

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

FINANCIAL STATEMENTS

Year Ended June 30, 2008

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

June 30, 2008

BOARD OF DIRECTORS

John Dudley

Connie Allmer

Tim Swain

Pat Montoya

Carolyn Breninger

Bob Richardson

Donald Johnston

Ron Pfleiderer

Marianne Kaiser

Sandi Searls

Don Abbott

Don Dillehay

Roger Segura

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, 2008, 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, 2008, 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 November 21, 2008, 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

November 21, 2008

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2008

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, 2008. 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 \$5,942,942 at the end of the current fiscal year, a decrease of \$104,942 over the prior fiscal year. The primary change in net assets occurred due to a decrease in cash and investments, capital assets, due to a use of capital lease funds. During the fiscal year CBOCES continued the implementation of a new Financial / Human Resources software system. This was the second 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 \$3,723,495 a decrease of \$954,546 over the prior fiscal year. The most significant factor in the fund balance decrease was the utilization of the capital lease proceeds of \$732,435 during the fiscal year to pay for the implementation of a new Financial / Human Resources software system.

Federal Migrant Education revenues account for \$2,570,352 or 14.9% of total governmental revenue for the year ending June 30, 2008. Federal Special Education IDEA VI-B revenues account for \$1,830,749 or 10.6% of total governmental revenue. Title I revenues account for \$1,333,957 or 7.8% of total governmental revenue. Title II, Part A Improving Teacher Quality revenues account for \$390,929 or 2.3% of total governmental revenue. The Federal Special Education IDEA VI-B revenues decreased by \$263,482, or 12.6%, for the fiscal year. The majority of the decrease is the result of a reduction in federal funding and the use of 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 \$5,942,942 compared to \$6,047,884, a \$104,942 decrease in total net assets. Part of the change is represented by an increase in net capital assets of \$542,123 and a decrease in current assets of \$998,307. The change in assets was accompanied by a decrease in liabilities of accounts payable of \$58,196, an increase in accrued liabilities of \$138,354, and an increase in accrued salaries and benefits of \$122,628. 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 general operations, support services, instruction and support of consortia programs, and instruction and support of handicapped education programs, plant operations and maintenance and pupil transportation.

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

TABLE 1 – CONDENSED SUMMARY OF NET ASSETS

	Governmental Activities		Total	
	2008	2007	2008	2007
Assets:				
Current Assets	\$ 4,964,079	\$ 5,962,386	4,964,079	\$ 5,962,386
Capital Assets - Net	5,646,646	5,104,523	5,646,646	5,104,523
Total Assets	10,610,725	11,066,909	10,610,725	11,066,909
Liabilities:				
Current Liabilities	1,487,986	1,549,606	1,487,986	1,549,606
Noncurrent Liabilities	3,179,797	3,469,419	3,179,797	3,469,419
Total Liabilities	4,667,783	5,019,025	4,667,783	5,019,025
Net Assets:				
Net Assets Invested in Capital				
Assets, Net of Related Debt	2,394,184	2,514,384	2,394,184	2,514,384
Unrestricted Net Assets	3,548,758	3,533,500	3,548,758	3,533,500
Total Net Assets	\$ 5,942,942	\$ 6,047,884	5,942,942	\$ 6,047,884

The most significant changes in governmental activities were an increase in capital net assets of \$542,123, a decrease in current liabilities of \$61,620 and a decrease in current assets of \$998,307.

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	
	2008	2007	2008	2007
Program Revenues:				
Charges for Services	\$ 7,203,127	\$ 7,602,275	\$ 7,203,127	7,602,275
Operating Grants	9,914,317	11,777,507	9,914,317	11,777,507
Total Program Revenues	17,117,444	19,379,782	17,117,444	19,379,782
General Revenues:				
Investment Earnings	139,779	120,604	139,779	120,604
Total Revenues	17,257,223	19,500,386	17,257,223	19,500,386
Expenses:				
Instruction	4,963,024	5,018,358	4,963,024	5,018,358
Supporting Services	12,219,824	13,521,359	12,219,824	13,521,359
Interest on Long-term Debt	179,317	817,042	179,317	817,042
Food Service Fund	-	-	-	-
Unallocated Depreciation	-	-	-	-
Total Expenses	17,362,165	19,356,759	17,362,165	19,356,759
Change in Net Assets	-104,942	143,627	-104,942	143,627
Net Assets Beginning	6,047,884	5,904,257	6,047,884	5,904,257
Net Assets Ending	\$ 5,942,942	\$ 6,047,884	\$ 5,942,942	\$ 6,047,884

The majority of the decreases in governmental activity total revenues of \$2,243,163 are attributable to the decrease in operating grant revenues. The decreases in total expenditures of \$1,994,594 are primarily attributable to the decrease in grants received. The largest decreases in grant funding was in the Federal Special Education grant totaling \$263,482, the Title II D program - C2D3 grant totaling \$1,525,257, and a decrease in Title I funding of \$300,484. The largest increase in grant funding was in the Migrant Education grant totaling \$117,973.

Reporting the BOCES' Most Significant Fund

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

Governmental Funds. All of 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net 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, 2008, the BOCES' general fund reported a fund balance of \$3,723,495, which is a decrease of \$954,546 from the June 30, 2007 balance. The majority of the decrease was a result of the use of capital lease proceeds in the amount of \$732,435 during the fiscal year. The general fund has an unreserved fund balance of \$3,710,070 and a reserved fund balance of \$13,425.

Capital Assets

As of June 30, 2008, the BOCES had \$5,646,646 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 \$542,123. A summary of the BOCES' Capital Assets is as follows:

TABLE 3 • SUMMARY OF CAPITAL ASSETS

	Restated Balance 06/30/07	Additions	Deletions	Balance 06/30/08
Governmental Activities:				
Land and Easements	\$ 436,466	\$ -	\$ -	\$ 436,466
Construction in Progress	848,258	732,435	-	1,580,693
Capital Assets, Not Being Depreciated	1,284,724	732,435	-	2,017,159
Buildings & Improvements	3,582,001	-	-	3,582,001
Machinery and Equipment	1,542,526	39,099	31,321	1,550,304
Capital Assets, Being Depreciated	5,124,527	39,099	31,321	5,132,305
Less Accumulated Depreciation: Buildings and Improvements	(381,162)	(72,253)	-	(453,415)
Less Accumulated Depreciation: Machinery and Equipment	(923,566)	(157,158)	(31,321)	(1,049,403)
Total Accumulated Depreciation	(1,304,728)	(229,411)	(31,321)	(1,502,818)
Net Capital Assets	\$ 5,104,523	\$ 542,123	\$ -	\$ 5,646,646

The BOCES' increased capital assets consisting of construction in progress of \$732,435. The BOCES' recorded depreciation expense of \$229,411. There were equipment deletions for the fiscal year totaling a net of \$31,321. 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, 2008 the BOCES had total outstanding long-term debt as follows:

TABLE 4 - SCHEDULE OF NONCURRENT LIABILITIES

	Balance 06/30/07	Additions	Payments or Deletions	Balance 06/30/08	Current Portion
Capital Leases					
Weld Opportunity School	\$ 299,787	\$ -	\$ (20,847)	\$ 278,940	\$ 22,719
2020 Clubhouse Dr. #1	1,255,479	-	(61,954)	1,193,525	65,059
2020 Clubhouse Dr. #2	137,261	-	(32,039)	105,222	33,501
Computer System Lease	1,824,300	-	(149,525)	1,674,775	156,024
Total Capital Leases	3,516,827	-	(264,365)	3,252,462	277,303
Accrued Compensated Absences	217,853	13,099	(26,314)	204,638	-
Total Long-term Obligations	\$ 3,734,680	\$ 13,099	\$ (290,679)	\$ 3,457,100	\$ 277,303

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 pages 10.

General Fund Budget

The Board of Director's adopts the BOCES' budget in May or June of each year. Changes are then made in August 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 donations to specific programs and/or grants awarded after the August budget adoption. The final budget increased by \$610,141 over the original budget mainly due to an increase in Federal funding sources regarding completion of grants during the first quarter of the fiscal year. Actual expenditures for the year were \$2,050,339 less than budgeted. The primary variances are attributed to the amount of capital lease proceeds used 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 2008-2009 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 adopted BOCES' budget for 2008-2009 is \$18,588,230 or \$1,611,636 less than the budget for 2007-2008. The main decreases are a reduction of Federal Tech II D C2D3 funding of \$196,386, a reduction of the Special Education IDEA grant of \$172,938, a reallocation of ECEA state Special Education funds of \$506,713, a reduction in Learning Services grants of \$164,954, a reduction of Migrant Title I-C funding of \$223,293, and completion of the new software system implementation budget of \$260,519. District Assessments for Administration are generally level from the prior year; with no major change 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 South Lincoln Street, Longmont, CO 80501.

BASIC FINANCIAL STATEMENTS

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET ASSETS

June 30, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 2,777,848
Accounts Receivable	198,201
Grants Receivable	1,974,605
Prepaid Expenses	13,425
Capital Assets, Not Being Depreciated	2,017,159
Capital Assets, Net of Accumulated Depreciation	<u>3,629,487</u>
TOTAL ASSETS	<u>10,610,725</u>
LIABILITIES	
Accounts Payable	183,075
Accrued Liabilities	138,487
Accrued Salaries and Benefits	584,637
Deferred Revenues	272,143
Accrued Interest Payable	32,341
Noncurrent Liabilities	
Due Within One Year	277,303
Due in More Than One Year	<u>3,179,797</u>
TOTAL LIABILITIES	<u>4,667,783</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	2,394,184
Unrestricted	<u>3,548,758</u>
TOTAL NET ASSETS	<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, 2008

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 4,963,024	\$ 1,482,717	\$ 3,578,903	\$ 98,596
Supporting Services	12,219,824	5,720,410	6,335,414	(164,000)
Interest on Long-Term Debt	179,317	-	-	(179,317)
Total Governmental Activities	\$ 17,362,165	\$ 7,203,127	\$ 9,914,317	\$ (244,721)
		GENERAL REVENUES		
				Investment Income
				139,779
				CHANGE IN NET ASSETS
				(104,942)
				NET ASSETS, Beginning
				6,047,884
				NET ASSETS, Ending
				\$ 5,942,942

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

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2008

	GENERAL
ASSETS	
Cash and Investments	\$ 2,777,848
Accounts Receivable	198,201
Grants Receivable	1,974,605
Prepaid Expenditures	13,425
TOTAL ASSETS	\$ 4,964,079
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 183,075
Accrued Liabilities	138,487
Accrued Salaries and Benefits	584,637
Deferred Revenues	334,385
TOTAL LIABILITIES	1,240,584
FUND BALANCE	
Reserved for Prepaid Expenditures	13,425
Unreserved, Reported In General Fund	3,710,070
TOTAL FUND BALANCE	3,723,495
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,964,079

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

Total Fund Balance of Governmental Fund	\$ 3,723,495
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	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 (\$3,252,462), compensated absences (\$204,638), and accrued interest payable (\$32,341).	(3,489,441)
Net Assets of Governmental Activities	\$ 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, 2008

	<u>GENERAL</u>
REVENUES	
Local Sources	\$ 7,819,952
State Sources	2,077,810
Federal Sources	7,297,219
TOTAL REVENUES	17,194,981
EXPENDITURES	
Current	
Instruction	4,963,024
Supporting Services	12,775,162
Debt Service	
Principal	264,365
Interest and Fiscal Charges	146,976
TOTAL EXPENDITURES	18,149,527
NET CHANGE IN FUND BALANCE	(954,546)
FUND BALANCE, Beginning	4,678,041
FUND BALANCE, Ending	\$ 3,723,495

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

Net Change in Fund Balance of Governmental Fund	\$ (954,546)
Capital outlays to purchase or build capital assets are reported in 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 \$771,534 exceeded depreciation (\$229,411) in the current year.	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
Repayments of capital lease principal \$264,365, changes in compensated absences \$13,215, and accrued interest payable (\$32,341) are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net assets and do not affect the statement of activities.	245,239
Change in Net Assets of Governmental Activities	\$ (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, 2008

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.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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, 2008

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.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2008, cash and investments consisted of the following:

Cash on Hand	\$ 1,200
Deposits	(428,433)
Investments	<u>3,205,081</u>
Total	<u>\$ 2,777,848</u>

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

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 the 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, 2008, the BOCES had bank deposits of \$423,850 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 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

At June 30, 2008, the BOCES had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Wells Fargo Money Market Fund	\$ 605,768
Local Government Investment Pool	<u>2,599,313</u>
Total	<u>\$ 3,205,081</u>

Interest Rate Risk - 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.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by a nationally recognized statistical rating organizations (NRSRO). At June 30, 2008, the BOCES' investment in the Wells Fargo Money Market Fund was rated Aaa by Moody's Investors Service and AAA by Standard & Poor's.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk - State statutes generally do not limit the amount the BOCES may invest in one issuer.

Local Government Investment Pool - At June 30, 2008, the BOCES had \$2,599,313 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). Colotrust 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 Colotrust. Colotrust operates similarly to a money market fund with each share equal in value to \$1.00. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust 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, 2008, is summarized below.

	Balances As Restated 6/30/07	Additions	Deletions	Balances 6/30/08
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and Easements	\$ 436,466	\$ -	\$ -	\$ 436,466
Construction in Progress	848,258	732,435	-	1,580,693
Total Capital Assets, Being Depreciated	<u>1,284,724</u>	<u>732,435</u>	<u>-</u>	<u>2,017,159</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	3,582,001	-	-	3,582,001
Machinery and Equipment	1,542,526	39,099	31,321	1,550,304
Total Capital Assets, Being Depreciated	<u>5,124,527</u>	<u>39,099</u>	<u>31,321</u>	<u>5,132,305</u>
Less Accumulated Depreciation				
Buildings and Improvements	(381,162)	(72,253)	-	(453,415)
Machinery and Equipment	(923,566)	(157,158)	(31,321)	(1,049,403)
Total Accumulated Depreciation	<u>(1,304,728)</u>	<u>(229,411)</u>	<u>(31,321)</u>	<u>(1,502,818)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,819,799</u>	<u>(190,312)</u>	<u>-</u>	<u>3,629,487</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,104,523</u>	<u>\$ 542,123</u>	<u>\$ -</u>	<u>\$ 5,646,646</u>

Depreciation expense was charged to the supporting services program.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended June 30, 2008.

	<u>Balances 6/30/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/08</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital Leases	\$ 3,516,827	\$ -	\$ 264,365	\$ 3,252,462	\$ 277,303
Compensated Absences	217,853	13,099	26,314	204,638	-
Total	<u>\$ 3,734,680</u>	<u>\$ 13,099</u>	<u>\$ 290,679</u>	<u>\$ 3,457,100</u>	<u>\$ 277,303</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 \$1,580,693 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:

<u>Year Ended June 30,</u>	
2009	\$ 420,560
2010	420,560
2011	420,560
2012	383,000
2013	383,000
2014 - 2018	1,688,622
2019 - 2022	<u>406,998</u>
Total Minimum Lease Payments	4,123,300
Less: Interest	<u>(870,838)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 3,252,462</u>

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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 District 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, 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 Colorado Association of School Boards (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% of covered salary and for the BOCES was 11.15% from July 1, 2007, to December 31, 2007, and 12.05% thereafter. A portion of the BOCES' contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (See Note 7). The BOCES' contributions to the SDTF for the years ended June 30, 2008, 2007, 2006 were \$761,293, \$668,275 and \$609,437, respectively, equal to the required contributions for each year.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

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 HCTF for the years ended June 30, 2008, 2007 and 2006 were \$64,168, \$56,485 and \$47,784, 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, 2008, 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.

NOTE 9: RESTATEMENT

During the year ended June 30, 2008, capital assets were restated to properly reflect that only a portion of the computer system was purchased in the previous year. In addition, the computer system was reclassified in the financial statements as construction in progress until it is placed into service. Net assets at June 30, 2007, were restated to reflect these changes, as follows:

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE 9: RESTATEMENT (Continued)

	<u>Net Assets</u>	<u>Capital Assets</u>
Balances, June 30, 2007, as Originally Stated	\$ 6,974,572	\$ 6,031,211
Construction in Progress	848,258	848,258
Machinery and Equipment	(1,850,959)	(1,850,959)
Accumulated Depreciation	<u>76,013</u>	<u>76,013</u>
Balances, June 30, 2007, as Restated	<u>\$ 6,047,884</u>	<u>\$ 5,104,523</u>

REQUIRED SUPPLEMENTARY INFORMATION

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2008

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Assessments	\$ 5,884,232	\$ 5,743,548	\$ 5,721,522	\$ (22,026)
Tuition	314,297	274,010	311,704	37,694
Community Services	120,548	113,335	113,335	-
Investment Income	90,000	90,000	139,779	49,779
Other	3,883,310	4,152,796	1,533,612	(2,619,184)
Total Local Sources	10,292,387	10,373,689	7,819,952	(2,553,737)
State Sources				
ECEA	1,836,751	1,687,051	1,827,731	140,680
Gifted and Talented	178,578	194,414	194,414	-
Grant Writing	10,000	10,000	12,333	2,333
Medicaid	30,000	30,000	33,332	3,332
Other	124,000	64,000	10,000	(54,000)
Total State Sources	2,179,329	1,985,465	2,077,810	92,345
Federal Sources				
Fund for the Improvement of Education	-	69,633	69,209	(424)
Transition to Teaching	-	75,321	75,321	-
Title I	1,248,386	1,340,934	1,333,957	(6,977)
Migrant Education	2,783,578	2,768,996	2,570,352	(198,644)
Special Education	1,912,985	2,127,402	1,830,749	(296,653)
Special Education Preschool	51,490	66,062	56,573	(9,489)
Safe and Drug-Free Schools and Communities	33,954	34,016	34,177	161
Education for Homeless Children and Youth	50,000	45,120	42,871	(2,249)
Innovative Programs	15,445	14,854	14,854	-
Education Technology	13,336	208,594	208,715	121
Reading First	-	60,000	49,222	(10,778)
English Language Acquisition	134,203	143,905	134,527	(9,378)
Improving Teacher Quality	396,613	394,662	390,929	(3,733)
Vocational Rehabilitation	364,999	364,999	359,549	(5,450)
Vocational Education	113,020	126,214	126,214	-
Total Federal Sources	7,118,009	7,840,712	7,297,219	(543,493)
TOTAL REVENUES	19,589,725	20,199,866	17,194,981	(3,004,885)
EXPENDITURES				
Instruction				
Salaries	1,655,670	1,745,616	1,703,529	42,087
Employee Benefits	574,510	602,071	537,752	64,319
Purchased Services	2,726,335	2,865,267	2,619,207	246,060
Supplies and Materials	80,514	83,877	73,399	10,478
Property	15,950	18,150	15,056	3,094
Other	595,869	595,868	14,081	581,787
Total Instruction	5,648,848	5,910,849	4,963,024	947,825

(Continued)

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2008

EXPENDITURES (Continued)	BUDGET		ACTUAL	VARIANCE Positive (Negative)
	ORIGINAL	FINAL		
Supporting Services				
Students				
Salaries	\$ 1,835,166	\$ 1,768,936	\$ 1,793,837	\$ (24,901)
Employee Benefits	543,653	533,971	495,595	38,376
Purchased Services	1,127,894	1,140,078	1,075,411	64,667
Supplies and Materials	61,153	60,528	41,264	19,264
Property	11,542	10,240	10,674	(434)
Other	72,422	49,014	55,513	(6,499)
Total Students	<u>3,651,830</u>	<u>3,562,767</u>	<u>3,472,294</u>	<u>90,473</u>
Instructional Staff				
Salaries	820,051	870,259	929,351	(59,092)
Employee Benefits	198,643	215,163	198,750	16,413
Purchased Services	1,161,401	1,613,031	1,398,233	214,798
Supplies and Materials	173,515	265,060	230,399	34,661
Property	39,103	33,057	26,451	6,606
Other	75,796	56,024	53,513	2,511
Total Instructional Staff	<u>2,468,509</u>	<u>3,052,594</u>	<u>2,836,697</u>	<u>215,897</u>
General Administration				
Salaries	441,862	272,552	281,098	(8,546)
Employee Benefits	116,146	75,942	68,666	7,276
Purchased Services	224,706	191,021	145,096	45,925
Supplies	41,400	31,000	39,166	(8,166)
Property	87,750	88,850	33,891	54,959
Other	120,831	131,753	64,675	67,078
Total General Administration	<u>1,032,695</u>	<u>791,118</u>	<u>632,592</u>	<u>158,526</u>
School Administration				
Salaries	98,590	98,590	98,590	-
Employee Benefits	26,100	26,100	24,532	1,568
Purchased Services	5,128	15,317	14,762	555
Total School Administration	<u>129,818</u>	<u>140,007</u>	<u>137,884</u>	<u>1,568</u>
Business Services				
Salaries	275,466	268,466	273,854	(5,388)
Employee Benefits	70,310	68,283	66,611	1,672
Purchased Services	3,997	3,992	2,704	1,288
Supplies and Materials	1,228	557	80	477
Total Business Services	<u>351,001</u>	<u>341,298</u>	<u>343,249</u>	<u>(1,951)</u>

(Continued)

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2008

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Operations and Maintenance				
Salaries	\$ 52,286	\$ 52,286	\$ 52,420	\$ (134)
Benefits	13,667	13,567	13,384	183
Purchased Services	242,834	234,574	264,205	(29,631)
Supplies and Materials	68,100	71,500	75,303	(3,803)
Other	579,246	750,485	713,575	36,910
Total Operations and Maintenance	<u>956,133</u>	<u>1,122,412</u>	<u>1,118,887</u>	<u>3,525</u>
Central Support				
Salaries	1,491,216	1,643,428	1,581,681	61,747
Benefits	345,381	380,237	336,884	43,353
Purchased Services	1,624,772	1,692,873	1,862,734	(169,861)
Supplies and Materials	195,382	123,816	120,035	3,781
Property	152,666	93,739	144,901	(51,162)
Other	172,883	56,523	53,368	3,155
Total Central Support	<u>3,982,300</u>	<u>3,990,616</u>	<u>4,099,603</u>	<u>(108,987)</u>
Community Services				
Salaries	87,680	59,302	58,837	465
Benefits	22,579	19,575	19,551	24
Purchased Services	106,293	57,129	40,541	16,588
Supplies and Materials	16,306	17,200	11,813	5,387
Property	5,400	-	-	-
Other	5,000	9,231	3,214	6,017
Total Community Services	<u>243,258</u>	<u>162,437</u>	<u>133,956</u>	<u>28,481</u>
Total Supporting Services	<u>12,815,544</u>	<u>13,163,249</u>	<u>12,775,162</u>	<u>388,087</u>
Debt Service				
Principal	693,268	693,268	264,365	428,903
Interest	-	-	146,976	(146,976)
Total Debt Service	<u>693,268</u>	<u>693,268</u>	<u>411,341</u>	<u>281,927</u>
Reserves	<u>432,065</u>	<u>432,500</u>	<u>-</u>	<u>432,500</u>
TOTAL EXPENDITURES	<u>19,589,725</u>	<u>20,199,866</u>	<u>18,149,527</u>	<u>2,050,339</u>
NET CHANGE IN FUND BALANCE	-	-	(954,546)	(954,546)
FUND BALANCE, Beginning	<u>3,341,498</u>	<u>4,678,041</u>	<u>4,678,041</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 3,341,498</u>	<u>\$ 4,678,041</u>	<u>\$ 3,723,495</u>	<u>\$ (954,546)</u>

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2008

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, 2008, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated November 21, 2008. 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 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.



November 21, 2008



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, 2008. 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, 2008.

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 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.

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 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.

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.

Swanlund & Company LLC

November 21, 2008

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2008

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? _____ yes x 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?

_____ yes x no

Identification of major programs:

- 84.011 Migrant Education
- 84.027 Special Education
- 84.173 Special Education Preschool
- 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.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.



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, 2008, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated November 21, 2008. 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.

November 21, 2008

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Education		
Direct Programs		
Fund for the Improvement of Education	84.215	\$ 69,209
Transition to Teaching	84.350	75,321
Passed Through Colorado Department of Education		
Title I	84.010	1,333,957
Migrant Education	84.011	2,570,352
Special Education	84.027	1,830,749
Special Education Preschool	84.173	56,573
Safe and Drug-Free Schools and Communities	84.186	34,177
Education for Homeless Children and Youth	84.196	42,871
Innovative Programs	84.298	14,854
Education Technology	84.318	208,715
Reading First	84.357	49,222
English Language Acquisition	84.365	134,527
Improving Teacher Quality	84.367	390,929
Passed Through Colorado Department of Human Services		
Vocational Rehabilitation	84.126	180,975
Passed Through Colorado Community College System		
Vocational Education	84.048	126,214
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 7,118,645

See the accompanying Independent Auditors' Report.

CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

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, 2008, which collectively comprise the basic financial statements of the Centennial Board of Cooperative Educational Services, and have issued our report thereon dated November 21, 2008. 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

November 21, 2008

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Colorado Department of Education
Fiscal Year 2007-2008
Colorado School District/BOCES
Auditor's Integrity Report

COLORADO BOCES CENTENNIAL BOCES
District Code: 9035

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance	
Governmental					
10	General Fund	4,678,041	17,194,980	18,149,527	3,723,495
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
	Subtotal	4,678,041	17,194,980	18,149,527	3,723,495
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	4,678,041	17,194,980	18,149,527	3,723,495
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.

From submitted data file: fd9035.07a

Program: fdrdh.sqr

File: fd9035.dha

FINAL

CBOCES/EAGLE-Net Management Team Resumes & Organization Chart

CBOCES/EAGLE-Net is comprised of a diverse team of accomplished individuals, businesses and organizations each with current or past experience in planning, implementing and supporting large broadband networks. EAGLE-Net efforts have established the foundation for the complete Colorado statewide interconnection of all K-12 school districts, the Colorado Department of Education, higher education institutions, community colleges, libraries, hospitals, public safety, and health clinics with the purpose of advancing the broadband connectivity statewide.

EAGLE-Net has professional partnerships with several entities with expertise in completing the project. These professional partnerships include the following the organizations:

IBM has a history of project management excellence including several recent awards such as: 2007 PMI Distinguished Project (IBM Stockholm Congestion Tax Project), 2006 PMI Professional Development Provider of the Year Award and the 2006 PMI Education Provider of the Year Award. Projects include:

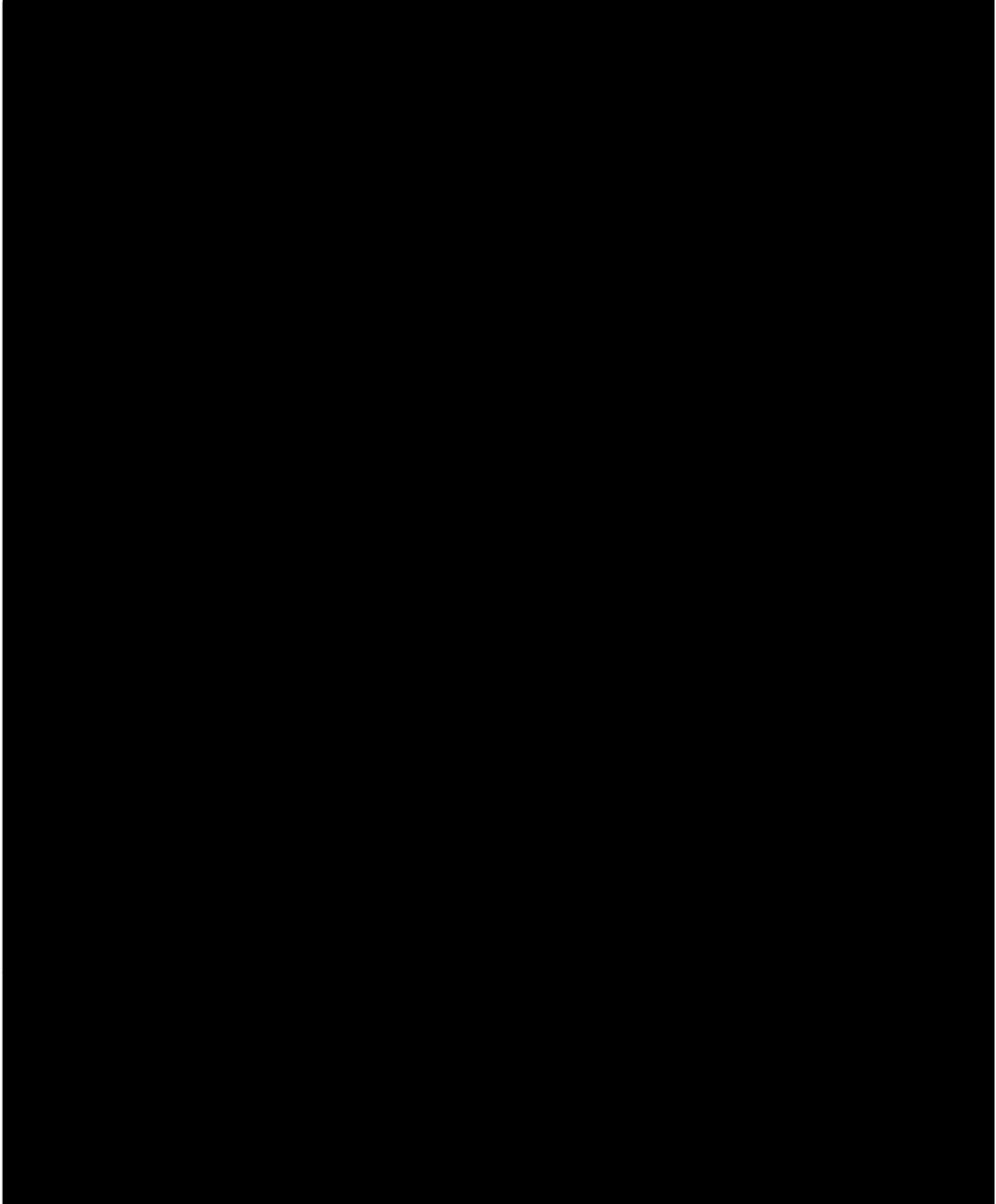
- A 10 year, multi-billion dollar contract with Qwest, responsible for data center and server consolidation activities.
- Lead the program that consisted of the design and construction of 27 CyberCenter facilities (3.5 million square feet) and was valued at \$1.4B.
- Responsible for a portfolio of 30 technology infrastructure projects for four K-12 education customers in El Paso, TX.

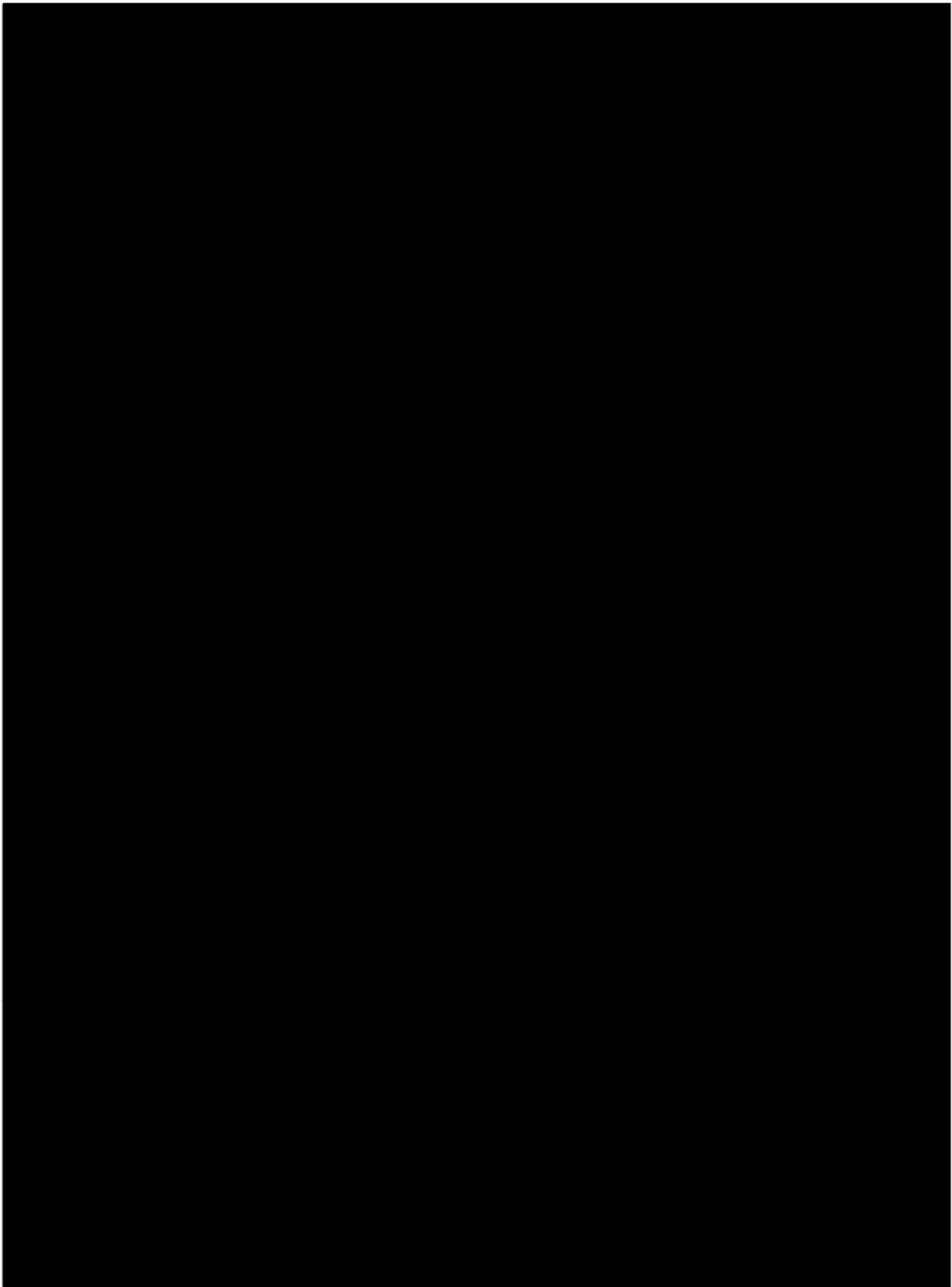
BNI has more than twenty years of experience providing complete system solutions to a wide range of users, including education, government, medical and business customers. In 1991, BNI products were used by Ameritech to interconnect all 90 schools of the Indianapolis Public School System.

Conterra and its subsidiaries are currently providing fiber optical and FCC licensed wireless Ethernet services to over 1,000 K-12 schools throughout Texas and the United States that afford broadband services to over a million students, teachers and administrators. Conterra's K-12 networks span more than 5,000 transport miles and represent approximately 50,000 T-1 equivalents of bandwidth capacity. Conterra brings together a team of industry veterans with more than 800 years of combined experience with telecommunications technologies.

Since 1988 Adesta, LLC has deployed more than 2 million miles of fiber. Adesta has experience helping develop a green-field network or integrate into an existing infrastructure and works with both inside and outside plant facilities and provide all types of networks for voice, data and video applications.

CBOCES/EAGLE-Net MANAGEMENT TEAM





IBM TEAM
(Note: Names have been Redacted)

Project Executive

He has over 24 years of leadership experience in the construction and information technology industries with a focus on project management, systems integration and executive relationships. He has a proven track record of successfully managing high profile, large and complex projects and programs. He attributes his success to his ability to leverage the strengths of individuals while leading and motivating teams. He is currently a Project Executive in IBM's Integrated Technology Services division of Global Services.

A sampling of the projects he has led includes:

- As the Project Executive, his projects provide the network infrastructure to support a major utility company's Intelligent Utility Network initiative. One of his projects is the implementation of a new technology called BPL (Broadband over Power Lines) which transmits data signals over medium voltage power distribution lines. He has direct customer and P&L responsibility for these projects valued at over \$150M.
- In support of a 10 year, multi-billion dollar outsourcing contract with Qwest, He and his team were responsible for data center and server consolidation activities. These projects were critical to IBM and Qwest achieving operational efficiency.
- He was the leader for the Build Tower for an IBM/Qwest alliance to provide web hosting facilities for our mutual customers. This program consisted of designing and constructing 27 CyberCenter facilities (3.5 million square feet) and was valued at \$1.4B. He was responsible for designing 3 of these facilities, completing 3 others and billing over \$100M before the program ended.
- He was the Program Executive responsible for a portfolio of 30 technology infrastructure projects for four K-12 education customers in El Paso, TX. This integration of hardware, software and services was valued at approx \$100M USD per year and utilized over 100 IBM and subcontractor professionals and technicians.

Senior Project Manager

He is a Certified Senior Project Manager with IBM Global Services. He has over twenty five years of operational, marketing support, consulting and project management experience in the telecommunications industry. For the last fifteen years he has managed multiple projects for IBM with budgets from \$500,000 to \$16 million. His particular areas of expertise are Project Management, telephony, wide area network engineering, installation, operation and management and local area network transport. He has been certified as a Project Management Professional (PMP) by the Project Management Institute (PMI).

Projects Managed include:

- Design and installation of a wireless WANs, LANs, network infrastructure and IP telephony systems for a K-12 school district.
- Design and installation of an Enhanced Communications System (ECCS) including design and installation of a campus-wide cellular telephone master and remote transmitters and antennas and a concurrent project to design and install a new LAN/WAN data network and cabling infrastructure for a State University.
- Design and installation of a cabling infrastructure for forty one schools. Manage the design and installation of a switched and routed Cisco data network and 802.11b wireless network. Ensured compliance with all requirement of the Federally funded E-rate program.
- Managed a two year, \$16M project to design and install a new Cisco MPLS (Multiple Protocol Layer Switching) campus wide network, an 802.11g wireless network and a Category 6 augmented cabling and fiber optic network for a leading research institute in Texas. Many buildings on the campus were historic buildings, adding to the planning and coordination required to design cabling paths and closets, as well as placing internal and external antennas for the wireless. This was the first successful Cisco implementation of an MPLS network in an education environment.

Executive IT Network Architect

Executive IT Network Architect with an M.S. in Information Technology and 26 years of experience in the architecture, design and implementation of large scale, complex and heterogeneous multi-vendor Local and Wide Area Network Infrastructures including Gigabit Ethernet and Broadband over Powerline networks.

Successful engagements working with Fortune 500 companies in various industries and multiple higher education institutions. Proven ability to lead, design, plan, and implement complex network engagements that support customer's existing and planned applications. Consistently recognized for outstanding service delivery performance, as well as unique and creative perspectives on problem resolution. Expert leadership, communication and staff development skills. Received numerous professional performance awards from the IBM Corporation, including the Corporate Outstanding Technical Achievement Award and Global Golden Circle award for outstanding technical leadership.

Project Experience includes successful engagements involving:

- Complex large scale enterprise network architecture and design
- Electric Utility Communication Network Infrastructures Architecture and Design including AMI and Smart Grid data communications
- Broadband over Powerline architecture and design
- Assess and evaluate existing network architectures (Service Provider and Enterprise)
- Cisco Routing and Switching technologies
- Wireless and MPLS WAN technologies

Senior I/T Architect

He is a Senior I/T Architect for IBM Global Services. He has over 20 years experience in data networking, and specializes in the design and implementation of sophisticated Enterprise and Service Provider networks and network management and provisioning solutions His career includes positions in development, systems engineering, management, and consulting.

He has deep experience with most major networking systems vendors and technologies, and uses that experience to apply the various technologies and vendor solutions to meet client requirements. He is especially skilled in the areas of most Cisco and Juniper networking solutions, including optimized campus technologies, highly scalable and resilient TCP/IP networking, data center networking, traffic engineering, convergence strategies, IPTV and content distribution solutions and network management tools and capabilities.

He also has significant experience in the design and deployment of service provider transport solutions, including SONET, SDH, CWDM and DWDM systems as well as service provider access solutions based on WiMax, BPON, GPON, ADSL2+ and VDSL.

He is certified under the CCIE™ program; CCIE No. 1493 and is also certified as a Senior I/T Architect within IBM and as a Master Certified I/T Architect by The Open Group.

- Network design and deployment - Core, Service Edge, Transport and Access Layers
- MPLS design and deployment
- Metro Ethernet Transport design and deployment
- Network Management design and deployment
- IPTV head end design and deployment
- VoD Pump design and deployment
- IPTV Middleware design and deployment
- Baseband video design
- Satellite data and video distribution designs

- Content Distribution Network design and deployment
- Network Convergence strategies
- Service Provider Access Infrastructures - WiMax, GPON, xDSL, BPON
- SmartGrid and AMS/AMI Infrastructures for Utilities

Senior Consultant

He currently serves as a Senior Consultant in the US Network Services National Practice of IBM Global Services. He has over 27 years of experience in telephony, network management, network operations, network engineering, applications development, data center management, project management, quality assurance, service delivery, process development, strategic planning, statistical analysis, business plans, and business diplomacy. These skills have been practiced locally, nationally and internationally.

A highly accomplished professional with experience in telephony, network management, operations, applications development, data center management, project management, quality assurance, security, process development, strategic planning, statistical analysis, sales engineering, business plans, and business diplomacy. Extensive background in working with and for communications and other utility companies. Extremely results oriented and highly technical.

Technical Leader

She is a Technical Leader in Integrated Communications. She is a Senior Level IT Architect with 20 years computer experience and specialized in LAN/WAN and Data Center Networks. This includes 13 years experience in architecture, design, implementation, and troubleshooting of complex networks. She is a proven technical team lead with experience with complex integration projects. She is a Certified Cisco CCIE # 8010 with a specialization in Routing and Switching.

She exhibits a proven ability to communicate with customers at all levels from technician to executive. She is able to translate business requirements into technical solutions. She has successfully lead a large complex project consisting of 9 separate work streams with a total contract value of \$66 million. The project finished on time, under budget, and with high customer satisfaction. She has been instrumental in the technical solution for two first-of-a-kind retail stores, several large data center redesigns and relocations, and other technically challenging projects. She is currently a member of the Data Center Networks Center of Excellence. She has received numerous professional performance awards from the IBM Corporation, including recognition for leadership, planning, and technical ability.

- Experienced technical leader for complex projects
- Engagement Manager
- First-of-a-kind solutions
- Data center redesign and relocation
- Digital content management
- Network strategy assessment
- Network design
- Cisco CCIE # 8010
- Foundry Networks FNCNE # 1496.

Senior Managing Consultant

He is a Senior Managing Consultant with the Consulting team in Integrated Communications Services Delivery Team of IBM Global Technology Services. He is an IBM certified consultant and has served as an Information

Technology Consultant with IBM Global Services since 1996. His skills include systems network assessment, design, implementation and operations in large and small-scale enterprise environments and project management.

In addition to technical consulting, his work has involved IT management process development and organizational development, systems planning, and functional requirements analysis and systems integration. His experience has also included work with systems and network management and operations, including distributed systems as well as mid range and mainframe based systems.

- Engagement Leadership and Project Management
- Network Assessment and Architecture and Strategy development
- WAN and LAN Network systems design
- Multiprotocol network design and management
- Wireless local area networking
- Optical Networks
- Network Management process and operations assessment
- Problem Determination /Problem Isolation (PD/PI) leadership
- IP Convergence and IP Telephony
- IBM Certified Consultant (Confirmed May, 2001)
- He has experience in working in both public and private sector environments. He is experienced in the areas of engagement leadership and project management. His experiences have involved both technical and business consulting.

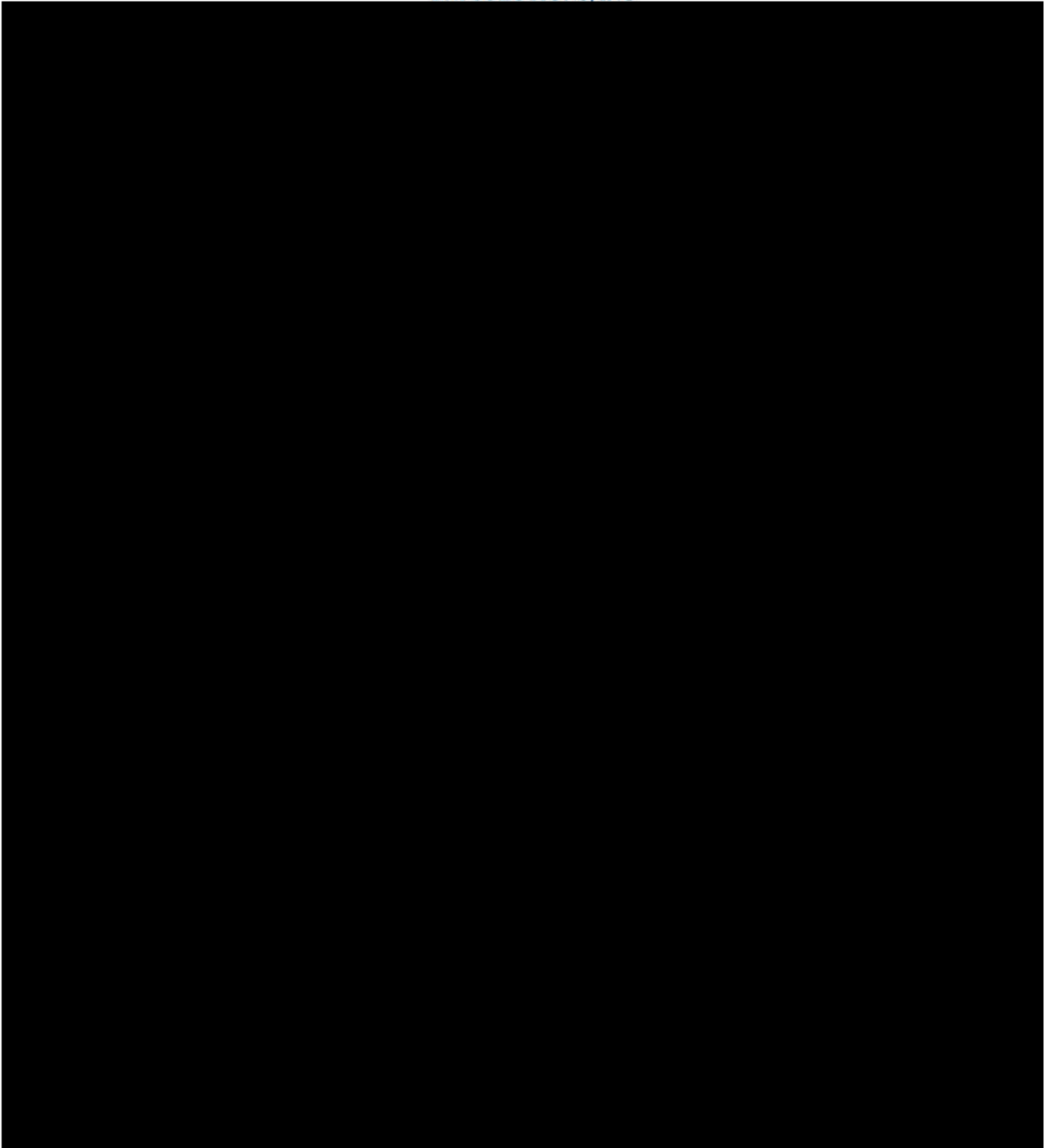
Certified Network I/T Specialist

He is a Certified Network I/T Specialist. He started his IT career in 1981 and has been with IBM since 1989. He is the author of many networking publications and a Cisco Certified Internet Engineer (CCIE). He currently works for IGS Network Services America and is involved in the design and implementation of wide area and campus data communication networks with a special focus on 'emerging' technologies like MPLS, IP multicast, IPV6, and IEEE 802.1x.

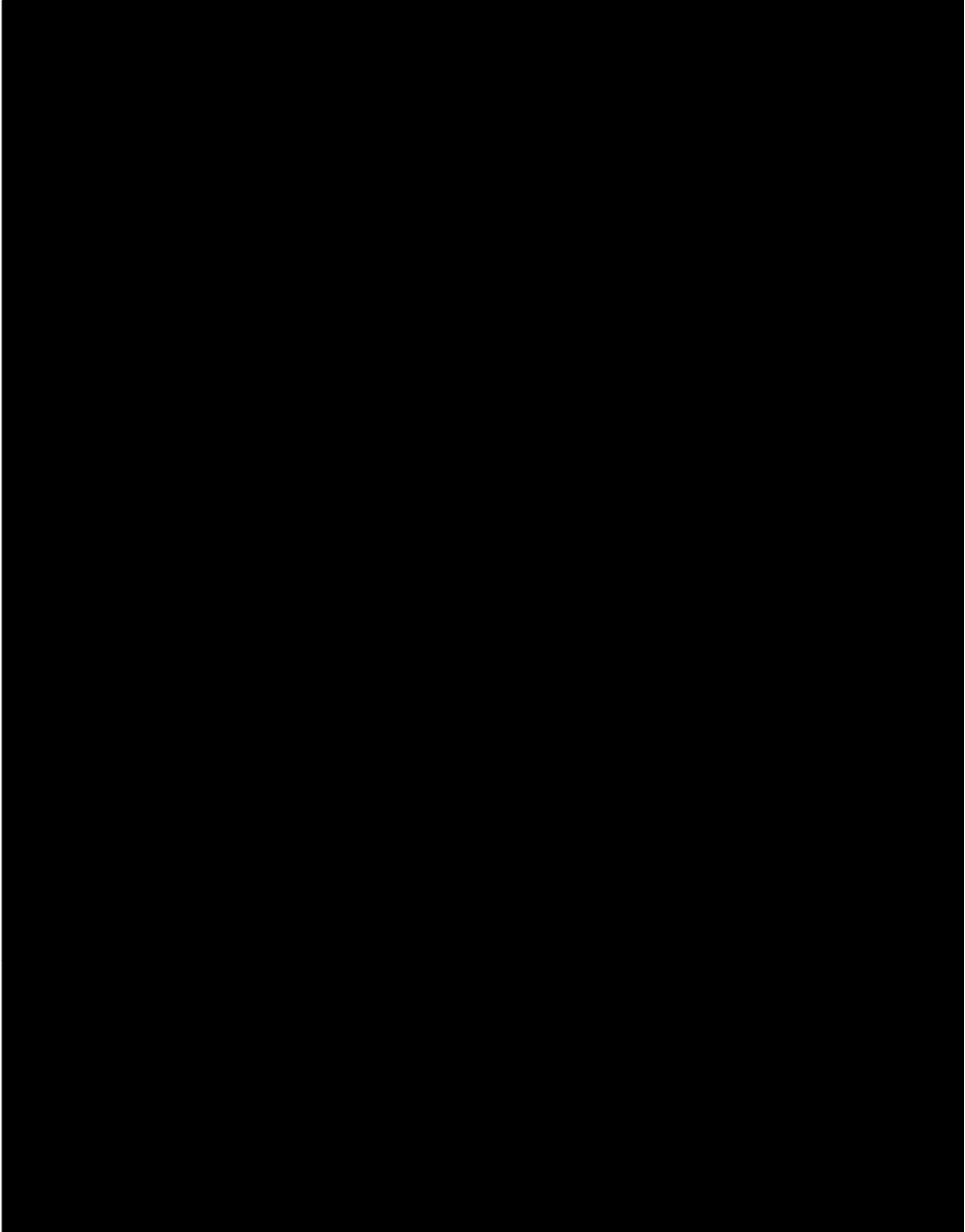
He has architected and implemented many large enterprise networks and has been responsible for the development of many of the IGS networking services.

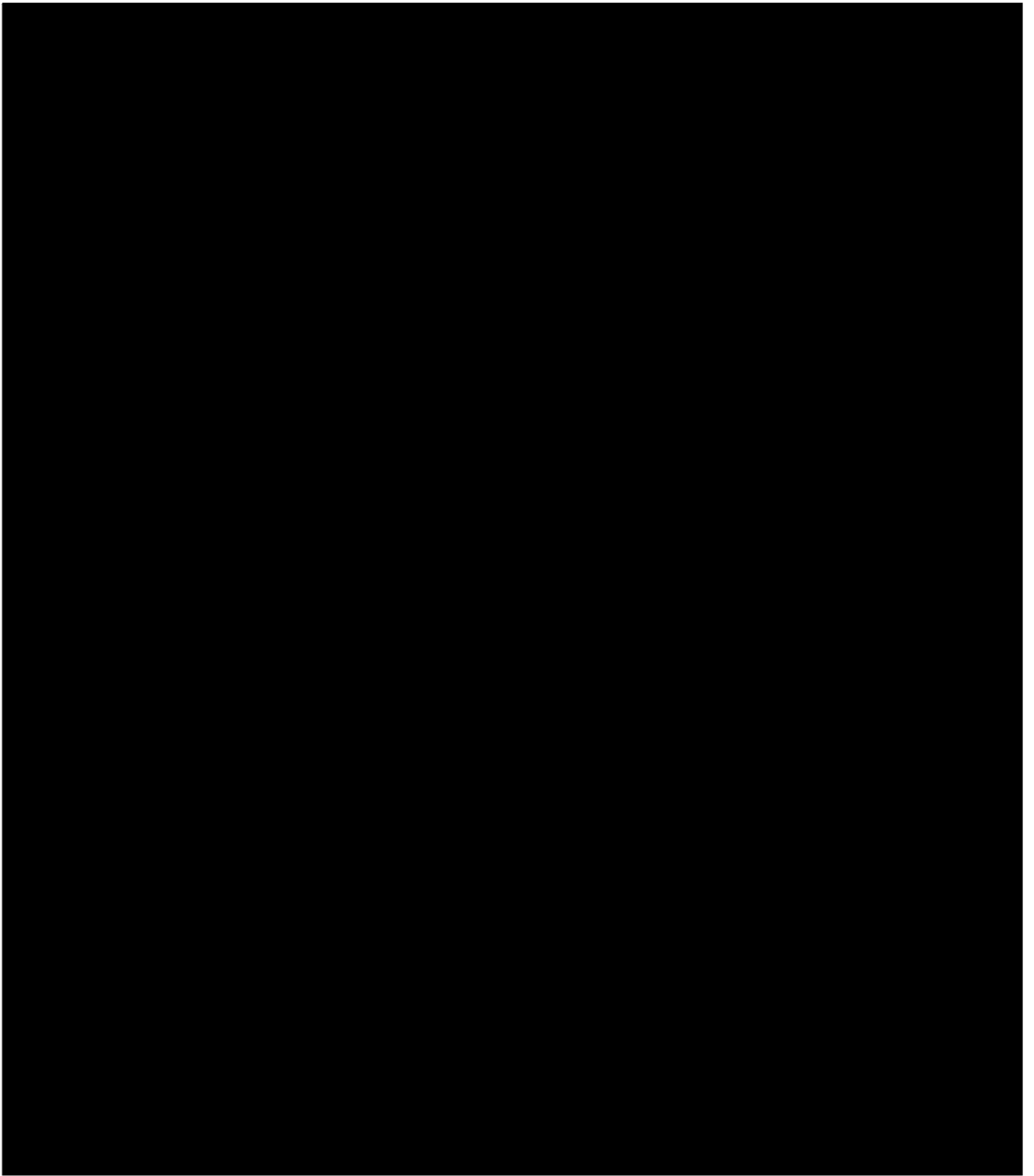
He has a master degree in Physics and Mathematics. He has formal education and experience with a very wide range of network technologies: MPLS, IP multicast, LAN, WAN, ATM, IP, broadband, content delivery networking, application load balancing, network security, voice over IP, and optical networking. He is a member of the IBM I/T specialist certification board.

BNI SOLUTIONS, INC

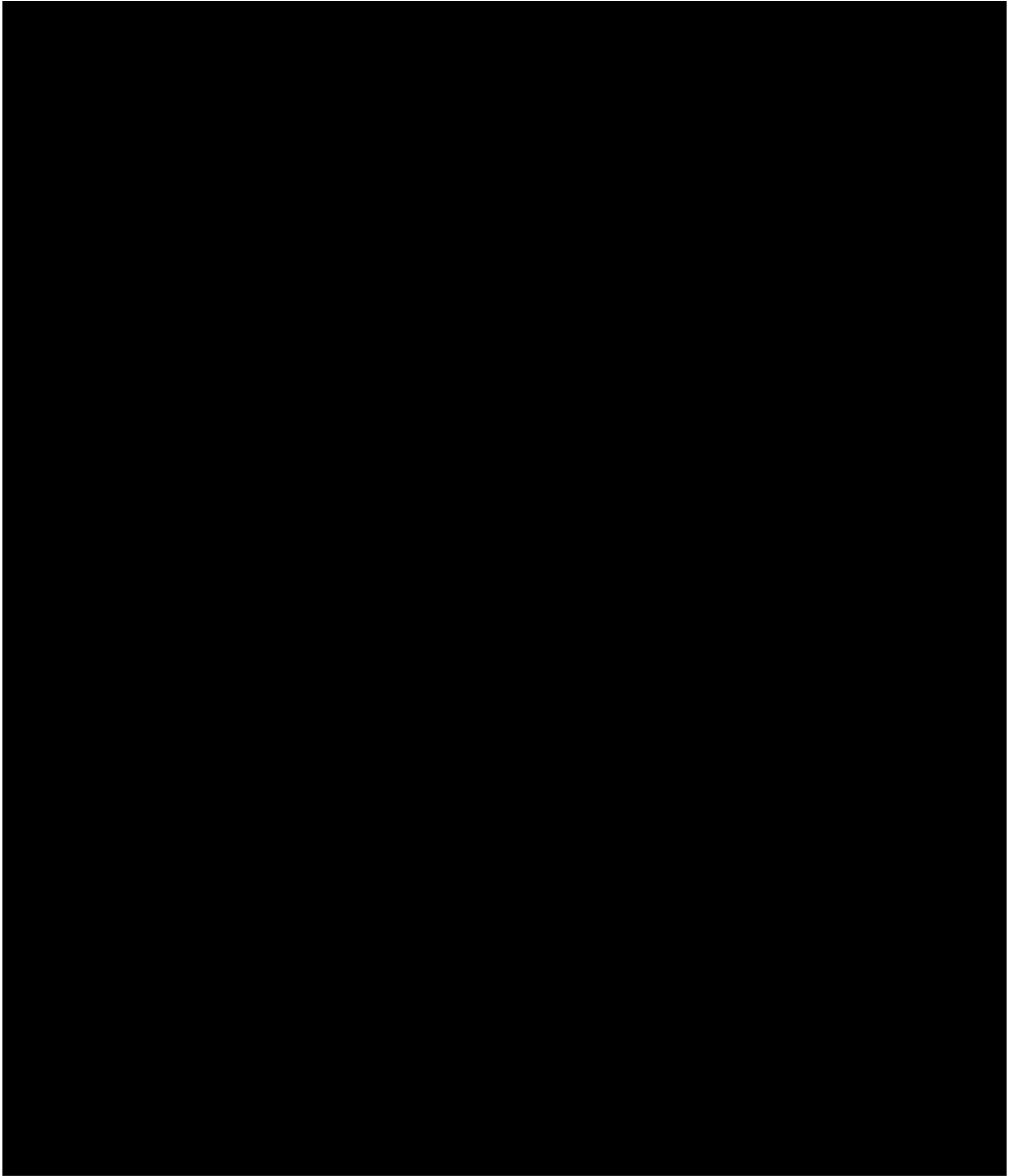


CONTERRA MANAGEMENT TEAM

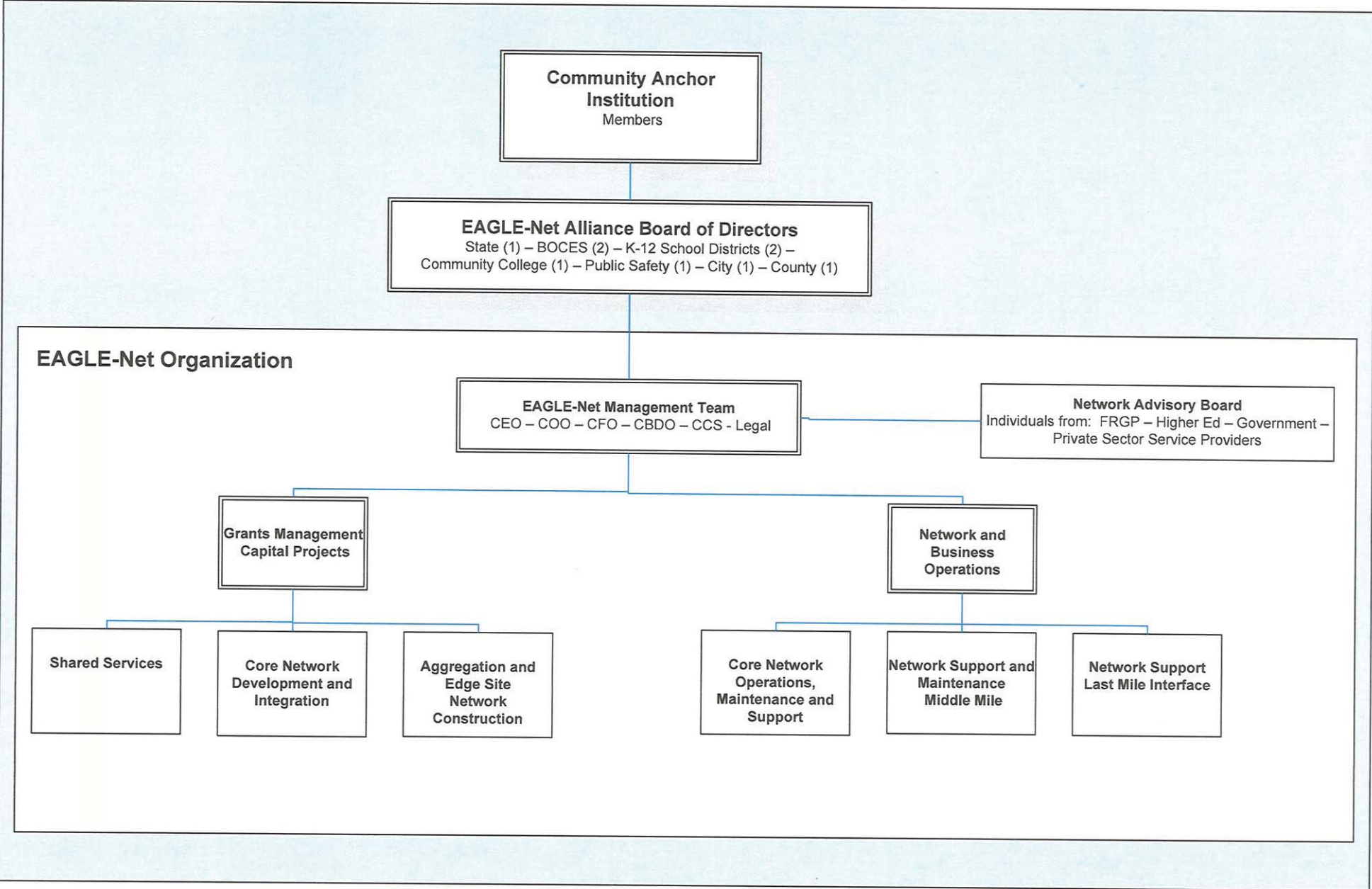




ADESTA, LLC MANAGEMENT TEAM

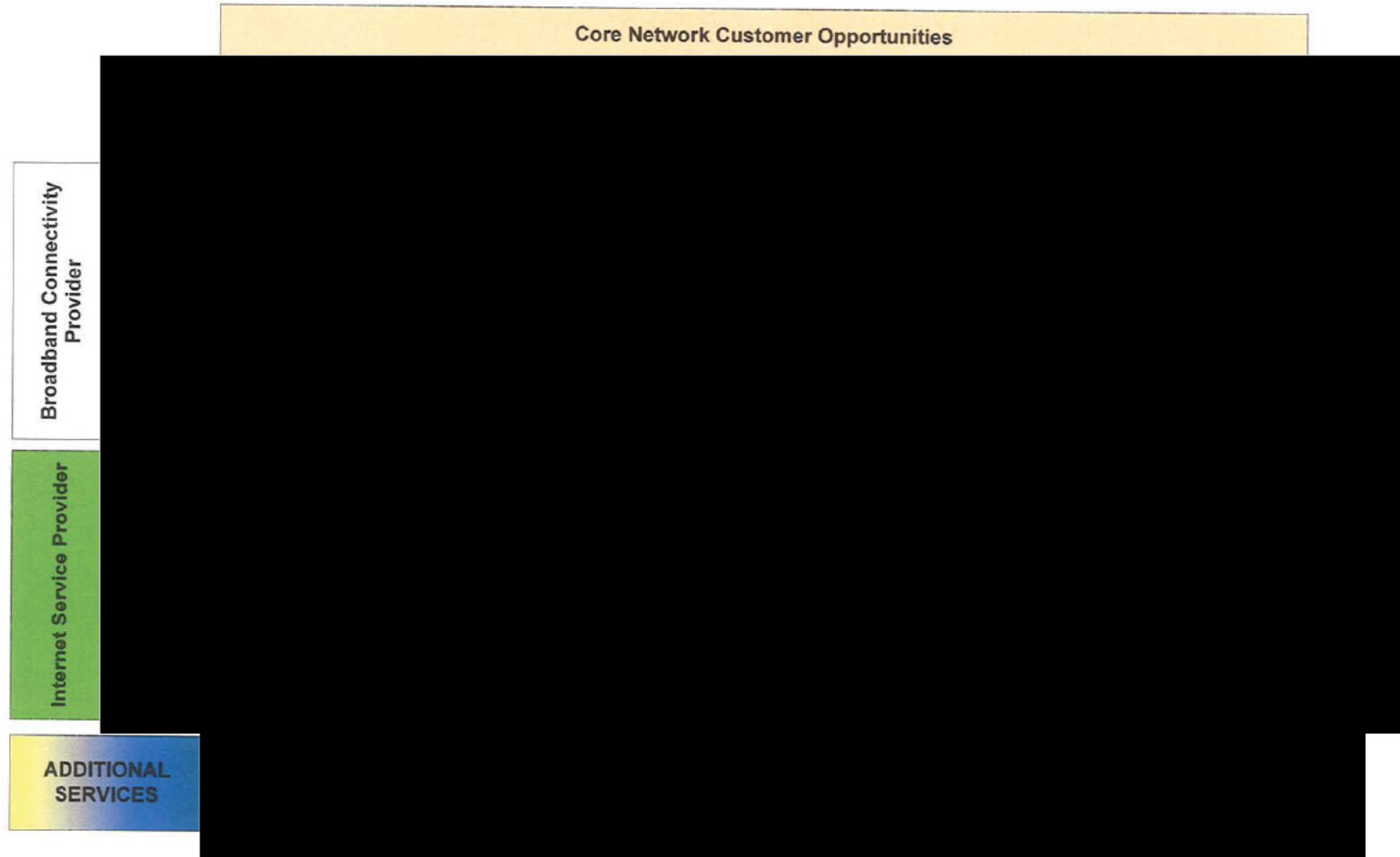


**Colorado Community Anchors Broadband Consortium (CCABC) –
Connecting Colorado’s Middle Mile Project**



Organizational Chart

Colorado Community Anchors Broadband Consortium (CCABC) – Connecting Colorado’s Middle Mile Project



Customer Offerings Matrix

BTOP Comprehensive Community Infrastructure Community Anchor Institution and Network Points of Interest Detail Template

Please complete the Anchor Institution Details worksheet by providing information on all Community Anchor Institutions that will be directly connected by the proposed network as necessary. All Community Anchor Institutions should be given a type from the specification. A Community Anchor Institution is considered a minority-serving institution if it is a post-secondary educational institution with enrollment of minority students exceeding 50% of its total enrollment. The "Project Role" column only requires a word or two, or a short phrase, not a detailed explanation of the role of project partners and community anchor institution provided in the essay portions of the application.

Please complete the Points of Interest worksheet by providing information on all points of interest. Points of interest include interconnection (passive, non-environmentally controlled points of interconnection, e.g., fiber optic points, may be excluded), collocation facilities, central offices, head ends, and other core facilities, network access points to last mile service providers, Internet peering points, etc. For each point of interest you may provide either a street address or geocoordinates (latitude and longitude). You must provide detail on what the point of interest is, whether it is already existing or will be created by the proposed project. Where more than one facility type applies, select the most appropriate facility type. For example, if a central office houses a point of interconnection, select central office as the facility type, or if a cell site is located on a tower, select tower as the facility type. Interconnection Available at the Facility field should be Yes if interconnection to the proposed network is available at that location, otherwise No. The brief description field is optional and can be used to convey a better understanding of what the facility is. You may use the space at the bottom of the table to provide additional notes, if desired.

The data provided via this template will be subject to automated processing. Applicants are therefore required to provide this upload as an Excel file, and not to convert it to a PDF file upload. Additionally, applicants should not modify the format of this file.

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Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Community Anchor Customer
						Community College	N/A	Middle Mile POI and Community Anchor Customer
						Other Institution of Higher Education	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						Community College	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						Other Institution of Higher Education	N/A	Community Anchor Customer
						Other Institution of Higher Education	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer

Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Library	N/A	Community Anchor Customer
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Facility Name	Organization	Address Line 1	City	State	Zip	Facility Type	Minority Serving Institution Type	Project Role
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
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						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer
						Community College	N/A	Community Anchor Customer
						Library	N/A	Community Anchor Customer
						School (k-12)	N/A	Middle Mile POI and Community Anchor Customer

Facility Type	Address Line 1	City	State	Zip	Longitude	Latitude	Interconnection Available at this Location	Status in Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Point of Interconnection							Yes	New for Proposed Network
Tower (microwave link)							Yes	Existing - Leased from Third Party
Tower (microwave link)	Yes	Existing - Leased from Third Party						

