DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

COLORADO EARLY COLLEGES
COLORADO SPRINGS, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

COLORADO EARLY COLLEGES
TABLE OF CONTENTS
June 30, 2025

FINANCIAL SECTION

COLORADO EARLY COLLEGES
TABLE OF CONTENTS
June 30, 2025

COMPLIANCE SECTION

Single Audit

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Colorado Early Colleges
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Colorado Early Colleges (the Network) 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 Network, 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, each major fund, and the aggregate remaining fund information of the Network as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Network 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 Network'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 Network’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 Network’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.

Board of Directors
Colorado Early Colleges

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The supplementary information 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the Network'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 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 Network's internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

October 14, 2025
Bailey, Colorado

Colorado Early Colleges
Management's Discussion and Analysis
Year Ended June 30, 2025

Following is a summary and analysis of Colorado Early Colleges (CEC) financial activities for the year ending June 30, 2025.

Financial Highlights

The year ending June 30, 2025, is the 19th year of operations for Colorado Early Colleges (CEC). As of June 30, 2025, CEC's net financial position changed by $13,877,878 to $(29,480,795). This deficit net position is the result of the implementation of regulations under the Governmental Accounting Standards Board Statement (GASB) Numbers 68 and 75. Further information about GASB 68 and 75 is provided in Notes 6 and 7 of the financial statements. CEC operations are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue. CEC's Per Pupil Revenue for the year ending June 30, 2025, was $53,459,781. At the close of the fiscal year, CEC's governmental fund reported an ending fund balance of $34,318,128 an increase of $14,018,962 from prior year.

Overview of Financial Statements

The following analysis is intended to serve as an introduction to CEC's financial statements with supplementary information. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements in addition to Federal Awards Supplemental Information.

The statement of net position presents information on the CEC's assets, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the CEC is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents information showing how the CEC's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. This report also includes required supplementary information for the CEC's pension and other postemployment benefit plan for the purpose of additional analysis.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the GASB.

Governmental Financial Statements

The Governmental Financial Statements are designed to provide a broad overview of CEC's finances in a manner similar to a private-sector business.

The statement of net position presents information on all CEC's assets, liabilities, and deferred inflows and outflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of CEC is improving or deteriorating.

The statement of activities presents information showing how CEC's net position changed during the year. All changes in net position are reported as soon as the event occurs, regardless of the timing of the related cash flows. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected grant expenses and earned but unpaid salary and benefits).

Fund Financial Statements

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

CEC adopts an annual budget for its general fund. As part of the basic financial statements, budgetary comparison has been provided for the general fund starting on page ## of the audit.

Notes to Financial Statements

Additional information is provided via notes on pages 13-37 of the report.

Governmental-Wide Financial Analysis

As noted previously, net position may serve as a useful indicator of CEC's financial position over time. For the year ending June 30, 2025, CEC's liabilities and deferred inflows of resources were more than its assets and deferred outflows of resources by $29,480,795. Approximately $2,171,231 of total net position is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Net Position as of June 30, 2025

The total net position of CEC increased to ($29,480,795) for the year ending June 30, 2025, from ($43,358,673) for the year ending June 30, 2024. This increase in net position of $13,877,878 resulted primarily from the sale of a building which received proceeds in the amount of $12,401,890.

Net Position for the Years Ending June 30, 2025, and June 30 2024

	Governmental Activities	
	6/30/2025	6/30/2024
Cash and Investments	$35,043,878	$20,281,568
Restricted Cash and Investments	21,126,750	14,333,544
Other Assets	5,117,887	7,043,690
Capital Assets, Net	89,632,369	98,884,883
Total Assets	150,920,884	140,543685
Deferred Outflow of Resources	17,082,238	24,827,828
Current Liabilities	2,234,162	2,245,580
Accrued Interest	3,307,794	3,447,547
Unearned Revenue	215,562	1,042,946
Noncurrent Liabilities	187,803,768	196,356,254
Total Liabilities	193,561,286	203,092,327
Deferred Inflow of Resources	3,922,631	5,637,859
Net Position		
Net Investment in Capital Assets	(40,970,793)	(36,378,038)
Restricted	2,171,231	2,461,147
Unrestricted	9,318,767	(9,441,782)
Total Net Position	$(29,480,795)	$(43,358,673)

Statement of Activities for the Years Ending June 30, 2025, and June 30, 2024

	Governmental Activities	
	6/30/2025	6/30/2024
Program Revenue:		
Charges for Services	$2,436,116	$4,652,424
Operating Grants and Contributions	5,255,150	5,133,469
Capital Grants and Contributions	3,176,562	3,120,800
Total Program Revenue	10,867,838	12,906,693
General Revenue:		
Per Pupil Operating Revenue	53,459,781	51,921,969
Mill Levy Override	11,144,190	6,963,256
Investment Earnings	1,474,093	1,248,661
Grants & Contributions	37,625	0
Other	205,497	2,762,430
Total General Revenue	66,321,186	62,896,316
Total Revenue	77,189,024	75,803,009
Expenses:		
Instruction	24,535,033	32,036,284
Supporting Services	35,440,128	36,578,444
Interest and Fiscal Charges	7,382,340	7,557,116
Total Expenses	67,357,501	76,171,844
Special Item:		
Gain (Loss) on Disposal of Capital Assets	4,046,355	(791,572)
Increase (Decrease) in Net Position	13,877,878	(1,160,407)
Beginning Net Position	(43,358,673)	(42,198,266)
Ending Net Position	$(29,480,795)	$(43,358,673)

Financial Analysis of CEC's Funds

CEC has one governmental fund, which is the general fund. The general fund is considered a major fund and is used to account for CEC's general operations. The general fund had a fund balance of $34,318,128 for the year ending June 30, 2025. The fund balance of the general fund increased by $14,018,962 from June 30, 2024. Approximately $2,171,231 of total fund balance is restricted to satisfy the requirements of the TABOR Amendment. $469,800 of total fund balance is assigned for intended uses related to special education costs and future expenditures. CEC has a positive unassigned fund balance of $30,772,405.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for activities in the government-wide financial statements. This comparison illustrates the long-term impact of CEC's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

CEC maintains two proprietary funds to record the activity of the Colorado Springs Early Colleges Building Corporation and the Aurora Charter School BC (the Building Corporations). The Building Corporations were formed solely to issue and pay debt on behalf of CEC and to fund the construction and improvement of buildings. On May 24, 2022, Colorado Education and. Cultural Facilities CEC issued charter school refunding and improvement revenue bond series 2022A and 2022B totaling $136,955,000. The May 2022 bond refinance resulted in the consolidation of six building corps down to the two listed above. Proceeds from the bonds were used to redeem the Series 2019A and 2019B bonds and capital improvements. The Network is required to make lease payments to the Corporations for the use of the payment of the bonds. See Note 4 for more information.

General Fund Budgetary Highlights

CEC approves an adopted general fund budget in June of each year based on enrollment projections for the new school year. Each January, after enrollment is confirmed, adjustments are made to the budget. As of June 30, 2025, the network had some variances between its final budgeted and actual activities. Overall, the network as a whole recognized approximately $11.4M less revenue than budgeted and spent approximately $16.3M less than planned when compared to the final budget. Overall, the network recognized higher net income by approximately $9.8M than the final budgeted amount. A budget amendment was adopted in January 2025 for FY 2024-2025 to account for shifts in enrollment and other funding changes.

Capital Assets

As of June 30, 2025, capital assets consist primarily of buildings, building improvements, vehicles, and equipment. Capital assets, net of accumulated depreciation on June 30, 2025, were $89,632,369. See Note 4 for more information.

Economic Factors and Next Year's Budget

The primary factor in future budget development for CEC is student enrollment. CEC's enrollment is expected to be 4,168 students for the 2025-2026 school year. CEC also considers stability in PPR levels to be an important factor in developing its budget for fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of CEC Network finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Colorado Early Colleges
Attention: Cameron Mascoll, Chief Financial Officer
4424 Innovation Drive
Fort Collins, CO 80525

BASIC FINANCIAL STATEMENTS

COLORADO EARLY COLLEGES
STATEMENT OF NET POSITION
June 30, 2025

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 35,043,878
Restricted Cash and Investments	21,126,750
Accounts Receivable	971,361
Grants Receivable	916,848
Prepaid Expenses	904,692
Lease Receivable	2,324,986
Capital Assets, *Not Being Depreciated*	2,220,175
Capital Assets, *Net of Accumulated Depreciation / Amortization*	87,412,194
TOTAL ASSETS	150,920,884
DEFERRED OUTFLOWS OF RESOURCES	
Pensions, *Net of Accumulated Amortization*	13,534,781
OPEB, *Net of Accumulated Amortization*	405,647
Loss on Refunding, *Net of Accumulated Amortization*	3,141,810
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,082,238
LIABILITIES	
Accounts Payable	1,067,682
Accrued Interest Payable	3,307,794
Accrued Salaries and Benefits	1,166,480
Unearned Revenue	215,562
Noncurrent Liabilities	
Due Within One Year	12,090,000
Due in More Than One Year	118,347,178
Net Pension Liability	56,366,490
Net OPEB Liability	1,000,100
TOTAL LIABILITIES	193,561,286
DEFERRED INFLOWS OF RESOURCES	
Lease Receivable, *Net of Accumulated Amortization*	2,263,669
Pensions, *Net of Accumulated Amortization*	1,118,673
OPEB, *Net of Accumulated Amortization*	540,289
TOTAL DEFERRED INFLOWS OF RESOURCES	3,922,631
NET POSITION	
Net Investment in Capital Assets	(40,970,793)
Restricted for Emergencies	2,171,231
Unrestricted	9,318,767
TOTAL NET POSITION	$ (29,480,795)

See Notes to the Financial Statements.

COLORADO EARLY COLLEGES
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION — PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 24,535,033	$ 880,642	$ 3,038,874	$ -	$ (20,615,517)
Supporting Services	35,440,128	1,555,474	2,216,276	3,176,572	(28,491,806)
Interest and Fiscal Charges	7,382,340	-	-	-	(7,382,340)
TOTAL GOVERNMENTAL ACTIVITIES	$ 67,357,501	$ 2,436,116	$ 5,255,150	$ 3,176,572	(56,489,663)
	GENERAL REVENUES				
	Per Pupil Revenue				53,459,781
	Mill Levy Override Equalization				11,144,190
	Grants and Contributions not Restricted to Specific Programs				37,625
	Investment Income				1,474,093
	Other				205,497
	TOTAL GENERAL REVENUES				66,321,186
	SPECIAL ITEM				
	Gain (Loss) on Disposal of Assets				4,046,355
	CHANGE IN NET POSITION				13,877,878
	NET POSITION, Beginning				(43,358,673)
	NET POSITION, Ending				$ (29,480,795)

See Notes to the Financial Statements.

COLORADO EARLY COLLEGES
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2025

		GENERAL FUND
ASSETS		
Cash and Investments	$	35,043,878
Accounts Receivable		971,361
Grants Receivable		916,848
Prepaid Expenditures		904,692
Lease Receivable		2,324,986
TOTAL ASSETS	$	40,161,765
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$	957,793
Accrued Salaries and Benefits		1,166,480
Interfund Payable		1,240,133
Unearned Revenue		215,562
TOTAL LIABILITIES		3,579,968
DEFERRED INFLOWS OF RESOURCES		
Leases		2,263,669
FUND BALANCE		
Nonspendable Prepaid Expenditures		904,692
Restricted for Emergencies		2,171,231
Assigned for:		
Grants		102,500
Special Education		367,300
Unassigned		30,772,405
TOTAL FUND BALANCE		34,318,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	40,161,765

COLORADO EARLY COLLEGES
RECONCILIATION OF THE BALANCE SHEET OF THE 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 Balance of the Governmental Fund	$	34,318,128
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		6,845,771
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental fund:		
Leases and Loans Payable		(332,178)
Net Pension Liability		(56,366,490)
Pension-Related Deferred Outflows of Resources		13,534,781
Pension-Related Deferred Inflows of Resources		(1,118,673)
Net OPEB Liability		(1,000,100)
OPEB-Related Deferred Outflows of Resources		405,647
OPEB-Related Deferred Inflows of Resources		(540,289)
Internal Service Funds are used by management to charge the lease costs to the governmental fund. The assets and liabilities of the internsal servivce fund are included in the governmental activities in the statement of net position.		(25,227,392)
Total Net Position of Governmental Activities	$	(29,480,795)

COLORADO EARLY COLLEGES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended June 30, 2025

	GENERAL FUND
REVENUES	
Local Sources	$ 68,490,192
State Sources	6,315,637
Federal Sources	2,116,085
TOTAL REVENUES	76,921,914
EXPENDITURES	
Current	
Instruction	22,853,550
Supporting Services	39,930,908
Debt Service	
Principal	98,558
Interest	19,936
TOTAL EXPENDITURES	62,902,952
CHANGE IN FUND BALANCE	14,018,962
FUND BALANCES, Beginning	20,299,166
FUND BALANCES, Ending	$ 34,318,128

COLORADO EARLY COLLEGES
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 Balance of Governmental Fund	$	14,018,962
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:		
Depreciation Expense		(878,293)
Capital Outlay		4,334,890
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		98,558
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:		
Net Pension Liability		2,575,811
Pension-Related Deferred Outflows of Resources		(6,860,440)
Pension-Related Deferred Inflows of Resources		634,309
Net OPEB Liability		423,117
OPEB-Related Deferred Outflows of Resources		(256,787)
OPEB-Related Deferred Inflows of Resources		(97,678)
The Internal Service Fund is used by management to charge the cost of lease payments to the governmental fund. The net revenue of the internal service funds is reported with the governmental activities.		(114,571)
Change in Net Position of Governmental Activities	$	13,877,878

COLORADO EARLY COLLEGES
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
June 30, 2025

	GOVERNMENTAL ACTIVITIES		
	COLORADO SPRINGS BUILDING CORPORATION	AURORA BUILDING CORPORATION	TOTAL INTERNAL SERVICE FUNDS
ASSETS			
Cash and Investments	$ 2,130,153	$ 18,996,597	$ 21,126,750
Capital Assets, *Net of Accumulated Depreciation*	34,638,094	48,148,504	82,786,598
Interfund Receivable	-	1,240,133	1,240,133
TOTAL ASSETS	36,768,247	68,385,234	105,153,481
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding, *Net of Accumulated Amortization*	1,415,773	1,726,037	3,141,810
LIABILITIES			
Accounts Payable	-	109,889	109,889
Accrued Interest Payable	1,215,719	2,092,075	3,307,794
Noncurrent Liabilities			
Due Within One Year	465,000	11,625,000	12,090,000
Due in More Than One Year	47,250,000	70,765,000	118,015,000
TOTAL LIABILITIES	48,930,719	84,591,964	133,522,683
NET POSITION			
Net Investment in Capital Assets	(12,876,852)	(34,717,423)	(47,594,275)
Unrestricted	2,130,153	20,236,730	22,366,883
TOTAL NET POSITION	$ (10,746,699)	$ (14,480,693)	(25,227,392)

COLORADO EARLY COLLEGES
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
Year Ended June 30, 2025

	GOVERNMENTAL ACTIVITIES		
	COLORADO SPRINGS BUILDING CORPORATION	AURORA BUILDING CORPORATION	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES			
Rental Income	$ 2,836,153	$ 5,046,650	$ 7,882,803
OPERATING EXPENSES			
Purchased Services	6,410	8,817	15,227
Depreciation	2,098,975	2,834,233	4,933,208
TOTAL OPERATING EXPENSES	2,105,385	2,843,050	4,948,435
NET OPERATING INCOME (LOSS)	730,768	2,203,600	2,934,368
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	102,913	164,197	267,110
Interest Expense	(2,725,546)	(4,636,858)	(7,362,404)
TOTAL NONOPERATING REVENUES (EXPENSES	(2,622,633)	(4,472,661)	(7,095,294)
NET INCOME (LOSS) BEFORE TRANSFERS	(1,891,865)	(2,269,061)	(4,160,926)
SPECIAL ITEM			
Gain (Loss) on Disposal of Assets	-	4,046,355	4,046,355
CHANGE IN NET POSITION	(1,891,865)	1,777,294	(114,571)
NET POSITION, Beginning	(8,854,834)	(16,257,987)	(25,112,821)
NET POSITION, Ending	$ (10,746,699)	$ (14,480,693)	$ (25,227,392)

COLORADO EARLY COLLEGES
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
Year Ended June 30, 2025

	GOVERNMENTAL ACTIVITIES		
	COLORADO SPRINGS BUILDING CORPORATION	AURORA BUILDING CORPORATION	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Rental Operations and Others	$ 2,836,153	$ 5,046,650	$ 7,882,803
Cash Paid to Suppliers	(6,410)	(8,817)	(15,227)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,829,743	5,037,833	7,867,576
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net Transfers from (to) Other Funds	-	(1,350,022)	(1,350,022)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(1,350,022)	(1,350,022)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(172,553)	-	(172,553)
Proceeds from Sale of Assets	-	12,400,000	12,400,000
Debt Service			
Cash Paid on Debt Interest	(2,453,343)	(4,310,562)	(6,763,905)
Cash Paid on Debt Principal	(445,000)	(5,010,000)	(5,455,000)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,070,896)	3,079,438	8,542
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	102,913	164,197	267,110
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(138,240)	6,931,446	6,793,206
CASH AND CASH EQUIVALENTS, Beginning	2,268,393	12,065,151	14,333,544
CASH AND CASH EQUIVALENTS, Ending	$ 2,130,153	18,996,597	21,126,750
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net Operating Income (Loss)	$ 730,768	2,203,600	2,934,368
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,098,975	2,834,233	4,933,208
Total Adjustments	2,098,975	2,834,233	4,933,208
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ 2,829,743	5,037,833	7,867,576

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

Colorado Springs Early Colleges (the "Network") was formed in 2006 pursuant to the Colorado Charter Schools Act to form and operate a charter school. Colorado Early Colleges was approved for replication as part of the Colorado Springs Early Colleges Corporation and is a Network. During the fiscal year ended June 30, 2025, the Network operated six schools (the "Schools") as follows:

- Colorado Springs Early Colleges
- CEC Aurora
- CEC Douglas County
- CEC Fort Collins
- CEC Windsor
- Colorado Early Colleges Online Campus (CECOLC)

The Network provides a means for students to obtain college credit while completing their high school diploma requirements. The Network is a member of the Charter School Institute ("CSI") and receives state funding from this Organization. The Network is governed by an eight-member Board of Directors.

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

Reporting Entity

The financial reporting entity consists of the Network, organizations for which the Network is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Network. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Network. Legally separate organizations for which the Network is financially accountable are considered part of the reporting entity. Financial accountability exists if the Network 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 Network.

Based on the application of these criteria, the Network includes the following organizations within its reporting entity:

- Colorado Early Colleges Building Corporation (CECBC)
- Aurora Charter School Building Corporation (ACSBC)

The above listed Building Corporations (the "Corporations") are separate organizations formed to support the Network to perform its function and to carry out its purpose, specifically to provide a mechanism to issue debt on behalf of the Network. The Corporations are considered to be part of the Network for financial reporting purposes because their resources are entirely for the benefit of the Network. The Corporations are reported in the Network's financial statements as internal service funds. Separate financial statements are not available for the Corporations.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 Network. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management 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 Network reports the following major governmental fund:

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

Additionally, the Network reports the following fund type:

The *Internal Service Fund* accounts for the activities of the Corporations.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 Network considers property tax revenues to be available if they are collected within 60 days of the end of the current year. The Network considers all other revenues to be available if they are collected within 180 days of the end of the current year.

Taxes, 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 Network.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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 Network's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Cash and Investments – The Network utilizes the pooled cash concept whereby cash balances of each of the Network's funds are pooled and invested by the Network. Investments are reported at fair value.

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

Prepaid Expenses / Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses using the consumption method.

Leases Receivable - The Network is a lessor for noncancelable leases of certain building spaces to various third parties. The Network recognizes a lease receivable and a deferred inflow of resources, where applicable, in the financial statements. At the commencement of a lease, the Network initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Interfund Receivables and Payables - Certain transactions between individual funds result in receivables and payables, which are classified on the balance sheet as *interfund receivables* and *interfund payables*.

Inventories - Food Service Fund inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis, and consist of purchased and donated commodities. Purchased inventories are recorded at cost. Donated inventories, received at no cost under a program supported by the federal government, are valued at the cost furnished by the federal government. These inventories amounts are not significant and, therefore, not included in the financial statements.

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 - 30 years
Vehicles and Equipment	5 - 15 years

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July 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 General Fund.

Unearned Revenue – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

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. This includes pension -related balances.

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the City that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include pension and lease receivable-related balances.

Long-Term Debt - In the government-wide financial statements, long-term debt 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.

Leases Payable - The Network recognizes lease assets and liabilities with an initial value of $5,000 or more. At the commencement of a lease, the Network initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Compensated Absences – Employees with 5 or more years of service who resign or terminate employment from the Network in good standing will be paid for their unused paid time off up to a maximum of 50% of their unused paid time off as of their last day of employment. At June 30, 2025, no liability has been accrued for these compensated absences.

Pensions - The Network 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The Network 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 Board of Directors formally commits resources for a specific purpose through passage of a resolution. The Board of Directors has delegated the Chief Executive Officer and their designee the authority to assign fund balances to be used for specific purposes.

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

NOTE 2: Cash and Investments

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

Deposits	$ 11,299,087
Investments	44,871,541
Total	$ 56,170,628

Cash and investments are reported in the financial statements as follows:

Cash and Investments	$ 35,043,878
Restricted Cash and Investments	21,126,750
Total	$ 56,170,628

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 Network had bank deposits of $11,191,563 collateralized with securities held by the financial institution's agent but not in the Network's name.

NOTE 2: Cash and Investments (Continued)

Investments

The Network 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 Network's 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.

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 Network may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At June 30, 2025, the Network had $44,871,541 invested in the Colorado Local Government Liquid Asset Trust Plus (Colotrust). Colotrust is 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 Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is measured at the net asset value per share, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust is 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: Risk Management

The Network 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 Network purchases commercial insurance for these risks of loss. Settled claims have not exceeded this coverage in the last three years.

NOTE 4: 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, Not Being Depreciated				
Construction in Progress	$ 1,950,614	$ 2,011,830	$ 1,742,269	$ 2,220,175
Capital Assets, Being Depreciated / Amortized:				
Buildings	86,556,345	-	10,206,007	76,350,338
Buildings Improvements - Corporations	32,926,354	172,558	-	33,098,912
Buildings Improvements - General	2,961,707	4,065,329	-	7,027,036
Machinery, Vehicles and Equipment	2,330,099	-	-	2,330,099
Right-to-Use Asset - Copiers	476,693	-	-	476,693
Total Capital Assets, Being Depreciated / Amortized	125,251,198	4,237,887	10,206,007	119,283,078
Accumulated Depreciation / Amortization:				
Buildings	(17,575,836)	(2,715,113)	(1,852,362)	(18,438,587)
Buildings Improvements - Corporations	(6,005,967)	(2,218,098)	-	(8,224,065)
Buildings Improvements - General	(2,924,878)	(585,676)	-	(3,510,554)
Machinery, Vehicles and Equipment	(1,333,558)	(197,277)	-	(1,530,835)
Right-to-Use Asset - Copiers	(71,504)	(95,339)	-	(166,843)
Total Accumulated Depreciation / Amortization	(27,911,743)	(5,811,503)	(1,852,362)	(31,870,884)
Capital Assets, Being Depreciated / Amortized, Net	97,339,455	(1,573,616)	8,353,645	87,412,194
Capital Assets, Governmental Activities, Net	$ 99,290,069	$ 438,214	$ 10,095,914	$ 89,632,369

Depreciation and amortization have been charged to the supporting services program.

NOTE 5: Interfund Balances

At June 30, 2025, the Network recorded an interfund balance of $1,240,133 between the General Fund and Internal Service Fund related to rental income, which was paid / collected after year-end.

NOTE 6: Leases Receivable

The Network, as Lessor, entered into various agreements to lease and sublease premises to various third parties from 2017 through to 2029. Following is a summary of these lease receivable transactions for the year ended June 30, 2025:

	Balance 6/30/2024	Additions (Deletions)	Revenue	Interest	Balance 6/30/2025
Academy of Advanced Learning	$ 537,807	$ -	$ 258,020	$ 21,031	$ 279,787
Discovery Trails Preschool	6,010	192,835	31,540	7,851	167,305
Keys Explorers Preschool	182,182	-	62,706	7,704	119,476
Defy Extreme Air Sports	2,135,364	-	376,946	103,565	1,758,418
Liberty Common School	681,953	(393,790)	288,163	3,503	-
Total Lease Receivables	$ 3,543,316	$ (200,955)	$ 1,017,375	$ 143,654	$ 2,324,986

NOTE 6: Leases Receivable (Continued)

Following is a summary of the deferred inflows of resources related to the leases receivable for the year ended June 30, 2025:

	Balance 6/30/2024	Addition (Deletions)	Amortization	Balance 6/30/2025
Academy of Advanced Learning	$ 496,832	$ -	$ 248,416	$ 248,416
Discovery Trails Preschool	6,010	192,835	38,149	160,696
Keys Explorers Preschool	153,822	-	57,683	96,139
Defy Extreme Air Sports	2,135,364	-	376,946	1,758,418
Liberty Common School	650,238	(375,538)	274,700	-
Total Deferred Inflows of Resources	$ 3,442,266	$ (182,703)	$ 995,894	$ 2,263,669

NOTE 7: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
CECFA Revenue Bonds, Series 2022	$135,560,000	$ -	$ 5,455,000	$130,105,000	$ 12,090,000
Loan - Buses	13,827	-	13,827	-	-
Lease Payable - Copiers	416,909	-	84,731	332,178	89,066
Total	$135,990,736	$ -	$ 5,553,558	$130,437,178	$ 12,179,066

Series 2022A and 2022B Charter School Refunding and Improvement Revenue Bonds

On May 24, 2022, the Colorado Educational and Cultural Facilities Authority issued Charter School Refunding and Improvement Revenue Bonds Series 2022A and 2022B in the amounts of $48,825,000 to CECBC and $88,130,000 to ACSBC. Proceeds of the bonds were used to redeem the Series 2019A and 2019B bonds and for capital improvements. The Network is required to make lease payments to the Corporations for the use of the buildings and the Corporations are required to make equal payments to the Trustee, for payment of the bonds.

The bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption rate. The Corporations are required to deposit funds into the bond principal funds and bond interest funds, sufficient to redeem the principal and interest amounts when due.

The CECBC bonds carry interest rates ranging from 4.875% to 5.125%. Semi-annual interest payments are due starting on July 1, 2022. Annual principal payments are due beginning on January 1, 2023, through January 1, 2041. A final balloon payment in the amount of the outstanding principal balance and accrued interest is due on January 1, 2042.

The ACSBC bonds carry interest rates ranging from 4.875% to 5.125%. Semi-annual interest payments are due starting on January 1, 2023. Annual principal payments are due beginning on July 1, 2022, through July 1, 2031. A final balloon payment in the amount of the outstanding principal balance and accrued interest is due on July 1, 2032.

At June 30, 2025, the Network had a defeased balance of $10,870,000 on the debt related to the payment on existing CECFA bonds, which was paid in full on July 1, 2025, by the Trustee.

NOTE 7: Long-Term Debt (Continued)

Bond payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 12,090,000	$ 6,321,188	$ 18,411,188
2027	1,290,000	5,980,120	7,270,120
2028	1,365,000	5,906,732	7,271,732
2029	1,440,000	5,829,126	7,269,126
2030	1,520,000	5,747,150	7,267,150
2031-2035	70,520,000	19,499,267	90,019,267
2036-2040	4,170,000	10,322,674	14,492,674
2041-2042	37,710,000	3,815,820	41,525,820
Total	$ 130,105,000	$ 63,422,077	$ 193,527,077

Loan – Buses

In August 2019, the Network entered into a loan agreement with Daimler Truck Financial in the amount of $389,184 for the acquisition of four buses. Monthly payments of $7,373 were due and payable from September 2019 through August 2024. The interest rate of the loan was 5.15% per annum. As of June 30, 2025, this loan has been paid in full.

Copier Lease Agreements

Between February 2021 and January 2022, the Network, as lessee, entered into various lease agreements with All Copy Products to lease copiers. During the year ended June 30, 2024, the leases were modified and consolidated. The interest rate implied in the leases is calculated at 5%. The lease payment schedules require the Network to make monthly lease payments of $8,426.

Required minimal annual lease payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 89,066	$ 14,586	$ 103,652
2027	93,622	10,029	103,651
2028	98,412	5,240	103,652
2029	51,078	747	51,825
Total	$ 332,178	$ 30,602	$ 362,780

NOTE 8: Defined Benefit Pension Plan

General Information

Plan Description - The Network 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 Network 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 www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 8: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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 case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

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 Network, 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 Network's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the Network's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 9). The Network's contributions to the SDTF for the year ended June 30, 2025, were $5,261,268, 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.

NOTE 8: Defined Benefit Pension Plan (Continued)

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

The net pension liability 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 Network's proportion of the net pension liability was based on the Network'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.

At December 31, 2024, the Network's proportion was 0.3266694869%, which was a decrease of 0.0066500563% from its proportion measured at December 31, 2023.

At June 30, 2025, the Network reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the Network. The amount recognized by the Network 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 Network were as follows:

Network's proportionate share of the net pension liability	$ 56,366,490
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Network	5,062,604
Total	$ 61,429,094

For the year ended June 30, 2025, the Network recognized pension expense of $8,923,186 and a revenue of ($533,892) for support from the State as a nonemployer contributing entity. At June 30, 2025, the Network 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	$ 3,191,952	$ -
Changes of assumptions and other inputs	422,587	-
Net difference between projected and actual earnings on plan investments	1,063,477	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,183,294	1,118,673
Contributions subsequent to the measurement date	2,673,471	-
Total	$ 13,534,781	$ 1,118,673

Network contributions subsequent to the measurement date of $2,673,471 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:

NOTE 8: Defined Benefit Pension Plan (Continued)

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

Year Ended June 30,	
2026	$ 6,969,149
2027	5,196,223
2028	(1,664,270)
2029	(758,465)
Total	$ 9,742,637

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of 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.

NOTE 8: Defined Benefit Pension Plan (Continued)

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

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.

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

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%.

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 projected 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.

NOTE 8: Defined Benefit Pension Plan (Continued)

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

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, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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 exptected 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.
- Network 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. Network 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 Network contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, Network contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

NOTE 8: Defined Benefit Pension Plan (Continued)

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

- 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.
- Network 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.

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 Network's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Network's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the Network'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	$ 76,419,897	$ 56,366,490	$ 39,568,959

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 www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 9: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the Network 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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. 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 www.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.

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 § 24-51-12-6(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.

NOTE 9: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the Network's contributions to the School Division Trust Fund (SDTF) (Note 8) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The Network's apportionment to the HCTF for the year ended June 30, 2025, was $263,321, equal to the required amount.

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

At June 30, 2025, the Network reported a net OPEB liability of $1,000,100, 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 Network's proportion of the net OPEB liability was based on the Network'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 Network's proportion was 0.02091528917%, which was an increase of 0.0097463033% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the Network recognized OPEB expense of $196,279. At June 30, 2025, the Network reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 220,611
Changes of assumptions and other inputs	11,465	319,678
Net difference between projected and actual earnings on plan investments	3,393	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	256,984	-
Contributions subsequent to the measurement date	133,805	-
Total	$ 405,647	$ 540,289

Network contributions subsequent to the measurement date of $10,779 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:

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

Year Ended June 30,	
2026	$ (70,324)
2027	(25,421)
2028	(76,667)
2029	(43,944)
2030	(31,505)
2031	(20,586)
Total	$ (268,447)

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.

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%
Heath 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.

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

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%

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		[APD HMO (Kaiser) without Medica 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 $506 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.

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

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 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:

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%

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 8).

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.

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

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 ages 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.

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

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

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 8).

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

- The pre-retirement mortality assumptions for the SDTF were based upon the PubG-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.

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.

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	100.00%	

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

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

- 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2023, 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. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% 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 Network'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:

NOTE 9: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
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	$ 973,155	$ 1,000,100	$ 1,030,595

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

Sensitivity of the Network'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	$ 1,225,638	$ 1,000,100	$ 805,659

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 www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 10: Commitments and Contingencies

Claims and Judgments

The Network participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Network may be required to reimburse the grantor government. At June 30, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Network.

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 Network is subject to the Amendment.

NOTE 10: Commitments and Contingencies (Continued)

In November 1997, voters within the Network authorized the Network to collect and to expend the full revenues received by the Network from any source in the current fiscal year and in each fiscal year thereafter, notwithstanding the limits of the Amendment effective January 1, 1998. The Amendment is subject to many interpretations, but the Network believes it is in substantial compliance with the Amendment.

The Amendment requires the Network to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the Network's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $2,358,647.

Litigation

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

NOTE 11: Special Item

On December 19, 2024, the Network sold a school building for $12,400,000 and received proceeds in the amount of $12,401,890. At the date of sale net book value for the building was $$8,353,644. At June 30, 2025, the Network reported a gain on sale capital assets in the amount of $4,046,356 as a special item due to the infrequent nature of the transaction in the government-wide financial statements and the proprietary financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 70,920,538	$ 71,200,365	$ 68,490,192	$ (2,710,173)
State Sources	17,355,334	17,504,085	6,315,637	(11,188,448)
Federal Sources	2,667,077	3,718,461	2,116,085	(1,602,376)
TOTAL REVENUES	90,942,949	92,422,911	76,921,914	(15,500,997)
EXPENDITURES				
Current				
Instruction				
Salaries	12,210,144	13,133,776	12,503,954	629,822
Benefits	8,058,613	8,180,136	4,170,971	4,009,165
Purchased Services	6,659,857	5,197,362	4,566,293	631,069
Supplies and Materials	1,123,876	1,488,998	1,569,046	(80,048)
Other	-	-	43,286	(43,286)
Total Instruction	28,052,490	28,000,272	22,853,550	5,146,722
Supporting Services				
Salaries	14,157,209	14,005,095	14,130,263	(125,168)
Benefits	1,003,050	963,213	4,323,643	(3,360,430)
Purchased Services	29,298,273	31,035,459	14,871,607	16,163,852
Supplies and Materials	2,398,380	2,595,690	2,992,759	(397,069)
Property	4,030,686	5,142,277	3,649,670	1,492,607
Other	4,049,237	4,390,045	(37,034)	4,427,079
Total Supporting Services	54,936,835	58,131,779	39,930,908	18,200,871
Debt Service				
Principal	94,378	90,612	98,558	(7,946)
Interest	-	2,239	19,936	(17,697)
Total Debt Service	94,378	92,851	118,494	(25,643)
Contingency	-	6,184,883	-	6,184,883
TOTAL EXPENDITURES	83,083,703	92,409,785	62,902,952	29,506,833
CHANGE IN FUND BALANCE	7,859,246	13,126	14,018,962	14,005,836
FUND BALANCE, Beginning	17,054,763	20,299,168	20,299,166	(2)
FUND BALANCE, Ending	$ 24,914,009	$ 20,312,294	$ 34,318,128	$ 14,005,834

COLORADO EARLY COLLEGES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
Network's Proportion of the Net Pension Liability	0.3266694869%	0.3333195432%	0.2319238442%	0.2569001636%
Network's Proportionate Share of the Net Pension Liability	$ 56,366,490	$ 58,942,301	$ 42,232,091	$ 29,896,412
State's Proportionate Share of the Net Pension Liability Associated with the Network	5,062,604	1,292,430	12,306,856	3,427,242
Total Proportionate Share of the Net Pension Liability	61,429,094	60,234,731	54,538,947	33,323,654
Network's Covered Payroll	$ 25,243,234	$ 22,035,378	$ 17,347,070	$ 16,047,732
Network's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	243%	186%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	62%	75%
FISCAL YEAR	6/30/24	6/30/24	6/30/23	6/30/22
NETWORK CONTRIBUTIONS				
Statutorily Required Contribution	$ 5,261,268	$ 4,946,408	$ 4,065,063	$ 3,450,786
Contributions in Relation to the Statutorily Required Contribution	(5,261,268)	(4,946,408)	(4,065,063)	(3,450,786)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Network's Covered Payroll	$ 25,815,815	$ 24,272,965	$ 19,946,289	$ 17,137,421
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	20.14%

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
0.2721867708%	0.2290000000%	0.1680000000%	0.1640000000%	0.1190000000%	0.0910000000%
$ 41,149,149	$ 34,260,691	$ 29,621,639	$ 52,941,168	$ 35,294,983	$ 14,195,558
-	4,502,413	4,050,348	-	-	-
41,149,149	38,763,104	33,671,987	52,941,168	35,294,983	14,195,558
$ 14,559,062	$ 14,193,830	$ 9,203,320	$ 7,077,302	$ 5,320,445	$ 4,044,901
283%	241%	322%	748%	663%	351%
67%	65%	57%	44%	43%	59%

6/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16
$ 2,948,141	$ 2,812,641	$ 2,019,393	$ 1,574,345	$ 1,078,025	$ 907,772
(2,948,141)	(2,812,641)	(2,019,393)	(1,574,345)	(1,078,025)	(907,772)
$ -	$ -	$ -	$ -	$ -	$ -
$ 14,828,958	$ 14,404,469	$ 10,548,053	$ 8,329,791	$ 5,820,622	$ 4,837,179
19.88%	19.53%	19.14%	18.90%	18.52%	18.77%

COLORADO EARLY COLLEGES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
Network's Proportion of the Net OPEB Liability	0.2091528917%	0.1994065884%	0.1754328227%	0.1676557306%
Network's Proportionate Share of the Net OPEB Liability (Asset)	$ 1000100	$ 1,423,217	$ 1,432,372	$ 1,445,704
Network's Covered Payroll	$ 25,243,234	$ 22,035,378	$ 17,347,070	$ 16,047,732
Network's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6%	7%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	60%	46%	39%	39%
FISCAL YEAR	**6/30/25**	**6/30/24**	**6/30/23**	**6/30/22**
NETWORK CONTRIBUTIONS				
Statutorily Required Contribution	$ 263,321	$ 247,584	$ 203,452	$ 174,802
Contributions in Relation to the Statutorily Required Contribution	(263,321)	(247,584)	(203,452)	(174,802)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Network's Covered Payroll	$ 25,815,815	$ 24,272,965	$ 19,946,289	$ 17,137,421
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. Until information for the full 10-year period is available, information will be presented for the years it is available.

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
0.1574388975%	0.1493800000%	0.1350500000%	0.0931000000%	0.6720000000%
$ 1,496,024	$ 1,682,911	$ 1,844,960	$ 1,208,952	$ 873,622
$ 14,559,062	$ 14,193,830	$ 9,203,320	$ 7,077,302	$ 5,320,445
12%	13%	20%	17%	16%
33%	25%	17%	18%	16%

6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
$ 151,261	$ 146,926	$ 107,590	$ 85,014	$ 59,370
(151,261)	(146,926)	(107,590)	(85,014)	(59,370)
$ -	$ -	$ -	$ -	$ -
$ 14,828,958	$ 14,404,469	$ 10,548,053	$ 8,329,791	$ 5,820,622
1.02%	1.02%	1.02%	1.02%	1.02%

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The Network 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 stakeholder comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board 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.

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: www.copera.org/forms-resources/financial-reports-and-studies.

SUPPLEMENTARY INFORMATION

COLORADO EARLY COLLEGES
COMBINING BALANCE SHEET
GENERAL FUND ALLOCATION BY CAMPUS / SCHOOL
Year Ended June 30, 2025

	NETWORK OFFICE	CSEC SCHOOL	CEC AURORA	CEC DOUGLAS COUNTY
ASSETS				
Cash and Investments	$ 11,127,785	$ 2,023,370	$ 3,298,947	$ 3,458,497
Accounts Receivable	15,289	123,959	81,052	276,572
Grants Receivable	-	178,697	166,916	281,650
Prepaid Expenditures	77,625	275,841	82,940	196,181
Leases Receivable	2,324,986	-	-	-
Interfund Receivable	44,192	-	-	-
TOTAL ASSETS	$ 13,589,877	$ 2,601,867	$ 3,629,855	$ 4,212,900
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 89,167	$ 283,217	$ 182,916	$ 176,635
Accrued Salaries and Benefits	4,746	214,304	161,612	287,299
Interfund Payable	1,240,133	6,509	6,228	12,357
Unearned Revenue	186,712	27,850	-	1,000
TOTAL LIABILITIES	1,520,758	531,880	350,756	477,291
DEFERRED INFLOWS OF RESOURCES				
Leases Receivable	2,263,669	-	-	-
FUND BALANCES				
Nonspendable Balances	77,625	275,841	82,940	196,181
Restricted for Emergencies	234,970	437,452	279,557	500,519
Assigned for:				
Grants	-	100,000	-	-
Special Education	-	81,750	45,250	90,000
Future Expenditures	-	-	-	-
Unassigned	9,492,855	1,174,944	2,871,352	2,948,909
TOTAL FUND BALANCES	9,805,450	2,069,987	3,279,099	3,735,609
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 13,589,877	$ 2,601,867	$ 3,629,855	$ 4,212,900

CEC FORT COLLINS	CEC WINDSOR	CEC ONLINE CAMPUS	ELIMINATIONS	TOTAL
$ 4,722,973	$ 8,419,915	$ 1,992,391	$ -	$ 35,043,878
301,272	111,205	62,012	-	971,361
207,220	76,768	5,597	-	916,848
238,532	7,890	25,683	-	904,692
-	-	-	-	2,324,986
-	-	-	(44,192)	-
			-	
$ 5,469,997	$ 8,615,778	$ 2,085,683	(44,192)	$ 40,161,765
$ 130,622	$ 60,678	$ 34,558	-	$ 957,793
306,838	101,627	90,054	-	1,166,480
12,938	6,160	-	(44,192)	1,240,133
-	-	-	-	215,562
450,398	168,465	124,612	(44,192)	3,579,968
-	-	-	-	2,263,669
238,532	7,890	25,683	-	904,692
449,080	159,404	110,249	-	2,171,231
			-	
2,500	-	-	-	102,500
90,000	19,500	40,800	-	367,300
-	-	-	-	-
4,239,487	8,260,519	1,784,339	-	30,772,405
5,019,599	8,447,313	1,961,071	-	34,318,128
$ 5,469,997	$ 8,615,778	$ 2,085,683	(44,192)	$ 40,161,765

COLORADO EARLY COLLEGES
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ALLOCATION BY CAMPUS / SCHOOL
Year Ended June 30, 2025

	NETWORK OFFICE	CSEC SCHOOL	CEC AURORA	CEC DOUGLAS COUNTY
REVENUES				
Local Sources	$ 10,618,049	$ 13,034,581	$ 9,878,120	$ 15,284,731
State Sources	827,384	1,319,488	710,208	1,736,115
Federal Sources	-	455,705	481,620	450,597
TOTAL REVENUES	11,445,433	14,809,774	11,069,948	17,471,443
EXPENDITURES				
Current				
Instruction				
Salaries	-	2,821,404	1,539,436	3,237,083
Benefits	-	973,980	506,674	1,039,189
Purchased Services	-	869,609	475,384	1,214,956
Supplies and Materials	-	388,430	327,534	433,333
Other	-	(847)	5,425	22,313
Total Instruction	-	5,052,576	2,854,453	5,946,874
Supporting Services				
Salaries	3,142,453	2,399,136	1,436,436	2,901,593
Benefits	890,918	734,813	451,419	875,150
Purchased Services	3,166,552	3,227,449	3,988,251	6,121,847
Supplies and Materials	729,101	432,345	281,686	535,224
Property	6,937	2,578,081	155,463	166,066
Other	(100,227)	466	546	(4,286)
Total Supporting Services	7,835,734	9,372,290	6,313,801	10,595,594
Debt Service				
Principal	13,827	21,421	7,320	23,713
Interest	1,009	4,784	1,635	5,297
Total Debt Service	14,836	26,205	8,955	29,010
TOTAL EXPENDITURES	7,850,570	14,451,071	9,177,209	16,571,478
CHANGES IN FUND BALANCES	3,594,863	358,703	1,892,739	899,965
FUND BALANCES, Beginning	6,210,587	1,711,284	1,386,360	2,835,644
FUND BALANCES, Ending	$ 9,805,450	$ 2,069,987	$ 3,279,099	$ 3,735,609

	CEC FORT COLLINS		CEC WINDSOR		CEC ONLINE CAMPUS		ELIMINATIONS		TOTAL
	14,442,905	$	8,971,336	$	5,100,208	$	(8,839,738)	$	68,490,192
	973,145		619,968		129,329		-		6,315,637
	573,176		103,849		51,138		-		2,116,085
	15,989,226		9,695,153		5,280,675		(8,839,738)		76,921,914
	3,193,258		983,840		728,933		-		12,503,954
	1,072,798		328,648		249,682		-		4,170,971
	1,363,446		122,171		520,727		-		4,566,293
	297,225		53,010		69,514		-		1,569,046
	15,174		1,221		-		-		43,286
	5,941,901		1,488,890		1,568,856		-		22,853,550
	2,525,567		693,186		1,031,892		-		14,130,263
	783,593		253,828		333,922		-		4,323,643
	4,069,014		2,471,795		666,437		(8,839,738)		14,871,607
	664,615		275,927		73,861		-		2,992,759
	713,143		29,980		-		-		3,649,670
	45,028		21,439		-		-		(37,034)
	8,800,960		3,746,155		2,106,112		(8,839,738)		39,930,908
	25,877		6,400		-		-		98,558
	5,781		1,430		-		-		19,936
	31,658		7,830		-		-		118,494
	14,774,519		5,242,875		3,674,968		(8,839,738)		62,902,952
	1,214,707		4,452,278		1,605,707		-		14,018,962
	3,804,892		3,995,035		355,364		-		20,299,166
	5,019,599	$	8,447,313	$	1,961,071	$	-	$	34,318,128

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC NETWORK OFFICE
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 14,512,129	$ 14,224,631	$ 10,618,049	$ (3,606,582)
State Sources	1,233,690	-	827,384	827,384
TOTAL REVENUES	15,745,819	14,224,631	11,445,433	(2,779,198)
EXPENDITURES				
Current				
Supporting Services				
Salaries	3,320,268	3,328,261	3,142,453	185,808
Benefits	1,003,050	963,213	890,918	72,295
Purchased Services	5,378,929	5,939,622	3,166,552	2,773,070
Supplies and Materials	502,279	536,354	729,101	(192,747)
Property	105	3,605	6,937	(3,332)
Other	3,023,213	3,452,213	(100,227)	3,552,440
Total Supporting Services	13,227,844	14,223,268	7,835,734	6,387,534
Debt Service				
Principal	-	-	13,827	(13,827)
Interest	-	-	1,009	(1,009)
Total Debt Service	-	-	14,836	(14,836)
TOTAL EXPENDITURES	13,227,844	14,223,268	7,850,570	6,372,698
CHANGE IN FUND BALANCE	2,517,975	1,363	3,594,863	3,593,500
FUND BALANCE, Beginning	4,023,325	6,210,587	6,210,587	-
FUND BALANCE, Ending	$ 6,541,300	$ 6,211,950	$ 9,805,450	$ 3,593,500

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CSEC SCHOOL
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 9,930,692	$ 10,564,038	$ 13,034,581	$ 2,470,543
State Sources	3,418,180	5,556,368	1,319,488	(4,236,880)
Federal Sources	361,912	534,880	455,705	(79,175)
TOTAL REVENUES	13,710,784	16,655,286	14,809,774	(1,845,512)
EXPENDITURES				
Current				
Instruction				
Salaries	2,604,770	2,924,087	2,821,404	102,683
Benefits	1,770,450	1,889,114	973,980	915,134
Purchased Services	1,326,039	1,167,310	869,609	297,701
Supplies and Materials	224,976	296,712	388,430	(91,718)
Other	-	-	(847)	847
Total Instruction	5,926,235	6,277,223	5,052,576	1,224,647
Supporting Services				
Salaries	2,426,254	2,285,292	2,399,136	(113,844)
Benefits	-	-	734,813	(734,813)
Purchased Services	4,164,525	4,436,936	3,227,449	1,209,487
Supplies and Materials	349,103	428,422	432,345	(3,923)
Property	615,417	2,142,696	2,578,081	(435,385)
Other	185,549	46,782	466	46,316
Total Supporting Services	7,740,848	9,340,128	9,372,290	(32,162)
Debt Service				
Principal	23,655	23,655	21,421	2,234
Interest	-	-	4,784	(4,784)
Total Debt Service	23,655	23,655	26,205	(2,550)
Contingency	-	1,011,000	-	1,011,000
TOTAL EXPENDITURES	13,690,738	16,652,006	14,451,071	2,200,935
CHANGE IN FUND BALANCE	20,046	3,280	358,703	355,423
FUND BALANCE, Beginning	1,249,432	1,711,283	1,711,284	1
FUND BALANCE, Ending	$ 1,269,478	$ 1,714,563	$ 2,069,987	$ 355,424

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC AURORA
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 7,679,654	$ 7,993,685	$ 9,878,120	$ 1,884,435
State Sources	2,273,837	2,644,408	710,208	(1,934,200)
Federal Sources	370,902	491,519	481,620	(9,899)
TOTAL REVENUES	10,324,393	11,129,612	11,069,948	(59,664)
EXPENDITURES				
Current				
Instruction				
Salaries	1,469,723	1,693,963	1,539,436	154,527
Benefits	979,859	998,875	506,674	492,201
Purchased Services	566,319	709,206	475,384	233,822
Supplies and Materials	298,444	372,806	327,534	45,272
Other	-	-	5,425	(5,425)
Total Instruction	3,314,345	3,774,850	2,854,453	920,397
Supporting Services				
Salaries	1,458,078	1,283,044	1,436,436	(153,392)
Benefits	-	-	451,419	(451,419)
Purchased Services	4,003,869	4,152,915	3,988,251	164,664
Supplies and Materials	272,118	237,875	281,686	(43,811)
Property	542,196	456,528	155,463	301,065
Other	129,589	136,049	546	135,503
Total Supporting Services	6,405,850	6,266,411	6,313,801	(47,390)
Debt Service				
Principal	8,955	8,955	7,320	1,635
Interest	-	2,239	1,635	604
Total Debt Service	8,955	11,194	8,955	2,239
Contingency	-	1,075,507	-	1,075,507
TOTAL EXPENDITURES	9,729,150	11,127,962	9,177,209	1,950,753
CHANGE IN FUND BALANCE	595,243	1,650	1,892,739	1,891,089
FUND BALANCE, Beginning	1,243,491	1,386,360	1,386,360	-
FUND BALANCE, Ending	$ 1,838,734	$ 1,388,010	$ 3,279,099	$ 1,891,089

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC DOUGLAS COUNTY
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 14,470,812	$ 13,587,016	$ 15,284,731	$ 1,697,715
State Sources	3,933,162	3,923,649	1,736,115	(2,187,534)
Federal Sources	438,751	716,513	450,597	(265,916)
TOTAL REVENUES	18,842,725	18,227,178	17,471,443	(755,735)
EXPENDITURES				
Current				
Instruction				
Salaries	3,165,347	3,416,074	3,237,083	178,991
Benefits	1,884,368	1,898,803	1,039,189	859,614
Purchased Services	3,050,868	1,266,741	1,214,956	51,785
Supplies and Materials	209,570	366,613	433,333	(66,720)
Other	-	-	22,313	(22,313)
Total Instruction	8,310,153	6,948,231	5,946,874	1,001,357
Supporting Services				
Salaries	2,810,418	2,758,095	2,901,593	(143,498)
Benefits	-	-	875,150	(875,150)
Purchased Services	6,424,919	7,005,547	6,121,847	883,700
Supplies and Materials	420,902	470,774	535,224	(64,450)
Property	609,755	594,073	166,066	428,007
Other	229,560	254,822	(4,286)	259,108
Total Supporting Services	10,495,554	11,083,311	10,595,594	487,717
Debt Service				
Principal	34,010	29,014	23,713	5,301
Interest	-	-	5,297	(5,297)
Total Debt Service	34,010	29,014	29,010	4
Contingency	-	165,000	-	165,000
TOTAL EXPENDITURES	18,839,717	18,225,556	16,571,478	1,654,078
CHANGE IN FUND BALANCE	3,008	1,622	899,965	898,343
FUND BALANCE, Beginning	2,569,079	2,835,644	2,835,644	-
FUND BALANCE, Ending	$ 2,572,087	$ 2,837,266	$ 3,735,609	$ 898,343

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC FORT COLLINS
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 11,937,516	$ 12,109,172	$ 14,442,905	$ 2,333,733
State Sources	3,363,645	3,264,875	973,145	(2,291,730)
Federal Sources	1,317,056	1,671,003	573,176	(1,097,827)
TOTAL REVENUES	16,618,217	17,045,050	15,989,226	(1,055,824)
EXPENDITURES				
Current				
Instruction				
Salaries	3,308,647	3,353,215	3,193,258	159,957
Benefits	2,165,885	2,080,021	1,072,798	1,007,223
Purchased Services	1,248,567	1,445,622	1,363,446	82,176
Supplies and Materials	294,675	327,452	297,225	30,227
Other	-	-	15,174	(15,174)
Total Instruction	7,017,774	7,206,310	5,941,901	1,264,409
Supporting Services				
Salaries	2,410,976	2,528,447	2,525,567	2,880
Benefits	-	-	783,593	(783,593)
Purchased Services	4,709,398	5,071,811	4,069,014	1,002,797
Supplies and Materials	541,605	587,356	664,615	(77,259)
Property	1,633,654	1,298,124	713,143	584,981
Other	234,851	246,726	45,028	201,698
Total Supporting Services	9,530,484	9,732,464	8,800,960	931,504
Debt Service				
Principal	21,158	21,158	25,877	(4,719)
Interest	-	-	5,781	(5,781)
Total Debt Service	21,158	21,158	31,658	(10,500)
Contingency	-	83,418	-	83,418
TOTAL EXPENDITURES	16,569,416	17,043,350	14,774,519	2,268,831
CHANGE IN FUND BALANCE	48,801	1,700	1,214,707	1,213,007
FUND BALANCE, Beginning	3,537,831	3,804,895	3,804,892	(3)
FUND BALANCE, Ending	$ 3,586,632	$ 3,806,595	$ 5,019,599	$ 1,213,004

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC WINDSOR
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 8,416,085	$ 8,540,957	$ 8,971,336	$ 430,379
State Sources	2,202,899	1,060,230	619,968	(440,262)
Federal Sources	130,151	219,039	103,849	(115,190)
TOTAL REVENUES	10,749,135	9,820,226	9,695,153	(125,073)
EXPENDITURES				
Current				
Instruction				
Salaries	988,122	1,019,577	983,840	35,737
Benefits	684,815	671,174	328,648	342,526
Purchased Services	67,916	110,251	122,171	(11,920)
Supplies and Materials	45,249	59,153	53,010	6,143
Other	-	-	1,221	(1,221)
Total Instruction	1,786,102	1,860,155	1,488,890	371,265
Supporting Services				
Salaries	797,022	763,386	693,186	70,200
Benefits	-	-	253,828	(253,828)
Purchased Services	2,992,398	3,092,607	2,471,795	620,812
Supplies and Materials	254,592	256,256	275,927	(19,671)
Property	432,237	438,273	29,980	408,293
Other	167,546	169,861	21,439	148,422
Total Supporting Services	4,643,795	4,720,383	3,746,155	974,228
Debt Service				
Principal	6,600	7,830	6,400	1,430
Interest	-	-	1,430	(1,430)
Total Debt Service	6,600	7,830	7,830	-
Contingency	-	3,229,958	-	3,229,958
TOTAL EXPENDITURES	6,436,497	9,818,326	5,242,875	4,575,451
CHANGE IN FUND BALANCE	4,312,638	1,900	4,452,278	4,450,378
FUND BALANCE, Beginning	4,173,850	3,995,035	3,995,035	-
FUND BALANCE, Ending	$ 8,486,488	$ 3,996,935	$ 8,447,313	$ 4,450,378

COLORADO EARLY COLLEGES
BUDGETARY COMPARISON SCHEDULE
CEC ONLINE CAMPUS
Year Ended June 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	$ 3,973,650	$ 4,180,866	$ 5,100,208	$ 919,342
State Sources	929,921	1,054,555	129,329	(925,226)
Federal Sources	48,305	85,507	51,138	(34,369)
TOTAL REVENUES	4,951,876	5,320,928	5,280,675	(40,253)
EXPENDITURES				
Current				
Instruction				
Salaries	673,535	726,860	728,933	(2,073)
Benefits	573,236	642,149	249,682	392,467
Purchased Services	400,148	498,232	520,727	(22,495)
Supplies and Materials	50,962	66,262	69,514	(3,252)
Total Instruction	1,697,881	1,933,503	1,568,856	364,647
Supporting Services				
Salaries	934,193	1,058,570	1,031,892	26,678
Benefits	-	-	333,922	(333,922)
Purchased Services	1,624,235	1,336,021	666,437	669,584
Supplies and Materials	57,781	78,653	73,861	4,792
Property	197,322	208,978	-	208,978
Other	78,929	83,592	-	83,592
Total Supporting Services	2,892,460	2,765,814	2,106,112	659,702
Contingency	-	620,000	-	620,000
TOTAL EXPENDITURES	4,590,341	5,319,317	3,674,968	1,644,349
CHANGE IN FUND BALANCE	361,535	1,611	1,605,707	1,604,096
FUND BALANCE, Beginning	257,755	355,364	355,364	-
FUND BALANCE, Ending	$ 619,290	$ 356,975	$ 1,961,071	$ 1,604,096

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*

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, each major fund, and the aggregate remaining fund information of Colorado Early Colleges (the Network) 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 Network and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Network'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
Colorado Early Colleges

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

DMC Auditing and Consulting, LLC

October 14, 2025
Baily, Colorado

DMC
AUDITING AND CONSULTING, LLC
(720) 422-1352
DCHERNYAK@DMCCPAS.NET

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Colorado Early Colleges' (the Network) 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 Network's major federal programs for the year ended June 30, 2025. the Network'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 Network 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 Network 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 Network'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 Network'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 Network's 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 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 Network's 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 Network'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 Network'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 Network'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.

Board of Directors
Colorado Early Colleges

Our consideration of the Network's 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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Network 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 Network. We issued our report thereon dated October 14, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

October 14, 2025
Baily, Colorado

COLORADO EARLY COLLEGES
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:

Federal Assistance Listing Number	Name of Federal Cluster/Program
84.027	IDEA, Part B

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.

COLORADO EARLY COLLEGES
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
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education			
Child Nutrition Cluster			
School Breakfast Program (SBP)	10.553	4553	$ 71,011
National School Lunch Program (NSLP)	10.555	4555	311,440
National School Lunch Program (Supply Chain Assistance)	10.555	6555	68,509
Farm to School Implementation Grant	10.575	4575	3,521
Passed through State Department of Human Services			
National School Lunch Program (Donated Commodities)	10.555	4555	45,886
Child Nutrition Cluster Subtotal			500,367
TOTAL U.S. DEPARTMENT OF AGRICULTURE			500,367
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
Title I	84.010	4010, 9202, 9211	248,531
Special Education - IDEA Part B	84.027A	4027	525,995
English Language Acquisition	84.365	4365	23,040
Supporting Effective Instruction	84.367	4367	60,284
Emergency Relief (ARP ESSER)	84.425U	4438,4461,4462	93,061
Charter Schools State Charter Facilities Incentive Grants	84.282D	5283	510,858
Passed Through State Community Colleges System			
Career and Technical Education	84.048	4048	145,949
TOTAL U.S. DEPARTMENT OF EDUCATION			1,607,718
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through State Department of Education			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	7354	8,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,116,085

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 Network does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the Network, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the Network.

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 Network's 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 Network has not elected to use the 10% de minimis cost rate.

NOTE 4: Subrecipients

The Network did not allocate federal awards to any subrecipients.