

**SOUTHEASTERN BOARD
OF COOPERATIVE EDUCATIONAL SERVICES
LAMAR, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

**SOUTHEASTERN
BOARD OF COOPERATIVE EDUCATIONAL SERVICES
LAMAR, COLORADO**

ROSTER OF OFFICIALS

Year Ended June 30, 2022

Governing Board

District

Campo School District RE-6
Eads School District RE-1
Granada School District RE-1
Holly School District RE-3
Kim School District RE-88
Lamar School District RE-2
McClave School District RE-2
Plainview School District RE-2
Pritchett School District RE-3
Springfield School District RE-4
Vilas School District RE-5
Walsh School District RE-1

Board Member

Bob Lenning
Keith Crow
Denyce Widener-Block
Dusty Heck
Nikki Shannon
Connie Jacobson
Terri Beckett
Sean Harkness
Brett Wilson
Darryl Mackey
John Wittler
Tanner Dunivan

Superintendent

Nikki Johnson
Glenn Smith
Ty Kemp
Charles Pollart
Monica Giffing
Chad Krug
Brianna Howe
Jess Buller
Bill Carwin
Shelly Swayne
Corey Doss
Corey Weiss

Management

| | |
|----------------|-------------------------------|
| Loraine Saffer | Executive Director |
| Stephanie Hund | Director of Special Education |
| Michelle Estep | Business Manager |

**SOUTHEASTERN
BOARD OF COOPERATIVE EDUCATIONAL SERVICES
LAMAR, COLORADO**

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FINANCIAL SECTION

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

**SOUTHEASTERN BOCES – LAMAR, COLORADO
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDING JUNE 30, 2022**

As management of the Southeastern BOCES (SEBOCES), we offer readers of the SEBOCES’ financial statements this narrative overview and analysis of the financial activities of the SEBOCES for the fiscal year ending June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit. While GASB 34 requires responses to eight items that are included herein, we will start this MD & A with a review of key financial highlights.

FINANCIAL HIGHLIGHTS

- The BOCES beginning fund balance on July 1, 2021 was \$940,975 and an ending fund balance of \$567,629.
- The General Fund had total revenue of \$3,907,039. Revenue sources include \$976,183 local, \$2,111,183 state, and \$819,673 federal. Local sources of revenue were down significantly from the \$1,141,812 received in the prior year in the form of grant revenue.
- State funds for grant writing activities were received in the amount of \$23,077. These funds are used to support grant writing fees for the 12 districts that make up Southeastern BOCES.
- The Alternative Licensing Program (ALP) prepared 13 teacher candidates for the classroom in 2021-2022. The Alternative Licensure Program is essential to the success of our districts in filling teacher vacancies. Without the Alternative Licensure Program many positions would remain unfilled.
- As the Title III Consortium for our twelve member school districts and five school districts from Santa Fe Trails BOCES, Southeastern BOCES received were \$27,140. The funds were used for professional development and instructional supplies for teaching culturally and linguistically diverse students.
- Southeastern BOCES purchased a new office building for a total cost of \$750,000. The previous facilities were sold for \$150,000.
- The board initiated no new construction projects during this fiscal year.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the SEBOCES’ finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the SEBOCES is improving or deteriorating.

The statement of activities presents information showing how the SEBOCES’ net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the SEBOCES that are principally supported by district assessments and governmental revenues.

FINANCIAL HIGHLIGHTS

The District was required to implement GASB 68 resulting in a net pension liability of \$3,130,665 under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net pension liability are reported. Beginning net position of governmental activities decreased as a result of this change.

The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$128,973. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the SEBOCES, revenues exceeded expenses by \$443,158. The General Fund balance increased by \$286,907 over the prior year to a total of \$1,227,883. Upon implementing GASB 68 the overall net position improved from (\$2,528,814) to (\$1,928,305) in the 2021-2022 fiscal year.

The largest portion of the SEBOCES' net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment).

The SEBOCES' financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1. Net Position for the period ending June 30, 2022

This analysis will show a good comparison from the prior year Assets, since the implementation of GASB Statement 34. Table 1 provides a summary of the district's net position as of June 30, 2022.

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Assets: | | |
| Current Assets | \$ 1,227,883 | \$ 1,483,643 |
| Capital Assets – Net | 832,825 | 101,555 |
| Deferred Outflows of Resources | 753,067 | 1,272,677 |
| Capital Assets & Deferred Outflows of Financial Resources | <u>2,813,775</u> | <u>2,857,875</u> |
| Liabilities: | | |
| Current Liabilities | 660,254 | 542,667 |
| Non-current Liabilities | 2,665,555 | 3,272,538 |
| Deferred Inflows of Resources | 1,416,271 | 1,571,484 |
| Total Liabilities & Deferred Inflows of Financial Resources | <u>4,742,080</u> | <u>5,386,689</u> |
| Net Position: | | |
| Net Invested in Capital Assets | 324,452 | 101,555 |
| Unrestricted Net Position | <u>(2,252,757)</u> | <u>(2,630,369)</u> |
| Total Net Position(Deficit) | <u>(1,928,305)</u> | <u>(2,528,814)</u> |
| Total Liabilities, Deferred Outflows and Net Position | <u>\$ 2,813,775</u> | <u>\$ 2,857,875</u> |

Due to the Southeastern BOCES participation with PERA and GASB 68 the total net position of SEBOCES does not reflect the actual current net position of the SEBOCES. The actual net position without GASB 68 is (\$1,928,305) for the Southeastern BOCES.

The SEBOCES' total revenues for the fiscal year ended June 30, 2022, were \$3,882,062 as compared to \$2,512,017 in the previous fiscal year. The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2021 and June 30, 2022.

Table 2. Revenue and Expenses

| | 2022 | 2021 |
|--|-----------------------|-----------------------|
| Program Revenues: | | |
| Charges for Services | \$ 951,207 | \$ 368,207 |
| Operating Grants | 2,031,749 | 2,143,810 |
| Capital Grants and Contributions | 899,106 | - |
| Total Program Revenues | <u>3,882,062</u> | <u>2,512,017</u> |
| General Revenues: | | |
| BOCES Administration | - | 772,751 |
| Investment Earnings | 1,063 | 854 |
| Gain (Loss) on Capital Asset Disposals | (373,216) | - |
| Miscellaneous Revenues | 23,709 | 164,773 |
| Total General Revenues | <u>(348,444)</u> | <u>938,378</u> |
| Total Revenues | <u>3,533,618</u> | <u>3,450,395</u> |
| Expenses: | | |
| Instruction | 775,453 | 1,102,889 |
| Supporting Services | 2,315,007 | 1,637,982 |
| Total Expenses | <u>3,090,460</u> | <u>2,740,871</u> |
| Change in Net Position | 443,158 | 709,524 |
| Net Position - Beginning | (2,528,814) | (3,238,338) |
| Prior Period Restatement | 157,351 | - |
| Net Position - Beginning (Restated) | <u>(2,371,463)</u> | <u>(3,238,338)</u> |
| Net Position Ending | <u>\$ (1,928,305)</u> | <u>\$ (2,528,814)</u> |

As with most educational institutions, the majority of expenditures reported by SEBOCES were in the area of salary and benefits. Total expenditures on salaries and benefits by category for 2021-2022 include: instructional staff \$679,371, pupil support staff \$451,683, and staff support staff \$3,000, for a total of \$1,134,054.

District assessments to the 12 school districts within the SEBOCES were based on a per pupil amount using the prior year's October 1 funded pupil count. General fund assessments were \$41.03 per pupil. The technology assessment was \$11,500 per district irrespective of size. Special Education assessments are based on the December 1 Count for special education. Special Education assessments are \$600.93 per pupil. The total of these assessments to the individual districts was \$517,540.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The financial position of the SEBOCES gained strength this year. Student counts in some districts increased, but others decreased, which effects Federal and State funding. Monthly, the management staff reviews the financial reports to track expenditures within budget categories. Any problems noted are attended to immediately. Quarterly reports of the fiscal position of the SEBOCES are supplied to the Board of Directors as required by state law. The financial information is now available online at www.seboces.org.

The operations of the SEBOCES during the 2021-2022 fiscal years show a wide variety of programs that were funded. The Department of Exceptional Student Services remains the largest operation in the BOCES with 32 staff members.

During the 2021-2022 school year the Southeastern BOCES sponsored 25 professional/staff development opportunities for the personnel in our service area. The attendance total was over 850 administrators, teachers, and para-professionals.

The Distance Learning System offered 14 courses to high school students in our BOCES school districts with 114 students participating. Seven of those courses were classified as “dual-credit” courses in which students received both high school and college credit. Five instructors across the SEBOCES service area provided guidance for 114 students participating in this distance learning system offering.

The Southeastern BOCES continues to operate a fiber optic email system that connects to all the twelve school districts in the BOCES. This internet technology and our distance learning labs provide the framework for the delivery of the Distance Learning program.

The Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC) provide provides discounted telecommunications, Internet access, and internal connections to eligible schools and is a program the Southeastern BOCES is able to participate. The Southeastern BOCES received reimbursement at a rate of 81% funding for both our Internet access and the WAN connection utilized by our member districts for the Distance Learning Systems. The application process is one of the services provided for all of our member districts.

ANALYSIS OF FUND BALANCES AND TRANSACTIONS

Sufficient funds were available in July and August for accrued salaries and benefits. The balance in all governmental fund types at the start of the fiscal year on July 1, 2021 was \$940,975. On June 30, 2022 this amount was \$567,629 which is available for future use.

BUDGET VARIANCE ANALYSIS

Since the Administrative team studies the budget reports monthly, there was no budget variance.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital assets, which include land, buildings and improvements, equipment, and vehicles, are reported in the government-wide financial statements. The Southeastern Colorado BOCES had a total of 18 vehicles in 2021-2022. The vehicles are mainly used by the Department of Exceptional Student Services in their travels throughout our five county regions in the performance of their duties. We continue to maintain a fleet of vehicles for this purpose. Since the BOCES covers a 6000-square mile radius, the fluctuating price of fuel and upkeep of vehicles is also a concern.

A summary of the BOCES’ Capital Assets is as follows:

| | <u>Balance July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------------------|
| Governmental activities | | | | |
| Capital assets being depreciated: | | | | |
| Land | \$ 21,000 | \$ - | \$ - | \$ 21,000 |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 424,622 | 725,234 | 75,385 | 1,074,471 |
| Equipment | <u>811,531</u> | <u>48,989</u> | <u>372,229</u> | <u>488,291</u> |
| Total capital assets being depreciated | <u>1,236,153</u> | <u>823,212</u> | <u>819,843</u> | <u>1,562,762</u> |
| Less accumulated depreciation: | | | | |
| Buildings | (371,712) | (21,711) | (74,194) | (319,229) |
| Equipment | <u>(783,886)</u> | <u>(20,051)</u> | <u>(372,228)</u> | <u>(431,709)</u> |
| Total accumulated depreciation | <u>(1,155,598)</u> | <u>(41,762)</u> | <u>(446,422)</u> | <u>(750,938)</u> |
| Net Governmental Capital Assets | <u>\$ 101,555</u> | <u>\$ 781,450</u> | <u>\$ 373,421</u> | <u>\$ 832,824</u> |

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

| | <u>Balance</u> <u>July 1, 2021</u> | <u>Advances</u> | <u>Payments</u> | <u>Balance</u> <u>June 30, 2022</u> | <u>Due Within</u> <u>One Year</u> | <u>Interest</u> <u>Expense</u> |
|---------------------------------|---------------------------------------|-------------------|------------------|--|--------------------------------------|-----------------------------------|
| <u>Governmental Activities:</u> | | | | | | |
| 2021 Building Loan | \$ - | \$ 575,000 | \$ 26,922 | \$ 548,078 | \$ 39,705 | \$ 14,792 |
| Compensated Absences | 28,060 | - | 15,483 | 12,577 | - | - |
| Total | <u>\$ -</u> | <u>\$ 575,000</u> | <u>\$ 26,922</u> | <u>\$ 548,078</u> | <u>\$ 39,705</u> | <u>\$ 14,792</u> |

MODIFIED APPROACH TO REPORT INFRASTRUCTURE ASSETS

This approach is not applicable to the Southeastern BOCES.

CURRENTLY KNOWN FACTS HAVING EFFECT ON FINANCIAL POSITION

Member school districts of SEBOCES region are experiencing stable enrollment, but rising costs of providing services. While ESSER funds have provided short term financial relief, the absence of these funds in conjunction with historic inflation rates will have a significant financial impact on districts. Increasing inflation and costs associated with providing services has resulted in SEBOCES cutting expenditures in any areas possible.

At the time, these financial statements were prepared the Southeastern BOCES is aware of the following circumstance that affect the financial health in the future.

1. Increased State ECEA revenue
2. Significant increases fuel, goods and services costs, and utilities
3. Changes in federal funding including IDEA-B and IDEA-B Preschool
4. The expiration of federal ESSER funding

This financial report is designed to provide for all those with an interest in the SEBOCES, a general overview of the SEBOCES' finances and to demonstrate the SEBOCES' accountability for the money it receives. If you have any questions regarding this report should be directed to the SEBOCES Business Office (719-336-9046) or by mail at P.O. Box 1137, Lamar, CO 81052.

Basic Financial Statement

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
Southeastern Board of Cooperative Educational Services
Lamar, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities and major fund of Southeastern 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 Southeastern 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 and major fund of the Southeastern Colorado 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Southeastern 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 Southeastern 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 Southeast Colorado 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 Southeast Colorado 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.

Emphasis of a Matter

As discussed in Note 12 to the financial statements, the 2021 financial statements have been restated to reflect recalculation of outstanding pension liabilities and related deferrals and for the restatement of year end grant receivables based on subsequent receipts. These restatements impacted the governmental activities and major fund. Our opinions are not modified with respect to this matter.

Required Supplementary Information

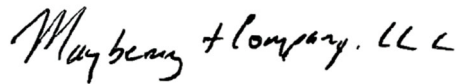
Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents be presented to supplement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

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.

Other Reporting Required by Governmental Accounting Standards

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

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, CO
January 17, 2023

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Statement of Net Position
June 30, 2022

| | Governmental Activities |
|--|------------------------------------|
| | <hr/> |
| ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES | |
| Assets | |
| Current Assets | |
| Cash and Investments | \$ 1,108,000 |
| Grants Receivable | 115,177 |
| Other Accounts Receivable | 4,706 |
| Capital and Other Assets | |
| Capital Assets not Being Depreciated | 21,000 |
| Capital Assets Being Depreciated, net | 811,825 |
| Total Assets | <hr/> 2,060,708 <hr/> |
| Deferred Outflows of Financial Resources | |
| Net Pension Deferred Outflows | 740,961 |
| Net OPEB Deferred Outflows | 12,106 |
| Total Deferred Outflows of Financial Resources | <hr/> 753,067 <hr/> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES | <hr/> \$ 2,813,775 <hr/> |
| LIABILITIES, DEFERRED INFLOWS AND NET POSITION | |
| Liabilities | |
| Current Liabilities | |
| Accrued Salaries & Benefits | \$ 152,626 |
| Unearned Revenue Grants | 507,628 |
| Noncurrent Liabilities | |
| Due Within One Year | 39,705 |
| Notes Payable | 508,373 |
| Accrued Compensated Absences | 12,517 |
| Other Long Term Liabilities | 2,104,960 |
| Due In More Than One Year | 2,625,850 |
| Total Liabilities | <hr/> 3,325,809 <hr/> |
| Deferred Inflows of Financial Resources | |
| Net Pension Deferred Inflows | 1,372,331 |
| Net OPEB Deferred Inflows | 43,940 |
| Total Deferred Inflows of Financial Resources | <hr/> 1,416,271 <hr/> |
| Net Position | |
| Net Investment in Capital Assets | 324,452 |
| Unrestricted Net Position | (2,252,757) |
| Total Net Position | <hr/> (1,928,305) <hr/> |
| TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION | <hr/> \$ 2,813,775 <hr/> |

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

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Balance Sheet

Governmental Funds

General Fund

June 30, 2022

(With Comparative Totals for June 30, 2021)

Totals

2022

ASSETS

| | | |
|---------------------------|-----------|------------------|
| Cash and Investments | \$ | 1,108,000 |
| Grants Receivable | | 115,177 |
| Other Accounts Receivable | | 4,706 |
| TOTAL ASSETS | \$ | 1,227,883 |

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities

| | | |
|-----------------------------|--|----------------|
| Accrued Salaries & Benefits | | 152,626 |
| Unearned Revenue Grants | | 507,628 |
| Total Liabilities | | 660,254 |

Deferred Inflows of Financial Resources

Fund Balance

| | | |
|---|-----------|------------------|
| Unassigned Fund Balance | | 567,629 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | \$ | 1,227,883 |

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

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2022

| | | | |
|--|----|--------------------|-----------------------|
| Fund Balance - Governmental Funds | | \$ | 567,629 |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds | | | |
| Capital assets, not being depreciated | \$ | 21,000 | |
| Capital assets, being depreciated | | 1,562,763 | |
| Accumulated depreciation | | <u>(750,938)</u> | 832,825 |
| 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 | | 740,961 | |
| Net pension liability | | (2,007,821) | |
| Net pension deferred inflows | | <u>(1,372,331)</u> | (2,639,191) |
| OPEB Liability | | | |
| Net OPEB deferred outflows | | 12,106 | |
| Net OPEB liability | | (97,139) | |
| Net OPEB deferred inflows | | <u>(43,940)</u> | (128,973) |
| Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. | | | |
| Notes payable | | (548,078) | |
| Accrued compensated absences | | <u>(12,517)</u> | <u>(560,595)</u> |
| Total Net Position - Governmental Activities | | | <u>\$ (1,928,305)</u> |

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

SOUTHEASTERN 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)

| | <u>Totals</u> |
|---|-------------------|
| | <u>2022</u> |
| REVENUES | |
| Local Sources | \$ 976,183 |
| State Sources | 2,111,183 |
| Federal Sources | 819,673 |
| TOTAL REVENUES | <u>3,907,039</u> |
| EXPENDITURES | |
| Current: | |
| Instruction | 1,014,156 |
| Pupil Support | 769,236 |
| Staff Support | 197,745 |
| General Administration | 1,233,608 |
| School Administration | 266,250 |
| Business Services | 74,806 |
| Operations and Maintenance | 63,435 |
| Other Central Support | 527,571 |
| Facilities | 736,855 |
| Debt Service | 41,714 |
| TOTAL EXPENDITURES | <u>4,925,376</u> |
| OTHER FINANCING SOURCES (USES) | |
| Debt Proceeds | 575,000 |
| CHANGE IN FUND BALANCE | <u>(443,337)</u> |
| BEGINNING FUND BALANCE | 940,975 |
| Prior Period Adjustment | 69,991 |
| BEGINNING FUND BALANCE (As Restated) | <u>1,010,966</u> |
| ENDING FUND BALANCE | <u>\$ 567,629</u> |

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

SOUTHEASTERN 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 \$ (443,337)

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

| | | |
|--------------------------------|------------------|---------|
| Capitalized Asset Purchases | \$ 1,146,453 | |
| Depreciation Expense | (41,762) | |
| Gain (Loss) on Asset Disposals | <u>(373,421)</u> | 731,270 |

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 | (478,766) | |
| Change in net pension liability | 1,122,844 | |
| Current year change and amortization of deferred inflows - net | <u>33,855</u> | 677,933 |

OPEB Liability

| | | |
|---|----------------|-------|
| Current year change and amortization of deferred outflows - net | (1,079) | |
| Change in OPEB liability | 16,674 | |
| Current year change and amortization of deferred inflows - net | <u>(5,768)</u> | 9,827 |

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.

| | | |
|--|--|---------------|
| Proceeds from debt issuances | | (575,000) |
| Principal payments on notes payable | | 26,922 |
| Change in accrued compensated absences | | <u>15,543</u> |

Total Net Position - Governmental Activities \$ 443,158

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

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Southeastern Board of Cooperative Educational Services (the BOCES) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the BOCES' accounting policies are described below.

REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39 and No. 61), "The Financial Reporting Entity" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The BOCES is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the BOCES (the primary government) and its component units.

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.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

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 treat any of its funds as non-major, and does not have any proprietary or fiduciary funds.

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 resources.

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 as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty 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.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING

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. 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 a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year end.
- Public hearings are conducted by the Board to obtain comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or as revised by the Board.

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCE

Cash - The BOCES pools cash resources of its various operations in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are legally authorized. Cash applicable to a particular operation is readily identifiable. The balance in the pooled 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.

SOUTHEASTERN 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 & Improvements | 5- 50 years |
| Other Equipment | 3-10 years |

Long-Term Debt – The BOCES long-term debt payments are shown as an expenditure in the General Fund. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

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

Accumulated unpaid vacation and sick pay are not accrued in governmental funds (using the modified accrual basis of accounting). These amounts do not exceed normal year's accumulations. It is the policy of the BOCES that no monetary payments will be made for unused sick leave upon termination.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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 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 reports a separate section for deferred inflows of resources. This separate financial statement element 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 deferrals as further described in Notes 6 and 8. The BOCES also reports deferred inflows related to unspent grant and donation receipts.

Net Position/Fund Balances

In the government-wide financial statements, net position are either 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.

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.

SOUTHEASTERN 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)**

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 BALANCE 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.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUES AND EXPENDITURES/EXPENSES

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax 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.

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the various funds. Encumbrances lapse at the end of the year.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

A summary of deposits and investments at June 30, 2022, follows:

| | |
|--------------------------------|----------------------------|
| Deposits | \$ <u>1,108,000</u> |
| Government-wide - unrestricted | \$ <u><u>1,108,000</u></u> |

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.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

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.

| | <u>Bank Balance</u> | <u>Carrying Balance</u> |
|---|----------------------------|-----------------------------|
| FDIC Insured | \$ 250,000 | \$ 250,000 |
| PDPA Collateralized (Not Held in the BOCES' Name) | 904,961 | 858,000 |
| Total | <u>\$ 1,154,961</u> | <u>\$ 1,108,000</u> |

NOTE 3: CAPITAL ASSETS

Activity for governmental activity capital assets is summarized below:

| | <u>Balance July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------------------|
| Governmental activities | | | | |
| Capital assets being depreciated: | | | | |
| Land | \$ 21,000 | \$ - | \$ - | \$ 21,000 |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 424,622 | 725,234 | 75,385 | 1,074,471 |
| Equipment | <u>811,531</u> | <u>48,989</u> | <u>372,229</u> | <u>488,291</u> |
| Total capital assets being depreciated | <u>1,236,153</u> | <u>823,212</u> | <u>819,843</u> | <u>1,562,762</u> |
| Less accumulated depreciation: | | | | |
| Buildings | (371,712) | (21,711) | (74,194) | (319,229) |
| Equipment | <u>(783,886)</u> | <u>(20,051)</u> | <u>(372,228)</u> | <u>(431,709)</u> |
| Total accumulated depreciation | <u>(1,155,598)</u> | <u>(41,762)</u> | <u>(446,422)</u> | <u>(750,938)</u> |
| Net Governmental Capital Assets | <u>\$ 101,555</u> | <u>\$ 781,450</u> | <u>\$ 373,421</u> | <u>\$ 832,824</u> |

Depreciation has been allocated for the statement of activities as follows:

| Depreciation Allocation | |
|--------------------------------|-------------------------|
| Instruction | \$ 8,672 |
| Supporting Services | <u>33,090</u> |
| Total | <u>\$ 41,762</u> |

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

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 4: ACCRUED SALARY 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 \$152,626. 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:

| | <u>Balance</u> <u>July 1, 2021</u> | <u>Advances</u> | <u>Payments</u> | <u>Balance</u> <u>June 30, 2022</u> | <u>Due Within</u> <u>One Year</u> | <u>Interest</u> <u>Expense</u> |
|---------------------------------|---------------------------------------|-------------------|------------------|--|--------------------------------------|-----------------------------------|
| <u>Governmental Activities:</u> | | | | | | |
| 2021 Building Loan | \$ - | \$ 575,000 | \$ 26,922 | \$ 548,078 | \$ 39,705 | \$ 14,792 |
| Compensated Absences | 28,060 | - | 15,483 | 12,577 | - | - |
| Total | \$ - | \$ 575,000 | \$ 26,922 | \$ 548,078 | \$ 39,705 | \$ 14,792 |

Note Payable

In December 2021, the BOCES entered into a loan agreement in the amount of \$575,000 for the purchase of a building. Monthly payments of \$5,959 are due through January 2032, at an interest rate of 4.50%. The BOCES has capitalized an asset of \$725,234 related to this loan with a remaining basis of \$716,168 as of June 30, 2022. In the event of default, the rights and remedies of Payee hereunder are cumulative and not in lieu of, but are in addition to, any other rights or remedies which Payee may have hereunder, under the Deed of Trust and/or at law or in equity upon the occurrence of an Event of Default hereunder, all unpaid principal, accrued interest and other amounts owing hereunder shall be, at the option of Payee in the case of breach of Note, breach of Deed of Trust or breach of "Other Debt" agreement or automatically, in the case of a voluntary or involuntary petition for relief immediately due and payable by Borrower. In addition, any and all amounts (including principal, unpaid interest and reasonable costs and expenses of enforcement and/or collection) outstanding hereunder after an Event of Default shall have occurred shall bear interest from the date of default until paid at the Default Rate.

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

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|-------------------|-------------------|
| 2023 | \$ 39,705 | \$ 19,888 | \$ 59,593 |
| 2024 | 49,649 | 21,861 | 71,510 |
| 2025 | 51,930 | 19,580 | 71,510 |
| 2026 | 54,316 | 17,195 | 71,511 |
| 2027 | 56,811 | 14,699 | 71,510 |
| 2028-2032 | 295,667 | 32,090 | 327,757 |
| Total | \$ 548,078 | \$ 125,313 | \$ 673,391 |

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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.

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.

SOUTHEASTERN 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 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.

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.

SOUTHEASTERN 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)

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.

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 \$214,360 for the year ended June 30, 2022.

SOUTHEASTERN 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 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 \$2,007,821 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 | \$ (2,007,821) |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | (206,499) |
| Total | \$ (2,214,320) |

At December 31, 2021, the BOCES proportion was 0.01725 percent, which was a decrease of 0.00345 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the BOCES recognized pension expense of \$469,458 and revenue of \$206,499 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:

SOUTHEASTERN 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)

| | Deferred Outflows | Deferred Inflows |
|--|-------------------|-----------------------|
| Difference between expected and actual experience | \$ 87,073 | \$ - |
| Changes of assumptions or other inputs | 183,977 | - |
| Net difference between projected and actual earnings on pension plan investments | 93,549 | (909,743) |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis | 272,196 | (462,588) |
| Contributions subsequent to the measurement date | 104,166 | - |
| Total | \$ 740,961 | \$ (1,372,331) |

\$104,166 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 | \$ (45,487) |
| 2024 | (305,443) |
| 2025 | (292,980) |
| 2026 | (91,626) |
| Total | \$ (735,536) |

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 structure 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.

SOUTHEASTERN 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 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.

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.

SOUTHEASTERN 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 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% | |

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.

SOUTHEASTERN 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)

- 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.
- 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.

SOUTHEASTERN 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)

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) | \$ (2,955,348) | \$ (2,007,821) | \$ (1,217,145) |

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.

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 year ended June 30, 2022 program members contributed \$5,046.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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.

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.

SOUTHEASTERN 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)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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 \$10,998 for the year ended June 30, 2022.

SOUTHEASTERN 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

At June 30, 2022, the BOCES reported a liability of \$97,139 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 0.01127 percent, which was a decrease of 0.00071 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the BOCES recognized OPEB expense of \$1,273. 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 | \$ 150 | \$ (23,953) |
| Changes of assumptions or other inputs | 2,026 | (5,602) |
| Net difference between projected and actual earnings on pension plan investments | 695 | (6,899) |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis | 3,890 | (7,486) |
| Contributions subsequent to the measurement date | 5,345 | - |
| Total | \$ 12,106 | \$ (43,940) |

\$5,345 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:

SOUTHEASTERN 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)

| Year Ended June 30: | Fiscal Year Totals |
|---------------------|--------------------|
| 2023 | \$ (9,314) |
| 2024 | (10,100) |
| 2025 | (9,686) |
| 2026 | (5,417) |
| 2027 | (2,281) |
| 2028 | (381) |
| Total | \$ (37,179) |

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:

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

SOUTHEASTERN 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 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.

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.

SOUTHEASTERN 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 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.

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.

SOUTHEASTERN 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)

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

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.

SOUTHEASTERN 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 |
|--------------------|--------------------------|-------------------------|
| 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) | \$ (104,277) | \$ (107,043) | \$ (110,264) |

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.

SOUTHEASTERN 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) | \$ (122,620) | \$ (107,043) | \$ (93,734) |

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.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 9: RISK MANAGEMENT

The BOCES is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The BOCES maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Property and Liability Coverage. The BOCES belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The BOCES has not materially changed its coverage from previous years. The BOCES has not recorded any liability for unpaid claims at June 30, 2022.

As discussed previously the BOCES is a member of the Colorado School Districts’ Self-Insurance Pool. The pool has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the BOCES resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the BOCES’ financial statements.

Worker’s Compensation. The BOCES purchases commercial insurance for its workers compensation coverage. Claims have not exceeded coverage during the past three years.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 10: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND COMPLIANCE

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 districts 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.

NOTE 11: INTERGOVERNMENTAL AGREEMENTS

Not reflected in the accompanying financial statements is the various Districts' participation in the Southeastern Board of Cooperative Educational Services. The BOCES is an organization that provides member Districts educational services at a shared lower cost per District.

The Districts have one member on the Board. This Board has full authority for all budgeting and financing of the BOCES.

The BOCES is not a component unit of the participating Districts as the oversight responsibility is minimal, there is no financial interdependency, the Districts do not have the ability to significantly influence the operations of the BOCES and the Districts are not accountable for fiscal matters of the BOCES.

SOUTHEASTERN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 12: PRIOR PERIOD RESTATEMENT

The BOCES has restated beginning deferred outflows and inflows related to the PERA pension plan. The District has restated these balances to reflect recalculations of pension activities since the adoption of the required standards. This restatement increased governmental activities net position in the amount of \$87,361.

In addition, the June 30, 2021 grants receivable balances for various grants have been adjusted to match subsequent receipts. These net restatements have increased the beginning fund balance in the General Fund by \$69,991 and governmental activities net position by the same amount.

Net restatements for the General Fund and Governmental Activities are as follows:

| | <u>General Fund</u> | <u>Governmental Activities</u> |
|--|-------------------------|------------------------------------|
| ESSER I Receivable | \$ (2,129) | \$ (2,129) |
| Title III Receivable | 4,682 | 4,682 |
| IDEA Preschool | 5,178 | 5,178 |
| IDEA Part B | <u>62,260</u> | <u>62,260</u> |
| Net Receivable Restatements | 69,991 | 69,991 |
| Net PERA Pension Plan Restatement | <u>-</u> | <u>87,361</u> |
| Net Fund Equity/Net Position Restatement | 69,991 | 157,352 |
| Beginning Fund Equity/Net Position | <u>970,976</u> | <u>(2,528,814)</u> |
| Restated Fund Equity/Net Position | <u>\$ 1,040,967</u> | <u>\$ (2,371,462)</u> |

NOTE 13: DEFICIT NET POSITION

The Governmental Activities has an overall net position deficit of \$(1,928,305) and an unrestricted net position deficit of \$(2,252,757), primarily due to the inclusion of the PERA net pension liability of \$2,007,821 the net OPEB liability of \$97,139, and all related deferrals, 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.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules - Unaudited)

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**SOUTHEASTERN 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 | 0.023791% | \$ (3,034,573) | \$ - | \$ (3,034,573) | \$ 959,105 | 316.40% | 64.07% |
| June 30, 2015 | 0.022284% | \$ (3,020,192) | \$ - | \$ (3,020,192) | \$ 933,530 | 323.52% | 62.84% |
| June 30, 2016 | 0.021693% | \$ (3,317,811) | \$ - | \$ (3,317,811) | \$ 945,384 | 350.95% | 59.16% |
| June 30, 2017 | 0.020143% | \$ (5,997,262) | \$ - | \$ (5,997,262) | \$ 904,043 | 663.38% | 43.13% |
| June 30, 2018 | 0.020120% | \$ (6,506,234) | \$ - | \$ (6,506,234) | \$ 928,132 | 701.00% | 43.96% |
| June 30, 2019 | 0.017719% | \$ (3,137,539) | \$ (1,298,770) | \$ (4,436,309) | \$ 974,119 | 322.09% | 57.01% |
| June 30, 2020 | 0.018031% | \$ (2,693,732) | \$ (303,208) | \$ (2,996,940) | \$ 1,052,755 | 255.87% | 64.52% |
| June 30, 2021 | 0.020708% | \$ (3,130,665) | \$ - | \$ (3,130,665) | \$ 1,121,791 | 279.08% | 66.99% |
| June 30, 2022 | 0.017253% | \$ (2,007,821) | \$ (206,499) | \$ (2,214,320) | \$ 1,078,270 | 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.

SOUTHEASTERN 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 | \$ 148,949 | \$ (148,949) | \$ - | \$ 959,105 | 15.53% |
| June 30, 2015 | \$ 153,379 | \$ (153,379) | \$ - | \$ 933,530 | 16.43% |
| June 30, 2016 | \$ 163,835 | \$ (163,835) | \$ - | \$ 945,384 | 17.33% |
| June 30, 2017 | \$ 163,903 | \$ (163,903) | \$ - | \$ 904,043 | 18.13% |
| June 30, 2018 | \$ 172,911 | \$ (172,911) | \$ - | \$ 928,132 | 18.63% |
| June 30, 2019 | \$ 186,349 | \$ (186,349) | \$ - | \$ 974,119 | 19.13% |
| June 30, 2020 | \$ 204,024 | \$ (204,024) | \$ - | \$ 1,052,755 | 19.38% |
| June 30, 2021 | \$ 217,403 | \$ (217,403) | \$ - | \$ 1,121,791 | 19.38% |
| June 30, 2022 | \$ 214,360 | \$ (214,360) | \$ - | \$ 1,078,270 | 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.

**SOUTHEASTERN 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 | 0.011499% | \$ (148,452) | \$ 904,043 | 16.42% | 16.70% |
| June 30, 2018 | 0.011432% | \$ (148,575) | \$ 928,132 | 16.01% | 17.53% |
| June 30, 2019 | 0.011518% | \$ (156,701) | \$ 974,119 | 16.09% | 17.03% |
| June 30, 2020 | 0.011785% | \$ (133,175) | \$ 1,052,755 | 12.65% | 24.49% |
| June 30, 2021 | 0.011977% | \$ (113,813) | \$ 1,121,791 | 10.15% | 32.78% |
| June 30, 2022 | 0.011265% | \$ (97,139) | \$ 1,078,270 | 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.

**SOUTHEASTERN 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 | \$ 9,222 | \$ (9,222) | \$ - | \$ 904,043 | 1.02% |
| June 30, 2018 | \$ 9,467 | \$ (9,467) | \$ - | \$ 928,132 | 1.02% |
| June 30, 2019 | \$ 9,936 | \$ (9,936) | \$ - | \$ 974,119 | 1.02% |
| June 30, 2020 | \$ 10,809 | \$ (10,809) | \$ - | \$ 1,052,755 | 1.02% |
| June 30, 2021 | \$ 11,298 | \$ (11,298) | \$ - | \$ 1,121,791 | 1.02% |
| June 30, 2022 | \$ 10,998 | \$ (10,998) | \$ - | \$ 1,078,270 | 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.

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BUDGETARY COMPARISON SCHEDULES
(REQUIRED SUPPLEMENTARY INFORMATION)

SOUTHEASTERN 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

| | 2022 | | | |
|--|------------------|------------------|------------------|-------------------|
| | Original | Final | | Variance |
| | Budget | Budget | Actual | with Final |
| | | | | Budget |
| REVENUES | | | | |
| Local Sources | | | | |
| Tuition From Individuals | \$ 100,000 | \$ 100,000 | \$ 108,039 | \$ 8,039 |
| Investment Earnings | 1,000 | 1,000 | 1,063 | 63 |
| Rent Revenue | 9,912 | 9,912 | 14,728 | 4,816 |
| Sale of Fixed Asser/ Insurance Proceeds | - | - | 205 | 205 |
| Local BOCES Passthrough | 1,373,080 | 1,373,080 | 796,643 | (576,437) |
| Overhead Cost Revenue | - | - | - | - |
| Indirect Cost Revenue | 35,916 | 35,916 | 31,796 | (4,120) |
| Other Local | 36,625 | 36,625 | 23,708 | (12,917) |
| Total Local Sources | <u>1,556,533</u> | <u>1,556,533</u> | <u>976,182</u> | <u>(580,351)</u> |
| State Sources | | | | |
| State Grants from CDE | | | | |
| State ECEA (Special Education) | 740,540 | 740,540 | 788,603 | 48,063 |
| State Gifted and Talented | 78,464 | 78,464 | 77,932 | (532) |
| Read to Achieve | - | - | 10,025 | 10,025 |
| Counselor Grant | 23,077 | 23,077 | 1,467 | (21,610) |
| Early Literacy Grant | 249,655 | 249,655 | 292,689 | 43,034 |
| Implementing State Educational Priorities | 164,244 | 164,244 | - | (164,244) |
| Gifted Ed - Univ Screening and Qualified Persnl | 16,787 | 16,787 | 16,787 | - |
| Retaining Teachers Grant | - | - | - | - |
| Concurrent Enrollment Expansion and Innovation | - | - | - | - |
| State Grants from Other Agencies | | | | |
| State PERA Contribution | - | - | 24,574 | 24,574 |
| SAFER/School Safety Grant | 899,105 | 899,105 | 899,106 | 1 |
| Total State Sources | <u>2,171,872</u> | <u>2,171,872</u> | <u>2,111,183</u> | <u>(60,689)</u> |
| Federal Sources | | | | |
| Federal Grants from CDE | | | | |
| Coronavirus Relief Fund | - | - | 1,970 | 1,970 |
| Special Education: Grnts to States - IDEA Part B | 722,094 | 722,094 | 689,313 | (32,781) |
| IDEA Part B- Special Education Preschool | 46,319 | 46,319 | 37,068 | (9,251) |
| NCLB Title III, Part A- Eng Lang Acq | 27,140 | 27,140 | 6,905 | (20,235) |
| ESSER | 96,953 | 96,953 | - | (96,953) |
| Ed Stab Fd - Elem Sec Emer Relief Discretionary | - | - | - | - |
| ARP - ESSER III - IDEA Part B | 139,340 | 139,340 | 47,322 | (92,018) |
| ARP: Individuals with Disabilities Education Act | 9,719 | 9,719 | 1,995 | (7,724) |
| Title III Set Aside | - | - | - | - |
| Federal Grants from Other State Agencies | | | | |
| Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed | 46,777 | 46,777 | 35,100 | (11,677) |
| Total Federal Sources | <u>1,088,342</u> | <u>1,088,342</u> | <u>819,673</u> | <u>(268,669)</u> |
| TOTAL REVENUES | <u>4,816,747</u> | <u>4,816,747</u> | <u>3,907,038</u> | <u>(909,709)</u> |

See the accompanying Independent Auditors' Report

SOUTHEASTERN 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

| | 2022 | | | Variance with Final Budget |
|-------------------------------|--------------------|------------------|------------------|----------------------------------|
| | Original Budget | Final Budget | Actual | |
| (Continued) | | | | |
| EXPENDITURES | | | | |
| Instruction | | | | |
| Salaries | 505,715 | 505,715 | 405,058 | 100,657 |
| Benefits | 173,656 | 173,656 | 145,885 | 27,771 |
| PS-Professional | 291,687 | 291,687 | 270,283 | 21,404 |
| PS-Other | 96,064 | 96,064 | 79,798 | 16,266 |
| Supplies | 229,702 | 229,702 | 103,365 | 126,337 |
| Property | - | - | - | - |
| Other Expenses | - | - | 9,767 | (9,767) |
| Total Instruction | <u>1,296,824</u> | <u>1,296,824</u> | <u>1,014,156</u> | <u>282,668</u> |
| Supporting Services | | | | |
| Pupil Support | | | | |
| Salaries | 310,222 | 310,222 | 300,864 | 9,358 |
| Benefits | 141,461 | 141,461 | 114,253 | 27,208 |
| PS- Professional | 294,803 | 294,803 | 255,241 | 39,562 |
| PS-Other | 9,400 | 9,400 | 4,140 | 5,260 |
| Supplies | 27,500 | 27,500 | 10,373 | 17,127 |
| Property | 51,100 | 51,100 | 32,583 | 18,517 |
| Other Expenses | 39,653 | 39,653 | 51,782 | (12,129) |
| Total Pupil Support | <u>874,139</u> | <u>874,139</u> | <u>769,236</u> | <u>104,903</u> |
| Staff Support | | | | |
| Salaries | 3,000 | 3,000 | 12,795 | (9,795) |
| Benefits | - | - | 465 | (465) |
| PS- Professional | 230,121 | 230,121 | 166,076 | 64,045 |
| PS-Other | 124,496 | 124,496 | 10,569 | 113,927 |
| Supplies | 36,943 | 36,943 | 7,840 | 29,103 |
| Total Staff Support | <u>394,560</u> | <u>394,560</u> | <u>197,745</u> | <u>196,815</u> |
| General Administration | | | | |
| Salaries | 217,301 | 217,301 | 226,253 | (8,952) |
| Benefits | 66,299 | 66,299 | 74,523 | (8,224) |
| PS- Professional | 130,825 | 130,825 | 18,544 | 112,281 |
| PS-Other | 17,900 | 17,900 | 11,416 | 6,484 |
| Supplies | - | - | 1,970 | (1,970) |
| Property | 899,105 | 899,105 | 899,105 | - |
| Other Expenses | 8,345 | 8,345 | 1,797 | 6,548 |
| Total General Administration | <u>1,339,775</u> | <u>1,339,775</u> | <u>1,233,608</u> | <u>106,167</u> |
| School Administration | | | | |
| PS-Other | 256,250 | 256,250 | 266,250 | (10,000) |

See the accompanying Independent Auditors' Report

(Continued)

SOUTHEASTERN 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

| | 2022 | | | Variance with Final Budget |
|--|--------------------|------------------|-------------------|----------------------------------|
| | Original Budget | Final Budget | Actual | |
| (Continued) | | | | |
| EXPENDITURES (Continued) | | | | |
| Supporting Services (Continued) | | | | |
| Business Services | | | | |
| Salaries | 53,449 | 53,449 | 53,448 | 1 |
| Benefits | 20,947 | 20,947 | 21,358 | (411) |
| Total Business Services | <u>74,396</u> | <u>74,396</u> | <u>74,806</u> | <u>(410)</u> |
| Operations and Maintenance | | | | |
| Salaries | 8,111 | 8,111 | 3,336 | 4,775 |
| Benefits | 2,142 | 2,142 | 811 | 1,331 |
| PS- Professional | 3,900 | 3,900 | 1,712 | 2,188 |
| PS- Property | 12,000 | 12,000 | 9,062 | 2,938 |
| PS-Other | 74,570 | 74,570 | 56,564 | 18,006 |
| Supplies | 37,600 | 37,600 | 15,003 | 22,597 |
| Property | 30,000 | 30,000 | 15,099 | 14,901 |
| Other Expenses | - | - | (38,152) | 38,152 |
| Total Operations and Maintenance | <u>168,323</u> | <u>168,323</u> | <u>63,435</u> | <u>104,888</u> |
| Other Central Support | | | | |
| Salaries | 149,351 | 149,351 | 149,850 | (499) |
| Benefits | 51,486 | 51,486 | 53,447 | (1,961) |
| PS- Professional | 32,998 | 32,998 | 30,841 | 2,157 |
| PS-Other | 35,750 | 35,750 | 10,042 | 25,708 |
| Supplies | 506,500 | 506,500 | 276,094 | 230,406 |
| Property | 9,000 | 9,000 | 99 | 8,901 |
| Other Expenses | - | - | 7,198 | (7,198) |
| Total Other Central Support | <u>785,085</u> | <u>785,085</u> | <u>527,571</u> | <u>257,514</u> |
| Total Supporting Services | <u>3,892,528</u> | <u>3,892,528</u> | <u>3,132,651</u> | <u>759,877</u> |
| Facilities/Capital Outlay | | | | |
| Land and Improvements | 4,000 | 4,000 | - | 4,000 |
| Buildings | 155,200 | 155,200 | 736,855 | (581,655) |
| Total Facilities/Capital Outlay | <u>159,200</u> | <u>159,200</u> | <u>736,855</u> | <u>(577,655)</u> |
| Debt Service | | | | |
| Interest | - | - | 14,792 | (14,792) |
| Principal | - | - | 26,922 | (26,922) |
| Total Debt Service | <u>-</u> | <u>-</u> | <u>41,714</u> | <u>(41,714)</u> |
| TOTAL EXPENDITURES | <u>5,348,552</u> | <u>5,348,552</u> | <u>4,925,376</u> | <u>423,176</u> |
| REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES | (531,805) | (531,805) | (1,018,338) | (486,533) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Debt Proceeds | - | - | 575,000 | 575,000 |
| CHANGE IN FUND BALANCE | <u>(531,805)</u> | <u>(531,805)</u> | <u>(443,338)</u> | <u>88,467</u> |
| BEGINNING FUND BALANCE | 567,350 | 567,350 | 940,975 | 373,625 |
| PRIOR PERIOD RESTATEMENT | - | - | 69,991 | 69,991 |
| BEGINNING FUND BALANCE (As Restated) | <u>567,350</u> | <u>567,350</u> | <u>1,010,966</u> | <u>443,616</u> |
| ENDING FUND BALANCE | <u>\$ 35,545</u> | <u>\$ 35,545</u> | <u>\$ 567,628</u> | <u>\$ 532,083</u> |

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9075 - Southeastern 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 | 1,010,966 | | 4,482,038 | | 4,925,376 | | 567,628 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | | 0 | | 0 | | 0 |
| 19 Colorado Preschool Program Fund | 0 | | 0 | | 0 | | 0 |
| Sub- Total | 1,010,966 | | 4,482,038 | | 4,925,376 | | 567,628 |
| 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 | 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 | 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 | 0 | 0 | 0 |

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 9075 - Southeastern BOCES
 Fiscal Year 2021-22

Colorado School District/BOCES

| | Governmental | | | | | | | | | | Proprietary | | | | | Fiduciary | |
|---------------------------------------|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|------------------|--|
| | 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) | 1,108,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,108,000 | |
| Grants Accounts Receivable (8142) | 115,177 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 115,177 | |
| Other Receivables (8151-8154,8161) | 4,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,705 | |
| Total Assets | 1,227,882 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,227,882 | |

Governmental
Proprietary
Fiduciary

| | 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 |
|---|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|----------------|
| LIABILITIES & FUND EQUITY | | | | | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | | | | | |
| Other Payables (7421-7423) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accrued Expenses (7461) | 152,626 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 152,626 |
| Payroll Ded. and Withholdings (7471-7473) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants Deferred Revenue (7482) | 507,629 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 507,629 |
| Total Liabilities | 660,254 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 660,254 |

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unassigned Fund Balance 6770 | 497,637 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 497,637 |
| 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 | 69,991 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69,991 |
| Total Fund Equity | 567,628 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 567,628 |

| | 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 | 1,227,882 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,227,882 |

| | 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 |
|--|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|
| Do Assets=Liability+Fund Equity | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |