

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended
June 30, 2022**

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
GREELEY, COLORADO

ROSTER OF OFFICIALS
June 30, 2022

BOARD OF DIRECTORS

BOARD MEMBER

DISTRICT

Christy Loyd	Pawnee, RE-12
Christine Brown	Morgan, RE-3
Mindy Marshall	Platte Valley, RE-7
Alejandra Santana	Brush, RE-2J
Mary Clawson	Ault/Highland, RE-9
Kathy Wood	Weldon Valley, RE-20J
Patricia Montoya	Weld, RE-1
Katie Ford	Briggsdale, RE-10J
Janie Shoemaker	Prairie, RE-11J
John Davis	Estes Park, R-3
Karen Ragland	St. Vrain Valley, RE-1J
Kris Musgrave	Wiggins, RE-50J
DeAn Dillard	Eaton, RE-2
Michelle Sharp	RE-1 Valley
Michael Wailes	Weld RE-5J Johnstown-Milliken

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page

Roster of Officials

Table of Contents

FINANCIAL SECTION

PAGE

Management's Discussion and Analysis (Unaudited) -
Required Supplementary Information M1 - M5

Independent Auditors' Report 1 - 3

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements

Balance Sheet – Governmental Funds 6

Reconciliation of Governmental Fund Balances to Governmental
Activities Net Position 7

Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Funds 8

Reconciliation of Governmental Changes in Fund Balance to Governmental
Activities Change in Net Position 9

Notes to Financial Statements 10 - 39

Required Supplementary Information (Unaudited)

Schedule of BOCES' Proportionate Share of the Net Pension Liability 40

Schedule of BOCES Contributions – PERA Pension Plan 41

Schedule of BOCES' Proportionate Share of the Net OPEB Liability 42

Schedule of BOCES Contributions – OPEB – PERA Health Care Trust Fund 43

Required Supplementary Information

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Funds 44 – 47

STATE COMPLIANCE

Auditors Integrity Report 48

Bolded Balance Sheet Report 49 - 51

INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Unaudited)
Required Supplementary Information

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2022

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, 2022. 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 -\$11,319,526 at the end of the June 30, 2021 to -\$7,837,885 as of June 30, 2022. 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 4.

The BOCES fund balance in the General Fund of \$2,061,359 is a decrease of \$34,183 over the prior fiscal year. The fund balance represents 14.2% of the actual expenditures for the fiscal year ended June 30, 2022. This was based primarily on a negative project balance in CBOCES High School during the fiscal year, as well as fund balance usage in the BOCES State Priorities project. There were positive project balances in Special Education, with somewhat negative project balances in Administration, Technology, and Innovative Education Services.

Federal Migrant Education revenues account for \$1,988,210 or 13.8% of total governmental revenue for the year ending June 30, 2022. Federal Special Education IDEA Part B revenues account for \$1,428,487 or 9.9% of total governmental revenue. Title I revenues account for \$1,467,954 or 10.2 % of total governmental revenue. Total federal sources of revenues were \$607,265 higher for the year ending June 30, 2022 compared to June 30, 2021. The main increases occurred in federal sources was the receipt of federal stimulus funds through ARP IDEA Part B Special Education funds and the CARES Act RISE Grant during the fiscal year, as well as increases in Titles I and II and Title I-C Migrant Education.

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, 2022, Centennial BOCES had a negative change in the fund balance. The fund balance decreased \$34,183 over the prior year. At the end of the current fiscal year, total assets of the BOCES increased to \$6,685,244 compared to \$5,895,130, which is an increase of \$790,114 from the prior year. The change is represented by an increase in cash, investments and receivables of \$877,112 and a decrease in capital assets of \$86,998. Total deferred outflows of financial resources decreased \$1,656,082 from the prior year. The change in liabilities is highlighted by an increase of \$911,295 in current liabilities and by the decrease of \$4,040,125 in the non-current liabilities, representing a total decrease in liabilities of \$3,128,830. Total deferred inflows of financial resources decreased \$1,218,779 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

	2022	2021
Assets:		
Current Assets	\$ 4,000,441	\$ 3,123,329
Capital Assets – Net	2,684,803	2,771,801
Deferred Outflows of Resources	2,812,145	4,468,227
Capital Assets & Deferred Outflows of Financial Resources	9,497,389	10,363,357
Liabilities:		
Current Liabilities	1,898,897	987,602
Non-current Liabilities	10,095,229	14,135,354
Deferred Inflows of Resources	5,341,148	6,559,927
Total Liabilities & Deferred Inflows of Financial Resources	17,335,274	21,682,883
Net Position:		
Net Invested in Capital Assets	2,680,623	2,755,013
Unrestricted Net Position	(10,518,508)	(14,074,539)
Total Net Position(Deficit)	(7,837,885)	(11,319,526)
Total Liabilities, Deferred Outflows and Net Position	\$ 9,497,389	\$ 10,363,357

The most significant changes in governmental activities were a decrease in deferred outflows of resources of \$1,656,082, and an decrease in non-current liabilities of \$4,040,125. The decrease in deferred inflows of resources \$1,218,779 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

	2022	2021
Program Revenues:		
Charges for Services	\$ 4,259,605	\$ 4,093,321
Operating Grants	9,738,276	9,040,480
	<u>267,085</u>	<u>-</u>
Total Program Revenues	14,264,966	13,133,801
General Revenues:		
Investment Earnings	4,344	3,260
Debt Proceeds	-	7,775
Gain (Loss) on Capital Asset Disposals	(3,831)	-
Miscellaneous Revenues	<u>177,359</u>	<u>358,501</u>
Total General Revenues	<u>177,872</u>	<u>369,536</u>
Total Revenues	<u>14,442,838</u>	<u>13,503,337</u>
Expenses:		
Instruction	4,299,572	3,453,193
Supporting Services	<u>6,661,625</u>	<u>6,284,066</u>
Total Expenses	<u>10,961,197</u>	<u>9,737,259</u>
Change in Net Position	3,481,641	3,766,078
Net Position - Beginning	<u>(11,319,526)</u>	<u>(15,085,604)</u>
Net Position Ending	<u>\$ (7,837,885)</u>	<u>\$ (11,319,526)</u>

The increase in governmental activity total revenues of \$939,501 is primarily attributable to the increase in grant revenues of \$964,881. The increase in total expenses of \$1,223,938 are attributable to both an increase in instructional expenses and supporting services. ARP IDEA Part B and CARES Act RISE Grant funds of \$445,771 were 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 8. 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, 2022, the BOCES' general fund reported a fund balance of \$2,061,359, which is a decrease of \$34,183 from the June 30, 2021 balance. The majority of the decrease was related to a negative project balance in CBOCES High School during the fiscal year and fund balance usage in the BOCES State Priorities project. The general fund has an unassigned fund balance of \$1,770,859 and a committed fund balance of \$290,500.

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

	Balance			Balance
	06/30/21	Additions	Deletions	06/30/22
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Buildings and Improvements	3,456,899	10,197	-	3,467,096
Machinery and Equipment	2,456,738	5,600	5,894	2,456,444
Total Capital Assets	<u>6,327,103</u>	<u>15,797</u>	<u>5,894</u>	<u>6,337,006</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,258,113)	(75,191)	-	(1,333,304)
Machinery and Equipment	(2,297,189)	(23,773)	(2,063)	(2,318,899)
Total Accum. Depreciation	<u>(3,555,302)</u>	<u>(98,964)</u>	<u>(2,063)</u>	<u>(3,652,203)</u>
Net Governmental Capital Assets	<u>\$ 2,771,801</u>	<u>\$ (83,167)</u>	<u>\$ 3,831</u>	<u>\$ 2,684,803</u>

The BOCES decreased net capital assets by \$86,998. The change was due to a net increase in total accumulated depreciation. There BOCES disposed of a fingerprint scanning system during 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, 2022, the BOCES had total outstanding long-term debt as follows:

TABLE 4 – SCHEDULE OF NONCURRENT LIABILITIES

	Balance 06/30/2021	Additions	Deletions	Balance 06/30/2022	Due Within One Year	Interest Expense
Capital Leases Payable:						
Greeley Lighting Lease	\$ 24,319	\$ -	\$ 13,284	\$ 11,035	\$ 10,413	\$ 896
2021 Copier Lease	6,576	-	1,480	5,096	1,540	236
Total Capital Leases Payable	30,895	-	14,764	16,131	11,953	1,132
Accrued Compensated Absences	357,009	-	2,498	354,511	-	-
Total Long Term Obligations	\$ 387,904	\$ -	\$ 17,262	\$ 370,642	\$ 11,953	\$ 1,132

The BOCES' capital lease is for the Agency's facilities and equipment. Additional information regarding these leases can be found in Note 5 to the financial statements starting on page 18.

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 \$1,134,075 over the original budget due to an increase in several projects, including two new projects – ARP ESSER III Grant projects of \$407,496 and ARP IDEA Part B Grant project of \$364,627. Actual expenditures for the year were \$1,052,426 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 2022-2023 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 sixteen districts within the BOCES. Overall, the original adopted BOCES' budget for 2022-2023 is \$15,319,933 or \$213,346 less than the final budget for 2021-2022. The main decreases are in the Administration budgets of \$137,859 and Federal Program budgets decreased \$383,539 over the final 2021-22 budget. Special Education budgets increased \$292,585 over the final 2021-22 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.

Mayberry & Company, LLC

Certified Public Accountants

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

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

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise Centennial Board of Cooperative Educational Services basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Centennial Board of Cooperative Educational Services as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Centennial Board of Cooperative Educational Services ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Centennial Board of Cooperative Educational Services 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Centennial Board of Cooperative Educational Services basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 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.

Mayberry + Company, LLC

Englewood, CO
November 3, 2022

INTENTIONALLY LEFT BLANK

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, 2022

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 1,595,432
Grants Receivable	2,223,786
Other Accounts Receivable	181,223
Capital and Other Assets	
Capital Assets not Being Depreciated	413,466
Capital Assets Being Depreciated, Net	<u>2,271,337</u>
Total Assets	<u>6,685,244</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	2,742,408
Net OPEB Deferred Outflows	<u>69,737</u>
Total Deferred Outflows of Financial Resources	<u>2,812,145</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 9,497,389</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,408,681
Accrued Salaries & Benefits	447,941
Payroll Taxes & Deductions Payable	5,368
Unearned Revenue	31,800
Unearned Revenue Grants	5,107
Noncurrent Liabilities	
Due Within One Year	11,953
Due In More Than One Year	<u>10,083,276</u>
Total Liabilities	<u>11,994,126</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	5,151,748
Net OPEB Deferred Inflows	<u>189,400</u>
Total Deferred Inflows of Financial Resources	<u>5,341,148</u>
Net Position	
Net Investment in Capital Assets	2,680,623
Unrestricted Net Position	<u>(10,518,508)</u>
Total Net Position	<u>(7,837,885)</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 9,497,389</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, 2022

	Totals	
	2022	2021
ASSETS		
Cash and Investments	\$ 1,595,432	\$ 1,452,293
Grants Receivable	2,223,786	1,403,586
Other Accounts Receivable	181,223	250,110
Prepaid Expenses	-	17,340
TOTAL ASSETS	\$ 4,000,441	\$ 3,123,329
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 1,408,681	\$ 553,406
Accrued Salaries & Benefits	447,941	432,892
Payroll Taxes & Deductions Payable	5,368	1,304
Unearned Revenue	31,800	-
Unearned Revenue Grants	5,107	-
Other Long Term Liabilities	40,185	40,185
Total Liabilities	1,939,082	1,027,787
Fund Balance		
Assigned Fund Balance	300,500	250,000
Unassigned Fund Balance	1,760,859	1,845,542
Total Fund Balance	2,061,359	2,095,542
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 4,000,441	\$ 3,123,329

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, 2022

Fund Balance - Governmental Funds	\$	2,061,359
-----------------------------------	----	-----------

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		5,923,540	
Accumulated depreciation		<u>(3,652,203)</u>	2,684,803

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	2,742,408	
Net pension liability	(9,237,487)	
Net pension deferred inflows	<u>(5,151,748)</u>	(11,646,827)

OPEB Liability

Net OPEB deferred outflows	69,737	
Net OPEB liability	(446,913)	
Net OPEB deferred inflows	<u>(189,400)</u>	(566,576)

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

Capital leases payable	(16,133)	
Accrued compensated absences	<u>(354,511)</u>	(370,644)

Total Net Position - Governmental Activities	\$	<u>(7,837,885)</u>
---	-----------	---------------------------

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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Totals	
	2022	2021
REVENUES		
Local Sources	\$ 4,457,808	\$ 4,476,083
Intermediate Sources	-	13
State Sources	3,681,716	3,319,586
Federal Sources	6,307,145	5,699,880
TOTAL REVENUES	14,446,669	13,495,562
EXPENDITURES		
Current		
Instruction	5,130,959	4,586,916
Pupil Support	3,606,692	3,620,598
Staff Support	2,119,809	1,752,667
General Administration	494,384	575,523
School Administration	93,810	91,242
Business Services	437,071	429,404
Operations and Maintenance	860,993	828,834
Other Central Support	1,270,489	1,186,570
Risk Management	88,960	61,595
Community Support	361,789	270,737
Facilities	-	81,218
Debt Service	15,896	15,609
TOTAL EXPENDITURES	14,480,852	13,500,913
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(34,183)	(5,351)
OTHER FINANCING SOURCES (USES)		
Debt Proceeds	-	7,775
CHANGE IN FUND BALANCE	(34,183)	2,424
BEGINNING FUND BALANCE	2,095,542	2,093,118
ENDING FUND BALANCE	\$ 2,061,359	\$ 2,095,542

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, 2022

Change in Fund Balance - Governmental Funds	\$	(34,183)
---	----	----------

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$	15,797	
Depreciation Expense		(98,964)	
Gain (Loss) on Asset Disposals		<u>(3,831)</u>	(86,998)

Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Pension Liability

Current year change and amortization of deferred outflows - net	(1,662,886)	
Change in net pension liability	3,988,951	
Current year change and amortization of deferred inflows - net	<u>1,205,526</u>	3,531,591

OPEB Liability

Current year change and amortization of deferred outflows - net	6,804	
Change in OPEB liability	33,914	
Current year change and amortization of deferred inflows - net	<u>13,253</u>	53,971

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	14,762
Change in accrued compensated absences	<u>2,498</u>

Total Net Position - Governmental Activities	\$	<u>3,481,641</u>
---	-----------	-------------------------

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022

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, 2022

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, 2022

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 6 and 8.

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 6 and 8.

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, 2022

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, 2022

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	\$ 194,374
Investments	1,400,658
Cash on hand	<u>400</u>
Total	<u>\$ 1,595,432</u>
 Government-wide - unrestricted	 <u>\$ 1,595,432</u>

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2022, 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.

At June 30, 2022, the BOCES' deposits had bank and carrying balances as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 194,374
PDPA Collateralize (not in BOCES Name)	105,540	-
Total Deposits	<u>\$ 355,540</u>	<u>\$ 194,374</u>

Investments

The BOCES has \$1,400,658 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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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, 2022, the BOCES' investment in the Colorado Government Liquid Assets Trust (Colotrast) 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.

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:

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/22</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Buildings and Improvements	3,456,899	10,197	-	3,467,096
Machinery and Equipment	<u>2,456,738</u>	<u>5,600</u>	<u>5,894</u>	<u>2,456,444</u>
Total Capital Assets	<u>6,327,103</u>	<u>15,797</u>	<u>5,894</u>	<u>6,337,006</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,258,113)	(75,191)	-	(1,333,304)
Machinery and Equipment	<u>(2,297,189)</u>	<u>(23,773)</u>	<u>(2,063)</u>	<u>(2,318,899)</u>
Total Accum. Depreciation	<u>(3,555,302)</u>	<u>(98,964)</u>	<u>(2,063)</u>	<u>(3,652,203)</u>
Net Governmental Capital Assets	<u>\$ 2,771,801</u>	<u>\$ (83,167)</u>	<u>\$ 3,831</u>	<u>\$ 2,684,803</u>

Depreciation for the governmental activities is allocated to supporting services in the amount of \$98,964 as of June 30, 2022.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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, 2022, are \$447,941. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 5: LONG-TERM OBLIGATIONS

A summary of changes in long term obligations for the year ended June 30, 2022:

	Balance 06/30/2021	Additions	Deletions	Balance 06/30/2022	Due Within One Year	Interest Expense
<u>Capital Leases Payable:</u>						
Greeley Lighting Lease	\$ 24,319	\$ -	\$ 13,284	\$ 11,035	\$ 10,413	\$ 896
2021 Copier Lease	6,576	-	1,480	5,096	1,540	236
Total Capital Leases Payable	30,895	-	14,764	16,131	11,953	1,132
Accrued Compensated Absences	357,009	-	2,498	354,511	-	-
Total Long Term Obligations	\$ 387,904	\$ -	\$ 17,262	\$ 370,642	\$ 11,953	\$ 1,132

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

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

Capital Leases – Direct Borrowing (Continued)

The future minimum capital lease payments at June 30, 2022, are as follows:

<u>Year</u>	<u>Lighting Amount</u>	<u>Copier Amount</u>
2023	\$ 14,179	\$ 1,716
2024	-	1,716
2025	-	1,716
2026	-	286
Total Future Minimum Lease Payments	14,179	5,434
Less: Interest Portion	(3,144)	(338)
Present Value of Future Minimum Lease Payments	<u>\$ 11,035</u>	<u>\$ 5,096</u>

NOTE 6: 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.

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.

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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, 2021, 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. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions provisions as of June 30, 2022: Eligible employees of, 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 10.50 percent of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	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%
Total employer contribution rate to the SCHDTF	19.88%

¹ 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) direct distribution 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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

The allocation for 2021 was as follows:

<u>Trust Fund</u>	<u>Direct Distribution</u>
State Division	\$ 76,706
School Division	127,781
Judicial Division	1,360
DPS Division	19,153
	<u>\$ 225,000</u>

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 \$986,220 for the year ended June 30, 2022.

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The BOCES proportion of the net pension liability was based on BOCES contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

The proportions presented in this schedule are also based on the direct distribution payment received in July 2021 for \$127,781 and is considered a nonemployer contribution that meets the definition of a special funding situation for the purposes of GASB 68 paragraph 15.

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

At June 30, 2022, the BOCES reported a liability of \$9,237,487 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 the BOCES were as follows:

District's proportionate share of the net pension liability	\$ (9,237,487)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	(950,049)
Total	\$ (10,187,536)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES**NOTES TO FINANCIAL STATEMENTS****June 30, 2022****NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

At December 31, 2021, the BOCES proportion was 0.07938 percent, which was a decrease of 0.00811 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the BOCES recognized pension expense of \$2,539,725 and revenue of \$950,049 for support from the State as a nonemployer contributing entity. At June 30, 2022, the BOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 377,870	\$ -
Changes of assumptions or other inputs	777,267	-
Net difference between projected and actual earnings on pension plan investments	431,085	(4,036,441)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	658,450	(1,115,307)
Contributions subsequent to the measurement date	497,736	-
Total	\$ 2,742,408	\$ (5,151,748)

\$497,736 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2023	\$ (225,021)
2024	(1,168,540)
2025	(1,091,965)
2026	(421,550)
Total	\$ (2,907,076)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.00%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately with 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.

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

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 actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis, 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

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.

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:

Asset Class	Target Allocation	30 Year Expected Geometric 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	6.00%	4.70%
Total	100.00%	

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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.
- 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, 2022

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

- The 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.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- 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)	\$ (13,596,826)	\$ (9,237,487)	\$ (5,599,782)

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.

NOTE 7: 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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 7: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

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 \$67,615.

NOTE 8: 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.

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

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 the BOCES were \$50,601 for the year ended June 30, 2022.

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

At June 30, 2022, the BOCES reported a liability of \$446,913 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The BOCES proportion of the net OPEB liability was based on BOCES contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the BOCES proportion was 0.05183 percent, which was an increase of 0.00123 from its proportion measured as of December 31, 2020.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2022, the BOCES recognized OPEB expense of \$3,765. At June 30, 2022, the BOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 693	\$ (106,466)
Changes of assumptions or other inputs	9,212	(23,668)
Net difference between projected and actual earnings on pension plan investments	3,048	(30,673)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	31,408	(28,593)
Contributions subsequent to the measurement date	25,376	-
Total	\$ 69,737	\$ (189,400)

\$25,376 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, 2023. 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
2023	\$ (38,627)
2024	(45,003)
2025	(38,210)
2026	(21,281)
2027	(1,799)
2028	(119)
Total	\$ (145,039)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% for 2021, gradually increasing 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, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members Without		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Plan			
Medicare Advantage/ Self-Insured Prescription	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	\$596	\$199	\$562

The 2021 Medicare Part A premium is \$471 (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, 2022

NOTE 8: 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, 2020, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 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.

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, 2022

NOTE 8: 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, 2022

NOTE 8: 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 actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the 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 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	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (479,751)	\$ (492,480)	\$ (507,298)

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, 2021, measurement date.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- 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.

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:

Discount Rate	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (564,144)	\$ (492,480)	\$ (431,248)

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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.

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. July 1, 2022, the agreement was extended through June 30, 2023 requiring monthly payments of \$8,164 per month.

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, 2022, 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

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 12: DEFICIT NET POSITION

The Governmental Activities has an overall net position deficit of \$7,837,885 and an unrestricted net position deficit of \$10,518,508, primarily due to adding the PERA net pension liability of \$9,237,487 and related net deferrals, and net OPEB liability of \$446,913, as further described in Notes 6 and 8. As the BOCES has no control over pension benefits or contribution rates, the BOCES expects this deficit net position to continue for the foreseeable future.

INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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⁽¹⁾**

Fiscal Year	BOCES' proportion of the net pension asset (liability)	BOCES' proportionate share of the net pension asset (liability)	Non-employer contributing entity's total proportionate share of the net pension asset (liability)	Total proportionate share associated with BOCES	BOCES' covered payroll	BOCES' proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 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%
June 30, 2022	0.079378%	\$ (9,237,487)	\$ (950,049)	\$ (10,187,536)	\$ 4,960,865	186.21%	74.86%

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

⁽¹⁾ - 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⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>BOCES' covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
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%
June 30, 2022	\$ 986,220	\$ (986,220)	\$ -	\$ 4,960,865	19.88%

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

⁽¹⁾ - 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⁽¹⁾**

Fiscal Year Ended	BOCES' proportion of the net OPEB asset (liability)	BOCES' proportionate share of the net OPEB asset (liability)	BOCES' covered payroll	BOCES' proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.051205%	\$ (663,892)	\$ 4,043,159	16.42%	16.70%
June 30, 2018	0.052625%	\$ (683,910)	\$ 4,272,387	16.01%	17.53%
June 30, 2019	0.051872%	\$ (705,736)	\$ 4,488,850	15.72%	17.03%
June 30, 2020	0.052775%	\$ (593,189)	\$ 4,715,212	12.58%	24.49%
June 30, 2021	0.050601%	\$ (480,827)	\$ 4,739,345	10.15%	32.78%
June 30, 2022	0.051828%	\$ (446,913)	\$ 4,960,865	9.01%	39.40%

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

⁽¹⁾ - 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⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>BOCES' covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
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%
June 30, 2022	\$ 50,601	\$ (50,601)	\$ -	\$ 4,960,865	1.02%

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

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

See the accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
REVENUES					
Local Sources					
Tuition From Individuals	\$ 175,500	\$ 190,800	\$ 124,960	\$ (65,840)	\$ 195,983
BOCES Assessments	2,845,965	2,917,416	2,990,626	73,210	2,775,726
Investment Earnings	2,500	1,000	4,344	3,344	3,260
Community Service Revenue	73,720	73,720	84,124	10,404	73,720
Donations	12,500	12,500	16,500	4,000	21,000
Local BOCES Passthrough	379,679	399,168	350,662	(48,506)	369,922
Overhead Cost Revenue	306,693	306,693	336,008	29,315	313,293
Indirect Cost Revenue	329,177	329,177	373,225	44,048	364,678
Other Local	124,098	155,046	177,359	22,313	358,501
Total Local Sources	<u>4,249,832</u>	<u>4,385,520</u>	<u>4,457,808</u>	<u>72,288</u>	<u>4,476,083</u>
Intermediate Sources					
Mineral Leases	-	-	-	-	13
State Sources					
State Grants from CDE					
State ECEA (Special Education)	1,951,953	1,974,903	2,265,266	290,363	2,214,953
State Gifted and Talented	220,698	219,960	219,959	(1)	220,698
Expelled and At Risk Students	22,948	22,948	-	(22,948)	-
Implementing State Educational Priorities	282,015	280,968	280,968	-	282,697
Quality Teacher Recruitment Program	-	-	58,700	58,700	-
School Health Professional	-	-	2,337	2,337	-
School Turnaround Leaders Development Program	-	-	522	522	-
Gifted Ed - Univ Screening and Qualified Persnl	33,432	26,866	26,866	-	33,432
Stipends for Bd Certification Teachers	-	-	-	-	3,200
Early Literacy Competitive Grant Program	-	-	20,217	20,217	19,685
BRAINSTEPS - Youth Brain Injury Connections Prog.	-	-	500	500	-
State PERA Contribution	-	-	113,057	113,057	-
School to Work Alliance Program (SWAP)	708,384	708,384	693,324	(15,060)	544,922
Total State Sources	<u>3,219,430</u>	<u>3,234,029</u>	<u>3,681,716</u>	<u>447,687</u>	<u>3,319,587</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgrms Oper by Sch	1,445,000	1,519,150	1,467,954	(51,196)	1,262,203
NCLB Title I, Part C- Ed of Migrant Children	2,200,000	2,400,000	1,988,210	(411,790)	1,844,290
Coronavirus Relief Fund	-	-	-	-	5,507
Special Education: Grnts to States - IDEA Part B	1,635,480	1,635,480	1,428,487	(206,993)	1,590,798
IDEA Part B- Special Education Preschool	39,137	39,137	39,366	229	38,310
NCLB Title III, Part A- Eng Lang Acq	150,000	198,330	167,645	(30,685)	61,910
NCLB Title II, Part A- Teacher & Principal Trng	360,000	462,077	348,249	(113,828)	182,665
ESSER III - State Set-Aside	-	-	27,412	27,412	-
ESSER II - 10%	278,723	88,493	69,178	(19,315)	190,230
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	180,000	212,684	67,705	(144,979)	124,893
NCLB, Title X, McKinney-Vento Homeless Ed Asst	65,000	68,731	68,731	-	70,251
Title III - Reallocation	-	9,000	8,224	(776)	28,087
Ed Stab Fd - Elem Sec Emer Relief 10%Discretionary	35,000	21,005	21,005	-	105,276
ARP: Special Education: Grants to States IDEA Part	-	364,627	178,686	(185,941)	-
ARP: Individuals with Disabilities Education Act	-	25,434	-	(25,434)	-
Title III - Set Aside	40,000	35,928	21,641	(14,287)	10,107
ARP Homeless Children and Youth (ARP-HCY)	-	87,020	72,176	(14,844)	-
Federal Grants from Other State Agencies					
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	34,000	34,895	18,591	(16,304)	46,701
Ed Stab Fd - Elem Sec Emer Relief Gov Discretion	306,798	343,439	267,085	(76,354)	138,652
Federal Provided through BOCES	-	31,800	46,800	15,000	-
Total Federal Sources	<u>6,769,138</u>	<u>7,577,230</u>	<u>6,307,145</u>	<u>(1,270,085)</u>	<u>5,699,880</u>
TOTAL REVENUES	<u>14,238,400</u>	<u>15,196,779</u>	<u>14,446,669</u>	<u>(750,110)</u>	<u>13,495,563</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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,249,491	1,562,288	1,234,007	328,281	1,192,113
Benefits	496,985	626,199	480,523	145,676	456,418
PS-Professional	19,200	69,058	128,635	(59,577)	70,766
PS-Other	2,901,888	3,010,269	2,878,889	131,380	2,532,269
Supplies	24,680	57,246	71,859	(14,613)	47,745
Property	6,745	13,781	24,910	(11,129)	20,320
Other Expenses	319,723	319,723	312,136	7,587	267,285
Total Instruction	<u>5,018,712</u>	<u>5,658,564</u>	<u>5,130,959</u>	<u>527,605</u>	<u>4,586,916</u>
Supporting Services					
Pupil Support					
Salaries	1,861,389	1,819,868	1,817,831	2,037	1,745,806
Benefits	704,058	680,204	650,571	29,633	617,889
PS- Professional	173,502	366,459	238,142	128,317	242,184
PS- Property	3,200	4,700	5,355	(655)	2,883
PS-Other	1,020,646	823,134	706,611	116,523	697,689
Supplies	153,030	197,808	166,702	31,106	275,793
Property	5,600	21,514	14,315	7,199	28,353
Other Expenses	7,500	7,500	7,165	335	10,001
Total Pupil Support	<u>3,928,925</u>	<u>3,921,187</u>	<u>3,606,692</u>	<u>314,495</u>	<u>3,620,598</u>
Staff Support					
Salaries	628,100	621,884	715,395	(93,511)	682,503
Benefits	200,954	201,038	233,546	(32,508)	220,532
PS- Professional	253,289	268,304	298,527	(30,223)	210,866
PS- Property	95,350	95,350	96,432	(1,082)	94,033
PS-Other	432,782	795,702	644,163	151,539	394,506
Supplies	64,096	56,059	42,243	13,816	31,363
Property	11,500	11,500	16,561	(5,061)	44,490
Other Expenses	71,173	74,828	72,942	1,886	74,374
Total Staff Support	<u>1,757,244</u>	<u>2,124,665</u>	<u>2,119,809</u>	<u>4,856</u>	<u>1,752,667</u>
General Administration					
Salaries	258,700	128,700	112,497	16,203	213,449
Benefits	75,500	45,682	168,095	(122,413)	98,169
PS- Professional	69,355	41,355	37,251	4,104	31,254
PS- Property	16,480	16,480	929	15,551	17,215
PS-Other	26,173	29,386	32,287	(2,901)	26,709
Supplies	73,664	23,342	29,461	(6,119)	75,115
Property	41,500	41,500	10,127	31,373	16,395
Other Expenses	95,128	95,128	103,737	(8,609)	97,218
Total General Administration	<u>656,500</u>	<u>421,573</u>	<u>494,384</u>	<u>(72,811)</u>	<u>575,524</u>
School Administration					
Salaries	69,063	69,063	70,082	(1,019)	68,055
Benefits	24,694	24,694	23,728	966	23,187
Total School Administration	<u>93,757</u>	<u>93,757</u>	<u>93,810</u>	<u>(53)</u>	<u>91,242</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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	306,694	307,256	328,608	(21,352)	324,578
Benefits	95,336	95,465	107,766	(12,301)	104,826
PS- Professional	-	-	697	(697)	-
Total Business Services	<u>402,030</u>	<u>402,721</u>	<u>437,071</u>	<u>(34,350)</u>	<u>429,404</u>
Operations and Maintenance					
Salaries	-	-	231	(231)	365
Benefits	-	-	52	(52)	52
PS- Property	93,630	93,630	106,976	(13,346)	112,208
PS-Other	1,760	1,760	2,156	(396)	2,208
Supplies	47,100	47,100	60,008	(12,908)	49,603
Property	1,000	1,000	-	1,000	-
Other Expenses	714,055	744,940	691,570	53,370	664,398
Total Operations and Maintenance	<u>857,545</u>	<u>888,430</u>	<u>860,993</u>	<u>27,437</u>	<u>828,834</u>
Other Central Support					
Salaries	637,024	610,487	613,939	(3,452)	584,921
Benefits	218,860	210,688	203,230	7,458	194,773
PS- Professional	110,793	224,797	229,603	(4,806)	185,368
PS- Property	4,600	4,600	3,759	841	3,600
PS-Other	63,908	120,658	75,180	45,478	62,284
Supplies	42,325	44,510	52,142	(7,632)	48,118
Property	9,000	4,000	918	3,082	4,977
Other Expenses	94,143	94,143	91,718	2,425	102,529
Total Other Central Support	<u>1,180,653</u>	<u>1,313,883</u>	<u>1,270,489</u>	<u>43,394</u>	<u>1,186,570</u>
Risk Management					
PS-Other	<u>70,370</u>	<u>70,370</u>	<u>88,960</u>	<u>(18,590)</u>	<u>61,595</u>
Community Support					
Salaries	224,194	218,143	217,322	821	175,749
Benefits	86,957	84,868	83,082	1,786	70,089
PS- Professional	29,200	41,520	14,330	27,190	2,280
PS- Property	-	-	75	(75)	311
PS-Other	8,573	24,276	25,768	(1,492)	6,549
Supplies	10,240	18,322	21,112	(2,790)	14,951
Property	-	1,000	100	900	808
Total Community Support	<u>359,164</u>	<u>388,129</u>	<u>361,789</u>	<u>26,340</u>	<u>270,737</u>
Total Supporting Services	<u>9,306,188</u>	<u>9,624,715</u>	<u>9,333,997</u>	<u>290,718</u>	<u>8,817,171</u>
Facilities/Capital Outlay					
Buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,218</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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2021 Actual
Debt Service					
Interest	-	-	1,133	(1,133)	2,407
Principal	-	-	14,763	(14,763)	13,202
Total Debt Service	-	-	15,896	(15,896)	15,609
Contingency	250,000	250,000	-	250,000	-
TOTAL EXPENDITURES	14,574,900	15,533,279	14,480,852	1,052,427	13,500,914
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(336,500)	(336,500)	(34,183)	302,317	(5,351)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	-	7,775
CHANGE IN FUND BALANCE	(336,500)	(336,500)	(34,183)	302,317	2,424
BEGINNING FUND BALANCE	336,500	336,500	2,095,542	1,759,042	2,093,118
ENDING FUND BALANCE	\$ -	\$ -	\$ 2,061,359	\$ 2,061,359	\$ 2,095,542

See accompanying Independent Auditors' Report.

INTENTIONALLY LEFT BLANK

STATE COMPLIANCE



Colorado Department of Education

Auditors Integrity Report

District: 9035 - Centennial BOCES

Fiscal Year 2021-22

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	2,095,542	14,446,669	14,480,853	2,061,359
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	2,095,542	14,446,669	14,480,853	2,061,359
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	0	0	0	0
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 9035 - Centennial BOCES

Fiscal Year 2021-22

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)	1,595,432	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,595,432
Grants Accounts Receivable (8142)	2,223,786	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,223,786
Other Receivables (8151-8154,8161)	181,224	0	0	0	0	0	0	0	0	0	0	0	0	0	0	181,224
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,000,441	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000,441

<u>LIABILITIES & 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
	1,408,682	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,408,682
	447,941	0	0	0	0	0	0	0	0	0	0	0	0	0	0	447,941
	5,368	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,368
	31,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,800
	5,107	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,107
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	40,185	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,185
	1,939,083	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,939,083

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	300,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300,500
Unassigned Fund Balance 6770	1,760,859	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,760,859
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	2,061,359	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,061,359

	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	4,000,441	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000,441

	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