

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

SINGLE AUDIT REPORT

**For the Year Ended
June 30, 2023**

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Mayberry & Company, LLC

Certified Public Accountants

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

Executive Board
Centennial Board of Cooperative Educational Services
Greeley, Colorado

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance *Government Auditing Standards*

Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Centennial Board of Cooperative Educational Services (the "BOCES") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements, and have issued our report thereon dated October 31, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mayberry + Company, LLC

Englewood, Colorado
July 12, 2024

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

We have audited the Centennial Board of Cooperative Educational Services' (the "BOCES") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the BOCES' major federal programs for the year ended June 30, 2023. The BOCES' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the BOCES' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the BOCES' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the BOCES' compliance.

Opinion on Each Major Federal Program

In our opinion, the BOCES' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023

Report on Internal Control Over Compliance

Management of the BOCES' is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the BOCES' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the BOCES' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities and major fund of the BOCES as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the BOCES' basic financial statements. We issued our report thereon dated October 31, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
July 12, 2024

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes no

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weakness identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes no

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

yes no

Identification of major programs:

84.011 Migrant Education Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

yes no

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2023

II - Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards.

A. Material Weaknesses in Internal Control

The audit of the financial statements of the Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2023, did not disclose any material weaknesses or significant deficiencies in internal controls.

B. Compliance Findings

The audit of the financial statements of the Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2023, did not disclose any instances of noncompliance with requirements with certain provisions of laws, regulations, and grants that were material to those financial statements.

III - Findings and Questioned Costs for Federal Awards

A. Material Weaknesses in Internal Control

The audit of the major programs of the Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2023, did not disclose any material weaknesses in internal controls over grant compliance requirements. We did identify significant deficiencies over certain provisions of laws, regulations, and grants requirements that correlate to the compliance findings described below as Findings 2023-001 and 2023-002.

B. Compliance Findings

The audit of the major programs of the Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2023, did disclose instances of noncompliance with requirements with certain provisions of laws, regulations, and grants requirements that were not deemed material to those financial statements as further outlined as findings 2023-001 and 2023-002 below.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2023

2023-01 ACTIVITIES ALLOWED

1. **Criteria:** - Local educational agencies use funds in accordance **with the agreement with the State educational agency** to (a) identify eligible migratory children and their needs; (b) provide instructional and support services that address the identified needs of the eligible children; and (c) to support such objectives through related activities such as, but not limited to, professional development, parental involvement, and transfer of student records. **(Emphasis added)**
2. **Condition:** The BOCES submitted a budget that was approved by the Colorado Department of Education outlining the expenditure of certain grant dollars for salaries and benefits to support their Migrant Education Program. These funds were ultimately paid to an outside contractor without an approved budget revision being submitted to the State. The costs were allowable under grant guidelines.
3. **Context:** The BOCES coded these expenditures to salaries, benefits and supplies expense throughout the year as that was how they were being billed by the third-party contractor. Subsequent to year end, the BOCES reclassified the salary and benefit portion to purchased professional services. As this was subsequent to year end, the BOCES could not file a budget revision with the State. Based on discussions with the client they did not appear to be treating these payments similar to their “flowthrough” dollars to their member district’s rather than as an independent contractor.
4. **Cause:** The BOCES did not correctly account for the third-party activity until subsequent to year end.
5. **Effect:** The BOCES spent funds for activities that were theoretically, but not actually, approved by the State.
6. **Recommendation:** The BOCES should properly account for its activities both in the budget process and in its formal accounting. This will also help ensure that any other requirements related to contracting are also appropriately followed.
7. **Management Response:** Centennial BOCES will review the expected activities to ensure that they are appropriately listed on the budget submitted to CDE for approval and properly coded throughout the year.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2023

2023-002 ALLOWABLE COSTS

1. **Criteria:** The cost principles in 2 CFR Part 200, subpart E (Cost Principles), prescribe the cost accounting requirements associated with the administration of Federal awards by (1) States, local governments, and Indian tribes.
2. **Condition:** One of the BOCES member districts did not submit reasonable documentation to support the Time and Effort reporting required by the cost accounting requirements.
3. **Context:** While the BOCES is ultimately responsible for properly accounting for grant eligible costs, the BOCES does "flowthrough" reimbursement to its member districts for salaries and benefits that are incurred directly by those districts. As such, the BOCES requires the member districts to retain proper support of Time and Effort at the district level which is to be available upon request. In one instance, while the support for the Time and Effort was submitted to the BOCES when requested, auditor review of that documentation lead to questions about the nature of when that documentation was completed. While the employees in question were not subject to specific timekeeping requirements as they were not allocated employees, the actual Time and Effort certifications were not completed timely relative to the underlying grant expenditures.
4. **Cause:** The specific cause could not be identified, however, the documentation provided evidence that Time and Effort certifications were not completed timely and that both the BOCES and district internal controls did not identify this failure.
5. **Effect:** While the BOCES was able to provide Time and Effort documentation for the underlying personnel costs, the timing of those certifications
6. **Recommendation:** Due to the potential of ongoing staffing changes at the member district level, the BOCES will want to reiterate documentation requirements annually. The BOCES may also want to start requesting Time and Effort documentation as it is completed by the member districts to ensure that they are complying with the documentation requirements. We would recommend that the BOCES ensure, as part of their annual grant closeout, that they have all documentation required to support grant expenditures maintained at the BOCES level in lieu of requesting that information on an as needed basis.
7. **Management Response:** Centennial BOCES will begin monitoring and collecting monthly time and effort for all listed employees of subgrantees. Centennial BOCES will continue to collect time and effort documentation within Centennial BOCES staff. The BOCES will treat subgrantee employees as if they were Centennial BOCES employees regarding collection of time and effort reports following appropriate policies and procedures. At fiscal year-end a reconciliation of all documents required, including time and effort documentation, will be completed.

C. Questioned Costs

None noted.

VI – Schedule of Prior Year Findings

None

Centennial BOCES
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
Special Education Cluster (IDEA)-Cluster					
Department of Education					
Special Education Grants to States	84.027		Colo Dept of Education,4027	IDEA Pt B--4027	\$ 1,615,768
Special Education Grants to States	84.027x	COVID-19	Colo Dept of Education,6027	ARP IDEA Pt B--6027	185,941
Total Special Education Grants to States					<u>1,801,709</u>
Special Education Preschool Grants	84.173		Colo Dept of Education,4173	IDEA Preschool--4173	41,534
Total Special Education Cluster (IDEA)-Cluster					<u>1,843,243</u>
Other Programs					
Department of Education					
Title I Grants to Local Educational Agencies	84.010		Colo Dept of Education,4010		1,022,567
Migrant Education State Grant Program	84.011		Colo Dept of Education,4011		2,272,101
Career and Technical Education -- Basic Grants to States	84.048		State Board of Community Colleges and Occupational Education,4048		28,900
Career and Technical Education -- Basic Grants to States	84.048		State Board of Community Colleges and Occupational Education,5048		21,000
Total Career and Technical Education -- Basic Grants to States					<u>49,900</u>
Education for Homeless Children and Youth	84.196		Colo Dept of Education,5196		75,000
English Language Acquisition State Grants	84.365		Colo Dept of Education,4365	Title III--4365	127,699
English Language Acquisition State Grants	84.365		Colo Dept of Education,5365	Title III Reallocated--5365	6,348
English Language Acquisition State Grants	84.365		Colo Dept of Education,7365	Title III Set Aside--7365	8,585
Total English Language Acquisition State Grants					<u>142,632</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367		Colo Dept of Education,4367		137,029
Student Support and Academic Enrichment Program	84.424		Colo Dept of Education,4424		126,574
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425D	COVID-19	Colo Dept of Education,4419	ESSER II 9.5% Set Aside--4419	19,315
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425U	COVID-19	Colo Dept of Education,4418	ESSER III 9.5% Set Aside--4418	242,323
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425W	COVID-19	Colo Dept of Education,8425	ARP HCY I--8425	14,844
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425C	COVID-19	St of Colo Office of the Governor,6425	GEER II - RISE--6425	20,872
Total Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act					<u>297,354</u>
Total Other Programs					<u>4,123,157</u>
Total Expenditures of Federal Awards					<u>\$ 5,966,400</u>

The accompanying notes are an integral part of this schedule

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, (the "Schedule"), includes the federal award activity of the Centennial Board of Cooperative Educational Services, (the "BOCES") under the programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the BOCES, it is not intended to and does not present the financial position, changes in net position, or cash flows of the BOCES.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: 10% DE MINIMIS INDIRECT COST RATE

The BOCES did not utilize the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: SUBRECIPIENTS

There were no subrecipients that received funding from the BOCES for the fiscal year.