

***East Central Board of Cooperative  
Educational Services***  
**Limon, Colorado**

**Financial Statements**

**For the Year ended June 30, 2025**

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# LAUER, SZABO & ASSOCIATES, PC

Certified Public Accountants

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## Independent Auditors' Report

Board of Directors  
East Central Board of Cooperative Educational Services  
Limon, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the East Central Board of Cooperative Educational Services (the BOCES) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the BOCES as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BOCES' 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.

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension and other post-employment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BOCES' basic financial statements. The other supplementary information and the auditors' integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 other supplementary information and the auditors' integrity report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
October 27, 2025

# **East Central BOCES**

820 2<sup>nd</sup> Street, PO Box 910, Limon, CO 80828

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of **East Central BOCES** financial performance provides an overview of the East Central BOCES financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the East Central BOCES financial statements, which begin on page 10.

### **Financial Highlights**

- The East Central BOCES’ net position increased by \$649,586 as a result of this year’s operations. Net position of our governmental activities are \$(2,801,833) - due to the GASB 68 and 75 reporting requirements for BOCES PERA pension and OPEB plans.
- During the year, the East Central BOCES had expenditures that were \$519,495 less than the \$22,156,864 dollars generated in grants and other revenues for governmental programs.
- Total cost of all of the East Central BOCES programs increased by \$5,176,507. Budgets are ever changing because of Grants coming and going through the BOCES.
- The general fund ending balance increased this year by \$519,495.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 12 – 13) provide information about the activities of the East Central BOCES as a whole and present a longer-term view of the East Central BOCES finances. Fund financial statements start on page 14, and consist solely of the General Fund. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The remaining statements provide financial information about activities for which the East Central BOCES acts solely as a trustee or agent for the benefit of those outside of the government.

### **Overview of Financial Statements**

The discussion and analysis is intended to serve as an introduction to the East Central BOCES basic financial statements. The basic financial statements consist of four components: 1) Government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and, 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

### **Reporting the BOCES as a Whole**

Our analysis of the East Central BOCES as a whole begins on page 10. One of the most important questions asked about the East Central BOCES finances is, “Is the BOCES as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the BOCES as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the East Central BOCES net position and changes in them. You can think of the East Central BOCES net position - the difference between assets and liabilities - as one way to measure the East Central BOCES financial health, or financial position. Over time, increases or decreases in the East Central BOCES net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as the fiscal health of the State of Colorado, the fiscal health of the Federal Government and the competitive grant opportunities to assess the overall health of the BOCES.

In the Statement of Net Position and Statement of Activities, we report the Governmental activities only.

- Governmental activities-All of the East Central BOCES basic services are reported here, including Instructional and Supporting Services. State and Federal grants along with member assessments finance most of these activities.

### **Reporting the Activities of the East Central BOCES**

Our analysis of the Activities of the East Central BOCES major fund, which consists of the General Fund, begins on page 14. The fund financial statements provide detailed information about the activities of the East Central BOCES as a whole. Some funds are required to be established by State law and by bond covenants.

Governmental funds –All of the East Central BOCES basic services are reported in the General fund, which focuses on how money flows into and out of the General fund and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the East Central BOCES general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the East Central BOCES programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and The statement of Activities) and governmental funds in reconciliations on pages 15 & 17.

### **The East Central BOCES as Trustee**

The BOCES is the trustee, or fiduciary, for the G. L. Andersen Scholarship fund. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. All of the East Central BOCES fiduciary activities are reported in separate statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 18 and 19. We exclude these activities from the East Central BOCES other financial statements because the East Central BOCES cannot use these assets to finance its operations. The East Central BOCES is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **The East Central BOCES as a Whole**

As noted earlier, net position may serve over time as a useful indicator of the East Central BOCES financial position.

19% of the East Central BOCES assets are its investment in capital assets (e.g., land, buildings and equipment). The East Central BOCES uses these assets to provide instruction and related services to its students and its districts.

The following table provides a summary of the East Central BOCES net position (liabilities) as of June 30, 2025.

**Table 1  
Net Position**

<b>Governmental Activities</b>	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 4,711,601	\$ 4,166,673
Capital assets	<u>\$ 1,136,388</u>	<u>\$ 1,317,168</u>
Total assets	\$ 5,847,989	\$ 5,483,841
Deferred outflows of resources	<u>\$ 1,592,891</u>	<u>\$ 2,277,493</u>
Total Assets and deferrals	\$ 7,440,880	\$ 7,761,334
Long term liabilities	\$ 8,314,616	\$ 9,976,315
Other liabilities	<u>\$ 842,530</u>	<u>\$ 817,097</u>
Total liabilities	\$ 9,157,146	\$ 10,793,412
Deferred inflows of resources	\$ 1,085,567	\$ 419,341
Net position:		
Invested in capital assets	\$ 1,136,388	\$ 1,317,168
Unrestricted	<u>\$ (3,938,221)</u>	<u>\$ (4,768,587)</u>
Total net position	<u>\$ (2,801,833)</u>	<u>\$ (3,451,419)</u>

Net Position of the East Central BOCES governmental activities is \$(2,801,833). Unrestricted net position – the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, is \$(3,938,221).

\*The large influx in net position is due to the GASB 68 and 75 reporting requirements.

**Following is a summary of the East Central BOCES change in net position.**

**Table 2  
Changes in Net Position**

<b>Governmental Activities</b>	<b>2025</b>	<b>2024</b>
Revenues		
Charges for services	\$ 7,369,865	\$ 5,932,429
Operating Grants & Contributions	\$ 14,692,321	\$ 11,414,845
Capital Grants & Contributions	\$ -	\$ -
Earnings on Investments	\$ 170,788	\$ 98,120
Sale of Assets	<u>\$ -</u>	<u>\$ -</u>
Total Revenue	\$ 22,232,974	\$ 17,445,394
Expenses		
Instruction	\$ 14,102,457	\$ 11,448,820
Supporting Services	\$ 7,458,128	\$ 5,598,563
Unallocated Depreciation	<u>\$ 22,803</u>	<u>\$ 22,803</u>
Total Expenditures	<u>\$ 21,583,388</u>	<u>\$ 17,110,186</u>
Increase or Decrease in net position	<u>\$ 649,586</u>	<u>\$ 335,208</u>

**The East Central BOCES General Fund**

As the East Central BOCES completed the year, its governmental funds (as presented in the balance sheet on page 14) reported a fund balance of \$3,869,071, which is \$519,495 above last year’s total of \$3,349,576.

**General Fund Budgetary Highlights**

Over the course of the year, the BOCES Board revised the BOCES budget in August and in January. These budget amendments fall into several different grant categories. With these adjustments, the actual charge to appropriations (expenditures) was \$3,512,631 under the budgeted amounts.

The most significant variance in the revenue budget was an increase in interest on investments due to investing with ColoTrust and additional state revenue for out-of-District high cost student reimbursements (\$1,666,014 received for \$900,000 budgeted).

The most significant variance in our expenditure budget was related to the above high cost student reimbursements as we transferred \$1,578,888.35 of those funds back to member districts as pass-through expenses but had only budgeted \$885,000. That program of high cost reimbursement changes yearly and is hard to budget and estimate for. We are usually conservative in our budgeting. Additionally, there were some updating with the federal grant budgets to match the final grant awards. There are always some adjusting of expenses from salaries and benefits to purchase services due to not being able to hire some special service providers as employees and having to hire contract companies for those services.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The East Central BOCES investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$1,136,388 (net of accumulated depreciation). This investment in capital assets included land, buildings and improvements, equipment, construction in progress, and capital leases all with an original cost greater than \$5,000.

The East Central BOCES total capital assets at June 30, 2025 net of accumulated depreciation were as follows:

**Table 3  
Capital Assets at Year-end  
(Net of Depreciation)**

<u>Governmental Activities</u>	<u>2025 Totals</u>	<u>2024 Totals</u>	<u>% Chg.</u>
Land	\$ 68,000	\$ 68,000	0%
Buildings and improvements	\$ 314,077	\$ 336,880	-7%
Equipment and vehicles	<u>\$ 754,311</u>	<u>\$ 912,288</u>	<u>-17%</u>
Total Capital Assets	<u>\$1,136,388</u>	<u>\$1,317,168</u>	<u>-14%</u>

Additional information can be found on note C in the basic financial statements.

## **ECONOMIC FACTORS FOR THIS YEARS BUDGET AND NEXT YEAR'S BUDGETS**

Changes in the fund balance of the BOCES can be explained by the ebb and flow of grants that flow through the BOCES to the Member Districts. Our fund balance increased this year in part due to higher revenues from the state as state funding has increased in recent years. Also, we anticipated higher purchase service contracted special education services but ended up a little less than anticipated. These purchase service contracts are needed due to a shortage of applications for open positions. Hiring contractors from service provider companies is much higher than regular employees. We budgeted a spend down or loss of \$425,382 but in the end had a net increase of \$519,496. The fund balance is not as much of a concern for the BOCES as cash flow needs throughout the fiscal year are high. Eight years ago, we adjusted the timing of our Title I payments to the member districts, which allowed our cash flow to be adequate and that continued to work well for us this fiscal year.

For next year's budget, we will continue to attempt to fill positions where possible with BOCES employee contracts rather than purchase service contracts but that is getting harder to do with the shortage Colorado is facing in special service providers. The intent will once again be to develop a balanced budget with no deficit.

## **CONTACTING THE BOCES'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the East Central BOCES finances and to show the East Central BOCES accountability for the money it receives. If you have questions about this report or need additional financial information, contact the East Central BOCES Executive Director at our main office at 820 Second Street, Limon, Colorado.

*Craig Bailey*  
**Director of Financial Services**

## **Basic Financial Statements**

The basic financial statements of the BOCES include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about the BOCES' major governmental fund.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities
Assets	
Cash	\$ 1,911,780
Certificates of deposit	489,630
Investments	1,356,547
Grants receivable	705,006
Other receivable	248,638
Capital assets, net of depreciation	1,136,388
	<hr/>
Total assets	5,847,989
Deferred outflows of resources	
Pension deferrals	1,557,772
Other post-employment benefit deferrals	35,119
	<hr/>
Total deferred outflows of resources	1,592,891
	<hr/>
Total assets and deferred outflows of resources	\$ 7,440,880
	<hr/> <hr/>
Liabilities	
Accounts payable	\$ 136,036
Accrued salaries and benefits	424,061
Payroll withholdings	88,338
Unearned grant revenue	194,095
Noncurrent liabilities	
Due within one year	97,726
Due in more than one year	38,871
Net pension liability	8,035,447
Net other post-employment benefit liability	142,572
	<hr/>
Total liabilities	9,157,146
Deferred inflows of resources	
Pension deferrals	970,715
Other post-employment benefit deferrals	114,852
	<hr/>
Total deferred inflows of resources	1,085,567
Net position	
Net investment in capital assets	1,136,388
Unrestricted (deficit)	(3,938,221)
	<hr/>
Total net position (deficit)	(2,801,833)
	<hr/>
Total liabilities, deferred inflows of resources and net position	\$ 7,440,880
	<hr/> <hr/>

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

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**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 14,102,457	\$ 5,204,694	\$ 9,279,144	
Supporting services	7,458,128	2,165,171	5,413,177	
Unallocated depreciation *	22,803			
 Total governmental activities	 <u>\$ 21,583,388</u>	 <u>\$ 7,369,865</u>	 <u>\$ 14,692,321</u>	 <u>\$ -</u>
		General revenues		
		Earnings on investments		
		Total general revenues		
		Change in net position		
		Net position (deficit) at beginning of year		
		Net position (deficit) at end of year		

\* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

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Net (Expenses)  
Revenues and  
Changes in  
Net Position

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Total  
Governmental  
Activities

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\$ 381,381  
120,220  
(22,803)

478,798

170,788

170,788

649,586

(3,451,419)

\$ (2,801,833)

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	<u>General Fund</u>
Assets	
Cash	\$ 1,911,780
Certificates of deposit	489,630
Investments	1,356,547
Grants receivable	705,006
Other receivable	248,638
	<u>                    </u>
Total assets	<u><u>\$ 4,711,601</u></u>
Liabilities and fund balance	
Liabilities	
Accounts payable	\$ 136,036
Accrued salaries and benefits	424,061
Payroll withholdings	88,338
Unearned grant revenue	194,095
	<u>                    </u>
Total liabilities	842,530
Fund balance	
Unassigned	<u>3,869,071</u>
	<u>                    </u>
Total fund balance	<u>3,869,071</u>
	<u>                    </u>
Total liabilities and fund balance	<u><u>\$ 4,711,601</u></u>

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2025**

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

Total fund balance - governmental funds	\$ 3,869,071
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,136,388
Long-term liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(7,807,292)</u>
Net position (deficit) of the governmental activities	<u><u>\$ (2,801,833)</u></u>

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	<u>General Fund</u>
Revenues	
Local sources	\$ 7,540,653
State sources	9,980,540
Federal sources	<u>4,635,671</u>
Total revenues	22,156,864
Expenditures	
Instruction	14,161,467
Supporting services	<u>7,475,902</u>
Total expenditures	<u>21,637,369</u>
Excess of revenues over (under) expenditures	519,495
Fund balance at beginning of year	<u>3,349,576</u>
Fund balance at end of year	<u><u>\$ 3,869,071</u></u>

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

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

Net change in fund balance - governmental funds	\$ 519,495
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeded capital outlays in the current period.	(180,780)
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In the statement of activities, certain expenses related to the pension and OPEB liabilities and related deferred outflows and inflows of resources, and compensated absences are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>310,871</u>
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Change in net position of governmental activities	<u><u>\$ 649,586</u></u>
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The accompanying notes are an integral part of these financial statements.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

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	<u>Private Purpose Trust Fund</u>
Assets	
Cash	\$ 4,063
Certificates of deposit	<u>22,650</u>
Total assets	<u>\$ 26,713</u>
Liabilities	\$ -
Net position	
Restricted for scholarship recipients	<u>26,713</u>
Total liabilities and net position	<u>\$ 26,713</u>

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**

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	Private Purpose Trust Fund
Additions	
Earnings on investments	\$ 842
Total additions	842
Deductions	
Scholarship awards	
Total deductions	-
Change in net position	842
Net position at beginning of year	25,871
Net position at end of year	\$ 26,713

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of the East Central Board of Cooperative Educational Services' significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the BOCES have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units and in accordance with the Colorado Department of Education's *Financial Policies and Procedures Handbook*. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the BOCES' accounting policies are described below.

**A.1 – Reporting entity**

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The BOCES has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the BOCES has no component units.

**A.2 – Fund accounting**

The BOCES uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The BOCES does not have any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following is the BOCES' major governmental fund:

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

General Fund – The General Fund is the operating fund of the BOCES. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include state and federal grants, along with member assessments.

Expenditures include all costs associated with the daily operation of the BOCES.

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the BOCES under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the BOCES' own programs. The BOCES has one private-purpose trust fund, the Andersen Scholarship Fund.

**A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the BOCES as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the BOCES that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the BOCES' governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the BOCES, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the BOCES.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Fund financial statements – Fund financial statements report detailed information about the BOCES. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The BOCES has only one governmental fund, the General Fund. Accordingly, no nonmajor funds are presented. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The BOCES' fiduciary fund is presented in the fiduciary fund financial statements by type (private-purpose trust). Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the BOCES, this fund is not incorporated into the government-wide financial statements.

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the BOCES, available means expected to be received within ninety days of fiscal year-end, except for state and federal grant revenues, which are considered available if collection is expected within six months of year end.

Nonexchange transactions, in which the BOCES receives value without directly giving equal value in return, include grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the BOCES must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the BOCES on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition and grants.

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

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

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the BOCES before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the BOCES has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – the measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**A.5 – Encumbrances**

Encumbrance accounting is utilized by the BOCES to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.6 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Buildings and improvements	20-40 years
Furniture and equipment	5-10 years
Licensed vehicles	3-5 years

**A.7 – Compensated absences**

The BOCES reports compensated absences in accordance with the provisions of GASB Statement No. 101, “Compensated Absences.” Leave benefits are accrued as a liability for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, or the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences using the rates in effect at the balance sheet date.

**A.8 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

**A.9 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the BOCES or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The BOCES applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**A.10 – Fund balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of directors (the BOCES' highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the BOCES' general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of directors through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the BOCES applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**A.11 – Extraordinary and special items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

**Note B – Cash deposits and investments**

**Cash and deposits**

Colorado State statutes govern the BOCES' deposits and investments of cash. The Public Deposit Protection Act (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA requires eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note B – Cash deposits and investments (Continued)**

by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the BOCES' deposits may not be returned to it. The BOCES does not have a deposit policy for custodial credit risk. As of year-end, the BOCES had total deposits of \$3,007,592, of which \$673,500 was insured and \$2,334,092 was collateralized with securities held by the pledging institution's trust department or agent in the BOCES' name.

**Investments**

Authorized investments – Investment policies are governed by Colorado State Statutes and the BOCES' own investment policies and procedures. Investments of the BOCES may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year, the BOCES invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Investments are valued at the net asset value (NAV) of \$1.00. As of June 30, 2025, the BOCES had invested \$1,356,547 in COLOTRUST PRIME.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note B – Cash deposits and investments (Continued)**

Investment type	Fair value	Investment maturities (in years)		
		Less than 1	1-5	6-10
Investment in Colotrust	\$ 1,356,547	\$ 1,356,547	\$ -	\$ -

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The BOCES has no investment policy that would further limit its investment choices. At year-end, the BOCES' investment in Colotrust was rated AAAM by Standard and Poor's.

**Note C – Capital assets**

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 68,000	\$ -	\$ -	\$ 68,000
Total capital assets, not being depreciated	68,000	-	-	68,000
Capital assets, being depreciated:				
Buildings and improvements	912,105	-	-	912,105
Equipment and vehicles	2,034,097	-	-	2,034,097
Total capital assets, being depreciated	2,946,202	-	-	2,946,202
Total capital assets	3,014,202	-	-	3,014,202
Less accumulated depreciation for:				
Buildings and improvements	(575,225)	(22,803)	-	(598,028)
Equipment and vehicles	(1,121,809)	(157,977)	-	(1,279,786)
Total accumulated depreciation	(1,697,034)	(180,780)	-	(1,877,814)
Governmental activities capital assets, net	\$ 1,317,168	\$ (180,780)	\$ -	\$ 1,136,388

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note C – Capital assets (Continued)**

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

<b>Governmental activities</b>	
Instruction	\$ 6,071
Supporting services	151,906
Unallocated	<u>22,803</u>
Total	<u>\$ 180,780</u>

**Note D – Accrued salaries and benefits**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$424,061. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

**Note E – Long-term debt**

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
<b>Governmental activities</b>					
Compensated absences	\$ 52,991	\$ 83,606*	-	\$ 136,597	\$ 97,726

\*The change in the compensated absences liability is presented as a net change.

**Note F – Defined benefit pension plan**

Summary of Significant Accounting Policies

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note F – Defined benefit pension plan (Continued)**

General Information about the Pension Plan

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

*Benefits provided as of December 31, 2024.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note F – Defined benefit pension plan (Continued)**

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

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

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

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

*Contributions provisions as of June 30, 2025:* Eligible employees of the BOCES and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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**Note F – Defined benefit pension plan (Continued)**

	July 1, 2024 Through <u>June 30, 2025</u>
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>5.50%</u>
Total employer contribution rate to the SCHDTF	<u><u>20.38%</u></u>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the BOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the BOCES were \$755,930 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note F – Defined benefit pension plan (Continued)**

At year end, the BOCES reported a liability of \$8,035,447 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the BOCES as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the BOCES were as follows:

BOCES' proportionate share of the net pension liability	\$ 8,035,447
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the BOCES	<u>721,711</u>
Total	<u>\$ 8,757,158</u>

At December 31, 2024, the BOCES' proportion was 0.0466%, which was a decrease of 0.0082% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the BOCES recognized pension expense of \$559,412 and revenue of \$65,871 for support from the State as a nonemployer contributing entity. At year-end, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 492,915	\$ -
Changes of assumptions or other inputs	60,243	-
Net difference between projected and actual earnings on pension plan investments	613,018	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	970,715
Contributions subsequent to the measurement date	<u>391,596</u>	<u>-</u>
Total	<u>\$ 1,557,772</u>	<u>\$ 970,715</u>

\$391,596 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note F – Defined benefit pension plan (Continued)**

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2026	\$ 417,825
2027	299,927
2028	(414,166)
2029	<u>(108,125)</u>
Totals	<u>\$ 195,461</u>

*Actuarial assumptions.* The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%–11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sub>1</sub>	Financed by the AIR

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note F – Defined benefit pension plan (Continued)**

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

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

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

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

Salary scale assumptions were altered to better reflect actual experience.

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

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
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**Note F – Defined benefit pension plan (Continued)**

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation 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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
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**Note F – Defined benefit pension plan (Continued)**

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

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
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**Note F – Defined benefit pension plan (Continued)**

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 10,894,204	\$ 8,035,447	\$ 5,640,838

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

Payables to the pension plan

The BOCES did not report any payables to the pension plan at year-end.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note F – Defined benefit pension plan (Continued)**

Subsequent events

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

**Note G – Defined contribution pension plan**

Voluntary Investment Program (PERAPlus 401(k) Plan)

*Plan description* - Employees of the BOCES that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

*Funding policy* - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The BOCES does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2025, program members contributed \$94,060 for the PERAPlus 401(k) Plan.

**Note H – Defined benefit other post-employment benefit (OPEB) plan**

Summary of Significant Accounting Policies

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

General Information about the OPEB Plan

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

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

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

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

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the BOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the BOCES were \$37,834 for the year ended June 30, 2025.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

At year-end, the BOCES reported a liability of \$142,572 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The BOCES' proportion of the net OPEB liability was based on the BOCES' contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the BOCES' proportion was 0.0298%, which was a decrease of 0.0030% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the BOCES recognized OPEB expense of \$(18,146). At year-end, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 33,041
Changes of assumptions or other inputs	1,745	46,611
Net difference between projected and actual earnings on OPEB plan investments	688	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,087	35,200
Contributions subsequent to the measurement date	<u>19,599</u>	<u>-</u>
Total	<u>\$ 35,119</u>	<u>\$ 114,852</u>

\$19,599 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2026	\$ (26,876)
2027	(16,564)
2028	(20,595)
2029	(16,196)
2030	(12,638)
2031	<u>(6,463)</u>
Total	<u>\$ (99,332)</u>

*Actuarial assumptions.* The December 31, 2023, actuarial valuation used the following actuarial cost method and key 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 OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

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

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

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

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the following table:

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

Year	PERACare Medicare Plans <sup>1</sup>	MAPD PPO #2	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%

<sup>1</sup>Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

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

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

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

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

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

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

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

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

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

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

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

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

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

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PP #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 138,730	\$ 142,572	\$ 146,919

<sup>1</sup>For the January 1, 2025, plan year.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did 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.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note H – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ <u>174,724</u>	\$ <u>142,572</u>	\$ <u>114,853</u>

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

Payables to the OPEB plan

The BOCES did not report any payables to the OPEB plan at year-end.

**Note I – Risk management**

The BOCES is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The BOCES participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool’s objectives are to provide participating members defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The BOCES pays an annual contribution to the Pool for its insurance coverages. The BOCES’ contribution for the year was \$53,757. The BOCES continues to carry commercial insurance for all other risks of loss, including workers’ compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note J – Commitments and contingencies**

Federal and state funding

The BOCES receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the BOCES expects such amounts, if any, to be immaterial.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Financial Statements**

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**Note J – Commitments and contingencies (Continued)**

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The BOCES may be subject to the Tabor Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitation may be required to be refunded unless the BOCES member districts decide to retain the revenue. The BOCES feels it is exempt from the Amendment because it receives no direct taxes and is a joint venture of its member districts.

### **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the BOCES' Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of BOCES Contributions – PERA's School Division Trust Fund
- Schedule of the BOCES' Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of BOCES Contributions – PERA's Health Care Trust Fund

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 6,304,932	\$ 7,663,868	\$ 7,540,653	\$ (123,215)
State sources	9,033,142	9,299,318	9,980,540	681,222
Federal sources	4,799,105	4,837,239	4,635,671	(201,568)
Total revenues	20,137,179	21,800,425	22,156,864	356,439
Expenditures				
Salaries	4,130,338	4,051,834	4,017,560	34,274
Employee benefits	1,721,694	1,630,215	1,618,439	11,776
Purchased services	12,129,220	13,530,199	13,684,945	(154,746)
Supplies and materials	716,635	870,591	690,297	180,294
Property	1,566,529	1,476,564	1,392,848	83,716
Other	298,145	248,768	233,280	15,488
Appropriated reserves	2,432,366	3,341,829		3,341,829
Total expenditures	22,994,927	25,150,000	21,637,369	3,512,631
Excess of revenues over (under) expenditures	<u>\$ (2,857,748)</u>	<u>\$ (3,349,575)</u>	519,495	<u>\$ 3,869,070</u>
Fund balance at beginning of year			3,349,576	
Fund balance at end of year			<u>\$ 3,869,071</u>	

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**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of the BOCES' Proportionate Share of the Net Pension Liability**  
**PERA's School Division Trust Fund**  
**June 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
BOCES' proportion of the net pension liability	0.0466%	0.0548%	0.0448%	0.0487%
BOCES' proportionate share of the net pension liability	\$ 8,035,447	\$ 9,689,365	\$ 8,151,865	\$ 5,672,000
State's proportionate share of the net pension liability	<u>721,711</u>	<u>212,459</u>	<u>2,375,535</u>	<u>650,222</u>
Total	<u>\$ 8,757,158</u>	<u>\$ 9,901,824</u>	<u>\$ 10,527,400</u>	<u>\$ 6,322,222</u>
BOCES' covered payroll	\$ 3,598,609	\$ 3,622,347	\$ 3,452,159	\$ 3,046,069
BOCES' proportionate share of the net pension liability as a percentage of its covered payroll	223.29%	267.49%	236.14%	186.21%
Plan fiduciary net position as a percentage of the total pension liability	67.17%	64.74%	61.79%	74.86%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
0.0540%	0.0483%	0.0504%	0.0569%	0.0554%	0.0555%
\$ 8,164,314	\$ 7,218,449	\$ 8,927,426	\$ 18,385,628	\$ 16,482,635	\$ 8,493,684
-	915,568	1,220,702	-	-	-
<u>\$ 8,164,314</u>	<u>\$ 8,134,017</u>	<u>\$ 10,148,128</u>	<u>\$ 18,385,628</u>	<u>\$ 16,482,635</u>	<u>\$ 8,493,684</u>
\$ 2,888,900	\$ 2,839,471	\$ 2,771,712	\$ 2,622,759	\$ 2,484,628	\$ 2,420,252
282.61%	254.22%	322.09%	701.00%	663.38%	350.94%
66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of BOCES Contributions**  
**PERA's School Division Trust Fund**  
**June 30, 2025**

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	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 755,930	\$ 727,493	\$ 740,324	\$ 646,728
Contributions in relation to the contractually required contribution	<u>(755,930)</u>	<u>(727,493)</u>	<u>(740,324)</u>	<u>(646,728)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' covered payroll	\$ 3,709,170	\$ 3,569,631	\$ 3,632,589	\$ 3,253,153
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%

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<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
\$ 574,804	\$ 559,419	\$ 539,401	\$ 507,383	\$ 470,329	\$ 433,879
<u>(574,804)</u>	<u>(559,419)</u>	<u>(539,401)</u>	<u>(507,383)</u>	<u>(470,329)</u>	<u>(433,879)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,891,358	\$ 2,886,570	\$ 2,819,659	\$ 2,686,745	\$ 2,558,218	\$ 2,446,798
19.88%	19.38%	19.13%	18.88%	18.39%	17.73%

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of the BOCES' Proportionate Share of the Net OPEB Liability <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
BOCES' proportion of the net OPEB liability	0.0298%	0.0328%	0.0340%	0.0318%
BOCES' proportionate share of the net OPEB liability	\$ 142,572	\$ 233,959	\$ 277,760	\$ 274,413
BOCES' covered payroll	\$ 3,598,609	\$ 3,622,347	\$ 3,452,159	\$ 3,046,069
BOCES' proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96%	6.46%	8.05%	9.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

<sup>1</sup> Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

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<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
0.0312%	0.0316%	0.0328%	0.0323%	0.0315%
\$ 296,850	\$ 354,950	\$ 445,871	\$ 419,850	\$ 407,979
\$ 2,888,900	\$ 2,839,471	\$ 2,771,712	\$ 2,622,759	\$ 2,484,628
10.28%	12.50%	16.09%	16.01%	16.42%
32.78%	24.49%	17.03%	17.53%	16.72%

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of BOCES Contributions <sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2025**

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	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Contractually required contribution	\$ 37,834	\$ 36,410	\$ 37,052	\$ 33,182
Contributions in relation to the contractually required contribution	<u>(37,834)</u>	<u>(36,410)</u>	<u>(37,052)</u>	<u>(33,182)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' covered payroll	\$ 3,709,170	\$ 3,569,631	\$ 3,632,589	\$ 3,253,153
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

<sup>1</sup> Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

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<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
\$ 29,492	\$ 29,443	\$ 28,761	\$ 27,405	\$ 26,094
<u>(29,492)</u>	<u>(29,443)</u>	<u>(28,761)</u>	<u>(27,405)</u>	<u>(26,094)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,891,358	\$ 2,886,570	\$ 2,819,659	\$ 2,686,745	\$ 2,558,218
1.02%	1.02%	1.02%	1.02%	1.02%

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

The BOCES adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the executive director submits to the board of directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Prior to June 30, the budget is adopted by formal resolution.
3. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the executive director. Revisions that alter the total expenditures of any fund must be approved by the board of directors.
4. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of directors throughout the year.
6. Appropriations lapse at year-end.

**Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules**

Information about factors that significantly affect trends in the amounts reported in the Schedules of the BOCES' Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of BOCES Contributions is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

### **Other Supplementary Information**

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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## **General Fund**

The General Fund accounts for all transactions of the BOCES not required to be accounted for in other funds. This fund represents an accounting of the BOCES' ordinary operations financed primarily from federal, state and local aid. It is the most significant fund in relation to the BOCES' overall operations. The accompanying schedule is included to provide a greater level of detail to the reader of the financial statements.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**General Fund**  
**Schedule of Revenues and Expenditures by Program**  
**For the Year Ended June 30, 2025**

	BOCES General	Grant 3130	Grant 3150	Grant 3204	Grant 3218
<b>Revenues</b>					
Local sources	\$ 1,445,079	\$ 6,085,624	\$ 9,950		
State sources	249,125	7,229,835	286,783	\$ 160,719	\$ 5,645
Federal sources					
<b>Total revenues</b>	<b>1,694,204</b>	<b>13,315,459</b>	<b>296,733</b>	<b>160,719</b>	<b>5,645</b>
<b>Expenditures</b>					
Salaries	616,940	2,152,969	42,820	47,264	
Employee benefits	219,448	821,518	16,483	23,866	
Purchased services	445,708	9,955,802	236,077	34,378	5,645
Supplies and materials	105,521	113,606	1,353	31,259	
Property	7,152	37,952		299	
Other	8,457	5,095		23,653	
<b>Total expenditures</b>	<b>1,403,226</b>	<b>13,086,942</b>	<b>296,733</b>	<b>160,719</b>	<b>5,645</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 290,978</b>	<b>\$ 228,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Grant 3228	Grant 3242	Grant 3270	Grant 3273	Grant 3898	Grant 3951	Grant 3952
\$ 49,548	\$ 18,085	\$ 1,363	\$ 66,307	\$ 65,871	\$ 1,845,759	\$ 1,500
49,548	18,085	1,363	66,307	65,871	1,845,759	1,500
23,144	3,009					
9,062	684			65,871		
17,342	14,392	1,363	5,092		508,499	1,500
			56,545		302,765	
			4,670		1,034,495	
49,548	18,085	1,363	66,307	65,871	1,845,759	1,500
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**General Fund**  
**Schedule of Revenues and Expenditures by Program**  
**For the Year Ended June 30, 2025**

(Continued)	Grant 4010	Grant 4011	Grant 4027	Grant 4173	Grant 4365
<b>Revenues</b>					
Local sources					
State sources					
Federal sources	\$ 962,727	\$ 86,700	\$ 2,505,325	\$ 50,473	\$ 56,292
<b>Total revenues</b>	<b>962,727</b>	<b>86,700</b>	<b>2,505,325</b>	<b>50,473</b>	<b>56,292</b>
<b>Expenditures</b>					
Salaries	36,159	45,480	933,975	21,230	17,673
Employee benefits	21,922	21,240	372,834	8,428	6,727
Purchased services	846,605	7,698	1,113,655	17,968	30,743
Supplies	558	12,282			45
Property					
Other objects	57,483		84,861	2,847	1,104
<b>Total expenditures</b>	<b>962,727</b>	<b>86,700</b>	<b>2,505,325</b>	<b>50,473</b>	<b>56,292</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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Grant 4367	Grant 4424	Grant 5048	Grant 7365	Grant 8009	Total
					\$ 7,540,653
					9,980,540
\$ 219,624	\$ 183,342	\$ 561,554	\$ 536	\$ 9,098	4,635,671
219,624	183,342	561,554	536	9,098	22,156,864
48,930		27,967			4,017,560
22,447		7,909			1,618,439
134,517	179,749	118,589	525	9,098	13,684,945
1,298		65,065			690,297
		308,280			1,392,848
12,432	3,593	33,744	11		233,280
219,624	183,342	561,554	536	9,098	21,637,369
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,495

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## **Budgetary Comparison Schedule – Fiduciary Fund**

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

Private-purpose trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

- Andersen Scholarship Fund – This fund is used to record the financial transactions related to the administration of a scholarship trust that is used to award scholarships to area students.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Andersen Scholarship Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 105	\$ 105	\$ 842	\$ 737
Total revenues	105	105	842	737
Expenditures				
Scholarship awards				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	\$ 105	\$ 105	842	\$ 737
Net position at beginning of year			25,871	
Net position at end of year			\$ 26,713	

**Colorado Department of Education  
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.



Colorado Department of Education

Auditors Integrity Report

District: 9025 - East Central BOCES

Fiscal Year 2024-25

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	3,349,576	22,156,865	21,637,369	3,869,071
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>3,349,576</b>	<b>22,156,865</b>	<b>21,637,369</b>	<b>3,869,071</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	25,871	842	0	26,713
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>25,871</b>	<b>842</b>	<b>0</b>	<b>26,713</b>

FINAL

***East Central Board of Cooperative  
Educational Services***  
Limon, Colorado

**Single Audit Report**

**For the Year ended June 30, 2025**

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**LAUER, SZABO &  
ASSOCIATES, PC**

**Certified Public Accountants**

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Phone 970-522-2219 • FAX 970-522-2220

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

Board of Education  
East Central Board of Cooperative Educational Services  
Limon, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Central Board of Cooperative Educational Services (the BOCES), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements, and have issued our report thereon dated October 27, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
February 23, 2026



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## **Independent Auditors' Report on Compliance for Each Major Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Education  
East Central Board of Cooperative Educational Services  
Limon, Colorado

### **Report on Compliance of Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

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

In our opinion, the BOCES complied, in all material respects, with the types of 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the BOCES' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the BOCES' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the BOCES' 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 define 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 in 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 BOCES, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements. We issued our report thereon dated October 27, 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 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 the 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.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
February 23, 2026

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**Summary of audit results**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the East Central Board of Cooperative Educational Services (the BOCES).
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the BOCES were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the BOCES expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings relative to the major federal award programs of the BOCES.
7. The programs tested as major were:

Special Education Cluster	AL Nos. 84.027 and 84.173
Career and Technical Education –	
Basic Grants to States	AL No. 84.048
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The BOCES qualified as a low-risk auditee.

**Findings – Financial statement audit**

We noted no findings that are required to be reported under *Government Auditing Standards*.

**Findings and Questioned Costs**

We noted no findings or questioned costs that are required to be reported in accordance with the Uniform Guidance.

**Prior year findings**

There were no findings or questioned costs reported for the year ended June 30, 2024.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Federal Communications Commission</b>			
Emergency Connectivity Fund Program	32.009	N/A	\$ 9,098
Total Federal Communications Commission			9,098
<b>U.S. Department of Education</b>			
Pass-through programs from:			
Colorado Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010	962,727
English Language Acquisition State Grants	84.365	4365	56,292
English Language Acquisition State Grants	84.365	7365	536
Total AL Number 84.365			56,828
Supporting Effective Instruction State Grants	84.367	4367	219,624
Student Support and Academic Enrichment Program	84.424A	4424	183,342
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027	4027	2,505,325
Special Education Preschool Grants	84.173	4173	50,473
Total Special Education Cluster (IDEA)			2,555,798
Colorado Community College and Occupational Education System:			
Career and Technical Education - Basic Grants to States	84.048	*	56,554
Total U.S. Department of Education			4,539,873
Total Expenditures of Federal Awards			\$ 4,548,971

\* Number not readily available

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**EAST CENTRAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Notes to Schedule of Expenditures of Federal Awards**

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of East Central Board of Cooperative Educational Services under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of East Central Board of Cooperative Educational Services, it is not intended to and does not present the financial position, changes in net position, or cash flows of East Central Board of Cooperative Educational Services.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

East Central Board of Cooperative Educational Services has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D – Subrecipients**

East Central Board of Cooperative Educational Services did not pass through any federal grants to subrecipients.