

**CENTENNIAL BOARD OF COOPERATIVE  
EDUCATIONAL SERVICES  
GREELEY, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended  
June 30, 2021**

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
GREELEY, COLORADO

ROSTER OF OFFICIALS  
June 30, 2021

BOARD OF DIRECTORS

<u>BOARD MEMBER</u>	<u>DISTRICT</u>
Doug Duggan	Pawnee, RE-12
Nancy Hopper	Morgan, RE-3
Mindy Marshall	Platte Valley, RE-7
Dianne Cox	Brush, RE-2J
Mary Clawson	Ault/Highland, RE-9
Kathy Wood	Weldon Valley, RE-20J
Kim Chacon	Weld, RE-1
Katie Ford	Briggsdale, RE-10J
Nancy Kugler	Prairie, RE-11J
Laura Case	Estes Park, R-3
Paula Peairs	St. Vrain Valley, RE-1J
Eric Gonzalez	Wiggins, RE-50J
Audrey Clary	Eaton, RE-2
Riste Capps	RE-1 Valley

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Unaudited)**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2021**

The discussion and analysis of the Centennial Board of Cooperative Educational Services' (the "BOCES") financial performance provides an overall review of the BOCES' financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the BOCES' financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, and budgetary comparison schedules to broaden their understanding of the BOCES financial performance.

**Financial Highlights**

As a result of the implementation of GASB 68 during the year ended June 30, 2015, the BOCES' net position statement has changed significantly over the past several years. The total net position changed from -\$15,085,604 at the end of the June 30, 2020 to -\$11,319,526 as of June 30, 2021. The share of Colorado PERA's net pension liability for Centennial BOCES causing the primary impact to the Statement of Net Position found on page 3.

The BOCES fund balance in the General Fund of \$2,095,542 is an increase of \$2,424 over the prior fiscal year. The fund balance represents 15.6% of the actual expenditures for the fiscal year ended June 30, 2021. There were no significant factors in the fund balance increase and was based primarily on positive project balances in Special Education Services during the fiscal year. During the 2020-21 fiscal year a new roof was installed at the 2020 Clubhouse Drive location this was paid for by prior years fund balance. Without this project the fund balance would have increased by \$83,642.

Federal Migrant Education revenues account for \$1,844,290 or 13.7% of total governmental revenue for the year ending June 30, 2021. Federal Special Education IDEA Part B revenues account for \$1,590,798 or 11.8% of total governmental revenue. Title I revenues account for \$1,262,203 or 9.3% of total governmental revenue. Total federal sources of revenues were \$367,359 higher for the year ending June 30, 2021 compared to June 30, 2020. The main increase occurred in federal sources was the receipt of \$295,506 in federal stimulus funds through ESSER I and ESSER II during the fiscal year.

**Using the Basic Financial Statements**

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the BOCES as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the BOCES' overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the BOCES' operations in more detail. The governmental fund statements tell how general BOCES services were financed in the short term as well as what remains for future spending. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

## Financial Analysis of the BOCES as a Whole

For the fiscal year ending June 30, 2021, Centennial BOCES had a positive change in the fund balance. The fund balance increased \$2,424 over the prior year. At the end of the current fiscal year, total assets of the BOCES decreased to \$5,895,130 compared to \$6,022,047, which is a decrease of \$126,917 from the prior year. The change is represented by a decrease in cash, investments and receivables of \$162,430 and a decrease in capital assets of \$4,487. Total deferred outflows of financial resources increased \$1,515,477 from the prior year. The change in liabilities is highlighted by a decrease of \$164,854 in current liabilities and by the increase of \$1,049,040 in the non-current liabilities, representing a total increase in liabilities of \$884,186. Total deferred inflows of financial resources decreased \$3,301,704 from the prior year.

## Government-Wide Financial Statements

The government-wide statements report information about the BOCES as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the BOCES' net position and how they have changed. The change in net position is important because it tells the reader that for the BOCES as a whole, the financial position of the BOCES has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the BOCES has one type of activities: Governmental Activities – The majority of the BOCES' programs and services are reported here including instruction, support services, and interest on long term debt.

A condensed summary of the BOCES' Net Position is as follows:

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2020	2021
<u>Assets:</u>		
Current Assets	\$3,285,759	\$3,123,329
Capital Assets – Net	2,776,280	2,771,801
Deferred Outflows of Resources	2,952,750	4,468,227
Capital Assets & Deferred Outflows of Financial Resources	\$9,014,797	\$10,363,357
<u>Liabilities:</u>		
Current Liabilities	\$ 1,152,456	\$ 987,602
Non-current Liabilities	13,086,314	14,135,354
Deferred Inflows of Resources	9,861,631	6,559,927
Total Liabilities & Deferred Inflows of Financial Resources	\$24,100,401	\$21,682,883
<u>Net Position:</u>		
Net Invested in Capital Assets	\$ 2,752,592	\$ 2,755,013
Unrestricted Net Position	(17,838,196)	(14,074,539)
Total Net Position(Deficit)	\$(15,085,604)	\$(11,319,526)
Total Liabilities, Deferred Outflows and Net Position	\$9,014,797	\$10,363,357

The most significant changes in governmental activities were an increase in deferred outflows of resources of \$1,515,477, and an increase in non-current liabilities of \$1,049,040. The decrease in deferred inflows of resources of \$3,301,704 was primarily due to the updated Centennial BOCES' share of the net pension liability from PERA into the financial statements per GASB 68 requirement.

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

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2020	2021
<b>Program Revenues:</b>		
Charges for Services	\$4,674,909	\$4,093,321
Grants & Contributions	8,630,076	9,040,480
<b>Total Program Revenues</b>	<b>\$13,304,985</b>	<b>\$13,133,801</b>
<b>General Revenues:</b>		
Investment Earnings	\$ 33,591	\$ 3,260
Debt Proceeds	-	7,775
Other Miscellaneous Revenues	181,094	358,501
<b>Total General Revenues</b>	<b>214,685</b>	<b>369,536</b>
<b>Total Revenues</b>	<b>\$13,519,670</b>	<b>\$13,503,337</b>
<b>Expenses:</b>		
Instruction	\$ 4,271,053	\$ 3,453,193
Supporting Services	7,462,283	6,284,066
<b>Total Expenses</b>	<b>\$11,733,336</b>	<b>\$9,737,259</b>
Change in Net Position	1,786,334	3,766,078
Net Position - Beginning	\$ (16,871,938)	\$ (15,085,604)
<b>Net Position Ending</b>	<b>(\$15,085,604)</b>	<b>(\$11,319,526)</b>

The slight decrease in governmental activity total revenues of \$16,333 is primarily attributable to the increase in grant revenues of \$410,404 and a decrease of charges for services of \$581,588. The decreases in total expenses of \$1,996,077 are attributable to both a decrease in instructional expenses and supporting services. ESSER I and II (Elementary and Secondary School Emergency Relief) funds of \$295,506 were the major increases to the Grants and Contribution portion of the program revenues.

### Reporting the BOCES' Most Significant Fund

The statements of the BOCES' major fund begin on page 3. Fund financial reports provide detailed information about the BOCES' major fund. The Centennial BOCES' major fund is the General Fund.

### Governmental Funds

All of the BOCES' activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the BOCES' general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The

BOCES' governmental fund is the General fund. The General Fund accounts for BOCES' entire program related activities.

### **Fund Financial Statements**

As of June 30, 2021, the BOCES' general fund reported a fund balance of \$2,095,542, which is an increase of \$2,424 from the June 30, 2020 balance. The majority of the increase was related to additional funds received in the Special Education department. The general fund has an unassigned fund balance of \$1,845,542 and a committed fund balance of \$250,000.

### **Capital Assets**

As of June 30, 2021, the BOCES had \$2,771,801 invested in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions and depreciation) of \$4,487. A summary of the BOCES' Capital Assets is as follows:

TABLE 3 – SUMMARY OF CAPITAL ASSETS

	<b>Balance 06/30/20</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06/30/21</b>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Buildings and Improvements	3,375,681	81,218	-	3,456,899
Machinery and Equipment	<u>2,442,600</u>	<u>14,138</u>	<u>-</u>	<u>2,456,738</u>
Total Capital Assets	<u>6,231,747</u>	<u>95,356</u>	<u>-</u>	<u>6,327,103</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,184,900)	(73,213)	-	(1,258,113)
Machinery and Equipment	<u>(2,270,559)</u>	<u>(26,630)</u>	<u>-</u>	<u>(2,297,189)</u>
Total Accum. Depreciation	<u>(3,455,459)</u>	<u>(99,843)</u>	<u>-</u>	<u>(3,555,302)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 2,776,288</u></b>	<b><u>\$ (4,487)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,771,801</u></b>

The BOCES decreased net capital assets by \$4,487. The change was due to a net increase in total accumulated depreciation. There were no equipment deletions for the fiscal year. The BOCES' policy is to capitalize and inventory annually capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

## Debt Administration

As of June 30, 2021, the BOCES had total outstanding long-term debt as follows:

TABLE 4 – SCHEDULE OF NONCURRENT LIABILITIES

	Balance 06/30/2020	Additions	Deletions	Balance 06/30/2021	Current Portion	Interest Expense
<b>Capital Leases Payable:</b>						
Greeley Lighting Lease	\$ 36,323	\$ -	\$ 12,004	\$ 24,319	\$ 12,627	\$ 2,176
2021 Copier Lease	-	7,775	1,199	6,576	1,480	231
Total Capital Leases Payable	36,323	7,775	13,203	30,895	14,107	2,407
Accrued Compensated Absences	351,615	5,394	-	357,009	-	-
<b>Total Long Term Obligations</b>	<b>\$ 387,938</b>	<b>\$ 13,169</b>	<b>\$ 13,203</b>	<b>\$ 387,904</b>	<b>\$ 14,107</b>	<b>\$ 2,407</b>

The BOCES' capital lease is for the Agency's facilities and equipment. Additional information regarding these leases can be found in Note 8 to the financial statements starting on page 39.

## General Fund Budget

The Board of Directors adopts the BOCES' budget in May of each year. Changes are then made in September when grant allocations are announced and staff changes are made for the new school year. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the BOCES' budget are due to grants updated or awarded after the budget adoption. The final budget increased by \$1,121,471 over the original budget due to an increase in several projects, including three new projects – ESSER I Grant project of \$126,281, ESSER II Grant project of \$185,626, and RISE Education Grant project of \$482,091. Actual expenditures for the year were \$1,437,107 less than budgeted.

## Economics Factors and Next Year's Budget and Rates

Joining forces to enrich educational opportunities for students, the BOCES provides high quality programs and services through partnerships and collaboration which support the educational priorities of member districts and enrich educational opportunities for students. The 2021-2022 budget addresses the major projects for the ensuing school year and provides an adequate level of funding for ongoing programs. The budget includes all programs associated with the fourteen districts within the BOCES. Overall, the original adopted BOCES' budget for 2021-2022 is \$14,574,900 or \$357,770 less than the final budget for 2020-2021. The main decreases are in the Administration budgets of \$169,674 and Federal Program budgets decreased \$247,452 over the final 2020-21 budget. Special Education budgets increased \$181,108 over the final 2020-21 budget.

## Requests for Information

This financial report is designed to provide a general overview of the BOCES' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 2020 Clubhouse Drive, Greeley, CO, 80634.

## FINANCIAL SECTION

# Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Directors  
Centennial Board of Cooperative Educational Services  
Greeley, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the related notes to the financial statements of the Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2021, which collectively comprise the basic financial statements of the BOCES, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Centennial Board of Cooperative Educational Services, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

We have previously audited Centennial Board of Cooperative Educational Services financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### ***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules***

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M5 and the pension schedules on page 44 - 47 be presented to supplement the basic financial statements. Such information, 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.

### ***Required Supplementary Information – Budgetary Comparison Schedule***

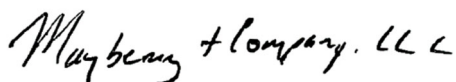
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 48 - 51 be presented to supplement the basic financial statements. Such information, 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. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports on pages 52 – 55 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, on our consideration of the Centennial Board of Cooperative Educational Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Centennial Board of Cooperative Educational Services' internal control over financial reporting and compliance.



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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the Centennial Board of Cooperative Educational Services' operations. These financial statements present the financial position and operations of both government-wide and fund level activity.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Statement of Net Position  
June 30, 2021

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 1,452,293
Grants Receivable	1,403,586
Other Accounts Receivable	250,110
Prepaid Expenses	17,340
<b>Capital and Other Assets</b>	
Capital Assets not Being Depreciated	413,466
Capital Assets Being Depreciated, Net	2,358,335
<b>Total Assets</b>	<u>5,895,130</u>
<b>Deferred Outflows of Financial Resources</b>	
Net Pension Deferred Outflows	4,405,294
Net OPEB Deferred Outflows	62,933
<b>Total Deferred Outflows of Financial Resources</b>	<u>4,468,227</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>\$ 10,363,357</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 553,406
Accrued Salaries & Benefits	432,892
Payroll Taxes & Deductions Payable	1,304
<b>Noncurrent Liabilities</b>	
Due Within One Year	14,107
Due In More Than One Year	14,121,247
<b>Total Liabilities</b>	<u>15,122,956</u>
<b>Deferred Inflows of Financial Resources</b>	
Net Pension Deferred Inflows	6,357,274
Net OPEB Deferred Inflows	202,653
<b>Total Deferred Inflows of Financial Resources</b>	<u>6,559,927</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,755,013
Unrestricted Net Position	(14,074,539)
<b>Total Net Position</b>	<u>(11,319,526)</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION</b>	<u>\$ 10,363,357</u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Instruction	\$ 3,721,520	\$ 195,983	\$ 4,465,190	\$ -	\$ 939,653
Supporting Services	6,015,739	3,897,338	4,436,638	138,652	2,456,889
<b>Total Primary Government</b>	<u>\$ 9,737,259</u>	<u>\$ 4,093,321</u>	<u>\$ 8,901,828</u>	<u>\$ 138,652</u>	<u>3,396,542</u>
<b>General Revenues</b>					
Investment Earnings					3,260
Other Revenues					358,501
Debt Proceeds					7,775
<b>Total General Revenues</b>					<u>369,536</u>
<b>Change in Net Position</b>					3,766,078
<b>Beginning Net Position</b>					<u>(15,085,604)</u>
<b>Ending Net Position</b>					<u>\$ (11,319,526)</u>

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

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Balance Sheet**  
**Governmental Funds**  
**General Fund**  
**June 30, 2021**

	<b>Totals</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and Investments	\$ 1,452,293	\$ 1,782,075
Grants Receivable	1,403,586	1,238,744
Other Accounts Receivable	250,110	264,940
Prepaid Expenses	17,340	-
<b>TOTAL ASSETS</b>	<b>\$ 3,123,329</b>	<b>\$ 3,285,759</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 553,406	\$ 771,048
Accrued Salaries & Benefits	432,892	378,022
Payroll Taxes & Deductions Payable	1,304	(2,121)
Unearned Revenue Grants	-	5,507
Other Long Term Liabilities	40,185	40,185
<b>Total Liabilities</b>	<b>1,027,787</b>	<b>1,192,641</b>
<b>Fund Balance</b>		
Assigned Fund Balance	250,000	250,000
Unassigned Fund Balance	1,845,542	1,843,118
<b>Total Fund Balance</b>	<b>2,095,542</b>	<b>2,093,118</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 3,123,329</b>	<b>\$ 3,285,759</b>

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

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## Reconciliation of Governmental Fund Balances to Governmental Activities Net Position June 30, 2021

Fund Balance - Governmental Funds		\$	2,095,542
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds

Capital assets, not being depreciated	\$	413,466	
Capital assets, being depreciated		5,913,637	
Accumulated depreciation		<u>(3,555,302)</u>	2,771,801

Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds

### Pension Liability

Net pension deferred outflows		4,405,294	
Net pension liability		(13,226,438)	
Net pension deferred inflows		<u>(6,357,274)</u>	(15,178,418)

### OPEB Liability

Net OPEB deferred outflows		62,933	
Net OPEB liability		(480,827)	
Net OPEB deferred inflows		<u>(202,653)</u>	(620,547)

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.

Capital leases payable		(30,895)	
Accrued compensated absences		<u>(357,009)</u>	(387,904)

<b>Total Net Position - Governmental Activities</b>			<u><u>\$ (11,319,526)</u></u>
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The accompanying footnotes are an integral part of these financial statements.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**General Fund**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	<b>Totals</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Local Sources	\$ 4,476,083	\$ 4,903,844
Intermediate Sources	13	-
State Sources	3,319,586	3,283,304
Federal Sources	5,699,880	5,332,522
<b>TOTAL REVENUES</b>	<b>13,495,562</b>	<b>13,519,670</b>
<b>EXPENDITURES</b>		
<b>Current</b>		
Instruction	4,586,916	4,606,579
Pupil Support	3,620,598	3,226,576
Staff Support	1,752,667	1,921,029
General Administration	575,523	525,811
School Administration	91,242	89,585
Business Services	429,404	390,527
Operations and Maintenance	828,834	814,184
Other Central Support	1,186,570	1,382,062
Risk Management	61,595	62,597
Community Support	270,737	152,784
Facilities	81,218	-
Debt Service	15,609	314,927
<b>TOTAL EXPENDITURES</b>	<b>13,500,913</b>	<b>13,486,661</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(5,351)</b>	<b>33,009</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Debt Proceeds	7,775	-
<b>CHANGE IN FUND BALANCE</b>	<b>2,424</b>	<b>33,009</b>
<b>BEGINNING FUND BALANCE</b>	<b>2,093,118</b>	<b>2,060,109</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,095,542</b>	<b>\$ 2,093,118</b>

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### Reconciliation of Governmental Changes in Fund Balance to Governmental Activities Change in Net Position For the Year Ended June 30, 2021

Change in Fund Balance - Governmental Funds	\$	2,424
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	\$	95,356
Depreciation Expense	<u>(99,843)</u>	(4,487)
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
<b>Pension Liability</b>		
Current year change and amortization of deferred outflows - net	1,527,047	
Change in net pension liability	(1,161,436)	
Current year change and amortization of deferred inflows - net	<u>3,366,713</u>	3,732,324
<b>OPEB Liability</b>		
Current year change and amortization of deferred outflows - net	(11,570)	
Change in OPEB liability	112,362	
Current year change and amortization of deferred inflows - net	<u>(65,009)</u>	35,783
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.		
Principal payments on capital leases		5,428
Change in accrued compensated absences		<u>(5,394)</u>
<b>Total Net Position - Governmental Activities</b>	<u>\$</u>	<u>3,766,078</u>

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Centennial Board of Cooperative Educational Services (the BOCES) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

##### **Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, the BOCES' management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as subsequently updated and amended.

Based upon the application of these criteria, no governmental organizations are includable within the BOCES' reporting entity.

##### **Basis of Presentation**

##### **Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the BOCES as a whole. The reporting information includes all of the non-fiduciary activities of the BOCES. These statements are used to distinguish between the governmental and business-type activities of the BOCES. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The BOCES' does not report any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the BOCES and for each function of the BOCES' governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

##### **Fund Financial Statements**

The fund financial statements provide information about the BOCES' funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds. Any fiduciary funds are presented separately. The BOCES presently does not have any non-major or fiduciary funds.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The BOCES reports the following major governmental fund:

General Fund - This fund is the general operating fund of the BOCES. It is used to account for all financial activity.

#### **Measurement Focus and Basis of Accounting**

##### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the BOCES gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

##### **Governmental Fund Financial Statements**

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The BOCES considers all revenues reported in the governmental funds to be available if they can be used to satisfy current obligations as of year-end, generally not over 60 days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the BOCES funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, they are both restricted and unrestricted net position available to finance the programs. It is the BOCES' policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Measurement Focus and Basis of Accounting (Continued)**

##### **Governmental Fund Financial Statements (Continued)**

The BOCES adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Executive Director submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- A Uniform Budget Summary must be prepared and posted on the BOCES' website.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgeted amounts reported in the accompanying financial statements are as adopted or amended by the Board.

##### **Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**

Cash - Cash is in interest bearing accounts which are comprised of certificates of deposit, savings accounts and money market accounts which are legally authorized. The balance in the cash accounts is available to meet current operating requirements.

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

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	50 years
Other Equipment	5-20 years

Unearned Revenues - The unearned revenues include governmental grants which have been received but not yet earned as service has not been provided.

Vacation leave - The BOCES' twelve month contract employees shall receive vacation leave time. Vacation leave benefits for contracted employees are as follows: employees with 1-3 years of service can accumulate 96 hours per year, employees with 4-5 years of service can accumulate 120 hours per year and employees with 6 years and over of service can accumulate 144 hours per year. An employee may not accrue more time than can be accrued in a two-year period. Upon termination of employment, other than for cause, an employee shall be paid a lump sum at the employee's current daily rate for unused vacation, not to exceed two year's accumulation.

Sick leave - The BOCES will provide 96 hours per year of sick leave with a maximum accrual of 520 hours (employees will be compensated for unused sick leave above the base of 20 days/160 hours at the current state minimum wage upon separation of employment.

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 (expense/expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 5 and 7.

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. The BOCES reports deferred inflows for pension and OPEB related amounts as further described in Notes 5 and 7.

Net Position/Fund Balances - In the government-wide financial statements, net position is shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)**

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, is reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund is presented as unassigned.

##### **Net Position/Fund Equity Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Revenues and Expenditures**

Revenues and Expenditures - Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

##### **Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the BOCES' financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

#### NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

##### **Cash and Investments**

Deposits	\$	60,565
Investments		1,391,328
Cash on hand		<u>400</u>
<b>Total</b>	<b>\$</b>	<b><u>1,452,293</u></b>

##### **Deposits**

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the BOCES are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the entity or by its agent in the entity's name. (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 2: CASH AND INVESTMENTS (Continued)

##### **Deposits (Continued)**

At June 30, 2021, the BOCES' deposits had bank and carrying balances as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 60,565
PDPA Collateralize (not in BOCES Name)	(13,506)	-
<b>Total Deposits</b>	<b><u>\$ 236,494</u></b>	<b><u>\$ 60,565</u></b>

##### **Investments**

The BOCES has \$1,391,328 invested in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of Colotrust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by Colotrust. The fair value of the position in the pool is the same as the valuation of the pool shares.

Cash Invested - Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

Interest Rate Risk – The BOCES does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The BOCES has no investments policy that would further limit its investment choices. At June 30, 2021, the BOCES' investment in the Colorado Government Liquid Assets Trust (Colotrust) was rated AAAM by Standard & Poor's.

Concentration of Credit Risk – The BOCES Board has placed no limit on the amount the BOCES may invest in any one issuer.

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE 3: CAPITAL ASSETS

The BOCES' policy is to capitalize and inventory annually all capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

A summary of changes in capital assets is as follows:

Governmental Capital Assets				
	Balance 06/30/20	Additions	Deletions	Balance 06/30/21
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Buildings and Improvements	3,375,681	81,218	-	3,456,899
Machinery and Equipment	2,442,600	14,138	-	2,456,738
Total Capital Assets	6,231,747	95,356	-	6,327,103
Accumulated Depreciation:				
Buildings and Improvements	(1,184,900)	(73,213)	-	(1,258,113)
Machinery and Equipment	(2,270,559)	(26,630)	-	(2,297,189)
Total Accum. Depreciation	(3,455,459)	(99,843)	-	(3,555,302)
<b>Net Governmental Capital Assets</b>	<b>\$ 2,776,288</b>	<b>\$ (4,487)</b>	<b>\$ -</b>	<b>\$ 2,771,801</b>

### NOTE 4: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2021, are \$432,892. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

### NOTE 5: 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.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

##### **Summary of Significant Accounting Policies (Continued)**

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

##### **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 comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2020.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

##### **General Information about the Pension Plan (Continued)**

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, 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 an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified 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.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

##### **General Information about the Pension Plan** (Continued)

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, 2021* 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 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF	9.88%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.88%</b>

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 BOCES were \$918,485 for the year ended June 30, 2021.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The BOCES proportion of the net pension liability was based on BOCES contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. 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.

At June 30, 2021, the BOCES reported a liability of \$13,226,438 for its proportionate share of the net pension liability. 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 BOCES were as follows:

District's proportionate share of the net pension liability	\$ (13,226,438)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ -
Total	\$ (13,226,438)

At December 31, 2020, the BOCES proportion was 0.0875 percent, which was an increase of 0.0067 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the BOCES recognized pension expense of \$2,775,136 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

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

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 700,352	\$ -
Changes of assumptions or other inputs	\$ 1,272,342	\$ (2,074,945)
Net difference between projected and actual earnings on pension plan investments	\$ 862,170	\$ (3,738,184)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 1,077,844	\$ (544,145)
Contributions subsequent to the measurement date	\$ 492,586	\$ -
<b>Total</b>	<b>\$ 4,405,294</b>	<b>\$ (6,357,274)</b>

\$492,586 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	<b>Fiscal Year Totals</b>
2022	\$ (2,246,810)
2023	602,529
2024	(340,991)
2025	(459,294)
<b>Total</b>	<b>\$ (2,444,566)</b>

*Actuarial assumptions.* The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
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 (automatic)	1.25%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic) <sup>1</sup>	Financed by the Annual Increase Reserve (AIR)

<sup>1</sup> 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.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

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

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

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 PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.25%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic) <sup>1</sup>	Financed by the Annual Increase Reserve (AIR)

<sup>1</sup> 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.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

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

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

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

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Rate of Return</b>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives <sup>1</sup>	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 percent.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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. 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. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), 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. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- 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.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

- The AIR balance was excluded from the initial 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 position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (18,041,944)	\$ (13,226,438)	\$ (9,213,534)

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 6: DEFINED CONTRIBUTION PENSION PLAN**

##### Voluntary Investment Program

*Plan Description* - Employees of the BOCES that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, 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 comprehensive annual financial report for the Plan. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program 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 contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the fiscal year ended June 30, 2021 program members contributed \$75,644.

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS**

##### **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.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (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. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

Enrollment in the PERACare 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.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

##### **General Information about the OPEB Plan (Continued)**

###### *PERA Benefit Structure*

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

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

###### *DPS Benefit Structure*

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

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

##### **General Information about the OPEB Plan (Continued)**

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the BOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from BOCES were \$47,729 for the year ended June 30, 2021.

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

At June 30, 2021, the BOCES reported a liability of \$480,827 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The BOCES proportion of the net OPEB liability was based on BOCES contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the BOCES proportion was 0.0506 percent, which was a decrease of 0.0022 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the BOCES recognized OPEB expense of \$13,333. At June 30, 2021, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 1,328	\$ (108,974)
Net difference between projected and actual earnings on pension plan investments	\$ 6,095	\$ (26,286)
Changes of assumptions or other inputs	\$ 3,618	\$ (29,484)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 26,618	\$ (37,909)
Contributions subsequent to the measurement date	\$ 25,274	\$ -
Total	\$ 62,933	\$ (202,653)

\$25,274 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2022	\$ (37,337)
2023	(34,476)
2024	(40,852)
2025	(34,059)
2026	(17,131)
2027	(1,139)
Total	\$ (164,994)

*Actuarial assumptions.* The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension 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	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2020, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Cost for Members Without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/ Self-Insured Prescription	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4..50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20% -11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2020, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

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

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7:      OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

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

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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.

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives <sup>1</sup>	6.00%	4.70%
Total	100.00%	

<sup>1</sup> The Opportunity Fund's Name changed to Alternatives, effective January 1, 2020

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 percent.

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (468,399)	\$ (480,827)	\$ (495,294)

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 percent.
- 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.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (550,796)	\$ (480,827)	\$ (421,044)

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### NOTE 8: LONG-TERM OBLIGATIONS

A summary of changes in long term obligations for the year ended June 30, 2021:

	Balance 06/30/2020	Additions	Deletions	Balance 06/30/2021	Current Portion	Interest Expense
<b><u>Capital Leases Payable:</u></b>						
Greeley Lighting Lease	\$ 36,323	\$ -	\$ 12,004	\$ 24,319	\$ 12,627	\$ 2,176
2021 Copier Lease	-	7,775	1,199	6,576	1,480	231
Total Capital Leases Payable	36,323	7,775	13,203	30,895	14,107	2,407
Accrued Compensated Absences	351,615	5,394	-	357,009	-	-
<b>Total Long Term Obligations</b>	<b>\$ 387,938</b>	<b>\$ 13,169</b>	<b>\$ 13,203</b>	<b>\$ 387,904</b>	<b>\$ 14,107</b>	<b>\$ 2,407</b>

Long term obligations also include the potential equity distribution of \$40,185 discussed in Note 11.

## CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021

#### **NOTE 8: LONG-TERM OBLIGATIONS (Continued)**

##### **Capital Leases – Direct Borrowing**

In January 2018, the BOCES entered into a lease agreement for \$62,500 to finance light improvements at the BOCES' building in Greeley, Colorado. Monthly payments of \$1,182 are due through March 2023, at an interest rate of 5.075%. The lease is subject to annual appropriation. In the event of default, the Lessor enforce the agreement by appropriate action to collect amounts due, take possession of the property and relet the property for Lessee's account, repossess the property, sell the property, or pursue any other remedy available.

In September 2020, the BOCES entered into a copier lease agreement for \$7,775. Monthly payments of \$143 are due through August 2025, at an interest rate of 4.00%. In the event of default, the Lessor may retain the security deposit and/or terminate or cancel the agreement. The Lessor may require all sums due under the agreement with the unpaid balance discounted at present value rates, the amount of any purchase option and if none is specified, 20% of the original equipment cost will represent an anticipated residual value, interest may be recovered on any unpaid balance at an annual rate of 8%. The Lessor may use any remedies available under Article 2A of the Uniform Commercial Code. Fees liable to the Lessee associated with right to remedy may include reasonable attorney's fees, actual court costs and repossession costs. The Lessee may be required to return the equipment to a location designated by the Lessor. The net proceeds of the sale of any repossessed equipment will be credited against what is owed.

The future minimum capital lease payments at June 30, 2021, are as follows:

<u>Year</u>	<u>Lighting Amount</u>	<u>Copier Amount</u>
2022	\$ 14,179	\$ 1,716
2023	14,179	1,716
2024	-	1,716
2025	-	1,716
2026	-	286
Total Future Minimum Lease Payments	28,358	7,150
Less: Interest Portion	(4,039)	(574)
<b>Present Value of Future Minimum Lease Payments</b>	<b><u>\$ 24,319</u></b>	<b><u>\$ 6,576</u></b>

#### **NOTE 9: RISK MANAGEMENT**

The BOCES carries commercial insurance for various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial or BOCES coverage in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

## **CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

#### **NOTE 10: FACILITY USE AGREEMENT**

Commencing July 1, 2019, the BOCES entered into a facility use agreement for campus space in Greeley and Longmont to house the Centennial BOCES High School. The agreement requires monthly payments of \$7,775 per month through June 30, 2022.

#### **NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

Claims and Judgments - The BOCES participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the BOCES may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by state and federal agencies, but the BOCES believes that disallowed expenditures, if any, based on subsequent state and federal audits will not have a material effect on any of the individual governmental funds or the overall financial position of the BOCES.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limits. The amendment does not specifically address BOCES. However, several legal opinions have been issued stating that a BOCES itself is not subject to the requirements and restrictions of the TABOR amendment. There have been several recent court cases with organizations similar to BOCES, where the court has found that these organizations are not subject to TABOR since they are not a municipality and do not exercise independent "Government" power. However, in virtually all situations BOCES will be impacted to the degree that their member BOCES are impacted by the restrictions of TABOR. A BOCES does not need to maintain emergency reserves required by TABOR and expenditures can fluctuate independently of TABOR.

Equity ownership - The BOCES had discussions with a prior member district of the Weld County BOCES as to their equity in the BOCES when they withdrew under an agreement dated August 31, 1995. In 1996, the prior member BOCES requested a payment of \$40,185 for their existing equity. At that time, BOCES legal counsel advised the Centennial BOCES that the BOCES does not have an obligation to return the equity unless the BOCES dissolves. In the future, if the BOCES dissolves, the \$40,185 will be paid from funds generated by the sale of the capital assets of the BOCES. This amount is included as another liability in the governmental activity presentation.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)**

**PERA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year</b>	<b>BOCES' proportion of the net pension asset (liability)</b>	<b>BOCES' proportionate share of the net pension asset (liability)</b>	<b>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</b>	<b>Total proportionate share associated with BOCES</b>	<b>BOCES' covered payroll</b>	<b>BOCES' proportionate share of the net pension asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
June 30, 2014	0.091667%	\$ (11,692,101)	\$ -	\$ (11,692,101)	\$ 3,695,389	316.40%	64.07%
June 30, 2015	0.087583%	\$ (11,870,480)	\$ -	\$ (11,870,480)	\$ 3,669,112	323.52%	62.84%
June 30, 2016	0.090956%	\$ (13,911,128)	\$ -	\$ (13,911,128)	\$ 3,963,856	350.95%	59.16%
June 30, 2017	0.090085%	\$ (26,821,674)	\$ -	\$ (26,821,674)	\$ 4,043,159	663.38%	43.13%
June 30, 2018	0.092619%	\$ (29,949,569)	\$ -	\$ (29,949,569)	\$ 4,272,387	701.00%	43.96%
June 30, 2019	0.081652%	\$ (14,458,172)	\$ (1,739,150)	\$ (16,197,322)	\$ 4,488,850	322.09%	57.01%
June 30, 2020	0.080758%	\$ (12,065,022)	\$ (1,358,042)	\$ (13,423,064)	\$ 4,715,212	255.87%	64.52%
June 30, 2021	0.087488%	\$ (13,226,438)	\$ -	\$ (13,226,438)	\$ 4,739,345	279.08%	66.99%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**SCHEDULE OF BOCES CONTRIBUTIONS**

**PERA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<b><u>Fiscal Year</u></b>	<b><u>Contractually required contributions</u></b>	<b><u>Actual contributions</u></b>	<b><u>Contribution deficiency (excess)</u></b>	<b><u>BOCES' covered payroll</u></b>	<b><u>Contributions as a percentage of covered payroll</u></b>
June 30, 2014	\$ 573,894	\$ (573,894)	\$ -	\$ 3,695,389	15.53%
June 30, 2015	\$ 602,835	\$ (602,835)	\$ -	\$ 3,669,112	16.43%
June 30, 2016	\$ 686,936	\$ (686,936)	\$ -	\$ 3,963,856	17.33%
June 30, 2017	\$ 733,025	\$ (733,025)	\$ -	\$ 4,043,159	18.13%
June 30, 2018	\$ 795,946	\$ (795,946)	\$ -	\$ 4,272,387	18.63%
June 30, 2019	\$ 858,717	\$ (858,717)	\$ -	\$ 4,488,850	19.13%
June 30, 2020	\$ 913,808	\$ (913,808)	\$ -	\$ 4,715,212	19.38%
June 30, 2021	\$ 918,485	\$ (918,485)	\$ -	\$ 4,739,345	19.38%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE  
NET OPEB ASSET (LIABILITY)  
PERA Health Care Trust Fund  
Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year Ended</b>	<b>BOCES' proportion of the net OPEB asset (liability)</b>	<b>BOCES' proportionate share of the net OPEB asset (liability)</b>	<b>BOCES' covered payroll</b>	<b>BOCES' proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
June 30, 2017	0.051205%	\$ (663,892)	\$ 4,043,159	16.420%	16.70%
June 30, 2018	0.052625%	\$ (683,910)	\$ 4,272,387	16.008%	17.53%
June 30, 2019	0.051872%	\$ (705,736)	\$ 4,488,850	15.722%	17.03%
June 30, 2020	0.052775%	\$ (593,189)	\$ 4,715,212	12.580%	24.49%
June 30, 2021	0.050601%	\$ (480,827)	\$ 4,739,345	10.145%	32.78%

**Note:** All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**

**SCHEDULE OF BOCES CONTRIBUTIONS - OPEB**

**PERA Health Care Trust Fund**

**Last 10 Fiscal Years<sup>(1)</sup>**

<b><u>Fiscal Year</u></b>	<b><u>Contractually required contributions</u></b>	<b><u>Actual contributions</u></b>	<b><u>Contribution deficiency (excess)</u></b>	<b><u>BOCES' covered payroll</u></b>	<b><u>Contributions as a percentage of covered payroll</u></b>
June 30, 2017	\$ 41,240	\$ (41,240)	\$ -	\$ 4,043,159	1.02%
June 30, 2018	\$ 43,578	\$ (43,578)	\$ -	\$ 4,272,387	1.02%
June 30, 2019	\$ 45,786	\$ (45,786)	\$ -	\$ 4,488,850	1.02%
June 30, 2020	\$ 48,095	\$ (48,095)	\$ -	\$ 4,715,212	1.02%
June 30, 2021	\$ 48,341	\$ (48,341)	\$ -	\$ 4,739,345	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	2021				2020
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Tuition From Individuals	\$ 105,508	\$ 118,508	\$ 195,983	\$ 77,475	\$ 118,774
BOCES Assessments	2,968,168	2,900,349	2,775,726	(124,623)	3,414,970
Investment Earnings	27,500	7,500	3,260	(4,240)	33,591
Community Service Revenue	73,720	73,720	73,720	-	73,720
Donations	6,500	6,500	21,000	14,500	14,250
Local BOCES Passthrough	404,729	416,565	369,922	(46,643)	369,263
Overhead Cost Revenue	215,444	223,444	313,293	89,849	374,629
Indirect Cost Revenue	409,275	421,275	364,678	(56,597)	323,553
Other Local	592,240	746,440	358,501	(387,939)	181,094
Total Local Sources	4,803,084	4,914,301	4,476,083	(438,218)	4,903,844
<b>Intermediate Sources</b>					
Mineral Leases	-	-	13	13	-
<b>State Sources</b>					
State Grants from CDE					
State ECEA ( Special Education)	1,920,710	1,920,710	2,214,953	294,243	2,055,654
State Gifted and Talented	218,184	220,698	220,698	-	216,557
Expelled and At Risk Students	22,948	22,948	-	(22,948)	9,348
Read to Achieve	-	-	-	-	7,385
School Counselor	-	-	-	-	9,846
Implementing State Educational Priorities	281,903	312,697	282,697	(30,000)	281,903
Gifted Ed - Univ Screening and Qualified Persnl	32,263	33,432	33,432	-	32,263
Stipends for Bd Certification Teachers	-	-	3,200	3,200	-
Early Literacy Competitive Grant Program	-	-	19,685	19,685	-
Improving Education for Foster Youth	-	-	-	-	1,003
Ninth Grade Success Grant Program	-	-	-	-	788
State PERA Contribution	-	-	-	-	115,905
School to Work Alliance Program (SWAP)	560,000	560,000	544,922	(15,078)	552,652
Total State Sources	3,036,008	3,070,485	3,319,587	249,102	3,283,304
<b>Federal Sources</b>					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgrms Oper by Sch	1,400,000	1,376,756	1,262,203	(114,553)	1,170,984
NCLB Title I, Part C- Ed of Migrant Children	2,200,000	2,200,000	1,844,290	(355,710)	1,942,149
Coronavirus Relief Fund	-	5,507	5,507	-	19,493
Special Education: Grnts to States - IDEA Part B	1,620,796	1,620,796	1,590,798	(29,998)	1,529,725
IDEA Part B- Special Education Preschool	38,880	38,880	38,310	(570)	37,996
NCLB Title III, Part A- Eng Lang Acq	125,000	148,347	61,910	(86,437)	105,148
NCLB Title II, Part A- Teacher & Principal Trng	300,000	388,089	182,665	(205,424)	173,762
ESSER II - 10%	-	185,626	190,230	4,604	-
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	150,000	213,091	124,893	(88,198)	75,806
IDEA Part C - Child Find	-	-	-	-	956
NCLB, Title X, McKinney-Vento Homeless Ed Asst	65,000	70,251	70,251	-	63,480
Title III - Reallocation	31,500	32,524	28,087	(4,437)	90,334
Ed Stab Fd - Elem Sec Emer Relief 10%Discretionary	-	126,281	105,276	(21,005)	-
Title III - Set Aside	10,500	10,625	10,107	(518)	-
Federal Grants from Other State Agencies					
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	30,431	49,020	46,701	(2,319)	122,689
Ed Stab Fd - Elem Sec Emer Relief Gov Discretion	-	482,091	138,652	(343,439)	-
Total Federal Sources	5,972,107	6,947,884	5,699,880	(1,248,004)	5,332,522
<b>TOTAL REVENUES</b>	<b>13,811,199</b>	<b>14,932,670</b>	<b>13,495,563</b>	<b>(1,437,107)</b>	<b>13,519,670</b>

See the accompanying Independent Auditors' Report

(Continued)

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	<b>2021</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>	<b>2020 Actual</b>
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	1,217,076	1,308,356	1,192,113	116,243	1,151,698
Benefits	470,490	522,333	456,418	65,915	418,926
PS-Professional	22,750	50,000	70,766	(20,766)	30,649
PS-Other	2,833,196	2,862,949	2,532,269	330,680	2,675,761
Supplies	46,000	57,320	47,745	9,575	39,108
Property	2,000	41,113	20,320	20,793	-
Other Expenses	228,720	228,720	267,285	(38,565)	290,437
Total Instruction	<u>4,820,232</u>	<u>5,070,791</u>	<u>4,586,916</u>	<u>483,875</u>	<u>4,606,579</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	1,717,196	1,775,332	1,745,806	29,526	1,641,618
Benefits	647,263	662,792	617,889	44,903	582,406
PS- Professional	198,134	251,026	242,184	8,842	180,717
PS- Property	4,700	3,200	2,883	317	3,156
PS-Other	656,580	763,046	697,689	65,357	657,266
Supplies	184,872	350,831	275,793	75,038	141,319
Property	7,600	36,100	28,353	7,747	11,045
Other Expenses	6,500	7,500	10,001	(2,501)	9,049
Total Pupil Support	<u>3,422,845</u>	<u>3,849,827</u>	<u>3,620,598</u>	<u>229,229</u>	<u>3,226,576</u>
<b>Staff Support</b>					
Salaries	616,992	622,381	682,503	(60,122)	705,947
Benefits	195,032	205,514	220,532	(15,018)	233,191
PS- Professional	319,821	219,165	210,866	8,299	282,400
PS- Property	95,475	95,475	94,033	1,442	86,794
PS-Other	541,219	628,780	394,506	234,274	411,400
Supplies	69,546	45,500	31,363	14,137	105,954
Property	12,800	40,639	44,490	(3,851)	21,665
Other Expenses	69,806	74,206	74,374	(168)	73,678
Total Staff Support	<u>1,920,691</u>	<u>1,931,660</u>	<u>1,752,667</u>	<u>178,993</u>	<u>1,921,029</u>
<b>General Administration</b>					
Salaries	141,201	231,201	213,449	17,752	121,481
Benefits	51,597	72,252	98,169	(25,917)	178,798
PS- Professional	42,105	32,305	31,254	1,051	27,399
PS- Property	1,000	26,519	17,215	9,304	955
PS-Other	38,610	50,110	26,709	23,401	36,880
Supplies	15,950	81,880	75,115	6,765	25,304
Property	43,350	41,850	16,395	25,455	15,032
Other Expenses	89,353	91,051	97,218	(6,167)	119,962
Total General Administration	<u>423,166</u>	<u>627,168</u>	<u>575,524</u>	<u>51,644</u>	<u>525,811</u>
<b>School Administration</b>					
Salaries	67,709	67,709	68,055	(346)	66,730
Benefits	24,095	24,095	23,187	908	22,855
Total School Administration	<u>91,804</u>	<u>91,804</u>	<u>91,242</u>	<u>562</u>	<u>89,585</u>

See the accompanying Independent Auditors' Report

(Continued)

**CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**  
**(With Comparative Totals for the Year Ended June 30, 2020)**

	2021				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	315,350	316,807	324,578	(7,771)	295,142
Benefits	98,559	98,877	104,826	(5,949)	95,385
Total Business Services	413,909	415,684	429,404	(13,720)	390,527
<b>Operations and Maintenance</b>					
Salaries	-	-	365	(365)	224
Benefits	-	-	52	(52)	50
PS- Property	224,698	122,403	112,208	10,195	112,276
PS-Other	1,760	1,760	2,208	(448)	1,756
Supplies	44,100	44,100	49,603	(5,503)	47,376
Property	1,000	1,000	-	1,000	-
Other Expenses	690,244	721,891	664,398	57,493	652,502
Total Operations and Maintenance	961,802	891,154	828,834	62,320	814,184
<b>Other Central Support</b>					
Salaries	618,711	622,671	584,921	37,750	711,492
Benefits	202,964	206,779	194,773	12,006	230,122
PS- Professional	110,815	155,801	185,368	(29,567)	223,027
PS- Property	4,100	5,100	3,600	1,500	4,097
PS-Other	133,300	111,800	62,284	49,516	74,958
Supplies	46,475	43,500	48,118	(4,618)	38,663
Property	11,125	6,125	4,977	1,148	3,761
Other Expenses	94,322	98,958	102,529	(3,571)	95,942
Total Other Central Support	1,221,812	1,250,734	1,186,570	64,164	1,382,062
<b>Risk Management</b>					
PS-Other	59,120	65,120	61,595	3,525	62,597
<b>Community Support</b>					
Salaries	145,451	223,975	175,749	48,226	100,641
Benefits	60,367	91,164	70,089	21,075	40,807
PS- Professional	-	43,800	2,280	41,520	90
PS- Property	-	-	311	(311)	-
PS-Other	7,000	17,189	6,549	10,640	6,363
Supplies	12,000	22,000	14,951	7,049	4,623
Property	1,000	600	808	(208)	240
Other Expenses	-	-	-	-	20
Total Community Support	225,818	398,728	270,737	127,991	152,784
<b>Total Supporting Services</b>	8,740,967	9,521,879	8,817,171	704,708	8,565,155
<b>Facilities/Capital Outlay</b>					
Buildings	-	90,000	81,218	8,782	-

See the accompanying Independent Auditors' Report

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
<b>Debt Service</b>					
Interest	-	-	2,407	(2,407)	14,971
Principal	-	-	13,202	(13,202)	299,956
Total Debt Service	-	-	15,609	(15,609)	314,927
<b>Contingency</b>	250,000	250,000	-	250,000	-
<b>TOTAL EXPENDITURES</b>	<u>13,811,199</u>	<u>14,932,670</u>	<u>13,500,914</u>	<u>1,431,756</u>	<u>13,486,661</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	-	-	(5,351)	(5,351)	33,009
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	7,775	7,775	-
<b>CHANGE IN FUND BALANCE</b>	-	-	2,424	2,424	33,009
<b>BEGINNING FUND BALANCE</b>	<u>2,129,985</u>	<u>2,129,985</u>	<u>2,093,118</u>	<u>(36,867)</u>	<u>2,060,109</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,129,985</u>	<u>\$ 2,129,985</u>	<u>\$ 2,095,542</u>	<u>\$ (34,443)</u>	<u>\$ 2,093,118</u>

See accompanying Independent Auditors' Report.

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## STATE COMPLIANCE



Colorado Department of Education

Auditors Integrity Report

District: 9035 - Centennial BOCES

Fiscal Year 2020-21

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	2,093,118	13,503,338	13,500,914	2,095,542
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	2,093,118	13,503,338	13,500,914	2,095,542
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
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	0	0	0	0
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education  
Bolder Balance Sheet Report  
District: 9035 - Centennial BOCES  
Fiscal Year 2020-21  
Colorado School District/BOCES

See accompanying Independent Auditors' Report.

Governmental										Proprietary					Fiduciary	
ASSETS	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	1,452,293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,452,293
Grants Accounts Receivable (8142)	1,401,664	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,401,664
Other Receivables (8151-8154,8161)	252,032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252,032
Prepaid Expenses 8181,8182)	17,340	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,340
Total Assets	3,123,329	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,123,329

<u>LIABILITIES &amp; FUND EQUITY</u>																
LIABILITIES	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Other Payables (7421-7423)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	553,405
	Accrued Expenses (7461)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	432,892
	Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,304
	Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Long-Term Liabilities (7521,7531,7561,7590)	40,185	0	0	0	0	0	0	0	0	0	0	0	0	0	40,185
	Total Liabilities	1,027,787	0	0	0	0	0	0	0	0	0	0	0	0	0	1,027,787

See accompanying Independent Auditors' Report.

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000
Unassigned Fund Balance 6770	1,845,542	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,845,542
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,095,542	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,095,542

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,123,329	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,123,329

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes