

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
GREELEY, COLORADO

ROSTER OF OFFICIALS
June 30, 2025

BOARD OF DIRECTORS

<u>BOARD MEMBER</u>	<u>DISTRICT</u>
Christy Loyd	Pawnee, RE-12
Christine Brown	Morgan, RE-3
Kristine Bauer	Platte Valley, RE-7
Brandy Hansen	Brush, RE-2J
John Batka	Ault/Highland, RE-9
Tiffany Chapin	Weldon Valley, RE-20J
Troy Renken	Weld, RE-1
Katie Ford	Briggsdale, RE-10J
Susie Kester	Prairie, RE-11J
Brenda Wyss	Estes Park, R-3
Jim Berthold	St. Vrain Valley, RE-1J
Derrick Kyte	Wiggins, RE-50J
DeAn Dillard	Eaton, RE-2
Michelle Sharp	RE-1 Valley
Michael Wailes	Weld RE-5J Johnstown-Milliken
Karen Trusler	Weld RE-4
Kyle Bentley	Greeley District 6

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

(Unaudited)

Required Supplementary Information

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2025

The discussion and analysis of the Centennial Board of Cooperative Educational Services’ (the “BOCES”) financial performance provides an overall review of the BOCES’ financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the BOCES’ financial performance as a whole. You should also review the financial statements, financial statement footnotes, and budgetary comparison schedules to broaden their understanding of the BOCES financial performance.

Financial Highlights

As a result of the implementation of GASB 68 during the year ended June 30, 2015, the BOCES’ net position statement has changed significantly over the past several years. The total net position changed from -\$8,300,457 as of June 30, 2024, to -\$8,178,471 as of June 30, 2025. The share of Colorado PERA’s net pension liability for Centennial BOCES is causing the primary impact to the Statement of Net Position, which is found on page 4.

The BOCES fund balance in the General Fund of \$2,068,159 is a decrease of \$298,896 over the prior fiscal year. The fund balance represents 12.4% of the actual expenditures for the fiscal year ended June 30, 2025. This was based on the Special Education Department and Innovative Education Services Department both running negative project balances, with the other departments having slightly positive project balances.

Federal Migrant Education revenues account for \$2,178,235, or 13.2% of total governmental revenue for the year ending June 30, 2025. Federal Special Education IDEA Part B revenues account for \$1,905,068, or 11.6% of total governmental revenue. Title I revenues account for \$1,461,514, or 8.9% of total governmental revenue. Total federal sources of revenues were essentially for the year ending June 30, 2025 compared to June 30, 2024. Most federal sources had small differences year-over-year, with Title II-A seeing the largest percent increase at 23.6% (+\$57,528). State revenue had only a 1.1% increase as of June 30, 2025, compared to the prior fiscal year. Local revenue saw an increase of \$456,763 (10.2%) as of June 30, 2025, compared to the prior fiscal year, largely due to the increase in Local BOCES Services Flowthrough revenue.

Using the Basic Financial Statements

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

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

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

Financial Analysis of the BOCES as a Whole

For the fiscal year ending June 30, 2025, Centennial BOCES had a negative change in the fund balance. The fund balance decreased \$298,896 over the prior year. At the end of the current fiscal year, total assets of the BOCES decreased to \$6,714,774 compared to \$7,334,658, which is a decrease of \$619,884 from the prior year. The change is largely due to a decrease in grants receivable of \$864,551 and a decrease in other accounts receivable of \$130,141. Total deferred outflows of financial resources decreased \$2,373,693 from the prior year. The change in liabilities is highlighted by a decrease of \$528,752 in accounts payable and by a decrease of \$1,440,917 in non-current liabilities, representing a total decrease in liabilities of \$3,809,520. Total deferred inflows of financial resources decreased \$1,134,765 from the prior year.

Government-Wide Financial Statements

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

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

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

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

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2025	2024
Assets:		
Current Assets	\$ 3,937,066	\$ 4,775,843
Capital Assets – Net	2,777,708	2,558,815
Deferred Outflows of Resources	3,671,542	6,045,235
Capital Assets & Deferred Outflows of Financial Resources	<u>10,386,316</u>	<u>13,379,893</u>
Liabilities:		
Current Liabilities	1,828,722	2,368,603
Non-current Liabilities	14,151,506	15,592,423
Deferred Inflows of Resources	2,584,559	3,719,324
Total Liabilities & Deferred Inflows of Financial Resources	<u>18,564,787</u>	<u>21,680,350</u>
Net Position:		
Net Invested in Capital Assets	2,487,633	2,552,946
Unrestricted Net Position	(10,666,104)	(10,853,403)
Total Net Position(Deficit)	<u>(8,178,471)</u>	<u>(8,300,457)</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 10,386,316</u>	<u>\$ 13,379,893</u>

The most significant changes in governmental activities were a decrease in deferred outflows of resources of \$2,373,693, and a decrease in non-current liabilities of \$1,440,917. The decrease in deferred inflows of resources of \$1,134,765 was primarily due to the updated Centennial BOCES's share of the net pension liability from PERA into the financial statements per GASB 68 requirement.

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

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2025	2024
Program Revenues:		
Charges for Services	\$ 4,045,639	\$ 3,560,949
Operating Grants	11,669,309	11,491,105
Total Program Revenues	15,714,948	15,052,054
General Revenues:		
Investment Earnings	167,289	176,534
Miscellaneous Revenues	565,125	697,809
Total General Revenues	732,414	874,343
Total Revenues	16,447,362	15,926,397
Expenses:		
Instruction	4,872,597	5,581,298
Supporting Services	11,440,386	10,924,055
Total Expenses	16,312,983	16,505,353
Change in Net Position	134,379	(578,956)
Net Position - Beginning	(8,300,457)	(7,721,501)
Prior Period Restatement	(12,393)	-
Net Position - Beginning (Restated)	(8,312,850)	(7,721,501)
Net Position Ending	\$ (8,178,471)	\$ (8,300,457)

The increase in governmental activity total revenues of \$520,965 is primarily attributable to the increase in charges for services of \$484,690. The increase in total expenses of \$192,370 is attributable to a decrease in instruction expense and an increase in supporting services expense.

Reporting the BOCES' Most Significant Fund

The statements of the BOCES's major fund begin on page 8. Fund financial reports provide detailed information about the BOCES' major fund. The Centennial BOCES's major fund is the General Fund.

Governmental Funds

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

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

Fund Financial Statements

As of June 30, 2025, the BOCES's general fund reported a fund balance of \$2,068,159, which is a decrease of \$298,896 from the June 30, 2024 balance. The decrease was primarily due to the Special Education Department and Innovative Education Services Department both running negative project balances, with the other departments having slightly positive project balances. The general fund has an unassigned fund balance of \$1,767,659 and a committed fund balance of \$300,500.

Capital Assets

As of June 30, 2025, the BOCES had \$2,777,708 invested in a broad range of capital assets, including land, buildings, furniture, and equipment. The BOCES decreased net capital assets by \$155,675 (including additions and depreciation). The change was due to a net increase in total accumulated depreciation. A summary of the BOCES's Capital Assets is as follows:

TABLE 3 – SUMMARY OF CAPITAL ASSETS

	Restated Balance 06/30/24	Additions	Deletions	Balance 06/30/25
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Land Improvements	-	42,936	-	42,936
Buildings and Improvements	3,467,096	-	-	3,467,096
Machinery and Equipment	2,505,057	9,901	2,104,699	410,259
Leased Facilities	454,833	-	-	454,833
Leased Equipment	<u>14,705</u>	<u>-</u>	<u>-</u>	<u>14,705</u>
Total Capital Assets	<u>6,855,157</u>	<u>52,837</u>	<u>2,104,699</u>	<u>4,803,295</u>
Accumulated Depreciation:				
Land Improvements	-	(4,294)	-	(4,294)
Buildings and Improvements	(1,483,684)	(75,190)	-	(1,558,874)
Machinery and Equipment	(2,348,525)	(18,914)	(2,104,699)	(262,740)
Leased Facilities	(80,265)	(107,019)	-	(187,284)
Leased Equipment	<u>(9,300)</u>	<u>(3,095)</u>	<u>-</u>	<u>(12,395)</u>
Total Accum. Depreciation	<u>(3,921,774)</u>	<u>(208,512)</u>	<u>(2,104,699)</u>	<u>(2,025,587)</u>
Net Governmental Capital Assets	<u>\$ 2,933,383</u>	<u>\$ (155,675)</u>	<u>\$ -</u>	<u>\$ 2,777,708</u>

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

Debt Administration

As of June 30, 2025, the BOCES had total outstanding long-term debt as follows:

TABLE 4 - SCHEDULE OF LONG-TERM OBLIGATIONS

	Restated Balance 6/30/24	Additions	Deletions	Balance 6/30/25	Due Within One Year	Interest Expense
Capital Leases Payable:						
2021 Copier Lease	\$ 1,953	\$ -	\$ 1,669	\$ 284	\$ 284	\$ 48
2022 Copier Lease	3,916	-	1,574	2,342	1,639	130
Greeley/Longmont Campus Lease	<u>386,961</u>	<u>-</u>	<u>99,512</u>	<u>287,449</u>	<u>108,176</u>	<u>17,110</u>
Total Capital Leases Payable	392,830	-	102,755	290,075	110,099	17,288
Accrued Compensated Absences	<u>426,806</u>	<u>-</u>	<u>36,019</u>	<u>390,787</u>	<u>198,319</u>	<u>-</u>
Total Long Term Obligations	<u>\$ 819,636</u>	<u>\$ -</u>	<u>\$ 138,774</u>	<u>\$ 680,862</u>	<u>\$ 308,418</u>	<u>\$ 17,288</u>

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

General Fund Budget

The Board of Directors adopts the BOCES's budget in May of each year. Changes are then made in September when grant allocations are announced and staff changes are made for the new school year. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the BOCES' budget are due to grants updated or awarded after the budget adoption. The final budget increased by \$898,231 over the original budget due to an increase in several grants, including Title I Part A of \$156,389; Title I Part C Migrant of \$130,625; and Title II-A of \$163,941. Additionally, an increase in interest revenue and donations in the Administration department contributed to the increase. Actual expenditures for the year were \$1,192,830 less than budgeted.

Economics Factors and Next Year's Budget and Rates

Joining forces to enrich educational opportunities for students, the BOCES provides high quality programs and services through partnerships and collaboration which support the educational priorities of member districts and enrich educational opportunities for students. The 2025-2026 budget addresses the major projects for the ensuing school year and provides an adequate level of funding for ongoing programs. The budget includes all programs associated with the seventeen districts within the BOCES. Overall, the original adopted BOCES budget for 2025-2026 is \$17,040,857 or \$1,200,190 less than the final budget for 2024-2025. The main decreases are in the Federal Programs department, with a reduction in federal Migrant Education funding of 10% and a 28% in Title I Part A due to a larger district withdrawing from our ESSA consortium. Federal Program budgets decreased \$954,526 over the final 2024-2025 budget. The Technology and Special Education departments had small increases over the final 2024-2025 budget.

Requests for Information

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

FINANCIAL SECTION

Mayberry & Company, LLC

Certified Public Accountants

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

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

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, and major fund of Centennial Board of Cooperative Educational Services, as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise Centennial Board of Cooperative Educational Services basic financial statements as listed in the table of contents.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited the Centennial Board of Cooperative Educational Services 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post-employment benefit plan information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

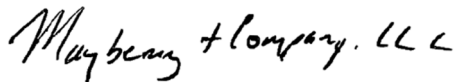
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Centennial Board of Cooperative Educational Services basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional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

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Governmental Accounting Standards

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



Englewood, CO
November 14, 2025

BASIC FINANCIAL STATEMENTS

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Statement of Net Position
June 30, 2025

	Governmental Activities
	<u> </u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Cash and Investments	\$ 2,037,427
Grants Receivable	1,541,269
Other Accounts Receivable	242,295
Prepaid Expenses	116,075
Capital Assets, not being depreciated	413,466
Capital Assets, being depreciated	<u>2,364,242</u>
Total Assets	<u>6,714,774</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	3,637,297
Net OPEB Deferred Outflows	<u>34,245</u>
Total Deferred Outflows of Financial Resources	<u>3,671,542</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 10,386,316</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Accounts Payable	\$ 1,191,909
Accrued Salaries & Benefits	591,646
Payroll Taxes & Deductions Payable	7,607
Grant Unearned Revenue	37,500
Other Current Liabilities	60
Non-Current Liabilities	
Due Within One Year	308,418
Due In More Than One Year	<u>13,843,088</u>
Total Liabilities	<u>15,980,228</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	2,439,530
Net OPEB Deferred Inflows	<u>145,029</u>
Total Deferred Inflows of Financial Resources	<u>2,584,559</u>
Net Position	
Net Investment in Capital Assets	2,487,633
Unrestricted Net Position	<u>(10,666,104)</u>
Total Net Position	<u>(8,178,471)</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 10,386,316</u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Balance Sheet

Governmental Funds

General Fund

June 30, 2025

	<u>Totals</u>	
	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Investments	\$ 2,037,427	\$ 1,932,146
Grants Receivable	1,541,269	2,405,820
Other Accounts Receivable	242,295	372,436
Prepaid Expenses	116,075	65,441
TOTAL ASSETS	<u>\$ 3,937,066</u>	<u>\$ 4,775,843</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 1,191,909	\$ 1,720,661
Accrued Salaries & Benefits	591,646	547,865
Payroll Taxes & Deductions Payable	7,607	1,693
Unearned Revenue	-	80,193
Grant Deferred Revenue	37,500	18,167
Other Current Liabilities	60	24
Other Liabilities	40,185	40,185
Total Liabilities	<u>1,868,907</u>	<u>2,408,788</u>
Fund Balance		
Committed Fund Balance		
Assigned Fund Balance		
Assigned as Budgetary Reserve	300,500	300,500
Unassigned Fund Balance	1,767,659	2,066,555
Total Fund Balance	<u>2,068,159</u>	<u>2,367,055</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 3,937,066</u>	<u>\$ 4,775,843</u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2025**

Fund Balance - Governmental Funds		\$ 2,068,159
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 413,466	
Capital assets, being depreciated	4,389,829	
Accumulated depreciation	<u>(2,025,587)</u>	2,777,708
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	3,637,297	
Net pension liability	(13,196,319)	
Net pension deferred inflows	<u>(2,439,530)</u>	(11,998,552)
OPEB Liability		
Net OPEB deferred outflows	34,245	
Net OPEB liability	(234,140)	
Net OPEB deferred inflows	<u>(145,029)</u>	(344,924)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(290,075)	
Accrued compensated absences	<u>(390,787)</u>	<u>(680,862)</u>
Total Net Position - Governmental Activities		<u>\$ (8,178,471)</u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	<u>Totals</u>	
	<u>2025</u>	<u>2024</u>
REVENUES		
Local Sources	\$ 4,955,333	\$ 4,498,570
State Sources	5,242,027	5,183,506
Federal Sources	<u>6,250,002</u>	<u>6,244,321</u>
TOTAL REVENUES	<u>16,447,362</u>	<u>15,926,397</u>
EXPENDITURES		
Instruction	5,669,143	5,325,078
Pupil Support	4,087,269	4,038,385
Staff Support	2,162,171	2,144,949
General Administration	1,016,657	456,706
School Administration	113,095	106,740
Business Services	499,972	529,143
Operations and Maintenance	1,182,936	1,067,732
Other Central Support	1,377,220	1,455,383
Risk Management	66,145	80,485
Community Support	451,608	338,526
Other Uses	-	324,485
Debt Service	<u>120,042</u>	<u>3,420</u>
TOTAL EXPENDITURES	<u>16,746,258</u>	<u>15,871,032</u>
CHANGE IN FUND BALANCE	(298,896)	55,365
BEGINNING FUND BALANCE	<u>2,367,055</u>	<u>2,311,690</u>
ENDING FUND BALANCE	<u>\$ 2,068,159</u>	<u>\$ 2,367,055</u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2025**

Change in Fund Balance - Governmental Funds		\$	(298,896)
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	(2,051,862)	
Depreciation Expense		<u>1,896,187</u>	(155,675)
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		(2,327,054)	
Change in net pension liability		1,566,774	
Current year change and amortization of deferred inflows - net		<u>1,117,104</u>	356,824
OPEB Liability			
Current year change and amortization of deferred outflows - net		(46,639)	
Change in OPEB liability		122,330	
Current year change and amortization of deferred inflows - net		<u>17,661</u>	93,352
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on capital leases			102,755
Change in accrued compensated absences			<u>36,019</u>
Total Net Position - Governmental Activities		\$	<u><u>134,379</u></u>

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The BOCES reports the following major governmental fund:

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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

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

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 6 and 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The BOCES reports deferred inflows for pension and OPEB related amounts as further described in Notes 6 and 8.

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Net Position/Fund Equity Flow Assumptions

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures

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

Comparative Data

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

NOTE 2: CASH AND INVESTMENTS

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

Cash and Investments

Petty Cash	\$	400
Deposits		385,626
Investments		<u>1,651,401</u>
Total Cash and Investments		<u>\$ 2,037,427</u>
Government-wide - unrestricted		<u>\$ 2,037,427</u>

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the BOCES are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the entity or by its agent in the entity's name. (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.

At June 30, 2025, the BOCES' deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in BOCES name)	-	135,626
Total Deposits	<u>\$ 250,000</u>	<u>\$ 385,626</u>

Investments

The BOCES has \$1,651,401 invested in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of Colotrust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by Colotrust. The fair value of the position in the pool is the same as the valuation of the pool shares.

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The BOCES has no investments policy that would further limit its investment choices. At June 30, 2025, the BOCES’ investment in the Colorado Government Liquid Assets Trust (Colostrust) was rated AAAM by Standard & Poor’s.

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

NOTE 3: CAPITAL ASSETS

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

A summary of changes in capital assets is as follows:

	Restated Balance <u>06/30/24</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/25</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land and Easements	\$ 413,466	\$ -	\$ -	\$ 413,466
Capital Assets, being depreciated:				
Land Improvements	-	42,936	-	42,936
Buildings and Improvements	3,467,096	-	-	3,467,096
Machinery and Equipment	2,505,057	9,901	2,104,699	410,259
Leased Facilities	454,833	-	-	454,833
Leased Equipment	<u>14,705</u>	<u>-</u>	<u>-</u>	<u>14,705</u>
Total Capital Assets	<u>6,855,157</u>	<u>52,837</u>	<u>2,104,699</u>	<u>4,803,295</u>
Accumulated Depreciation:				
Land Improvements	-	(4,294)	-	(4,294)
Buildings and Improvements	(1,483,684)	(75,190)	-	(1,558,874)
Machinery and Equipment	(2,348,525)	(18,914)	(2,104,699)	(262,740)
Leased Facilities	(80,265)	(107,019)	-	(187,284)
Leased Equipment	<u>(9,300)</u>	<u>(3,095)</u>	<u>-</u>	<u>(12,395)</u>
Total Accum. Depreciation	<u>(3,921,774)</u>	<u>(208,512)</u>	<u>(2,104,699)</u>	<u>(2,025,587)</u>
Net Governmental Capital Assets	<u>\$ 2,933,383</u>	<u>\$ (155,675)</u>	<u>\$ -</u>	<u>\$ 2,777,708</u>

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation and amortization for the governmental activities is allocated to supporting services in the amount of \$208,152 as of June 30, 2025.

The BOCES has restated the beginning balance to reflect the recording of a leased facility agreement that was entered into during fiscal year 2024 as further discussed in Note 14.

NOTE 4: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, are \$591,646. 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, 2025:

	Restated Balance 6/30/24	Additions	Deletions	Balance 6/30/25	Due Within One Year	Interest Expense
<u>Capital Leases Payable:</u>						
2021 Copier Lease	\$ 1,953	\$ -	\$ 1,669	\$ 284	\$ 284	\$ 48
2022 Copier Lease	3,916	-	1,574	2,342	1,639	130
Greeley/Longmont Campus Lease	<u>386,961</u>	-	<u>99,512</u>	<u>287,449</u>	<u>108,176</u>	<u>17,110</u>
Total Capital Leases Payable	392,830	-	102,755	290,075	110,099	17,288
Accrued Compensated Absences	<u>426,806</u>	-	<u>36,019</u>	<u>390,787</u>	<u>198,319</u>	-
Total Long Term Obligations	<u>\$ 819,636</u>	<u>\$ -</u>	<u>\$ 138,774</u>	<u>\$ 680,862</u>	<u>\$ 308,418</u>	<u>\$ 17,288</u>

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

Leases – Direct Borrowing

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

Leases – Direct Borrowing (Continued)

The future minimum capital lease payments at June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	<u>\$ 285</u>	<u>\$ 1</u>	<u>\$ 286</u>

In December 2021, the BOCES entered into a copier lease agreement for \$7,700. Monthly payments of \$142 are due through November 2026, at an interest rate of 4.00%. In the event of default, the Lessor may retain the security deposit and/or terminate or cancel the agreement. The Lessor may require all sums due under the agreement with the unpaid balance discounted at present value rates, the amount of any purchase option and if none is specified, 20% of the original equipment cost will represent an anticipated residual value, interest may be recovered on any unpaid balance at an annual rate of 8%. The Lessor may use any remedies available under Article 2A of the Uniform Commercial Code. Fees liable to the Lessee associated with right to remedy may include reasonable attorney’s fees, actual court costs and repossession costs. The Lessee may be required to return the equipment to a location designated by the Lessor. The net proceeds of the sale of any repossessed equipment will be credited against what is owed.

The future minimum capital lease payments at June 30, 2025, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,639	\$ 65	\$ 1,704
2027	703	7	710
Total	<u>\$ 2,342</u>	<u>\$ 72</u>	<u>\$ 2,414</u>

In October 2023, the BOCES entered into a facility use agreement for classroom and office space in Longmont and Greeley, Colorado. Monthly payments escalate throughout the lease from \$8,407 per month in September 2023 to \$10,163 per month in December of 2027. The BOCES has capitalized a lease asset with a value of \$454,833 based on an assumed 5% interest rate.

The future minimum capital lease payments at June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 108,176	\$ 11,938	\$ 120,114
2027	117,400	6,320	123,720
2028	61,873	905	62,778
Total	<u>\$ 287,449</u>	<u>\$ 19,163</u>	<u>\$ 306,612</u>

The BOCES has restated the prior year lease balances to reflect the facility lease as further described in Note 14.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times the 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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

In all cases the service retirement benefit is limited to 100% of highest average salary and 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

	7/1/24- 6/30/25
Employer contribution rate	11.40%
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	10.38%
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	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Centennial Board of Cooperative Educational Services is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Centennial Board of Cooperative Educational Services were \$1,204,430 for the year ended June 30, 2025.

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2025, the Centennial Board of Cooperative Educational Services reported a liability of \$13,196,319 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Centennial Board of Cooperative Educational Services 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 Centennial Board of Cooperative Educational Services were as follows:

District's proportionate share of the net pension liability	\$ (13,196,319)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (1,087,559)
Total	\$ (14,283,878)

At December 31, 2024, the Centennial Board of Cooperative Educational Services proportion was .076479%, which was a decrease of .007% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025 the Centennial Board of Cooperative Educational Services recognized pension expense of \$648,413 and revenue of \$108,177 or support from the State as a nonemployer contributing entity. At June 30, 2025, the Centennial Board of Cooperative Educational Services reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 747,288	\$ -
Changes of assumptions or other inputs	\$ 98,934	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 2,176,349	\$ (1,927,371)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (512,159)
Contributions subsequent to the measurement date	\$ 614,726	\$ -
Total	\$ 3,637,297	\$ (2,439,530)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

\$614,726 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 June 30, 2026. 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
2026	\$ 489,900
2027	\$ 761,451
2028	\$ (490,739)
2029	\$ (177,571)
Total	\$ 583,041

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

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

Salary increases, including wage inflation:	4.00%- 13.40%
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Salary scale assumptions were altered to better reflect actual experience.

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

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

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

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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)

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (17,891,150)	\$ (13,196,319)	\$ (9,263,742)

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

Subsequent Events

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

NOTE 7: DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: DEFINED CONTRIBUTION PENSION PLANS (Continued)

Voluntary Investment Program (PERAPlus 401(k) Plan) (Continued)

Funding Policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2025 program members contributed \$83,229.

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)

Summary of Significant Accounting Policies

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

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).

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Centennial Board of Cooperative Educational Services is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Centennial Board of Cooperative Educational Services were \$60,281 for the year ended June 30, 2025.

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

At June 30, 2025, the Centennial Board of Cooperative Educational Services reported a liability of \$234,140 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Centennial Board of Cooperative Educational Services proportion of the net OPEB liability was based on Centennial Board of Cooperative Educational Services contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Centennial Board of Cooperative Educational Services proportion was .04897%, which was a decrease of .0009% from its proportion measured as of December 31, 2023.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

For the year ended June 30, 2025, the Centennial Board of Cooperative Educational Services recognized OPEB income of \$29,608. At June 30, 2025, the Centennial Board of Cooperative Educational Services 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	\$ -	\$ (51,647)
Changes of assumptions or other inputs	\$ 2,685	\$ (74,843)
Net difference between projected and actual earnings on pension plan investments	\$ 794	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (18,539)
Contributions subsequent to the measurement date	\$ 30,766	\$ -
Total	\$ 34,245	\$ (145,029)

\$30,766 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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
2026	\$ (42,926)
2027	(24,070)
2028	(33,523)
2029	(20,783)
2030	(14,128)
2031	(6,120)
Total	\$ (141,550)

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.40%-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	
Service-based premium subsidy	0.00%
PERACare Medicare Plans	16% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2034

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.20%	2.30%
69	2.80%	2.20%
70	2.70%	1.60%
71	3.10%	0.50%
72	2.30%	0.70%
73	1.20%	0.80%
74	0.90%	1.50%
75-85	0.90%	1.30%
86 and Older	0.00%	0.00%

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #1 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 6,539	\$ 5,429
70	\$ 1,921	\$ 1,589	\$ 7,341	\$ 6,073
75	\$ 2,122	\$ 1,670	\$ 8,110	\$ 6,385

Sample Age	MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 585	\$ 486	\$ 4,241	\$ 3,523
70	\$ 657	\$ 544	\$ 4,764	\$ 3,941
75	\$ 726	\$ 571	\$ 5,262	\$ 4,143

Sample Age	MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female
65	\$ 1,897	\$ 1,575	\$ 7,063	\$ 5,866
70	\$ 2,130	\$ 1,763	\$ 7,933	\$ 6,563
75	\$ 2,353	\$ 1,853	\$ 8,763	\$ 6,900

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

Year	PERACare Medicare Plans ¹	MAPD PPO #2 ¹	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

¹ Increase in 2024 trend rates due to the effect of the Inflation Reduction Act

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

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

	HCTF			DPS HCTF	
	State Division	School Division	Local Government Division	Judicial Division	DPS Division
Salary increase, including wage inflation:					
Members other than Safety Officers	.70%-13.30%	.00%-13.40%	.40%-13.00%	.30%-4.70%	3.90%-16.80%
Safety Officers	.20%-16.30%	N/A	.20%-16.30%	N/A	N/A

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

HCTF:

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

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

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

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

Note: 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%.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
InitialMAPD PPO #2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 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 ¹	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (227,832)	\$ (234,140)	\$ (241,279)

¹ For the January 1, 2025 plan year

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB asset (liability)	\$ (286,942)	\$ (234,140)	\$ (188,618)

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: RISK MANAGEMENT

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

NOTE 10: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Claims and Judgments - The BOCES participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the BOCES may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by state and federal agencies, but the BOCES believes that disallowed expenditures, if any, based on subsequent state and federal audits will not have a material effect on any of the individual governmental funds or the overall financial position of the BOCES.

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

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

NOTE 11: DEFICIT NET POSITION

The Governmental Activities has an overall net position deficit of \$(8,417,157) and an unrestricted net position deficit of \$(10,596,289), primarily due to adding the PERA net pension liability of \$14,763,093 and related net deferrals, and net OPEB liability of \$356,470, 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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 12: ADOPTION OF GASB STATEMENT 101 – COMPENSATED ABSENCES

The BOCES has adopted GASB Statement 101 – Compensated Absences. This is considered a change in accounting principle. A change in accounting principle is the application of an accounting principle to transactions or other events of a similar type that is different from the accounting principle previously applied to those transactions or other events. This adoption did not require any change in the prior year presentation.

NOTE 13: CHANGE IN ESTIMATE – PERA PENSION PLAN

Based on a retrospective review of the estimate of the net pension obligation for the PERA Pension Plan, the BOCES has revised its methodology to better align the BOCES' proportionate share of the pension expense with the amount being reported at the Plan level. This has resulted in a increase of the prior year pension obligation, including deferrals, of \$223,152 that has been reflected in the current year's activity.

NOTE 14: PRIOR PERIOD RESTATEMENT

The BOCES has restated the beginning net position in the Governmental Activities to reflect leased facilities that were not recorded under GASB Statement 87 – Leases. This restatement required the reporting of leased facilities with a value of \$378,568 net of amortization and lease obligations of \$386,961 for a net reduction in beginning net position of \$(12,393).

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>BOCES' proportion of the net pension asset (liability)</u>	<u>BOCES' proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with BOCES</u>	<u>BOCES' covered payroll</u>	<u>BOCES' proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2016	0.090956%	\$ (13,911,128)	\$ -	\$ (13,911,128)	\$ 3,963,856	350.95%	59.16%
June 30, 2017	0.090085%	\$ (26,821,674)	\$ -	\$ (26,821,674)	\$ 4,043,159	663.38%	43.13%
June 30, 2018	0.092619%	\$ (29,949,569)	\$ -	\$ (29,949,569)	\$ 4,272,387	701.00%	43.96%
June 30, 2019	0.081652%	\$ (14,458,172)	\$ (1,739,150)	\$ (16,197,322)	\$ 4,488,850	322.09%	57.01%
June 30, 2020	0.080758%	\$ (12,065,022)	\$ (1,358,042)	\$ (13,423,064)	\$ 4,715,212	255.87%	64.52%
June 30, 2021	0.087488%	\$ (13,226,438)	\$ -	\$ (13,226,438)	\$ 4,739,345	279.08%	66.99%
June 30, 2022	0.079378%	\$ (9,237,487)	\$ (950,049)	\$ (10,187,536)	\$ 4,960,865	186.21%	74.86%
June 30, 2023	0.066213%	\$ (12,057,004)	\$ (2,720,694)	\$ (14,777,698)	\$ 5,044,902	238.99%	61.79%
June 30, 2024	0.083485%	\$ (14,763,093)	\$ (316,765)	\$ (15,079,858)	\$ 5,519,146	267.49%	64.74%
June 30, 2025	0.076479%	\$ (13,196,319)	\$ (1,087,559)	\$ (14,283,878)	\$ 5,909,863	223.29%	67.17%

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

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**SCHEDULE OF BOCES CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years**

<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, 2016	\$ 686,936	\$ (686,936)	\$ -	\$ 3,963,856	17.33%
June 30, 2017	\$ 733,025	\$ (733,025)	\$ -	\$ 4,043,159	18.13%
June 30, 2018	\$ 795,946	\$ (795,946)	\$ -	\$ 4,272,387	18.63%
June 30, 2019	\$ 858,717	\$ (858,717)	\$ -	\$ 4,488,850	19.13%
June 30, 2020	\$ 913,808	\$ (913,808)	\$ -	\$ 4,715,212	19.38%
June 30, 2021	\$ 918,485	\$ (918,485)	\$ -	\$ 4,739,345	19.38%
June 30, 2022	\$ 986,220	\$ (986,220)	\$ -	\$ 4,960,865	19.88%
June 30, 2023	\$ 1,028,151	\$ (1,028,151)	\$ -	\$ 5,044,902	20.38%
June 30, 2024	\$ 1,124,802	\$ (1,124,802)	\$ -	\$ 5,519,146	20.38%
June 30, 2025	\$ 1,204,430	\$ (1,204,430)	\$ -	\$ 5,909,863	20.38%

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

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Func
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year Ended	BOCES' proportion of the net OPEB asset (liability)	BOCES' proportionate share of the net OPEB asset (liability)	BOCES' covered payroll	BOCES' proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.051205%	\$ (663,892)	\$ 4,043,159	16.42%	16.70%
June 30, 2018	0.052625%	\$ (683,910)	\$ 4,272,387	16.01%	17.53%
June 30, 2019	0.051872%	\$ (705,736)	\$ 4,488,850	15.72%	17.03%
June 30, 2020	0.052775%	\$ (593,189)	\$ 4,715,212	12.58%	24.49%
June 30, 2021	0.050601%	\$ (480,827)	\$ 4,739,345	10.15%	32.78%
June 30, 2022	0.051828%	\$ (446,913)	\$ 4,960,865	9.01%	39.40%
June 30, 2023	0.050320%	\$ (410,853)	\$ 5,044,902	8.14%	38.57%
June 30, 2024	0.049945%	\$ (356,470)	\$ 5,519,146	6.46%	46.16%
June 30, 2025	0.048966%	\$ (234,140)	\$ 5,909,863	3.96%	59.83%

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

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

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF BOCES CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>BOCES' covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 41,240	\$ (41,240)	\$ -	\$ 4,043,159	1.02%
June 30, 2018	\$ 43,578	\$ (43,578)	\$ -	\$ 4,272,387	1.02%
June 30, 2019	\$ 45,786	\$ (45,786)	\$ -	\$ 4,488,850	1.02%
June 30, 2020	\$ 48,095	\$ (48,095)	\$ -	\$ 4,715,212	1.02%
June 30, 2021	\$ 48,341	\$ (48,341)	\$ -	\$ 4,739,345	1.02%
June 30, 2022	\$ 50,601	\$ (50,601)	\$ -	\$ 4,960,865	1.02%
June 30, 2023	\$ 51,458	\$ (51,458)	\$ -	\$ 5,044,902	1.02%
June 30, 2024	\$ 56,295	\$ (56,295)	\$ -	\$ 5,519,146	1.02%
June 30, 2025	\$ 60,281	\$ (60,281)	\$ -	\$ 5,909,863	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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERA PENSION FUND
Year Ended June 30, 2025

NOTE 1: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

- There were no changes made to the plan provisions.

NOTE 2: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
HEALTH CARE TRUST FUND
Year Ended June 30, 2025

NOTE 1: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Plan Provisions Since 2023

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

NOTE 2: SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2024 Changes in Assumptions or Other Inputs Since 2023

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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REQUIRED SUPPLEMENTARY INFORMATION

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025				
	Original	Final	Actual	Variance	2024
	Budget	Budget		with Final	Actual
REVENUES					
Local Sources					
Tuition From Individuals	\$ 245,600	\$ 245,600	\$ 65,960	\$ (179,640)	\$ 85,165
BOCES Assessments	206,850	206,850	40,891	(165,959)	82,530
Investment Earnings	80,000	150,000	167,289	17,289	176,534
Community Service Revenue	73,720	73,720	72,491	(1,229)	81,472
Donations	114,900	268,817	177,280	(91,537)	63,277
Local BOCES Services Flowthrough	3,002,733	3,010,484	2,531,577	(478,907)	2,121,877
Services Provided - Other AU	57,805	57,805	374,367	316,562	363,288
Overhead Cost Revenue	369,789	369,789	450,391	80,602	431,563
Indirect Cost Revenue	361,991	361,991	509,962	147,971	395,054
Other Local	770,623	770,623	565,125	(205,498)	697,810
Total Local Sources	<u>5,284,011</u>	<u>5,515,679</u>	<u>4,955,333</u>	<u>(560,346)</u>	<u>4,498,570</u>
State Sources					
State Grants from CDE					
State ECEA	3,474,074	3,474,074	3,618,913	144,839	3,558,127
State Gifted and Talented	225,803	221,911	221,911	-	225,804
BOCES Grant Writing	22,948	28,571	-	(28,571)	-
Grant Writing - Early Literacy	-	-	-	-	12,548
State Ed Priorities	248,966	248,966	290,207	41,241	285,120
Grant Writing Behavioral Health	-	-	-	-	1,556
Gited and Talented Universal Screening	55,311	91,759	91,759	-	37,530
Grant Writing - Student Re-Engagement	-	-	-	-	4,865
Grant Writing - Computer Science	-	-	-	-	1,353
Grant Writing Concurrent Enrollement form 3183	-	-	-	-	3,574
Educator Recruitment and Retention	-	-	211,650	211,650	369,250
Grant Writing - Career Advisor	-	-	28,571	28,571	2,420
State Pension Contribution	-	-	108,177	108,177	24,664
SWAP	688,046	688,046	670,839	(17,207)	656,695
Total State Sources	<u>4,715,148</u>	<u>4,753,327</u>	<u>5,242,027</u>	<u>488,700</u>	<u>5,183,506</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	1,725,000	1,881,389	1,461,514	(419,875)	1,443,574
NCLB Title I, Part C - Migrant Education	2,295,000	2,425,625	2,178,235	(247,390)	2,123,177
IDEA Part B - Special Education	1,808,248	1,849,786	1,905,068	55,282	1,839,649
IDEA Part B - Special Education Preschool	52,623	42,746	57,824	15,078	45,739
NCLB Title III, Part A - English Language Acquisition	150,000	115,170	101,717	(13,453)	128,196
NCLB Title II, Part A - Teacher & Principal Training	400,000	563,941	300,929	(263,012)	243,401
ESSER 3 Supplemental Funds	-	5,850	5,850	-	131,911
ESSER II Discretionary Funds	-	-	-	-	-
Title IV-A	175,000	295,613	103,394	(192,219)	111,342
IDEA Part B - Special Education Supplemental	-	30,000	25,800	(4,200)	-
NCLB Title X - Homeless Education	75,000	84,631	51,520	(33,111)	65,369
NCLB - Title III, Part A - Competitive	8,000	8,000	1,924	(6,076)	6,457
NCLB Title III, Part A - English Language Set Aside	9,000	7,666	7,233	(433)	5,069
ARP Homless Children & Youth Fund	-	5,087	5,087	-	66,467
Federal Grants from Other State Agencies					
Carl Perkins Vocational Education	43,327	54,078	43,907	(10,171)	33,970
Total Federal Sources	<u>6,741,198</u>	<u>7,369,582</u>	<u>6,250,002</u>	<u>(1,119,580)</u>	<u>6,244,321</u>
TOTAL REVENUES	<u>16,740,357</u>	<u>17,638,588</u>	<u>16,447,362</u>	<u>(1,191,226)</u>	<u>15,926,397</u>

See the accompanying Independent Auditors' Report
(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	1,610,216	1,636,726	1,539,913	96,813	1,422,449
Benefits	622,627	630,063	582,202	47,861	531,889
PS - Professional	222,440	222,440	452,727	(230,287)	391,954
PS - Other	3,012,015	3,010,681	3,074,632	(63,951)	2,950,857
Supplies	22,324	24,904	18,739	6,165	26,999
Other Expenses	950	950	930	20	930
Total Instruction	<u>5,490,572</u>	<u>5,525,764</u>	<u>5,669,143</u>	<u>(143,379)</u>	<u>5,325,078</u>
Supporting Services					
Pupil Support					
Salaries	2,153,605	2,148,255	2,049,375	98,880	2,018,135
Benefits	792,520	791,263	737,273	53,990	724,553
PS - Professional	275,009	300,009	382,243	(82,234)	266,830
PS - Property	3,400	3,400	4,200	(800)	5,183
PS - Other	1,176,419	1,584,046	756,876	827,170	791,217
Supplies	150,087	164,517	143,980	20,537	213,346
Property	10,600	10,600	4,272	6,328	9,830
Other Expenses	7,750	7,750	9,050	(1,300)	9,291
Total Pupil Support	<u>4,569,390</u>	<u>5,009,840</u>	<u>4,087,269</u>	<u>922,571</u>	<u>4,038,385</u>
Staff Support					
Salaries	899,334	933,177	984,335	(51,158)	896,526
Benefits	289,951	304,546	322,155	(17,609)	287,283
PS - Professional	165,811	192,811	158,471	34,340	140,476
PS - Property	117,872	117,372	995	116,377	110,419
PS - Other	779,127	899,488	548,266	351,222	572,588
Supplies	62,530	71,187	52,794	18,393	41,409
Property	5,000	5,000	1,262	3,738	3,507
Other Expenses	103,220	103,220	93,893	9,327	92,741
Total Staff Support	<u>2,422,845</u>	<u>2,626,801</u>	<u>2,162,171</u>	<u>464,630</u>	<u>2,144,949</u>
General Administration					
Salaries	136,121	136,121	168,634	(32,513)	114,387
Benefits	45,197	45,197	190,016	(144,819)	84,139
PS - Professional	61,250	108,250	76,358	31,892	59,058
PS - Property	500	500	4,081	(3,581)	410
PS - Other	18,500	18,500	19,381	(881)	20,060
Supplies	22,000	30,000	61,297	(31,297)	35,499
Property	45,000	45,000	1,862	43,138	2,288
Other Expenses	139,640	143,840	495,028	(351,188)	140,865
Total General Administration	<u>468,208</u>	<u>527,408</u>	<u>1,016,657</u>	<u>(489,249)</u>	<u>456,706</u>
School Administration					
Salaries	84,935	84,935	84,935	-	80,156
Benefits	29,397	29,397	28,160	1,237	26,584
Total School Administration	<u>114,332</u>	<u>114,332</u>	<u>113,095</u>	<u>1,237</u>	<u>106,740</u>

See the accompanying Independent Auditors' Report

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025				2024 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	344,677	355,677	375,148	(19,471)	399,142
Benefits	116,160	119,960	124,824	(4,864)	130,001
Total Business Services	460,837	475,637	499,972	(24,335)	529,143
Operations and Maintenance					
Salaries	-	-	106	(106)	374
Benefits	-	-	24	(24)	86
PS - Property	107,100	107,100	172,258	(65,158)	133,562
PS - Other	1,750	1,750	1,573	177	3,847
Supplies	72,000	72,000	61,886	10,114	63,313
Property	15,000	15,000	-	15,000	56,388
Other Expenses	851,971	862,564	947,089	(84,525)	810,162
Total Operations and Maintenance	1,047,821	1,058,414	1,182,936	(124,522)	1,067,732
Other Central Support					
Salaries	712,567	712,567	587,363	125,204	671,578
Benefits	232,498	232,498	197,016	35,482	225,361
PS - Professional	266,315	297,515	320,881	(23,366)	291,735
PS - Property	1,000	1,000	9,985	(8,985)	3,600
PS - Other	78,100	78,100	76,806	1,294	82,268
Supplies	56,416	56,416	71,940	(15,524)	62,406
Property	5,500	5,500	(200)	5,700	15,486
Other Expenses	118,012	118,012	113,429	4,583	102,949
Total Other Central Support	1,470,408	1,501,608	1,377,220	124,388	1,455,383
Risk Management					
PS - Other	77,168	85,168	66,145	19,023	80,485
Community Support					
Salaries	263,886	308,566	292,636	15,930	220,769
Benefits	98,697	111,654	105,217	6,437	85,121
PS - Professional	6,000	6,000	985	5,015	541
PS - Property	500	500	600	(100)	600
PS - Other	10,550	14,086	14,663	(577)	9,742
Supplies	9,500	43,167	32,507	10,660	17,753
Property	1,000	1,000	-	1,000	-
Other Expenses	500	500	5,000	(4,500)	4,000
Total Community Support	390,633	485,473	451,608	33,865	338,526
Other Uses					
Up-Front Grant Match	278,643	278,643	-	278,643	324,485
Debt Service					
Principal	-	-	102,755	(102,755)	3,115
Interest	-	-	17,287	(17,287)	305
Total Debt Service	-	-	120,042	(120,042)	3,420
Contingency	250,000	250,000	-	250,000	-
TOTAL EXPENDITURES	17,040,857	17,939,088	16,746,258	1,192,830	15,871,032
CHANGE IN FUND BALANCE	(300,500)	(300,500)	(298,896)	1,604	55,365
BEGINNING FUND BALANCE	300,500	300,500	2,367,055	2,066,555	2,311,690
ENDING FUND BALANCE	\$ -	\$ -	\$ 2,068,159	\$ 2,068,159	\$ 2,367,055

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9035 - Centennial BOCES
 Fiscal Year 2024-25
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	2,367,055		16,447,362		16,746,258		2,068,159
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	2,367,055		16,447,362		16,746,258		2,068,159
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
07 Total Program Reserve Fund	0		0		0		0
21 Food Service Spec Revenue Fund	0		0		0		0
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	0		0		0		0
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 9035 - Centennial BOCES

Fiscal Year 2024-25

Colorado School District/BOCES

ASSETS	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)	2,037,427	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,037,427	
Grants Accounts Receivable (8142)	1,541,269	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,541,269	
Other Receivables (8151-8154,8161)	242,295	0	0	0	0	0	0	0	0	0	0	0	0	0	0	242,295	
Prepaid Expenses 8181,8182)	116,075	0	0	0	0	0	0	0	0	0	0	0	0	0	0	116,075	
Total Assets	3,937,065	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,937,065	

See accompanying Independent Auditors' Report.

	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)	1,191,908	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,191,908
Accrued Expenses (7461)	591,646	0	0	0	0	0	0	0	0	0	0	0	0	0	0	591,646
Payroll Ded. and Withholdings (7471-7473)	7,607	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,607
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	37,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37,500
Other Current Liabilities (7491,7492,7499)	60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60
Long-Term Liabilities (7521,7531,7561,7590)	40,185	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,185
Total Liabilities	1,868,907	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,868,907

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
Universal Preschool Program (UPK) Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	300,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300,500
Unassigned Fund Balance 6770	1,767,659	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,767,659
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,068,159	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,068,159

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,937,065	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,937,065

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