall financial status. The remaining statements are fund financial statements that focus on individual parts of the BOCES' operations in more detail. The governmental fund statements tell how general 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 the BOCES as a Whole

The BOCES' total net position was \$943,690 as of June 30, 2025.

The Governmental Activities has an overall net position of \$1,211,882 and an unrestricted net position of \$124,957, primarily due to adding the PERA net pension liability of (\$5,650,717), and net OPEB liability of (\$99,995) as further described in Note 6 and Note 7. As the BOCES has no control over pension benefits or contribution rates, the BOCES expects the unrestricted net position deficit to continue for the foreseeable future.

Government-Wide Financial Statements

The government-wide statements report information about the 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 reports the BOCES' net position and how they have changed. The change in net position is important because it tells the reader that for the BOCES as a whole, the financial position of the 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, the BOCES is shown as one type of activity:

Governmental Activities - The BOCES' programs and services are reported here including instruction, support services, operations and maintenance and extracurricular activities.

A condensed summary of the BOCES' net position is as follows:

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Required Supplementary Information (RSI)
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>
Assets:			
Current Assets	5,767,595	5,007,289	760,306
Capital Assets, Net	<u>1,086,925</u>	<u>1,069,330</u>	<u>17,595</u>
Total Assets	<u>6,854,520</u>	<u>6,076,619</u>	<u>777,901</u>
Deferred Outflows of Resources	<u>1,002,056</u>	<u>1,446,941</u>	<u>(444,885)</u>
Liabilities:			
Current Liabilities	421,341	394,807	26,534
Long-Term Liabilities	<u>5,750,712</u>	<u>6,496,876</u>	<u>(746,164)</u>
Total Liabilities	<u>6,172,053</u>	<u>6,891,683</u>	<u>(719,630)</u>
Deferred Inflows of Resources	<u>472,641</u>	<u>363,077</u>	<u>109,564</u>
Net Position:			
Net Investment in Capital Assets	1,086,925	1,069,330	17,595
Unrestricted	<u>124,957</u>	<u>(800,530)</u>	<u>925,487</u>
Total Net Position	<u>1,211,882</u>	<u>268,800</u>	<u>943,082</u>

A small portion of the BOCES' net position are invested in capital assets (equipment and buildings). The remaining unrestricted net position are available for future revenue shortfall and grant matching.

A condensed Statement of Activities and Changes in Net position is as follows:

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Required Supplementary Information (RSI)
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>
Revenues:			
Charges for Services	2,596,974	2,030,231	566,743
Operating Grants and Contributions	6,977,936	7,238,671	(260,735)
Capital Grants and Contributions	-	433,260	(433,260)
Unrestricted Grants and Contributions	-	21,923	(21,923)
Investment Income	115,466	77,798	37,668
Total Revenues	<u>9,690,376</u>	<u>9,801,883</u>	<u>(111,507)</u>
Expenses:			
Instruction	3,459,787	3,228,156	231,631
Supporting Services	5,287,507	5,458,030	(170,523)
Total Expenses	<u>8,747,294</u>	<u>8,686,186</u>	<u>61,108</u>
Change in Net Position	943,082	1,115,697	(172,615)
Net Position, Beginning, Originally Stated	268,800	(992,827)	1,261,627
Restatement - Correction of an Error	-	145,930	(145,930)
Net Position, Beginning, as Restated	<u>268,800</u>	<u>(846,897)</u>	<u>1,115,697</u>
Net Position, Ending	<u>1,211,882</u>	<u>268,800</u>	<u>943,082</u>

The BOCES total net position increased by \$943,082 as a result of current operations, districts contributing larger amounts and PERA liability.

Reporting the BOCES' Most Significant Fund

The BOCES' major fund is the general fund. The BOCES records all activity in this fund. This fund uses 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 statement provides a detailed short-term view of the 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 is reconciled in the financial statements of the Governmental Funds.

Fund Financial Statements

As of June 30, 2025, the BOCES' governmental general fund reported a fund balance of \$5,499,403.

The following is additional information by programmatic area:

Local revenues were \$2,883,807, State support was \$3,890,722, and federal revenues were \$2,647,655.

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 Required Supplementary Information (RSI)
 Year Ended June 30, 2025

Capital Assets

The BOCES recorded depreciation of \$95,033 during the fiscal year.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets, Being Depreciated / Amortized:				
Buildings and Improvements	\$ 620,098	\$ 112,628	\$ -	\$ 732,726
Furniture and Equipment	877,680	-	-	877,680
Total Capital Assets, Being Depreciated / Amortized	1,497,778	112,628	-	1,610,406
Less Accumulated Depreciation / Amortization:				
Buildings and Improvements	(211,074)	(19,587)	-	(230,661)
Furniture and Equipment	(217,374)	(75,446)	-	(292,820)
Total Accumulated Depreciation / Amortization	(428,448)	(95,033)	-	(523,481)
Capital Assets, Being Depreciated / Amortized, Net	1,069,330	17,595	-	1,086,925
Capital Assets, Governmental Activities, Net	\$ 1,069,330	\$ 17,595	\$ -	\$ 1,086,925

Debt Administration

At June 30, 2025, NEBOCES maintains a ground lease that is a non-exchange or exchange-like transaction, and, as a result, not required to be reported as a lease under GASB Statement No. 87, *Leases*.

General Fund Budget

The Board adopts the BOCES' budget in May of each 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 revisions in grant allocations that occur subsequent to the original adoption of the budget.

Economic Factors and Next Year's Budget

A BOCES exists when any two school districts come together with a shared purpose. BOCES exist to bring value to each member district, offering cost-savings, and the opportunity to pool smaller allocations to access vast resources. District money goes further when it is pooled through cooperative efforts. Our BOCES value relies on strong leadership, high quality personnel who serve students and schools, consistent and reliable support to school districts, and responsible fiscal management of resources.

The Northeast Colorado BOCES adjusts services to meet the needs of the districts and to meet federal and state requirements. Superintendents have expressed the continued need for high-quality personnel, professional development, alternative teacher licensure, teacher recruitment/retention, federal program implementation, mental health support, gifted/talented facilitation and a wide range of special education services. There is interest in continued pursuit of revenue via competitive grants to enhance services and support, in areas of need, and specifically with the Career Connected Learning (CCL) initiatives.

NORTHEAST COLORADO BOCES

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) Year Ended June 30, 2025

The BOCES anticipates that the core programs and services will remain consistent into next year. Inflation projections will present challenges as costs of services are rising. Fiscal management of resources will be especially important to mitigate these increases, using available revenues. Despite these challenges, the BOCES will maintain quality programming for our students and for member school district staff.

We are continually adjusting programs accordingly with the budget and grants received. All programs, services and related costs are approved by the Board of Directors through the recommendations of the Superintendents Advisory Committee, or Executive Director. Northeast Colorado BOCES will continue to fund, deliver and support educational and instructional programs to enable member districts to meet the needs of students and staff. Northeast Colorado BOCES will also continue to apply for any and all eligible funds as applicable.

Requests for information

This financial report is designed to provide a general overview of the 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 Director of Finance and Operations, 301 West Powell, Haxtun, CO 80731.

BASIC FINANCIAL STATEMENTS

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

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 4,757,771
Accounts Receivable	17,734
Grants Receivable	992,090
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>1,086,925</u>
TOTAL ASSETS	<u>6,854,520</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	976,953
OPEB, <i>Net of Accumulated Amortization</i>	<u>25,103</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,002,056</u>
LIABILITIES	
Accounts Payable	22,219
Accrued Salaries and Benefits	399,122
Long-Term Liabilities	
Net Pension Liability	5,650,717
Net OPEB Liability	<u>99,995</u>
TOTAL LIABILITIES	<u>6,172,053</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	409,623
OPEB, <i>Net of Accumulated Amortization</i>	<u>63,018</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>472,641</u>
NET POSITION	
Net Investment in Capital Assets	1,086,925
Unrestricted	<u>124,957</u>
TOTAL NET POSITION	<u>\$ 1,211,882</u>

See Notes to the Financial Statements.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
Governmental Activities	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Instruction	\$ 3,459,787	\$ 1,984,064	\$ 5,030,219	\$ 3,554,496
Supporting Services	<u>5,287,507</u>	<u>612,910</u>	<u>1,947,717</u>	<u>(2,726,880)</u>
TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>8,747,294</u>	\$ <u>2,596,974</u>	\$ <u>6,977,936</u>	<u>827,616</u>
GENERAL REVENUES				
Investment Income				<u>115,466</u>
CHANGE IN NET POSITION				943,082
NET POSITION, Beginning				<u>268,800</u>
NET POSITION, Ending				\$ <u>1,211,882</u>

See Notes to the Financial Statements.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2025

		<u>GENERAL</u>
ASSETS		
Cash and Investments	\$	4,757,771
Accounts Receivable		17,734
Grants Receivable		<u>992,090</u>
TOTAL ASSETS	\$	<u><u>5,767,595</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$	22,219
Accrued Salaries and Benefits		<u>399,122</u>
TOTAL LIABILITIES		<u>421,341</u>
 DEFERRED INFLOWS OF RESOURCES		
Grants		<u>268,192</u>
 FUND BALANCE		
Unassigned		<u>5,078,062</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$	<u><u>5,767,595</u></u>

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of the Governmental Fund	\$	5,078,062
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		1,086,925
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the deferred grants.		268,192
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental fund:		
Net Pension Liability		(5,650,717)
Pension-Related Deferred Outflows of Resources		976,953
Pension-Related Deferred Inflows of Resources		(409,623)
Net OPEB Liability		(99,995)
OPEB-Related Deferred Outflows of Resources		25,103
OPEB-Related Deferred Inflows of Resources		(63,018)
		(5,101,292)
Total Net Position of Governmental Activities	\$	1,211,882

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended June 30, 2025

	GENERAL
REVENUES	
Local Sources	\$ 2,883,807
State Sources	3,890,722
Federal Sources	2,647,655
TOTAL REVENUES	9,422,184
EXPENDITURES	
Current	
Instruction	3,486,682
Supporting Services	5,469,922
TOTAL EXPENDITURES	8,956,604
CHANGE IN FUND BALANCE	465,580
FUND BALANCE, Beginning	4,612,482
FUND BALANCE, Ending	\$ 5,078,062

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of the Governmental Fund	\$	465,580
<p>The governmental fund report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:</p>		
Depreciation Expense		(95,033)
Capital Outlay		112,628
<p>Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in deferred grants.</p>		
		268,192
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. This includes the changes in the following:</p>		
Net Pension Liability		693,454
Pension-Related Deferred Outflows of Resources		(437,304)
Pension-Related Deferred Inflows of Resources		(124,679)
Net OPEB Liability		52,710
OPEB-Related Deferred Outflows of Resources		(7,581)
OPEB-Related Deferred Inflows of Resources		15,115
		15,115
Change in Net Position of Governmental Activities	\$	943,082

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

Northeast Colorado Board of Cooperative Educational Services (BOCES) operates under Colorado Revised Statutes providing educational and educational support services for its twelve member BOCES districts, as well as other surrounding districts in northeast Colorado. The Board members are appointed by the Boards of the twelve member districts, with one from each school district Board, which consist of Akron, Frenchmen, Haxtun, Holyoke, Julesburg, Lone Star, Buffalo, Otis, Plateau, Revere, Wray, and Yuma school districts.

The accounting policies of the BOCES conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the BOCES' more significant policies.

Reporting Entity

The financial reporting entity consists of the BOCES, organizations for which the BOCES is financially accountable, and organizations that raise and hold economic resources for the direct benefit of BOCES. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of BOCES. Legally separate organizations for which BOCES is financially accountable are considered part of the reporting entity. Financial accountability exists if BOCES appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the BOCES.

The financial statements of the BOCES do not include any separately administered organizations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the BOCES. For the most part, the effect of interfund activity has been removed from these financial statements. *Governmental activities*, which are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than program revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the BOCES reports the following major governmental fund:

The *General Fund* is the BOCES' primary operating fund. It accounts for all financial resources of the BOCES, except those accounted for in the grant fund.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the BOCES considers revenues to be available if collected within 60 days of the end of the current year.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for a specific use, it is the BOCES' policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments – The BOCES uses separate bank accounts for each fund and for individual programs within the General Fund. Investments are reported at fair value.

Receivables – 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, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	15 - 50 years
Furniture and Equipment	5 - 10 years

Deferred Outflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then.

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, are reported as a liability in the financial statements.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Deferred Inflows of Resources – This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an inflow of resources until then. Deferred inflows of resources in the governmental fund financial statements include grants earned but not available as current financial resources.

Long-Term Debt – In the government-wide financial statements, long-term debt, financed purchase agreements, and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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

Postemployment Benefits Other Than Pensions (OPEB) – The BOCES participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms.

Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the BOCES' Board of Directors formally commits resources for a specific purpose through passage of a resolution.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, the BOCES policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 2: Cash and Investments

At June 30, 2025, the BOCES had the following cash and investments:

Deposits	\$ 1,784,695
Investments	<u>2,973,076</u>
Total	<u>\$ 4,757,771</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the BOCES had bank deposits of \$1,932,138 collateralized with securities held by the financial institution's agent but not in the BOCES' name.

Investments

The BOCES is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Fair Value Measurements - At June 30, 2025, the BOCES' investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the BOCES may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools - At June 30, 2025, the BOCES had \$2,973,076 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at \$1. The Pool is rated AAAM by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets, Being Depreciated / Amortized:				
Buildings and Improvements	\$ 620,098	\$ 112,628	\$ -	\$ 732,726
Furniture and Equipment	877,680	-	-	877,680
Total Capital Assets, Being Depreciated / Amortized	1,497,778	112,628	-	1,610,406
Less Accumulated Depreciation / Amortization:				
Buildings and Improvements	(211,074)	(19,587)	-	(230,661)
Furniture and Equipment	(217,374)	(75,446)	-	(292,820)
Total Accumulated Depreciation / Amortization	(428,448)	(95,033)	-	(523,481)
Capital Assets, Being Depreciated / Amortized, Net	1,069,330	17,595	-	1,086,925
Capital Assets, Governmental Activities, Net	\$ 1,069,330	\$ 17,595	\$ -	\$ 1,086,925

Depreciation expense of the governmental activities was charged to programs of the BOCES as follows:

Instruction	\$ 33,702
Supporting Services	61,331
Total	\$ 95,033

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: Intergovernmental Agreements

Ground Lease

In July 2000, the BOCES entered into a ground lease agreement with Haxtun School District RE-2J (the District). The property shall be used only for educational and school purposes, including use as administrative offices for the BOCES. Annual payments from \$100 to \$1,000 are due from June 2000 through June 2099. In the event of default, the lessor may terminate the lease or pursue other remedies permitted by this lease or by law. The lease does not meet the requirements of GASB Statement No. 87, *Leases*, because the lease was not considered an exchange or exchange-like transaction. For the fiscal year ended June 30, 2025, the BOCES paid \$300.

NOTE 5: Risk Management

The BOCES is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The BOCES participates in the Colorado School Districts Self Insurance Pool for all risks of loss except workers compensation, for which it utilizes a commercial insurance carrier.

The Colorado School Districts Self Insurance Pool (CSDSIP) operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by a governing board. The BOCES pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The CSDSIP's agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 6: Defined Benefit Pension Plan

General Information

Plan Description – The BOCES contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the BOCES participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided as of December 31, 2024 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all cases, the benefit amount may not exceed the highest average salary, or the amount allowed by applicable federal regulations.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 – The BOCES, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The BOCES's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the BOCES's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 7). The BOCES's contributions to the SDTF for the year ended June 30, 2025, were \$534,654, equal to the required contributions at a contribution rate of 20.38%.

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

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

The net pension liability was measured at December 31, 2024, and the total pension liability 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 total pension liability to December 31, 2024. The BOCES's proportion of the net pension liability was based on the BOCES's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

At December 31, 2024, The BOCES's proportion was 0.0327484809%, which was a decrease of 0.0031278963% from its proportion measured at December 31, 2023.

At June 30, 2025, the BOCES reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the BOCES. The amount recognized by the BOCES as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the BOCES were as follows:

District's proportionate share of the net pension liability	\$ 5,650,717
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>507,524</u>
Total	\$ <u>6,158,241</u>

For the year ended June 30, 2025, the BOCES recognized pension expense of \$414,670 and a revenue of (\$46,322) for support from the State as a nonemployer contributing entity. At June 30, 2025, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 319,993	\$ -
Changes of assumptions and other inputs	42,364	-
Net difference between projected and actual earnings on plan investments	106,613	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	240,809	409,623
Contributions subsequent to the measurement date	<u>267,174</u>	<u>-</u>
Total	\$ <u>976,953</u>	\$ <u>409,623</u>

BOCES contributions subsequent to the measurement date of \$267,174 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ 277,306
2027	315,737
2028	(216,853)
2029	<u>(76,034)</u>
Total	\$ <u>300,156</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories of the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 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 of Directors at their November 20, 2020, meeting.

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 of Directors 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 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%.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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. All mortality assumptions are developed on a benefit-weighted basis. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, PERA's Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director'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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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 Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- BOCES 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, required adjustments resulting from the 2018 and 2020 AAP assessments. BOCES contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated BOCES contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, BOCES contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- BOCES contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Defined Benefit Pension Plan (Continued)

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

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

Sensitivity of the BOCES’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the BOCES’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the BOCES’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 7,661,063	\$ 5,650,717	\$ 3,966,772

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 7: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the BOCES are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member’s years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

CRS § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

Enrollment in the PERACare health benefits program is voluntary and 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, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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, CRS § 24-51-1206(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the BOCES's contributions to the School Division Trust Fund (SDTF) (Note 6) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The BOCES's apportionment to the HCTF for the year ended June 30, 2025, was \$26,759, equal to the required amount.

At June 30, 2025, the BOCES reported a net OPEB liability of \$99,995, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at 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. The BOCES's proportion of the net OPEB liability was based on the BOCES's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the BOCES's proportion was 0.0209121464%, which was a decrease of 0.0004833473% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the BOCES recognized OPEB expense of (\$32,984). At June 30, 2025, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 22,059
Changes of assumptions and other inputs	1,146	31,965
Net difference between projected and actual earnings on plan investments	339	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,250	8,994
Contributions subsequent to the measurement date	13,368	-
Total	\$ 25,103	\$ 63,018

The BOCES contributions subsequent to the measurement date of \$13,368 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,

2026	\$ (14,426)
2027	(6,535)
2028	(12,001)
2029	(8,760)
2030	(6,320)
2031	(3,241)
Total	\$ (51,283)

Actuarial Assumptions - The actuarial valuation as of December 31, 2022, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and 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 to 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%

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for 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	MAPD PPO #1 without Medicare Part A for Retiree / Spouse		MAPD PPO #2 without Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) without Medicare Part A for 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.

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. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

Measurement Year	PERACare Medicare Plans *	PERACare Medicare Plans *	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 determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 7).

All categories of the mortality tables are generationally projected using scale MP-2019.

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs 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 and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-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 rate based on an experience analysis of recent data.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

The actuarial assumptions used in the December 31, 2023, valuations 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, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

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 of Directors 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.

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

- Salary increases, including wage inflation for the SDTF were 4% - 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.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the SDTF participate in the HCTF (Note 6).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Disabled mortality assumptions were based upon the PubS-2010 Disabled Retiree Table using 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 of Director's actuary.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three-to-five years for PERA. The most recent analyses were outlined in the 2024 Experience Study 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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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%.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the fiduciary net position as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The employer disaffiliation payment and receivable 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 HCTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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%
Net OPEB Liability	<u>\$ 97,301</u>	<u>\$ 99,995</u>	<u>\$ 103,044</u>

** For the January 1, 2025, plan year.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: Postemployment Healthcare Benefits (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 122,545	\$ 99,995	\$ 80,554

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at <https://copera.org/forms-resources/financial-reports-and-studies>.

NOTE 8: Commitments and Contingencies

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The Amendment is complex and subject to judicial interpretation. The Amendment is subject to many interpretations, but the BOCES believes it is in substantial compliance with the Amendment. The BOCES believes it is exempt from the TABOR amendment because it receives no direct taxes and is a joint venture of district members.

Litigation

The BOCES from time to time is involved in various legal matters. In the opinion of the BOCES' counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the BOCES.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 2,507,223	\$ 2,550,863	\$ 2,883,807	\$ 332,944
State Grants	3,854,313	4,022,933	3,890,722	(132,211)
Federal Grants	2,649,343	2,910,692	2,647,655	(263,037)
TOTAL REVENUES	9,010,879	9,484,488	9,422,184	(62,304)
EXPENDITURES				
Current				
Instruction	3,610,554	3,465,374	3,486,682	(21,308)
Supporting Services				
Student Support	1,922,140	2,149,709	2,021,410	128,299
Instructional Support	1,619,399	1,955,539	2,077,955	(122,416)
General Administration	153,452	153,652	144,995	8,657
School Administration	78,501	78,613	111,365	(32,752)
Business Services	686,536	714,279	691,962	22,317
Transportation	185,090	206,670	102,787	103,883
Central Support	103,535	105,552	113,753	(8,201)
Community Services	69,846	69,959	67,950	2,009
Other Support Services	574,226	577,541	137,745	439,796
Total Supporting Services	5,392,725	6,011,514	5,469,922	541,592
Debt Service				
Principal	6,400	6,400	-	6,400
Interest	1,200	1,200	-	1,200
Total Debt Service	7,600	7,600	-	7,600
TOTAL EXPENDITURES	9,010,879	9,484,488	8,956,604	527,884
CHANGE IN FUND BALANCE	-	-	465,580	465,580
FUND BALANCE, Beginning	3,827,307	3,827,307	4,612,482	785,175
FUND BALANCE, Ending	\$ 3,827,307	\$ 3,827,307	\$ 5,078,062	\$ 1,250,755

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
BOCES's Proportion of the Net Pension Liability	0.0327484809%	0.0358763772%	0.0319275015%	0.0360753002%
BOCES's Proportionate Share of the Net Pension Liability	\$ 5,650,717	\$ 6,344,171	\$ 5,813,827	\$ 4,198,215
State's Proportionate Share of the Net Pension Liability Associated with the BOCES	<u>507,524</u>	<u>139,109</u>	<u>1,311,905</u>	<u>431,774</u>
Total Proportionate Share of the Net Pension Liability	\$ <u>6,158,241</u>	\$ <u>6,483,280</u>	\$ <u>7,125,732</u>	\$ <u>4,629,989</u>
BOCES's Covered Payroll	\$ 2,523,944	\$ 2,364,304	\$ 2,560,930	\$ 2,254,593
BOCES's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	224%	268%	227%	186%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	62%	62%	75%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
BOCES CONTRIBUTIONS				
Statutorily Required Contribution	\$ 534,654	\$ 475,257	\$ 495,796	\$ 448,213
Contributions in Relation to the Statutorily Required Contribution	<u>(534,654)</u>	<u>(475,257)</u>	<u>(495,796)</u>	<u>(448,213)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
BOCES's Covered Payroll	\$ 2,623,426	\$ 2,331,974	\$ 2,560,930	\$ 2,254,593
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.36%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0382715129%	0.0349071835%	0.0368982056%	0.0452706421%	0.0461979069%	0.0483552398%
\$ 5,785,881	\$ 5,215,057	\$ 6,533,585	\$ 14,638,917	\$ 13,754,903	\$ 7,395,593
<u>-</u>	<u>587,009</u>	<u>785,914</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,785,881</u>	<u>\$ 5,802,066</u>	<u>\$ 7,319,499</u>	<u>\$ 14,638,917</u>	<u>\$ 13,754,903</u>	<u>\$ 7,395,593</u>
\$ 1,067,926	\$ 2,038,137	\$ 2,028,495	\$ 2,088,282	\$ 2,050,821	\$ 2,107,312
542%	256%	322%	701%	671%	351%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 206,964	\$ 394,991	\$ 388,051	\$ 389,047	\$ 371,814	\$ 365,197
<u>(206,964)</u>	<u>(394,991)</u>	<u>(388,051)</u>	<u>(389,047)</u>	<u>(371,814)</u>	<u>(365,197)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,067,926	\$ 2,038,137	\$ 2,028,495	\$ 2,088,282	\$ 2,050,821	\$ 2,107,312
19.38%	19.38%	19.13%	18.63%	18.13%	17.33%

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
BOCES's Proportion of the Net OPEB Liability	0.0209121464%	0.0213954937%	0.0241848602%	0.0234756502%
BOCES's Proportionate Share of the Net OPEB Liability	\$ 99,995	\$ 152,705	\$ 197,464	\$ 202,432
BOCES's Covered Payroll	\$ 2,523,944	\$ 2,364,304	\$ 2,560,930	\$ 2,254,593
BOCES's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%	39%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
Statutorily Required Contributions	\$ 26,759	\$ 23,786	\$ 26,121	\$ 22,997
Contributions in Relation to the Statutorily Required Contribution	<u>(26,759)</u>	<u>(23,786)</u>	<u>(26,121)</u>	<u>(22,997)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES's Covered Payroll	\$ 2,623,426	\$ 2,331,974	\$ 2,560,930	\$ 2,254,593
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years.
Information will be presented for the 10 years it is available.

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0221062702%	0.0228135701%	0.0239840307%	0.0257226082%
\$ 210,059	\$ 256,424	\$ 326,313	\$ 334,291
\$ 1,067,926	\$ 2,038,137	\$ 2,028,495	\$ 2,088,282
20%	13%	16%	16%
33%	24%	17%	18%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 10,893	\$ 20,789	\$ 20,691	\$ 21,300
<u>(10,893)</u>	<u>(20,789)</u>	<u>(20,691)</u>	<u>(21,300)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,067,926	\$ 2,038,137	\$ 2,028,495	\$ 2,088,282
1.02%	1.02%	1.02%	1.02%

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The BOCES adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management 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.
- Public hearings are conducted by the Board of Directors 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. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Executive Director. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- All budget appropriations lapse at fiscal year-end.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

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

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

HCTF Plan - As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for 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.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://copera.org/forms-resources/financial-reports-and-studies>.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – 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%.

SB 25-310 was enacted on June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling \$500 million on or after July 1, 2025, and before October 1, 2025. These dollars will be proportioned over time to replace reductions to the 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.

HCTF Plan – 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 projection 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.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://copera.org/forms-resources/financial-reports-and-studies>.

COMPLIANCE SECTION

SINGLE AUDIT

**INDEPENDENT AUDITOR'S 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
Northeast Colorado Board of Cooperative Educational Services
Haxtun, Colorado

We have audited, 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, the financial statements of the governmental activities and each major fund of Northeast Colorado Board of Cooperative Educational Services (the BOCES) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the BOCES's and have issued our report thereon dated January 23, 2026.

Report on Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the BOCES's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Board of Directors
Northeast Colorado Board of Cooperative Educational Services

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 BOCES'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 BOCES's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

DMC Auditing and Consulting, LLC

January 23, 2026
Bailey, Colorado

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Northeast Colorado Board of Cooperative Educational Services
Haxtun, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northeast Colorado Board of Cooperative Educational Services' (the BOCES) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the BOCES' major federal programs for the year ended June 30, 2025. The BOCES's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the BOCES's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the BOCES's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the BOCES's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Board of Directors
Northeast Colorado Board of Cooperative Educational Services

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

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

DMC Auditing and Consulting, LLC

January 23, 2026
Bailey, Colorado

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2025

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Cluster/Program</u>
84.027, 84.173	Special Education Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds (CoAction)

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

Auditee qualified as low-risk auditee? Yes No

SECTION II: FINANCIAL STATEMENT FINDINGS

No current year findings or questioned costs were reported.

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No current year findings or questioned costs were reported.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

2024-001: Material Audit Adjusting Journal Entries with a Restatement of Prior Year Financial Statements

Condition: We have identified a material correction of an error to pension-related deferred outflows of resources and deferred inflows of resources in the prior year financial statements. In addition, we identified a material adjustment to cash and investments related to SWAP local revenue.

Status: Corrective action was taken, and the prior audit finding has been resolved as of June 30, 2025.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF THE TREASURY				
Passed Through Colorado Governor's Office of Economic Development and International Trade				
Coronavirus State and Local Fiscal Recovery Funds	21.027	7130	\$ 595,303	\$ 193,146
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>595,303</u>	<u>193,146</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through Colorado Department of Education				
Title I	84.010	4010	384,327	349,389
Title I Part C: Education of Migrant Children	84.011	4011	86,879	-
English Language Acquisition	84.365	4365	23,469	-
Improving Teacher Quality	84.367	4367	27,705	25,073
Student Support and Academic Enrichment Program	84.424	4424	100,995	64,152
<i>Special Education Cluster (IDEA)</i>				
Special Education - IDEA Part B	84.027A	4027	1,164,852	-
Special Education - IDEA Preschool	84.173A	4173	39,703	-
<i>Special Education Cluster (IDEA) Subtotal</i>			<u>1,204,555</u>	<u>-</u>
Education Stabilization Fund (COVID-19 Education Stabilization Fund)				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U	4418, 4429, 4436, 4438, 4439	278,465	171,872
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425W	8425, 8426	10,416	10,398
Education Stabilization Fund Total			<u>288,881</u>	<u>182,270</u>
Passed Through Colorado Community College System				
Career and Technical Education	84.048	4048	195,733	110,875
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,312,544</u>	<u>731,759</u>
U.S. DEPARTMENT OF HUMAN SERVICES				
Passed Through Colorado Department of Education				
Cooperative Agreement for Emergency Response: CDC Nursing Workforce	93.354	7354	8,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,915,847</u>	<u>\$ 924,905</u>

See the accompanying notes to the schedule of expenditures of federal awards.

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The BOCES does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the BOCES, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the BOCES.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting.

NOTE 2: Summary of Significant Accounting Policies

Governmental fund types account for the majority of the BOCES' federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the schedule.

NOTE 3: Indirect Cost Rate

The BOCES has elected to use the 10.5% de minimis indirect cost rate.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9040 - Northeast 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	4,612,462	9,422,185	8,956,605	5,078,042
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	4,612,462	9,422,185	8,956,605	5,078,042
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

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Audit Adjusting Entries

June 30, 2025

#	Reference	Account #	Account Name	DR	CR
General Fund (10)					
1	E1	10-8153	Other Receivable	1,207,784.19	
		10-8142-3280	Grants Receivable - Recruitment		4,500.00
		10-8142-4048	Grants Receivable - Perkins		54,432.64
		10-8142-4365	Grants Receivable - Title III		25,612.56
		10-8142-4173	Grants Receivable - IDEA		11,905.70
		10-8142-4010	Grants Receivable - Title I		183,531.74
		10-8142-4367	Grants Receivable - Title II		29,249.68
		10-8142-8425	Grants Receivable - ARP III		10,847.44
		10-8142-4418	Grants Receivable - ESSER		8,218.99
		10-8142-4436	Grants Receivable - Mentor		84,811.54
		10-8142-7130	Grants Receivable - Opp Now		79,391.35
		10-8142-3950	Grants Receivable - Suicide Prevention		17,126.10
		10-8142-4424	Grants Receivable - Title IV		20,544.31
		10-8142-4027	Grants Receivable - Title VI		247,029.79
		10-8142-4429	Grants Receivable - Rural CoAction		339,814.77
		10-8142-4438	Grants Receivable - ELO		6,716.83
		10-8142-3899	Grants Receivable - Migrant		84,050.75
		<i>To reclassify prior year grants receivable to comply with CDE chart of accounts at year-end.</i>			
2	E1	10-8101	Cash	106,340.86	
		10-8142-4027	Grants Receivable - Title VI		102,133.85
		10-8142-4424	Grants Receivable - Title IV		4,207.01
		<i>To correct cash received in FY 2025 that was not properly recorded against the prior year receivable.</i>			
3	U0	10-000-00-0000-3000-000-3242	Grant Writing	21,428.57	
		10-000-00-0000-3000-000-3285	Colorado Career Advisor Training Grant		21,428.57
		<i>To reclassify grant revenue to the appropriate account code to comply with the CDE chart of accounts.</i>			
4	M15	10-7481	Unearned PE Grant	20,741.81	
		10-7421	Accounts Payable		20,741.81
		<i>To reclassify accounts payable incorrectly recorded to unearned revenue in prior year.</i>			
5	M20	10-7421	Accounts Payable	20,741.81	
		10-8153	Other Receivable		20,741.81
		<i>To reverse prior year receivable and payable.</i>			
6	E1	10-000-00-0000-4000-000-4173	IDEA	4,087.86	
		10-8142-4173	Grants Receivable - IDEA		4,087.86
		10-600-59-1700-0110-202-4173	EC FED - Salary Exp		4,087.86
		10-600-70-1700-0110-202-0000	ESY Inst Salary Exp	4,087.86	
		<i>To reverse prior year accrual for IDEA revenue and expenditures.</i>			
7	E6	10-8142-4010	Grants Receivable - Title I	185,964.20	
		10-8142-4424	Grants Receivable - Title IV	56,123.73	
		10-8142-4367	Grants Receivable - Title II	9,792.19	
		10-8142-4365	Grants Receivable - Title III	11,240.17	
		10-8142-4173	Grants Receivable - Preschool	4,286.35	
		10-8142-4027	Grants Receivable - Part B	80,346.20	
		10-8153	Other Receivable	17,703.53	
		10-8142-4011	Grants Receivable - Migrant Flowthrough	12,786.90	
		10-8142-3899	SWAP	116,450.05	
		10-000-17-0000-3010-000-3899-00	School to Work		25,467.53
		10-600-70-1700-0960-000-3130-00	SE FT-SWAP		25,467.54
		10-8101	Cash		443,758.25
		<i>To correct cash and grants receivable that was incorrectly recorded in cash.</i>			
8	C10	10-8101	Cash	18,963.21	
		10-7421	Accounts Payable		18,963.21
		<i>To correct accounts payable at year-end that was incorrectly recorded to cash.</i>			

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Audit Adjusting Entries

June 30, 2025

#	Reference	Account #	Account Name	DR	CR		
9	P	10-600-xx-1700-0280-xxx-3898	PERA On-Behalf Expenses	10,634.45			
		10-600-xx-2100-0280-xxx-3898	PERA On-Behalf Expenses	16,459.58			
		10-600-xx-2200-0280-xxx-3898	PERA On-Behalf Expenses	10,182.90			
		10-600-xx-2300-0280-xxx-3898	PERA On-Behalf Expenses	1,708.46			
		10-600-xx-2400-0280-xxx-3898	PERA On-Behalf Expenses	1,326.89			
		10-600-xx-2500-0280-xxx-3898	PERA On-Behalf Expenses	4,728.94			
		10-600-xx-2600-0280-xxx-3898	PERA On-Behalf Expenses	225.78			
		10-600-xx-2700-0280-xxx-3898	PERA On-Behalf Expenses	147.71			
		10-600-xx-3300-0280-xxx-3898	PERA On-Behalf Expenses	907.09			
		10-000-xx-0000-3010-000-3898	State PERA On-Behalf Payment		46,321.80		
		<i>To record 2025 State PERA on-behalf contributions.</i>					
		10	O10	10-7482-3183	Unearned Revenue	10,348.56	
10-000-13-0000-3000-000-3183	Grant Writing				10,348.56		
<i>To recognize revenue on prior year unearned revenue spent during the fiscal year.</i>							
11	X202.2	10-8142-7130	Grants Receivable - Rural CoAction	268,191.68			
		10-000-00-0000-4010-000-7130	Rural CoAction Grant Revenue		268,191.68		
<i>To accrue CoAction grant revenue at year-end.</i>							
Government-Wide Financial Statements (FOR REPORTING PURPOSES ONLY)							
1	Conversion		Deferred Outflows of Resources - Pensions		437,304.00		
			Deferred Inflows of Resources - Pensions		124,679.00		
			Net Pension Liability	693,454.00			
			Deferred Outflows of Resources - OPEB		7,581.00		
			Deferred Inflows of Resources - OPEB	15,115.00			
			Net OPEB Liability	52,710.00			
			Expenses - Instruction		46,482.00		
			Expenses - Support		145,233.00		
<i>Financial Presentation entry to record changes to Pension and OPEB liabilities.</i>							
2	Conversion		Capital Assets, depreciated	112,628.00			
			Accumulated Depreciation/Amortization		95,033.00		
			Capital Outlay		-		
			Expenses - Support		37,182.00		
			Expenses - Instruction	19,587.00			
<i>Financial presentation entry to record changes to capital assets.</i>							
Total				3,117,225.53	3,117,225.53		

NORTHEAST COLORADO BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Passed Audit Adjusting Entries

June 30, 2025

#	Reference	Account Name	DR (CR)			Revenue	Expenses
			Assets	Liabilities	Equity		
General Fund (10)							
1		Grants Receivable - Career and Tech Education	19,753.47				
		Career and Tech Education				(19,753.47)	
		To accrue 2025 Q4 Carl Perkins grant revenue at year-end.					
Total General Fund			19,753.47	-	-	(19,753.47)	-
Total Governmental Activities			19,753.47	-	-	(19,753.47)	-

NOTE: These amounts are immaterial to the financial statements.

Client has elected to pass on the correction of these immaterial amounts and correct the error in the subsequent fiscal year.

