

**Broadband Technologies Opportunities Program (BTOP)
Environmental Questionnaire**

**Colorado Community Anchors Broadband Consortium
Connection Colorado's Middle Mile Network Design**

**Prepared For:
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i). Project Description

The Colorado Community Anchors Broadband Consortium – Connection Colorado’s Middle Mile Network Design project consists of a network of wireless telecommunications tower and fiber optic connections.

New Structure End User Locations

One hundred and twenty five (125) of the end locations will be new Self Support Tower Structures built to varying heights.

Rooftop End User Locations

Thirty six (36) of the new installations will be placed on the rooftops of existing buildings at end user locations. These 36 installations will utilize typical telecommunications equipment including standard antenna and roof mounts, with co-axial cable running from the roof to additional Network equipment located inside the building.

Intermediate Sites

The project includes the use of ninety one (91) “Intermediate Sites” on which new Network equipment will be collocated. These sites will bridge the gap between fiber injection points and end site user locations. These sites are predominately existing wireless telecommunications sites. In their simplest form, these locations consist of existing towers that sit inside of fenced compounds currently housing equipment shelters and/or cabinets for other wireless service providers.

Fiber Optic Cable Construction

The initial design of this project calls for 55 sites to be connected to the long-haul network by fiber optics.

ii). Map

A map showing the proposed school and intermediate sites and the proposed routes of the fiber optic lines at a statewide level is shown in Figure 1. A 1:24,000 scale USGS topographic map excerpt is enclosed for each structure location.

iii). Property Changes

New Structure End User Locations

These structures will be built on a standard pad and pier reinforced concrete foundation. The foundation is constructed on site with the finished elevation of the top of the piers being four (4) inches above existing finished grade elevation. Approximate foundation sizes vary from

40 s.f. to 250 s.f. and each foundation will be specifically engineered for the exact soil conditions and antenna loading requirements based on location specific final engineering.

Each structure will be erected by OSHA qualified contractors per the sealed engineered drawings. Each structure will support microwave antenna and other network telecommunications equipment as well as co-axial cable running down the tower to either an outdoor cabinet (placed on a 3' X 3' pre-cast pad on existing grade) or run directly into an existing building at the end location.

The average end user location will have approximately 120 SF of ground disturbed to accommodate the foundation. The finished product will be to existing grade. Additionally, up to 0.20 of an acre of surface area may be impacted by construction vehicles and need to be reseeded at the completion of construction.

Roof Top End User Locations

Thirty six (36) of the new installations will be placed on the rooftops of existing buildings at end user locations. These 36 installations will utilize typical telecommunications equipment including standard antenna and roof mounts, with co-axial cable running from the roof to additional Network equipment located inside the building. There will be no ground disturbance on these thirty six (36) installations.

Recognizing the preference of local zoning jurisdictions to utilize existing structures and buildings for the installation of new antennas, there may still be the need to acquire zoning approvals on these rooftop locations. In most cases these approvals will be via an administrative review with the zoning jurisdiction, and a subsequent review by the appropriate planning department for building permit and electrical permit approval. In addition, the end user locations will be reviewed for compliance with applicable State and Federal Regulations including, but not limited to the National Historic Preservation Act (36 CFR Part 800) and the Final Environmental Impact Statement (47 CFR 1.1306).

Intermediate Sites

At each of these locations, a new equipment cabinet will be installed. The installation includes placing a 3' X 3' pre-cast concrete pad on existing grade. This concrete pad will hold the new Network equipment cabinet. Work planned at these sites will not disturb any areas that have not already met all previous government approvals for telecommunications structures.

The zoning/permitting of these 91 sites will comply with local municipal regulations. Most of these installations will simply require an administrative review with the zoning jurisdiction, and then a submittal to planning for the final building and electrical permits. Further, all of these installations will comply with requirements of the Nationwide Programmatic Agreement for Collocation of Wireless Antennas.

Fiber Optic Cable Construction

The initial design of this project calls for 55 sites to be connected to the long-haul network by fiber optics. The fiber build portion of the project will be installed linearly exclusively within previously disturbed public rights-of-way.

iv). Buildings

New Structure End User Locations

These structures will be built on a standard pad and pier reinforced concrete foundation. The foundation is constructed on site with the finished elevation of the top of the piers being four (4) inches above existing finished grade elevation. Approximate foundation sizes are noted above and each foundation will be specifically engineered for the exact soil conditions and antenna loading requirements based on location specific final engineering.

Typical new structures will be three legged Self Supporting structures of varying heights. The structures will be fabricated to EIA/TIA 222 rev G per the ruling body for telecommunications standards.

Each structure will be erected by OSHA qualified contractors per the sealed engineered drawings. Each structure will support microwave antenna and other network telecommunications equipment as well as co-axial cable running down the tower to either an outdoor cabinet (placed on a 3' X 3' pre-cast pad on existing grade) or run directly into an existing building at the end location.

Roof Top End User Locations

Thirty six (36) of the new installations will be placed on the rooftops of existing buildings at end user locations. These 36 installations will utilize typical telecommunications equipment including standard antenna and roof mounts, with co-axial cable running from the roof to additional Network equipment located inside the building.

Intermediate Sites

Equipment will be collocated on the existing telecommunications structures in the form of microwave dishes (two in most cases) which will be attached on the tower per the engineered structural from the tower owner. Co-axial lines will be placed on the tower from the microwave dish to the cabinet located on the ground below.

Fiber Optic Cable Construction

No buildings or other structures will be constructed or modified as part of the fiber installation.

v). Wetlands

The National Wetland Inventory data file for the State of Colorado is depicted in Figure 2. Based upon GIS analysis, none of the School or Intermediate sites fall within a NWI wetland, nor does the proposed fiber route impact such wetlands. An environmental consultant will review the final fiber alignment. In any areas where a wetland is identified, a formal survey will be completed of the site, and environmental permitting documents will be filed with the USACE and/or the applicable local authorities with jurisdiction over the wetlands. Once all environmental permits are received, construction will commence.

vi). Critical Habitats

A review of the U.S. Fish and Wildlife Service’s (USFWS) website revealed that Colorado is part of the Mountain-Prairie Region. Table 1 lists the Threatened and Endangered Species within this region (taken from http://ecos.fws.gov/tess_public/SpeciesReport.do?lead=6&listingType=L).

Table 1. Threatened and Endangered Species Listed for the Mountain-Prairie Region (from USFWS).

Common Name	Scientific Name	Listing Status
Ambersnail, Kanab	<i>Oxyloma haydeni kanabensis</i>	Endangered
Bear, grizzly	<i>Ursus arctos horribilis</i>	Threatened
Bear, grizzly	<i>Ursus arctos horribilis</i>	Threatened
Bear-poppy, dwarf	<i>Arctomecon humilis</i>	Endangered
Beardtongue, Penland	<i>Penstemon penlandii</i>	Endangered
Bladderpod, Dudley Bluffs	<i>Lesquerella congesta</i>	Threatened
Bladderpod, kodachrome	<i>Lesquerella tumulosa</i>	Endangered
Buttercup, autumn	<i>Ranunculus aestivalis (=acriformis)</i>	Endangered
Butterfly plant, Colorado	<i>Gaura neomexicana var. coloradensis</i>	Threatened
Butterfly, Uncompahgre fritillary	<i>Boloria acrocroma</i>	Endangered
Cactus, Colorado hookless	<i>Sclerocactus glaucus</i>	Threatened
cactus, Pariette	<i>Sclerocactus brevispinus</i>	Threatened
Cactus, San Rafael	<i>Pediocactus despainii</i>	Endangered
cactus, Uinta Basin hookless	<i>Sclerocactus wetlandicus</i>	Threatened
Cactus, Winkler	<i>Pediocactus winkleri</i>	Threatened
Cactus, Wright fishhook	<i>Sclerocactus wrightiae</i>	Endangered
Chub, bonytail	<i>Gila elegans</i>	Endangered
Chub, humpback	<i>Gila cypha</i>	Endangered
Chub, Virgin River	<i>Gila seminuda (=robusta)</i>	Endangered
Cycladenia, Jones	<i>Cycladenia jonesii (=humilis)</i>	Threatened
Dace, Kendall Warm Springs	<i>Rhinichthys osculus thermalis</i>	Endangered
Daisy, Maguire	<i>Erigeron maguirei</i>	Threatened
Ferret, black-footed	<i>Mustela nigripes</i>	Endangered
Howellia, water	<i>Howellia aquatilis</i>	Threatened

Ladies'-tresses, Ute	<i>Spiranthes diluvialis</i>	Threatened
Lynx, Canada	<i>Lynx canadensis</i>	Threatened
Madtom, Neosho	<i>Noturus placidus</i>	Threatened
Milk-vetch, Deseret	<i>Astragalus desereticus</i>	Threatened
Milk-vetch, heliotrope	<i>Astragalus montii</i>	Threatened
Milk-vetch, Holmgren	<i>Astragalus holmgreniorum</i>	Endangered
Milk-vetch, Osterhout	<i>Astragalus osterhoutii</i>	Endangered
Milk-vetch, Shivwits	<i>Astragalus ampullarioides</i>	Endangered
Milkweed, Welsh's	<i>Asclepias welshii</i>	Threatened
Mouse, Preble's meadow jumping	<i>Zapus hudsonius preblei</i>	Threatened
Mustard, Penland alpine fen	<i>Eutrema penlandii</i>	Threatened
Penstemon, blowout	<i>Penstemon haydenii</i>	Endangered
Phacelia, clay	<i>Phacelia argillacea</i>	Endangered
Phacelia, North Park	<i>Phacelia formosula</i>	Endangered
Pikeminnow (=squawfish), Colorado	<i>Ptychocheilus lucius</i>	Endangered
Prairie dog, Utah	<i>Cynomys parvidens</i>	Threatened
Primrose, Maguire	<i>Primula maguirei</i>	Threatened
Reed-mustard, Barneby	<i>Schoenocrambe barnebyi</i>	Endangered
Reed-mustard, clay	<i>Schoenocrambe argillacea</i>	Threatened
Reed-mustard, shrubby	<i>Schoenocrambe suffrutescens</i>	Endangered
Ridge-cress, Barneby	<i>Lepidium barnebyanum</i>	Endangered
Shiner, Topeka	<i>Notropis topeka</i> (=tristis)	Endangered
Skipper, Pawnee montane	<i>Hesperia leonardus montana</i>	Threatened
Sturgeon, pallid	<i>Scaphirhynchus albus</i>	Endangered
Sucker, June	<i>Chasmistes liorus</i>	Endangered
Sucker, razorback	<i>Xyrauchen texanus</i>	Endangered
Tiger beetle, Salt Creek	<i>Cicindela nevadica lincolniana</i>	Endangered
Toad, Wyoming	<i>Bufo baxteri</i> (=hemiophrys)	Endangered
Townsendia, Last Chance	<i>Townsendia aprica</i>	Threatened
Trout, greenback cutthroat	<i>Oncorhynchus clarki stomias</i>	Threatened
Twinpod, Dudley Bluffs	<i>Physaria obcordata</i>	Threatened
Wild-buckwheat, clay-loving	<i>Eriogonum pelinophilum</i>	Endangered
Wolf, gray	<i>Canis lupus</i>	Endangered
Woundfin	<i>Plagopterus argentissimus</i>	Endangered
Yellowhead, desert	<i>Yermo xanthocephalus</i>	Threatened

The Colorado Division of Wildlife website was also reviewed for information pertaining to critical environmental habitats, as well as threatened, endangered, and candidate species. Table 2 shows the Threatened and Endangered species listed by the State of Colorado (taken from <http://wildlife.state.co.us/WildlifeSpecies/SpeciesOfConcern/ThreatenedEndangeredList/ListOfThreatenedAndEndangeredSpecies.htm>).

Table 2. Threatened and Endangered Species Listed for Colorado (from Colorado Division of Wildlife).

Common Name	Scientific Name	Status*
<u>AMPHIBIANS</u>		
Boreal Toad	<i>Bufo boreas boreas</i>	SE
Northern Cricket Frog	<i>Acris crepitans</i>	SC
Great Plains Narrowmouth Toad	<i>Gastrophryne olivacea</i>	SC
Northern Leopard Frog	<i>Rana pipiens</i>	SC
Wood Frog	<i>Rana sylvatica</i>	SC
Plains Leopard Frog	<i>Rana blairi</i>	SC
Couch's Spadefoot	<i>Scaphiopus couchii</i>	SC
<u>BIRDS</u>		
Whooping Crane	<i>Grus americana</i>	FE, SE
Least Tern	<i>Sterna antillarum</i>	FE, SE
Southwestern Willow Flycatcher	<i>Empidonax traillii extimus</i>	FE, SE
Plains Sharp-Tailed Grouse	<i>Tympanuchus phasianellus jamesii</i>	SE
Piping Plover	<i>Charadrius melodus circumcinctus</i>	FT, ST
Bald Eagle	<i>Haliaeetus leucocephalus</i>	ST
Mexican Spotted Owl	<i>Strix occidentalis lucida</i>	FT, ST
Burrowing Owl	<i>Athene cunicularia</i>	ST
Lesser Prairie-Chicken	<i>Tympanuchus pallidicinctus</i>	ST
Western Yellow-Billed Cuckoo	<i>Coccyzus americanus</i>	SC
Greater Sandhill Crane	<i>Grus canadensis tabida</i>	SC
Ferruginous Hawk	<i>Buteo regalis</i>	SC
Gunnison Sage-Grouse	<i>Centrocercus minimus</i>	SC
American Peregrine Falcon	<i>Falco peregrinus anatum</i>	SC
Greater Sage Grouse	<i>Centrocercus urophasianus</i>	SC
Western Snowy Plover	<i>Charadrius alexandrinus</i>	SC
Mountain Plover	<i>Charadrius montanus</i>	SC
Long-Billed Curlew	<i>Numenius americanus</i>	SC
Columbian Sharp-Tailed Grouse	<i>Tympanuchus phasianellus columbianus</i>	SC
<u>FISH</u>		
Bonytail	<i>Gila elegans</i>	FE, SE
Razorback Sucker	<i>Xyrauchen texanus</i>	FE, SE
Humpback Chub	<i>Gila cypha</i>	FE, ST
Colorado Pikeminnow	<i>Ptychocheilus lucius</i>	FE, ST
Greenback Cutthroat Trout	<i>Oncorhynchus clarki stomias</i>	FT, ST
Rio Grande Sucker	<i>Catostomus plebeius</i>	SE
Lake Chub	<i>Couesius plumbeus</i>	SE
Plains Minnow	<i>Hybognathus placitus</i>	SE
Suckermouth Minnow	<i>Phenacobius mirabilis</i>	SE
Northern Redbelly Dace	<i>Phoxinus eos</i>	SE
Southern Redbelly Dace	<i>Phoxinus erythrogaster</i>	SE

Brassy Minnow	<i>Hybognathus hankinsoni</i>	ST
Common Shiner	<i>Luxilus cornutus</i>	ST
Arkansas Darter	<i>Etheostoma cragini</i>	ST
Mountain Sucker	<i>Catostomus playtrhynchus</i>	SC
Plains Orangethroat Darter	<i>Etheostoma spectabile</i>	SC
Iowa Darter	<i>Etheostoma exile</i>	SC
Rio Grande Chub	<i>Gila pandora</i>	SC
Colorado Roundtail Chub	<i>Gila robusta</i>	SC
Stonecat	<i>Noturus flavus</i>	SC
Colorado River Cutthroat Trout	<i>Oncorhynchus clarki pleuriticus</i>	SC
Rio Grande Cutthroat Trout	<i>Oncorhynchus clarki virginalis</i>	SC
Flathead Chub	<i>Platygobio gracilis</i>	SC
<u>MAMMALS</u>		
Gray Wolf	<i>Canis lupus</i>	FE, SE
Black-Footed Ferret	<i>Mustela nigripes</i>	FE, SE
Grizzly Bear	<i>Ursus arctos</i>	FT, SE
Preble's Meadow Jumping Mouse	<i>Zapus hudsonius preblei</i>	FT, ST
Lynx	<i>Lynx canadensis</i>	FT, SE
Wolverine	<i>Gulo gulo</i>	SE
River Otter	<i>Lontra canadensis</i>	ST
Kit Fox	<i>Vulpes macrotis</i>	SE
Townsend's Big-Eared Bat	<i>Corynorhinus townsendii pallescens</i>	SC
Black-Tailed Prairie Dog	<i>Cynomys ludovicianus</i>	SC
Botta's Pocket Gopher	<i>Thomomy bottae rubidus</i>	SC
Northern Pocket Gopher	<i>Thomomys talpoides macrotis</i>	SC
Swift fox	<i>Vulpes velox</i>	SC
<u>REPTILES</u>		
Triploid Checkered Whiptail	<i>Cnemidophorus neotessclatus</i>	SC
Midget Faded Rattlesnake	<i>Crotalus viridis concolor</i>	SC
Longnose Leopard Lizard	<i>Gambelia wislizenii</i>	SC
Yellow Mud Turtle	<i>Kinosternon flavescens</i>	SC
Common King Snake	<i>Lampropeltis getula</i>	SC
Texas Blind Snake	<i>Leptotyphlops dulcis</i>	SC
Texas Horned Lizard	<i>Phrynosoma cornutum</i>	SC
Roundtail Horned Lizard	<i>Phrynosoma modestum</i>	SC
Massasauga	<i>Sistrurus catenatus</i>	SC
Common Garter Snake	<i>Thamnophis sirtalis</i>	SC
<u>MOLLUSKS</u>		
Rocky Mountain Capshell	<i>Acroloxus coloradensis</i>	SC
Cylindrical Papershell	<i>Anodontoides ferussacianus</i>	SC

*Status Codes:

FE = Federally Endangered

FT = Federally Threatened

SE = State Endangered

ST = State Threatened

SC = State Special Concern (not a statutory category)

(Last Updated: 10/15/2007)

For the fiber optic cable construction routes, an environmental consultant will review the final fiber alignment. In any areas where possible critical habitats are identified, a formal survey will be completed of the site, and permitting documents will be filed. A formal plan must be developed for any site that may impact candidate species to minimize any potential impacts. Once the plan is approved, and all permits are received, the construction will commence.

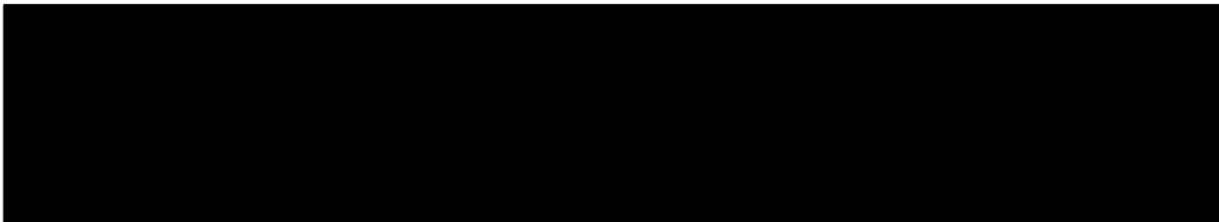
vii). Floodplains

Due to the nature of the Federal Emergency Management Agency's "FIRMette" maps, a review of the flood maps at the location of each of the proposed sites was not possible. Further investigation of flood hazards in relation to the individual sites will be conducted as part of the next phase of this project.

viii). Protected Lands

A copy of the National Register of Historic Places Google Earth data file for the West region of the United States was downloaded from the National Register of Historic Places webpage of the National Park Service website (<http://nrhp.focus.nps.gov/natreg/docs/Download.html>). This file was uploaded into the project GIS in order to display the locations of NRHP sites (Figure 3). To determine if any of the proposed project sites directly overlay NRHP sites, a location function was employed; no proposed project sites fall atop any of the NRHP sites.

Information regarding state-recorded historic properties, including archaeological and above-ground resources, in relation to the proposed sites will be gathered during the next phase of this project. Specifically, the State Historic Preservation Office (SHPO) will be contacted regarding the impacts upon historic properties by the proposed project during the next phase of this project. A full evaluation of Historical Properties and Cultural Resources will be evaluated once the final site locations are locked down. All sites will adhere to Section 106 of the National Historic Preservation Act.



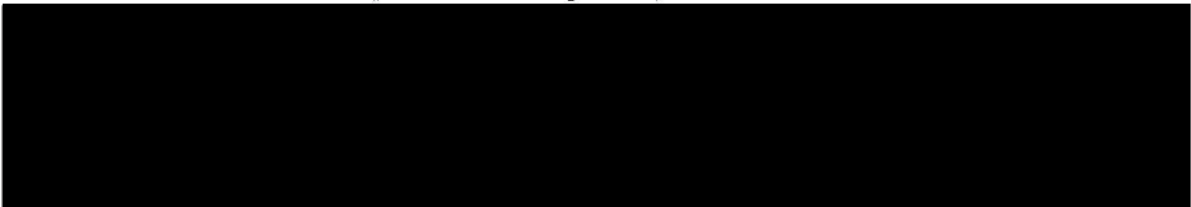
ix). Coastal Areas

A review of the National Oceanic and Atmospheric Administration's Office of Ocean and Coastal Resource Management website (<http://coastalmanagement.noaa.gov/mystate/welcome.html>) reveals that the project is not within the boundaries of a coastal zone management area (CZMA).

x). Brownfields

The Environmental Protection Agency's website was visited for information regarding the presence or potential presence of a hazardous substance, pollutant, or contaminant. This search led to the Colorado Department of Public Health and Environment website, which has GIS files for the statewide distribution of superfund, solid waste, hazardous waste, and uranium mill tailing sites (<http://www.cdphe.state.co.us/HM/hmgis.htm>). Figure 5 shows the brownfield sites in relation to the project sites.

A spatial analysis of the distribution of the brownfield sites in relation to the proposed project sites was conducted. No project sites fall within the bounds of solid waste, uranium mill tailing, and hazardous waste sites (including the large quantity generator, small quantity generator, and treatment, disposal, and storage sites).



FIGURES

DESCRIPTION

Figure 1	Location of Proposed Sites and Fiber Optic Lines
Figure 2	NWI Wetlands
Figure 3	National Register of Historic Places Sites
Figure 4	Indian Lands
Figure 5	Brownfields
Figure 6	California Gulch and Idarado Superfund Sites

Figure 1. Location of Proposed Sites and Fiber Optic Lines.

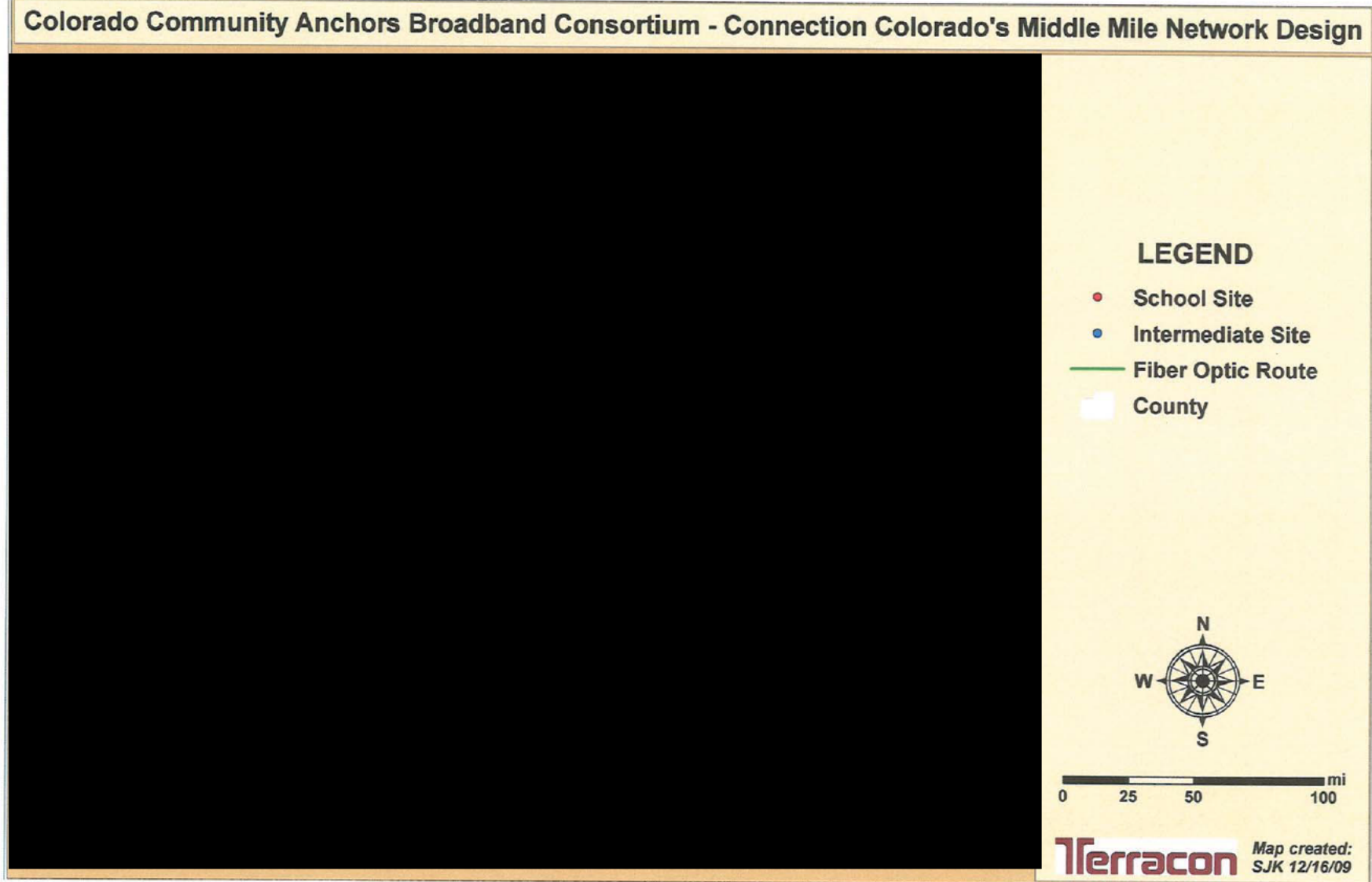


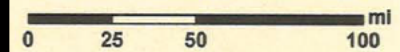
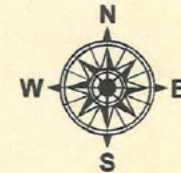
Figure 2. NWI Wetlands.

Colorado Community Anchors Broadband Consortium - Connection Colorado's Middle Mile Network Design



LEGEND

- School Site
- Intermediate Site
- Fiber Optic Route
- County
- River
- Wetland (NWI)



Terracon Map created:
SJK 12/16/09

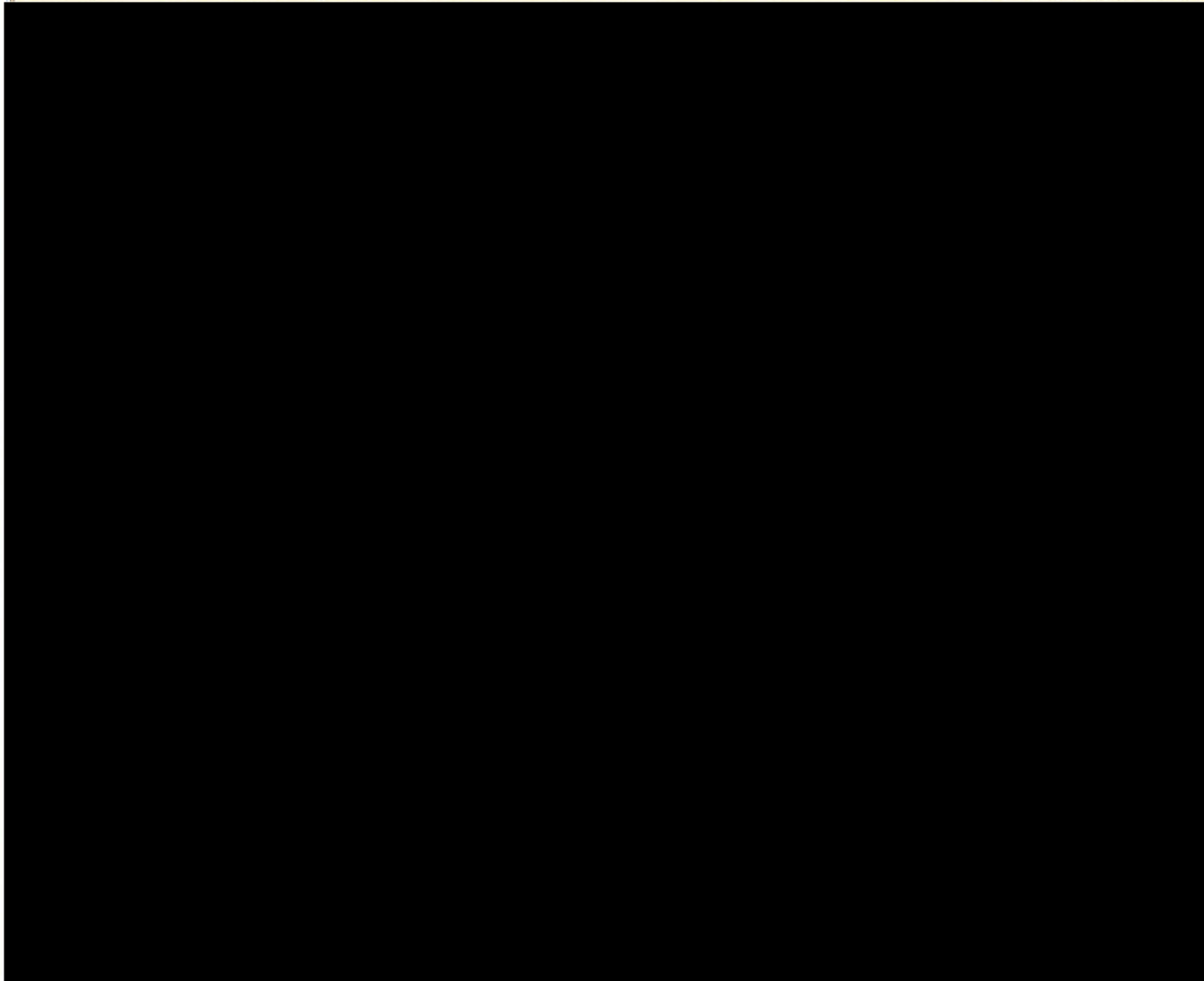
Figure 3. National Register of Historic Places Sites.

Colorado Community Anchors Broadband Consortium - Connection Colorado's Middle Mile Network Design



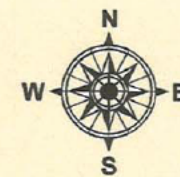
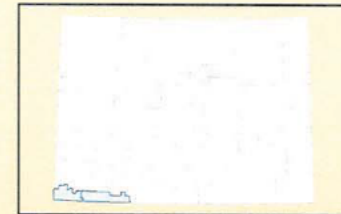
Figure 4. Indian Lands

Colorado Community Anchors Broadband Consortium - Connection Colorado's Middle Mile Network Design



LEGEND

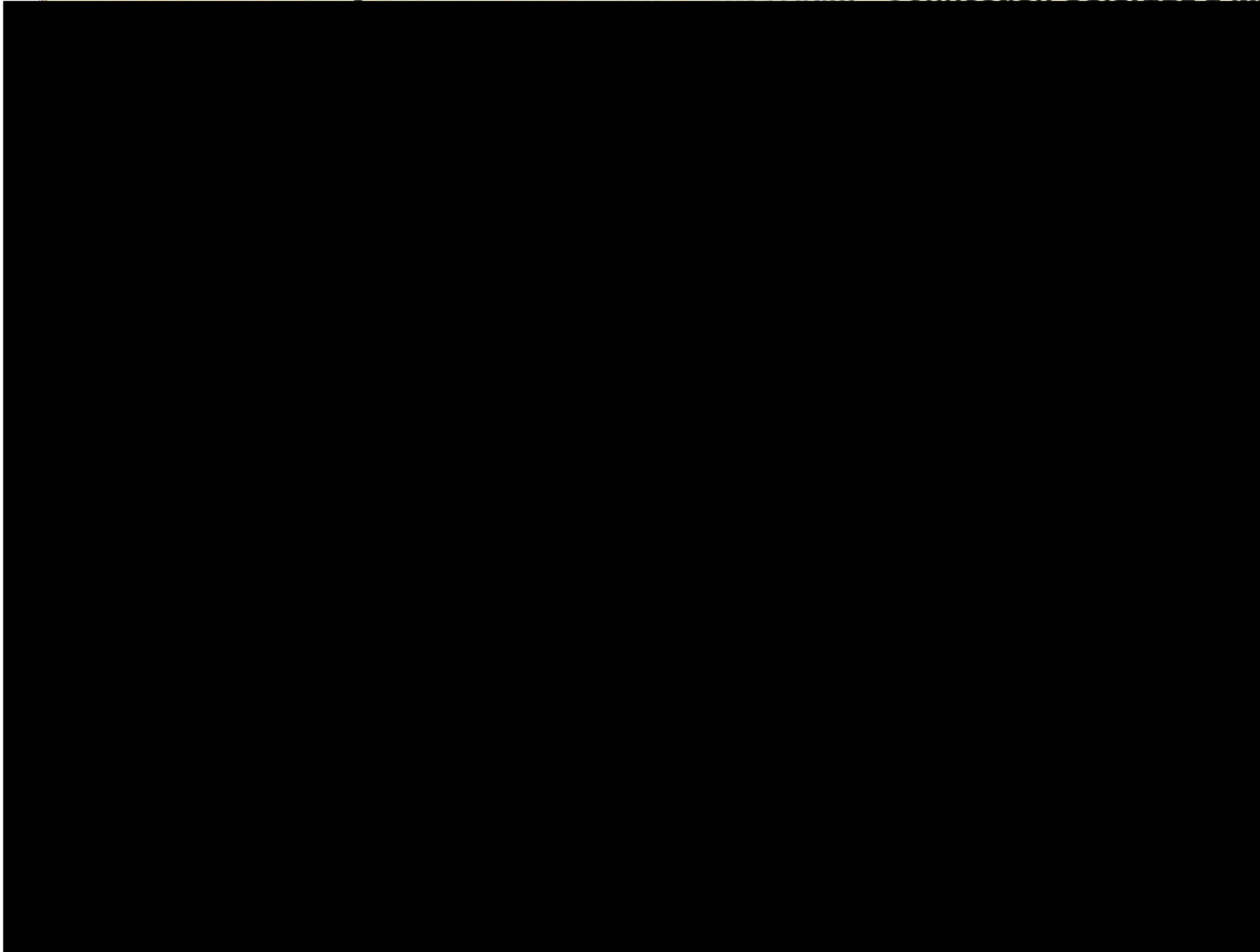
- School Site
- Intermediate Site
- Fiber Optic Route
- County
- ⊕ Indian Land



Terracon Map created:
SJK 12/16/09

Figure 5. Brownfields.

Colorado Community Anchors Broadband Consortium - Connection Colorado's Middle Mile Network Design



LEGEND

- School Site
- Intermediate Site
- Fiber Optic Route
- County
- Solid Waste Site
- Uranium Mill Tailing Site
- Superfund Site
- Hazardous Waste Site Large Quantity Generator
- Hazardous Waste Site Treatment, Disposal, & Storage
- Hazardous Waste Site Small Quantity Generator

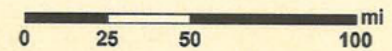
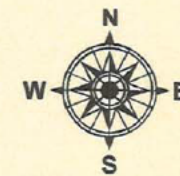
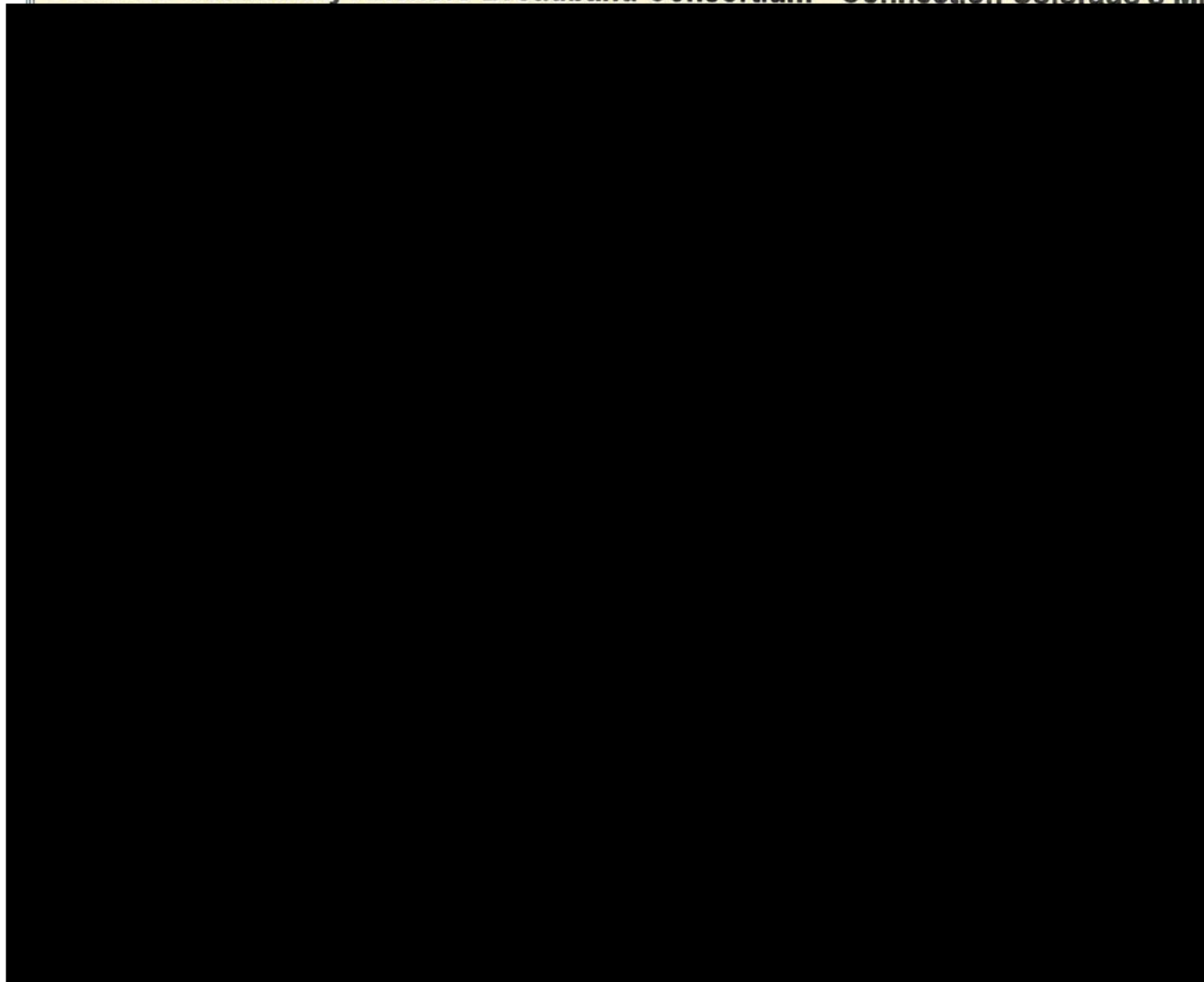


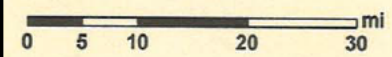
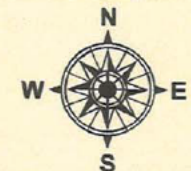
Figure 6. California Gulch and Idarado Superfund Sites.

Colorado Community Anchors Broadband Consortium - Connection Colorado's Middle Mile Network Design



LEGEND

- School Site
- Intermediate Site
- Fiber Optic Route
- County
- Solid Waste Site
- Uranium Mill Tailing Site
- Superfund Site
- Hazardous Waste Site Large Quantity Generator
- Hazardous Waste Site Treatment, Disposal, & Storage
- Hazardous Waste Site Small Quantity Generator



Terracon Map created: SJK 12/16/09

BTOP Comprehensive Community Infrastructure Service Area Template

Please complete the complete the CCI Service Area worksheet. In each line you will provide the name of a service area and one of the contiguous Census tracts or block groups that make up that service area. **Please provide full 11-digit Census tract numbers, includes the 2-digit State FIPS code, the 3-digit county code, followed by a unique 6-digit tract number.** For Census block groups, please provide the full tract number, plus the 1-digit block group number (12 digits total). If there is more than one Census tract or block group in a service area, there will be multiple lines in the table for that service area. It is critical that the service area names provided in this table match with the service area names provided in the Service Area Details page of the application. Please review this document and Service Area Details page for consistency before submitting your application.

Important Note: Excel truncates leading zeros from numbers. Consequently, the tract/block group column on the worksheet has been formatted as text. This formatting should not be altered, or the validity of your data may be compromised.

The data provided via this attachment will be subject to automated processing. Applicants are therefore required to provide this attachment as an Excel file, and not to convert it to a PDF when submitting a copy of your application on an appropriate electronic medium, such as a DVD, CD-ROM, or flash drive. Additionally, Applicants should not modify the format of this file (*e.g.*, by adding or removing worksheets). Do not leave blank lines in the table between service areas.

EXAMPLE

Service Area Name	Tract or Block Group #
Big BB Project South	01001020100
Big BB Project South	01001020100
Big BB Project South	010010202001
Big BB Project West	01001020400
Big BB Project North	01001020800
Big BB Project North	010010209002

BTOP CCI Service Area Template

Title: Colorado Community Anchors Broadband Consortium - Connecting Colorado's Middle Mile
 Easy Grants ID: 5090

Service Area Name	Tract or Block Group #
RSA-01	081070003004
RSA-01	080570095562
RSA-01	080810005002
RSA-01	081070002001
RSA-01	081070005002
RSA-01	081070005001
RSA-01	081030095113
RSA-01	081030095123
RSA-01	080490001002
RSA-01	080490002003
RSA-02	081230023003
RSA-02	081230025.011
RSA-02	080870004001
RSA-02	080870006001
RSA-02	080870007001
RSA-02	080870001001
RSA-02	080870002002
RSA-02	081230025.011
RSA-02	081230025.022
RSA-02	081230015003
RSA-02	081230001003
RSA-02	081230014.011
RSA-02	081230010.011
RSA-02	081230021001
RSA-02	080690028003
RSA-02	081230025.011
RSA-02	081230016002
RSA-02	080690004004
RSA-02	080130132.101
RSA-02	080690017.063
RSA-02	081230017003
RSA-02	081230019.033
RSA-02	081230022.024
RSA-03	081210099411
RSA-03	080950099771
RSA-03	080950099764
RSA-03	081210099423
RSA-03	081150099831
RSA-03	081250099313
RSA-03	081250099323
RSA-03	080750099611
RSA-03	080750099623
RSA-03	080750099621
RSA-03	080750099602
RSA-03	080750099641
RSA-03	080750099591
RSA-03	081150099833
RSA-04	080910096762
RSA-04	080770007002
RSA-04	080850096633
RSA-04	080290096491
RSA-04	080510096372
RSA-04	081130096821
RSA-04	080910096763
RSA-04	080850096612
RSA-04	080850096611
RSA-04	081130096811
RSA-04	080530097311
RSA-04	080770018002
RSA-04	080770018001
RSA-05	080930003001
RSA-05	080150002003
RSA-05	080970004006
RSA-05	080370004003
RSA-05	080450095175
RSA-05	080450095206
RSA-05	080450095211
RSA-05	080450095191
RSA-05	080150004002
RSA-05	080650096176
RSA-05	080650096172
RSA-05	081170003001
RSA-05	081170003002
RSA-05	080930005001
RSA-06	080930001001
RSA-06	080470013802
RSA-06	080190014702
RSA-06	080010085.221
RSA-06	080590055.521
RSA-06	080590117.222

Service Area Name	Tract or Block Group #
RSA-06	080050062001
RSA-06	080050065.021
RSA-06	080050065.011
RSA-06	080050068.541
RSA-06	080350145.032
RSA-06	080590010104
RSA-06	080310027.025
RSA-06	080010090.024
RSA-06	080050070.431
RSA-06	080010087.034
RSA-06	080010085.293
RSA-06	080130127.102
RSA-06	080130137.025
RSA-06	080010096.073
RSA-06	080010094.082
RSA-07	080410046003
RSA-07	080410046002
RSA-07	080410046003
RSA-07	080410017001
RSA-07	080410039.061
RSA-07	080410030003
RSA-07	080410076004
RSA-07	080410046003
RSA-07	080410029005
RSA-07	080410060004
RSA-07	080410080001
RSA-07	080410044009
RSA-07	080410016001
RSA-07	080410041001
RSA-07	080410045.093
RSA-07	080410067003
RSA-07	080410041001
RSA-07	080410101.034
RSA-07	080410039.092
RSA-07	080390099112
RSA-07	080399912.032
RSA-07	080410037.013
RSA-07	080410039.091
RSA-07	081190102.011
RSA-08	080050071.013
RSA-08	080050071.012
RSA-08	080390099111
RSA-08	080010084.012
RSA-08	080730099173
RSA-08	080730099171
RSA-08	080010084.022
RSA-08	080730099183
RSA-08	081250099314
RSA-08	081210099412
RSA-08	081250099325
RSA-08	081210099413
RSA-08	080630099212
RSA-08	080630099232
RSA-08	080630099215
RSA-08	080630099222
RSA-08	080630099221
RSA-08	080399912.031
RSA-08	080399912.051
RSA-08	080170099062
RSA-08	080730099182
RSA-08	080170099061
RSA-09	081110097261
RSA-09	080330001001
RSA-09	080330096902
RSA-09	080670097113
RSA-09	080670094021
RSA-09	080070097441
RSA-09	080670097063
RSA-09	080670094032
RSA-09	080830096912
RSA-09	080830096942
RSA-10	081090097772
RSA-10	080030098165
RSA-10	080000398173
RSA-10	080230098273
RSA-10	080230098262
RSA-10	081050097682
RSA-10	081050097674
RSA-10	081050097673
RSA-10	081050097661
RSA-10	081090097762
RSA-10	080210097473
RSA-10	081090097764
RSA-10	080210097481
RSA-10	080030098192
RSA-10	080230098262

Service Area Name	Tract or Block Group #
RSA-10	080210097482
RSA-10	080790097361
RSA-11	080710001001
RSA-11	080710007001
RSA-11	080430097861
RSA-11	080430097903
RSA-11	080250098963
RSA-11	080270098013
RSA-11	080710006001
RSA-11	080550098072
RSA-11	080710005003
RSA-11	080710002002
RSA-11	080710003002
RSA-11	081010029.071
RSA-11	080430097822
RSA-11	080890098822
RSA-11	080550098062
RSA-11	080890098811
RSA-11	081010004002
RSA-11	081010031.041
RSA-11	081010015002
RSA-12	080090098463
RSA-12	080090098461
RSA-12	080710007002
RSA-12	080090098461
RSA-12	080090098473
RSA-12	080090098471
RSA-12	080890098761
RSA-12	080610099011
RSA-12	080890098776
RSA-12	080990005002
RSA-12	080990005001
RSA-12	080990003002
RSA-12	080990003004
RSA-12	080110098673
RSA-12	080110098675
RSA-12	080110098671
RSA-12	080610099012
RSA-12	080890098802
RSA-12	080890098784
RSA-12	080990001002

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

FINANCIAL STATEMENTS

Year Ended June 30, 2009

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

June 30, 2009

BOARD OF DIRECTORS

John Dudley

Connie Allmer

Tim Swain

Pat Montoya

Carolyn Breninger

Bob Richardson

Donald Johnston

Ron Pfleiderer

Marianne Kaiser

Sandi Searls

Lola Johnson

Don Dillehay

Rob Carruth

Kathy Wood

Milton Beydler

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FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Centennial Board of Cooperative Educational Services as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, as listed in the table of contents. These financial statements are the responsibility of the Centennial Board of Cooperative Educational Services' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Centennial Board of Cooperative Educational Services as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2009, 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Swanhorst & Company LLC

December 17, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2009

The discussion and analysis of the Centennial Board of Cooperative Services' (the "BOCES") financial performance provides an overall review of the BOCES' financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the BOCES' financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, and budgetary comparison schedules to broaden their understanding of the BOCES financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The BOCES' net assets decreased with total net assets of \$5,295,147 at the end of the current fiscal year, a decrease of \$647,795 over the prior fiscal year. The primary change in net assets occurred due to a decrease in cash and investments and a decrease in capital assets due to the use of capital lease funds. During the fiscal year, CBOCES continued the implementation a new Financial / Human Resources software system. This was the third year of a ten year lease payoff of the original \$1,824,300 financed for the purposes of financing a new software system.

The BOCES maintained a healthy fund balance in the General Fund of \$2,661,621 a decrease of \$1,061,874 over the prior fiscal year. The fund balance represents 15.0% of the actual expenditures for the fiscal year ended June 30, 2009. The most significant factor in the fund balance decrease was the utilization of the capital lease proceeds of \$605,768 and fund equity use of \$96,478 during the fiscal year to pay for the implementation of the new Financial / Human Resources software system. An additional \$188,583 of fund equity was utilized for start up costs related to the Internet Two project in the Technology department.

Federal Migrant Education revenues account for \$2,395,350 or 14.3% of total governmental revenue for the year ending June 30, 2009. Federal Special Education IDEA VI-B revenues account for \$1,966,848 or 11.8% of total governmental revenue. Title I revenues account for \$1,217,171 or 7.3% of total governmental revenue. Title II, Part A Improving Teacher Quality revenues account for \$335,596 or 2.0% of total governmental revenue. The Federal Special Education IDEA VI-B revenues increased by \$136,099 or 7.4% for the fiscal year. The majority of the increase is the result of utilizing carryover funds from the previous year.

Using the Basic Financial Statements

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

The first two statements are government-wide financial statements – the Statement of Net Assets 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

At the end of the current fiscal year, the assets of the BOCES exceeded its liabilities by \$5,295,147 compared to \$5,942,942, a \$647,795 decrease in total net assets. Part of the change is represented by an increase in net capital assets of \$235,298 and a decrease in current assets of \$1,444,165. The change in assets was accompanied by a decrease in liabilities of accounts payable of \$88,039, a decrease in accrued liabilities of \$81,822, and an increase in accrued salaries and benefits of \$20,611. The remainder of the change in net assets is due to the decrease in capital leases during the fiscal 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 assets include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the BOCES' net assets and how they have changed. The change in net assets 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 Assets and the Statement of Activities, the BOCES has one type of activities: Governmental Activities -- The majority of the BOCES' programs and services are reported here including instruction, support services, and interest on long term debt.

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

TABLE I – CONDENSED SUMMARY OF NET ASSETS

	Governmental Activities		Total	
	2009	2008	2009	2008
<u>Assets:</u>				
Current Assets	\$3,519,914	\$4,964,079	\$3,519,914	\$4,964,079
Capital Assets – Net	\$5,881,944	\$5,646,646	\$5,881,944	\$5,646,646
Total Assets	\$9,401,858	\$10,610,725	\$9,401,858	\$10,610,725
<u>Liabilities:</u>				
Current Liabilities	\$887,723	\$1,210,683	\$887,723	\$1,210,683
Noncurrent Liabilities	\$3,218,988	\$3,457,100	\$3,218,988	\$3,457,100
Total Liabilities	\$4,106,711	\$4,667,783	\$4,106,711	\$4,667,783
<u>Net Assets:</u>				
Net Assets Invested in Capital Assets, net of Related Debt	\$2,906,784	\$2,394,184	\$2,906,784	\$2,394,184
Unrestricted Net Assets	\$2,388,363	\$3,548,758	\$2,388,363	\$3,548,758
Total Net Assets	\$5,295,147	\$5,942,942	\$5,295,147	\$5,942,942

The most significant changes in governmental activities were a decrease in current assets of \$1,444,165, an increase in capital net assets of \$235,298, and a decrease in current liabilities of \$322,960.

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

TABLE 2 -- CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	Governmental Activities		Total	
	2009	2008	2009	2008
Program Revenues:				
Charges for Services	\$6,493,863	\$7,203,127	\$6,493,863	\$7,203,127
Operating Grants	\$9,641,426	\$9,914,317	\$9,641,426	\$9,914,317
Total Program Revenues	\$16,135,289	\$17,117,444	\$16,135,289	\$17,117,444
General Revenues:				
Investment Earnings	\$30,866	\$139,779	\$30,866	\$139,779
Miscellaneous	\$461,987	-	\$461,987	-
Total General Revenues	\$492,853	\$139,779	\$492,853	\$139,779
Total Revenues	\$16,628,142	\$17,257,223	\$16,628,142	\$17,257,223
Expenses:				
Instruction	\$4,754,464	\$4,963,024	\$4,754,464	\$4,963,024
Supporting Services	\$12,381,112	\$12,219,824	\$12,381,112	\$12,219,824
Interest on Long-term Debt	\$140,361	\$179,317	\$140,361	\$179,317
Total Expenses	\$17,275,937	\$17,362,165	\$17,275,937	\$17,362,165
Change in Net Assets	-\$647,795	-\$104,942	-\$647,795	-\$104,942
Net Assets Beginning	\$5,942,942	\$6,047,884	\$5,942,942	\$6,047,884
Net Assets Ending	\$5,295,147	\$5,942,942	\$5,295,147	\$5,942,942

The majority of the decreases in governmental activity total revenues of \$629,081 are attributable to the decrease in charges for services. The decreases in total expenditures of \$86,228 are primarily attributable to the decrease in non-grant services. The largest decreases in grant funding were in the Federal Migrant Education grant totaling \$175,002, and a decrease in Title I funding of \$116,786. The largest increase in grant funding was in the Tech Literacy grant totaling \$486,578.

Reporting the BOCES' Most Significant Fund

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

Governmental Funds

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

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

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

Fund Financial Statements

As of June 30, 2009, the BOCES' general fund reported a fund balance of \$2,661,621, which is a decrease of \$1,061,874 from the June 30, 2008 balance. The majority of the decrease was a result of the use of capital lease proceeds in the amount of \$605,768 and fund equity of \$96,478 for the implementation of a new software system and \$188,583 of fund equity for an Internet project during the fiscal year. The general fund has an unreserved fund balance of \$2,641,964 and a reserved fund balance of \$19,657.

Capital Assets

As of June 30, 2009, the BOCES had \$5,881,944 invested in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net increase (including additions and depreciation) of \$235,298. A summary of the BOCES' Capital Assets is as follows:

TABLE 3 – SUMMARY OF CAPITAL ASSETS

	Restated Balance 06/30/08	Additions	Deletions	Balance 06/30/09
Governmental Activities				
Land and Easements	\$436,466	-	-	\$436,466
Construction in Progress	\$1,580,693	\$288,710	\$1,869,403	-
Capital Assets, Not Being Depreciated	\$2,017,159	\$288,710	\$1,869,403	\$436,466
Buildings & Improvements	\$3,582,001	\$185,499	-	\$3,767,500
Machinery and Equipment	\$1,550,304	\$1,967,977	-	\$3,518,281
Capital Assets, Being Depreciated	\$5,132,305	\$2,153,476	-	\$7,285,781
Less Accumulated Depreciation: Buildings and Improvements	(453,415)	(76,745)	-	(530,160)
Less Accumulated Depreciation: Machinery and Equipment	(1,049,403)	(260,740)	-	(1,310,143)
Total Accumulated Depreciation	(1,502,818)	(337,485)	-	(1,840,303)
Net Capital Assets	\$5,646,646	\$2,104,701	\$1,869,403	\$5,881,944

The BOCES increased capital assets by \$235,298. This primarily consisted of reclassifying Construction in Progress of \$1,869,403 to Machinery and Equipment and recording \$185,499 of Building Improvements. The BOCES recorded depreciation expense of \$337,485. There were no equipment deletions for the fiscal year. The BOCES' policy is to capitalize and inventory annually capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

Debt Administration

As of June 30, 2009, the BOCES had total outstanding long-term debt as follows:

TABLE 4 -- SCHEDULE OF NONCURRENT LIABILITIES

	Balance 06/30/08	Additions	Payments or Deletions	Balance 06/30/09	Current Portion
Capital Leases					
Weld Opportunity School	\$278,940	-	\$(22,709)	\$256,231	\$23,729
2020 Clubhouse Dr. #1	\$1,193,525	-	\$(65,059)	\$1,128,466	\$68,320
2020 Clubhouse Dr. #2	\$105,222	-	\$(33,510)	\$71,712	\$35,050
Computer System Lease	\$1,674,775	-	\$(156,024)	\$1,518,751	\$162,804
Total Capital Leases	\$3,252,462		\$(277,302)	\$2,975,160	\$289,903
Accrued Compensated Absences	\$204,638	\$76,375	\$(37,185)	\$243,828	-
Total Long-term Obligations	\$3,457,100	\$76,375	\$(314,487)	\$3,218,988	\$289,903

The BOCES' capital lease is for the Agency's facilities and equipment. Additional information regarding these leases can be found in Note 4 to the financial statements on page 10.

General Fund Budget

The Board of Directors adopts the BOCES' budget in May or June of each year. Changes are then made in August or 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 awarded after the August/September budget adoption. The final budget increased by \$1,466,169, over the original budget mainly due to an increase in Federal funding sources, including a budget increase under Tech Literacy for the TLAP grant of \$599,165. Actual expenditures for the year were \$2,302,141 less than budgeted. The primary variances are attributed to the project expenditures not done during the fiscal year compared to amounts 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 2009-2010 budget addresses the major cost centers for the ensuing school year and provides an adequate level of funding for ongoing programs. The budget includes all programs associated with the fifteen districts within the BOCES. Overall, the original adopted BOCES' budget for 2009-2010 is \$16,075,374 or \$3,979,025 less than the final budget for 2008-2009. The main decreases are the closure/reductions of Weld Opportunity High School budgets of \$1,316,025, a reduction of Federal Tech II D TLAP funding of \$599,165, a reduction of the Title I grant of \$367,358, a reduction in Technology Services district assessments of \$671,453, a reduction of Migrant Title I-C funding of \$164,591, and completion of the new software system implementation budget of \$491,205. District Assessments for Administration decreased 18.0% from the prior year, with a 2.6% overall increase in student count.

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, 830 S. Lincoln Street, Longmont, CO 80501.

BASIC FINANCIAL STATEMENTS

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET ASSETS

June 30, 2009

	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and Investments	\$ 1,475,027	\$ 2,777,848
Accounts Receivable	153,892	198,201
Grants Receivable	1,871,338	1,974,605
Prepaid Expenses	19,657	13,425
Capital Assets, Not Being Depreciated	436,466	2,017,159
Capital Assets, Net of Accumulated Depreciation	<u>5,445,478</u>	<u>3,629,487</u>
TOTAL ASSETS	<u>9,401,858</u>	<u>10,610,725</u>
LIABILITIES		
Accounts Payable	95,036	183,075
Accrued Liabilities	56,665	138,487
Accrued Salaries and Benefits	605,248	584,637
Deferred Revenues	101,344	272,143
Accrued Interest Payable	29,430	32,341
Noncurrent Liabilities		
Due Within One Year	289,903	277,303
Due in More Than One Year	<u>2,929,085</u>	<u>3,179,797</u>
TOTAL LIABILITIES	<u>4,106,711</u>	<u>4,667,783</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	2,906,784	2,394,184
Unrestricted	<u>2,388,363</u>	<u>3,548,758</u>
TOTAL NET ASSETS	<u>\$ 5,295,147</u>	<u>\$ 5,942,942</u>

The accompanying notes are an integral part of the financial statements.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
				2009	2008
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 4,754,464	\$ 415,473	\$ 2,812,020	\$ (1,526,971)	\$ 98,596
Supporting Services	12,381,112	6,078,390	6,829,406	526,684	(164,000)
Interest on Long-Term Debt	140,361	-	-	(140,361)	(179,317)
Total Governmental Activities	\$ <u>17,275,937</u>	\$ <u>6,493,863</u>	\$ <u>9,641,426</u>	(1,140,648)	(244,721)
GENERAL REVENUES					
				30,866	139,779
				461,987	-
				<u>492,853</u>	<u>139,779</u>
				(647,795)	(104,942)
				<u>5,942,942</u>	<u>6,047,884</u>
				<u>\$ 5,295,147</u>	<u>\$ 5,942,942</u>

The accompanying notes are an integral part of the financial statements.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2009

	GENERAL FUND	
	2009	2008
ASSETS		
Cash and Investments	\$ 1,475,027	\$ 2,777,848
Accounts Receivable	153,892	198,201
Grants Receivable	1,871,338	1,974,605
Prepaid Expenditures	19,657	13,425
TOTAL ASSETS	\$ 3,519,914	\$ 4,964,079
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 95,036	\$ 183,075
Accrued Liabilities	56,665	138,487
Accrued Salaries and Benefits	605,248	584,637
Deferred Revenues	101,344	334,385
TOTAL LIABILITIES	858,293	1,240,584
FUND BALANCE		
Reserved for Prepaid Expenditures	19,657	13,425
Unreserved, Reported In General Fund	2,641,964	3,710,070
TOTAL FUND BALANCE	2,661,621	3,723,495
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,519,914	\$ 4,964,079

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balance of Governmental Fund	\$ 2,661,621	\$ 3,723,495
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,881,944	5,646,646
Certain long-term assets are not available to pay for current year expenditures and, therefore, are deferred in the funds.	-	62,242
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. This amount includes capital leases (\$2,975,160), compensated absences (\$243,828), and accrued interest payable (\$29,430).	(3,248,418)	(3,489,441)
Total Net Assets of Governmental Activities	\$ 5,295,147	\$ 5,942,942

The accompanying notes are an integral part of the financial statements.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended June 30, 2009

	GENERAL FUND	
	2009	2008
REVENUES		
Local Sources	\$ 7,040,453	\$ 7,819,952
State Sources	2,288,052	2,077,810
Federal Sources	7,361,879	7,297,219
TOTAL REVENUES	16,690,384	17,194,981
EXPENDITURES		
Current		
Instruction	4,754,464	4,963,024
Supporting Services	12,577,220	12,775,162
Debt Service		
Principal	277,302	264,365
Interest and Fiscal Charges	143,272	146,976
TOTAL EXPENDITURES	17,752,258	18,149,527
NET CHANGE IN FUND BALANCE	(1,061,874)	(954,546)
FUND BALANCE, Beginning	3,723,495	4,678,041
FUND BALANCE, Ending	\$ 2,661,621	\$ 3,723,495

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Fund	\$ (1,061,874)	\$ (954,546)
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay \$572,783 exceeded depreciation (\$337,485) in the current year.	235,298	542,123
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.	(62,242)	62,242
Repayments of capital lease principal \$277,302, changes in compensated absences (\$39,190), and changes in accrued interest payable \$2,911 are expenditures in the governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	241,023	245,239
Change in Net Assets of Governmental Activities	\$ (647,795)	\$ (104,942)

The accompanying notes are an integral part of the financial statements.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Centennial Board of Cooperative Educational Services (the “BOCES”) is an educational cooperative that exists to provide high quality programs and services through partnerships and collaboration which support the educational priorities of and enrich educational opportunities for students in 15 Northern Colorado member districts.

The accounting policies of the BOCES conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the BOCES and organizations for which the BOCES is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the BOCES. In addition, any legally separate organizations for which the BOCES is financially accountable are considered part of the reporting entity. Financial accountability exists if the BOCES appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the BOCES.

Based upon the application of this criteria, no additional organizations are includable within the BOCES’ reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the BOCES. *Governmental activities*, which normally are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the BOCES considers revenues to be available if they are collected within 60 days of the end of the current year.

Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the BOCES.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the BOCES' policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the BOCES reports the following major fund:

The *General Fund* is the BOCES' primary operating fund. It accounts for all financial resources of the BOCES.

Assets, Liabilities and Net Assets/Fund Balance

Investments - Investments are reported at fair value.

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, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the BOCES as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets/Fund Balance (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	50 years
Machinery and Equipment	5 - 20 years

Accrued Salaries and Benefits - Salaries and 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, are reflected as a liability of the General Fund.

Deferred Revenues - Deferred revenues include grant funds which have been collected but corresponding expenditures have not been incurred.

Compensated Absences - Employees are allowed to accumulate vacation time. Accrued vacation time of up to one year's accrual is paid to employees upon termination of employment. A long-term liability has been reported in the government-wide financial statements for the accrued vacation time. The accrued compensated absences are reported in the governmental fund only when due.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Net Assets/Fund Balances - In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Comparative Information

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, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 2: CASH AND INVESTMENTS

At June 30, 2009, cash and investments consisted of the following:

Cash on Hand	\$ 1,200
Deposits	(340,154)
Investments	<u>1,813,981</u>
Total	<u>\$ 1,475,027</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2009, the BOCES had bank deposits of \$675,468 collateralized with securities held by the financial institutions' agents but not in the BOCES' name.

Investments

The BOCES is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest which include the following. State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2009, the BOCES had \$1,813,981 invested in the Colorado Local Government Liquid Asset Trust (Colostrust). Colostrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colostrust. Colostrust operates similarly to a money market fund with each share equal in value to \$1.00. Colostrust is rated AAAM by Standard and Poor's. Investments of Colostrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, is summarized below.

	Balances <u>6/30/08</u>	Additions	Deletions	Balances <u>6/30/09</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Easements	\$ 436,466	\$ -	\$ -	\$ 436,466
Construction in Progress	<u>1,580,693</u>	<u>288,710</u>	<u>1,869,403</u>	<u>-</u>
Total Capital Assets, Being Depreciated	<u>2,017,159</u>	<u>288,710</u>	<u>1,869,403</u>	<u>436,466</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	3,582,001	185,499	-	3,767,500
Machinery and Equipment	<u>1,550,304</u>	<u>1,967,977</u>	<u>-</u>	<u>3,518,281</u>
Total Capital Assets, Being Depreciated	<u>5,132,305</u>	<u>2,153,476</u>	<u>-</u>	<u>7,285,781</u>
Less Accumulated Depreciation				
Buildings and Improvements	(453,415)	(76,745)	-	(530,160)
Machinery and Equipment	<u>(1,049,403)</u>	<u>(260,740)</u>	<u>-</u>	<u>(1,310,143)</u>
Total Accumulated Depreciation	<u>(1,502,818)</u>	<u>(337,485)</u>	<u>-</u>	<u>(1,840,303)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,629,487</u>	<u>1,815,991</u>	<u>-</u>	<u>5,445,478</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,646,646</u>	<u>\$ 2,104,701</u>	<u>\$ 1,869,403</u>	<u>\$ 5,881,944</u>

Depreciation expense was charged to the supporting services program.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2009.

	Balances 6/30/08	Additions	Payments	Balances 6/30/09	Due Within One Year
Governmental Activities					
Capital Leases	\$ 3,252,462	\$ -	\$ 277,302	\$ 2,975,160	\$ 289,903
Compensated Absences	204,638	76,375	37,185	243,828	-
Total	<u>\$ 3,457,100</u>	<u>\$ 76,375</u>	<u>\$ 314,487</u>	<u>\$ 3,218,988</u>	<u>\$ 289,903</u>

Capital Leases

In February 2007, the BOCES entered into a lease agreement for \$1,824,300 to purchase a new computer system. Semi-annual payments of \$113,190 are due through February 2017. Interest accrues at 4.3% per annum. Capital assets of \$1,869,403 have been reported under this lease.

In June 2003, the BOCES entered into a lease agreement to purchase and finance the cost of improvements to an office building in Greeley, Colorado. Monthly payments ranging from \$721 to \$10,174 are due through October 2021. Interest accrues at rates ranging from 4.5% to 4.9%. Capital assets of \$2,293,719 were acquired under this lease.

During June 2003, the BOCES entered into lease agreement to refinance previous debt for the purchase of a building in Greeley, Colorado, the Weld Opportunity School. Monthly payments of \$2,877 are due through June 2018. Interest accrues at 4.4%. Capital assets of \$378,359 were acquired under this lease.

Future minimum capital lease payments, to maturity, are as follows:

Year Ended June 30,

2010	\$ 420,560
2011	420,560
2012	383,000
2013	383,000
2014	383,000
2015 - 2019	1,427,721
2020 - 2022	<u>284,897</u>
Total Minimum Lease Payments	3,702,738
Less: Interest	<u>(727,578)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 2,975,160</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 5: RISK MANAGEMENT

The BOCES is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; natural disasters. The BOCES participates in the Colorado School Districts Self-Insurance Pool for all risks of loss except workers compensation, for which it has utilized a commercial insurance carrier.

The Colorado School Districts Self-Insurance Pool (CSDSIP), sponsored by the Colorado Association of School Boards (CASB), operates as a self-insurance pool comprised of various school districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by the Pool Board which is comprised of eight members. The eight members include the president, vice president, and executive director of the CASB, with the remaining five members being appointed by the Board of Directors of CASB. The BOCES pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The Pool agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP.

NOTE 6: DEFINED BENEFIT PENSION PLAN

Plan Description - The BOCES contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the BOCES are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy - Plan members and the BOCES are required to contribute at a rate set by statute. The contribution requirements of plan members and the BOCES are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8%. The BOCES' contribution rate for calendar years 2007, 2008 and 2009 was 11.15%, 12.05% and 12.95% of covered salaries, respectively. A portion of the BOCES' contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 7). The BOCES' contributions to the SDTF for the years ended June 30, 2009, 2008 and 2007 were \$866,391, \$761,293 and \$668,275, respectively, equal to the required contributions for each year.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE 7: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The BOCES contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

Funding Policy - The BOCES is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the BOCES are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The BOCES' contributions to the HCTF for the years ended June 30, 2009, 2008 and 2007 were \$70,617, \$64,168 and \$56,485, respectively, equal to the required contributions for each year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The BOCES participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. 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. At June 30, 2009, significant amounts of grant expenditures have not been audited but the BOCES believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the BOCES.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. However, the BOCES believes it is exempt from the provisions of the Amendment.

REQUIRED SUPPLEMENTARY INFORMATION

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2009

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Assessments	\$ 5,380,810	\$ 5,344,121	\$ 5,097,919	\$ (246,202)
Tuition	290,000	324,652	301,964	(22,688)
Community Services	125,276	125,276	113,509	(11,767)
Investment Income	70,000	30,000	30,866	866
Overhead Costs	65,185	60,686	60,686	-
Indirect Costs	641,567	681,567	756,575	75,008
Other	2,815,648	3,261,960	678,934	(2,583,026)
Total Local Sources	9,388,486	9,828,262	7,040,453	(2,787,809)
State Sources				
ECEA	1,757,657	1,776,394	1,878,377	101,983
Gifted and Talented	185,571	207,821	207,821	-
Expelled Students	159,250	211,000	151,225	(59,775)
Medicaid	30,260	30,260	-	(30,260)
Other	52,500	85,089	50,629	(34,460)
Total State Sources	2,185,238	2,310,564	2,288,052	(22,512)
Federal Sources				
Title I	1,265,022	1,244,867	1,217,171	(27,696)
Migrant Education	2,655,641	2,682,569	2,395,350	(287,219)
Special Education	1,851,195	1,971,653	1,966,848	(4,805)
Special Education Preschool	52,564	61,999	49,111	(12,888)
Safe and Drug-Free Schools and Communities	25,643	26,066	24,690	(1,376)
Education for Homeless Children and Youth	45,120	51,249	51,249	-
Innovative Programs	-	-	8,505	8,505
Education Technology	94,289	779,351	695,293	(84,058)
Reading First	-	60,000	28,944	(31,056)
English Language Acquisition	141,710	134,932	128,860	(6,072)
Improving Teacher Quality	344,625	349,144	335,596	(13,548)
Vocational Rehabilitation	421,694	432,496	331,209	(101,287)
Career and Technical Education	117,003	117,003	114,571	(2,432)
Other	-	4,244	14,482	10,238
Total Federal Sources	7,014,506	7,915,573	7,361,879	(553,694)
TOTAL REVENUES	18,588,230	20,054,399	16,690,384	(3,364,015)
EXPENDITURES				
Instruction				
Salaries	1,760,886	1,801,009	1,730,390	70,619
Employee Benefits	635,636	624,666	592,564	32,102
Purchased Services	2,698,861	2,287,778	2,249,947	37,831
Supplies and Materials	222,515	126,004	113,356	12,648
Property	19,090	55,840	43,893	11,947
Other	405,791	439,588	24,314	415,274
Total Instruction	5,742,779	5,334,885	4,754,464	580,421

(Continued)

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2009

EXPENDITURES (Continued)	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
Supporting Services				
Students				
Salaries	\$ 1,877,512	\$ 1,835,973	\$ 1,802,916	\$ 33,057
Employee Benefits	595,030	584,358	507,876	76,482
Purchased Services	301,979	878,823	726,388	152,435
Supplies and Materials	46,351	80,338	45,045	35,293
Property	5,940	33,297	26,172	7,125
Other	59,947	65,048	66,174	(1,126)
Total Students	2,886,759	3,477,837	3,174,571	303,266
Instructional Staff				
Salaries	918,021	996,355	960,090	36,265
Employee Benefits	231,899	249,625	223,810	25,815
Purchased Services	1,054,162	1,701,906	1,392,268	309,638
Supplies and Materials	207,274	237,789	163,521	74,268
Property	35,815	113,087	77,811	35,276
Other	48,227	108,934	45,107	63,827
Total Instructional Staff	2,495,398	3,407,696	2,862,607	545,089
General Administration				
Salaries	277,292	281,768	298,692	(16,924)
Employee Benefits	82,374	82,428	59,315	23,113
Purchased Services	208,000	184,774	114,345	70,429
Supplies and Materials	31,900	31,000	26,497	4,503
Property	82,100	93,700	17,226	76,474
Other	108,456	600,547	107,314	493,233
Total General Administration	790,122	1,274,217	623,389	650,828
School Administration				
Salaries	102,041	103,361	103,361	-
Employee Benefits	28,658	28,558	26,683	1,875
Purchased Services	46,115	5,299	4,236	1,063
Property	-	-	451	(451)
Total School Administration	176,814	137,218	134,731	1,875
Business Services				
Salaries	296,286	292,448	300,597	(8,149)
Employee Benefits	76,350	76,342	74,595	1,747
Purchased Services	3,992	3,992	-	3,992
Supplies and Materials	555	555	-	555
Total Business Services	377,183	373,337	375,192	(1,855)

(Continued)

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2009

	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Operations and Maintenance				
Salaries	\$ 54,116	\$ 54,089	\$ 58,866	\$ (4,777)
Employee Benefits	14,744	14,733	15,224	(491)
Purchased Services	238,769	152,179	183,620	(31,441)
Supplies and Materials	75,075	71,260	88,025	(16,765)
Property	6,150	29,700	27,273	2,427
Other	720,522	677,327	767,847	(90,520)
Total Operations and Maintenance	<u>1,109,376</u>	<u>999,288</u>	<u>1,140,855</u>	<u>(141,567)</u>
Central Support				
Salaries	1,774,696	1,866,050	1,790,349	75,701
Employee Benefits	447,861	467,501	404,217	63,284
Purchased Services	1,286,357	1,465,850	1,526,424	(60,574)
Supplies and Materials	116,919	131,648	190,519	(58,871)
Property	195,992	212,082	160,537	51,545
Other	37,421	40,439	54,773	(14,334)
Total Central Support	<u>3,859,246</u>	<u>4,183,570</u>	<u>4,126,819</u>	<u>56,751</u>
Community Services				
Salaries	71,015	60,913	60,699	214
Employee Benefits	21,020	21,672	21,974	(302)
Purchased Services	53,327	38,840	37,330	1,510
Supplies and Materials	17,618	14,128	18,274	(4,146)
Property	3,000	-	-	-
Other	2,231	2,400	779	1,621
Total Community Services	<u>168,211</u>	<u>137,953</u>	<u>139,056</u>	<u>(1,103)</u>
Total Supporting Services	<u>11,863,109</u>	<u>13,991,116</u>	<u>12,577,220</u>	<u>1,413,896</u>
Debt Service				
Principal	526,705	478,398	277,302	201,096
Interest	-	-	143,272	(143,272)
Total Debt Service	<u>526,705</u>	<u>478,398</u>	<u>420,574</u>	<u>57,824</u>
Reserves	<u>455,637</u>	<u>250,000</u>	-	<u>250,000</u>
TOTAL EXPENDITURES	<u>18,588,230</u>	<u>20,054,399</u>	<u>17,752,258</u>	<u>2,302,141</u>
NET CHANGE IN FUND BALANCE	-	-	(1,061,874)	(1,061,874)
FUND BALANCE, Beginning	<u>1,245,178</u>	<u>1,712,925</u>	<u>3,723,495</u>	<u>2,010,570</u>
FUND BALANCE, Ending	\$ <u>1,245,178</u>	\$ <u>1,712,925</u>	\$ <u>2,661,621</u>	\$ <u>948,696</u>

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2009

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

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

- 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.
- Public hearings are conducted by the Board of Directors.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations.
- Revisions that alter the total expenditures must be approved by the Board of Directors.

COMPLIANCE SECTION

SINGLE AUDIT



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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities and each major fund of the Centennial Board of Cooperative Educational Services as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated December 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Centennial Board of Cooperative Educational Services' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centennial Board of Cooperative Educational Services' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Centennial Board of Cooperative Educational Services' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Centennial Board of Cooperative Educational Services' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Centennial Board of Cooperative Educational Services' financial statements that is more than inconsequential will not be prevented or detected by the Centennial Board of Cooperative Educational Services' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Centennial Board of Cooperative Educational Services' internal control.

Our consideration of the Centennial Board of Cooperative Educational Services internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swanburt & Company, LLC

December 17, 2009



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Centennial Board of Cooperative Educational Services with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Centennial Board of Cooperative Educational Services' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Centennial Board of Cooperative Educational Services' management. Our responsibility is to express an opinion on the Centennial Board of Cooperative Educational Services' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Centennial Board of Cooperative Educational Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Centennial Board of Cooperative Educational Services' compliance with those requirements.

In our opinion, the Centennial Board of Cooperative Educational Services complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-1, 2009-2 and 2009-3.

Internal Control Over Compliance

The management of the Centennial Board of Cooperative Educational Services is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Centennial Board of Cooperative Educational Services' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of

expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Centennial Board of Cooperative Educational Services' internal control over compliance.

A control deficiency in the Centennial Board of Cooperative Educational Services' internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Centennial Board of Cooperative Educational Services' ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Centennial Board of Cooperative Educational Services' internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-1, 2009-2 and 2009-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Centennial Board of Cooperative Educational Services' internal control.

Our consideration of the Centennial Board of Cooperative Educational Services' internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Centennial Board of Cooperative Educational Services' response to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the Centennial Board of Cooperative Educational Services' response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swankent of Compliance LLC

December 17, 2009

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ yes x no

- Significant deficiencies identified that are not considered to be material weaknesses? x yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

 x yes _____ no

Identification of major programs:

- 84.010 Title I
- 84.318 Education Technology
- 84.367 Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes _____ no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose fraud, illegal acts, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Federal Awards Findings and Questioned Costs

2009-1 Procurement and Suspension and Debarment

U.S. Department of Education
Passed through Colorado Department of Education
CFDA 84.318 Education Technology

Criteria	Entities that receive federal awards shall follow federal laws and implement regulations applicable to procurement, as noted in the A-102 Common Rule and OMB Circular A-110. These entities are prohibited from contracting with or making subawards under a federally-funded project to parties that are suspended or debarred or whose principals are suspended or debarred.
Condition	The BOCES does not have procedures in place to verify that contractors retained for work performed using federal awards are not suspended or debarred from performing such work.
Questioned Costs	None. The contractor hired by the BOCES was not included on the General Services Administration's list of suspended or debarred entities.
Context	The BOCES hired a contractor to perform services for the Education Technology program. Our inquiry of BOCES personnel indicated that they do not perform procedures to verify that contractors are not suspended or debarred from performing work on federally-funded projects.
Effect	The BOCES could have awarded a contract on a federally-funded project to an ineligible contractor. This increases the risk that substandard services could be provided.
Cause	BOCES personnel were not aware of the applicable federal regulations for procurement and suspension and debarment related to federal awards.
Recommendation	When the BOCES enters into a contract that utilizes federal funding, the BOCES must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the contract with that entity. The BOCES should establish a system to ensure that procurement documentation is retained for the time period required by federal regulations and grant agreements.

Views of Responsible Officials and Corrective Actions

See Corrective Action Plan.

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Federal Awards Findings and Questioned Costs (Continued)

2009-2 Allowable Costs/Cost Principles

U.S. Department of Education
Passed through Colorado Department of Education
CFDA 84.010 Title I
CFDA 84.367 Improving Teacher Quality

Criteria	A government may adopt its own written fiscal and administrative requirements, which are consistent with the provisions of OMB Circular A-87, for expending and accounting for all funds received under federal awards. The written fiscal and administrative requirements must: (a) be sufficiently specific to ensure that funds are used in compliance with all applicable statutory and regulatory provisions, including ensuring that costs are allocable to a particular cost objective; (b) ensure that funds received are spent only for reasonable and necessary costs of the program; and (c) ensure that funds are not used for general expenses required to carry out other responsibilities of the government (34 CFR section 299.2(b)).
Condition	Except for certain administrative costs, the member school districts of the BOCES pay the costs of these federal programs. The school districts maintain the supporting documentation for these costs.
Questioned Costs	None
Context	We selected a sample of payments from the BOCES to the member school districts related to these federal programs. The supporting documentation for each expenditure was provided by the individual school districts. Our related discussions with BOCES personnel indicate that the BOCES does not review the supporting documentation, but instead pays each school district once a reimbursement request is submitted.
Effect	The risk that federal awards are spent for unallowable activities is increased.
Cause	Each member school district is required to provide an annual attestation form to the BOCES stating that the school district has complied with all federal regulations. BOCES personnel do not believe that further oversight by the BOCES is necessary.
Recommendation	The BOCES should implement procedures to ensure that all federal expenditures are reasonable, necessary for the program, and supported by adequate documentation. If the supporting documentation is maintained by the member school districts, at a minimum, the BOCES should periodically review the supporting documentation for compliance with federal regulations.

Views of Responsible Officials and Corrective Actions

See Corrective Action Plan.

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Federal Awards Findings and Questioned Costs (Continued)

2009-3 Allowable Costs/Cost Principles

U.S. Department of Education
Passed through Colorado Department of Education
CFDA 84.010 Title I
CFDA 84.318 Education Technology
CFDA 84.367 Improving Teacher Quality

Criteria	An employee who works solely on a single federal program or cost objective must furnish a semi-annual certification that he/she has been engaged solely in these activities. The certification must be signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee in accordance with OMB Circular A-87, Attachment B, paragraph 8.h.(3). An employee who works in part on a federal program or single cost objective and in part on activities funded from other revenue sources must maintain time and effort distribution records in accordance with OMB Circular A-87, Attachment B, paragraphs 8.h.(4), (5), and (6).
Condition	Certain employees that work in part on the Title I program sign semi-annual certifications supporting the percentage of their time engaged in the program activities. Some percentages are obtained from the BOCES' annual budget. Other employees that work on the Title I and Improving Teacher Quality programs either had inadequate time and effort records or had time and effort records that did not support the actual percentages of their salaries charged to the federal programs. In addition, two employees work in part on the Education Technology program. These employees do not prepare personnel activity reports or equivalent documentation of their time and effort.
Questioned Costs	CFDA 84.010 Title I Known Questioned Costs: \$72,860 CFDA 84.318 Education Technology Known Questioned Costs: \$60,800 CFDA 84.367 Improving Teacher Quality Known Questioned Costs: \$105,775
Context	We selected a sample of employees with time charged to these federal programs. Several different time and effort records are used by BOCES personnel, and we identified various exceptions to the requirements of the applicable federal regulations.
Effect	The risk that federal awards are spent for unallowable activities is increased.

(Continued)

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Cause BOCES personnel were not completely familiar with the requirements to support salaries and wages charged to federal awards. In addition, time and effort documentation maintained by each of the participating school districts is not consistent.

Recommendation We recommend that the BOCES establish procedures to ensure that all salaries and wages charged to federal programs are supported by documentation as required by federal regulations. If employees are expected to work solely on a single federal program, the employees should prepare certifications at least semi-annually to support this assertion. If employees work on multiple federal programs or other activities, their salaries and wages should be supported by personnel activity reports or equivalent documentation. Budget estimates established before the services are performed do not qualify as adequate support for charges to federal programs. To achieve these results, it may be beneficial for the BOCES to provide consistent time and effort forms for use by each participating school district.

Views of Responsible Officials and Corrective Actions

See Corrective Action Plan.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

CORRECTIVE ACTION PLAN

Year Ended June 30, 2009

2009-1 Procurement and Suspension and Debarment

Corrective Action Plan: Centennial BOCES has implemented a review notification procurement procedure for pertinent employees. All employees involved with procurement responsibilities have been notified of the requirement to check contractor status on the Federal procurement listing of suspended or debarred contractors/entities. Employees can access the Excluded Parties List System at the following website: <http://www.epls.gov/>. Any contractor that is potentially being hired by Centennial BOCES utilizing federal funds will be verified by the respective department personnel prior to entering in a service agreement. All prospective federally funded service agreements/contracts of \$20,000 or more must be approved by the Chief Financial Officer to confirm the entity is not on the suspended, debarred, or excluded list. Upon verification by the CFO, the agreement will be submitted to the Executive Director for approval. All federally funded service agreements/contracts will be retained by the corresponding department following federal regulations and grant records time retention requirements. This procedure will be in conjunction with the established BOCES records management plan.

2009-2 Allowable Costs/Cost Principles

Corrective Action Plan: Centennial BOCES has reviewed and acknowledges receipt of finding 2009-2 related to Title I reimbursement requests. As part of the review procedure, Centennial BOCES will continue working with the Colorado Department of Education on the specific role CDE expects regarding the Title grant assistance BOCES provides to the participating school districts. This dialogue will include trying to define the responsibility level that Centennial BOCES and the school districts have in ensuring federal funds are being utilized for appropriate expenditures. This process will include confirming adequate documentation is provided.

2009-3 Allowable Costs/Cost Principles

BOCES will implement a BOCES-wide certification template for both semi-annual and monthly time and effort reports. This procedure will help create consistency and conformity to the required recordkeeping documentation throughout the BOCES and impacted school districts. District training on the use of these forms will be part of the process to alleviate potential non-compliance with time and effort certification. All staff will be notified (both internally and externally) of the requirement to complete appropriate, comprehensive time and effort distribution reports based on their funding allocations.

Regarding the Education Technology questioned costs, at the beginning of the 2008-09 fiscal year when Centennial BOCES was awarded the Title II-D TLAP grant, two employees were identified to be paid partially out of the grant. The employees did not know they needed to fill out monthly time and effort reports. Upon notification of the need to complete monthly time and effort reports, both employees did monthly time and effort reports based on their personal calendars. These employees are now clearly aware of the requirement to fill out time and effort activity reports whenever they are being paid from Federal funds.



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

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of the governmental activities and each major fund of the Centennial Board of Cooperative Educational Services as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated December 17, 2009. These financial statements are the responsibility of the Centennial Board of Cooperative Educational Services' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

December 17, 2009

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Education		
Passed Through Colorado Department of Education		
Title I	84.010	\$ 1,217,171
Migrant Education	84.011	2,395,350
Special Education	84.027	1,966,848
Special Education Preschool	84.173	49,111
Safe and Drug-Free Schools and Communities	84.186	24,690
Education for Homeless Children and Youth	84.196	51,249
Innovative Programs	84.298	8,505
Education Technology	84.318	695,293
Reading First	84.357	28,944
English Language Acquisition	84.365	128,860
Improving Teacher Quality	84.367	335,596
Passed Through Colorado Department of Human Services		
Vocational Rehabilitation	84.126	176,107
Passed Through Colorado Community College System		
Career and Technical Education	84.048	114,571
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 7,192,295

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

STATE COMPLIANCE



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

**INDEPENDENT AUDITORS' REPORT ON
AUDITOR'S INTEGRITY REPORT**

We have audited the financial statements of the governmental activities and each major fund of the Centennial Board of Cooperative Educational Services as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated December 17, 2009. These financial statements are the responsibility of the Centennial Board of Cooperative Educational Services' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 accompanying auditor's integrity report is presented for purposes of additional analysis as required by State of Colorado statutes and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Swanhorst & Company LLC

December 17, 2009

12/21/2009
10:25 AM

Colorado Department of Education
Fiscal Year 2008-2009
Colorado School District/BOCES
Auditor's Integrity Report

COLORADO BOCS CENTENNIAL BOCES
District Code: 9035

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Req 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	3,723,495	16,690,384	17,752,258	2,661,622
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Subtotal	3,723,495	16,690,384	17,752,258	2,661,622
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption 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
TOTALS	3,723,495	16,690,384	17,752,258	2,661,622
Proprietary				
51 Food Service Fund	0	0	0	0
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

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.