

**MOUNTAIN BOARD OF COOPERATIVE
EDUCATIONAL SERVICES
LEADVILLE, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2017**



RECEIVED

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**MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
LEADVILLE, COLORADO**

**ROSTER OF OFFICIALS
June 30, 2017**

BOARD MEMBERS

Erin Flaven – Member – Buena Vista School District #1
Anne Guettler – Secretary/Treasurer – Garfield School District Re-2
Vacant – Member – Garfield County School District #16
Harmony Jump – Vice President – Lake County School District R-1
Jan Toyne – Member – Park County School District Re-2
Jennifer Rupert – Member – Roaring Fork School District
Gay Hahn – President – Salida School District R-32J
Carrie Hauser – Member – CMC

SUPERINTENDENTS

Lisa Yates – Buena Vista School District #1
Brent Curtice – Garfield School District Re-2
Ken Haptonstall – Garfield County School District #16
Wendy Wyman – Lake County School District R-1
Becky Minnis – Park County School District Re-2
Rob Stiem – Roaring Fork School District
David Blackburn – Salida School District R-32J
Carrie Hauser – CMC
Rachel Pokrandt – SAC - CMC

ADMINISTRATIVE

Troy Lange, Executive Director
Allan Ward, Executive Director
Cindy Nemeth, Business Manager
Allan Ward, Director of Special Education
Denise Rahe Director of Special Education

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information (RSI)

June 30, 2017

The discussion and analysis of Mountain Board of Cooperative Educational Services (Mountain "BOCES") financial performance provides an overall review of Mountain BOCES' financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at Mountain 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 Mountain BOCES' financial performance.

Financial Highlights

Mountain BOCES total net position decreased by \$2,018,623 compared to the prior year. The end of fiscal year 2017's total net position was (\$4,920,418), compared to (\$2,901,795) at the end of fiscal year 2016. This decrease is due to the accounting adjustments necessary to reflect our net pension liability required by GASB 68.

Mountain BOCES ended with a fund balance in the General Fund of 2,317,482 which is a decrease of \$36,471 compared to the prior fiscal year. Part of this decrease in fund balance is attributable to a prior period restatement of the beginning fund balance entering fiscal year 2017

Mountain BOCES flows all but the approved indirect cost rate of Federal IDEA Part B and Preschool funds to districts and the districts had the option to purchase Special Education Services through Mountain BOCES or hire their own staff as approved by IDEA regulations and the Federal Application. Mountain BOCES continues to employ low incidence staff (hearing, vision, audiology) who provide services to all districts and these costs were assessed to the districts.

Indirect costs were charged to Federal and State grants and other self-supporting programs. The indirect costs revenue of \$137,248 is accounted for in other local revenues and was used to offset general operating expenses. Member districts were assessed \$84,446 for Mountain BOCES' general operations and \$2,647,463 for services provided in consortia programs. Based on program operating agreements, Mountain BOCES implemented a reconciliation process for some programs, refunding districts an approved amount over collected.

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 Mountain BOCES as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

The remaining statements are fund financial statements that focus on individual parts of Mountain BOCES' operations in more detail. The governmental fund statements tell how general Mountain 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 liabilities of Mountain BOCES exceeded its assets which resulted in a negative net position of (\$4,989,817), compared to (\$2,901,795) at the end of fiscal year 2016, decreasing the net position by \$2,047,567.

Government-Wide Financial Statements

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

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

In the Statement of Net Position and the Statement of Activities, the BOCES has one type of activity:

Governmental Activities – The majority of Mountain BOCES' programs and services are reported here including general operations support services, instruction and support of consortia programs, and instruction and support of programs for students with disabilities, plant operations and maintenance and pupil transportation.

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

Table 1 - Condensed Statement of Net Position

	<u>Governmental Activities</u>	
	2017	2016
Current Assets	\$ 4,168,565	\$ 4,521,094
Other Assets	<u>1,078,755</u>	<u>1,025,662</u>
Total Assets	<u>5,247,320</u>	<u>5,546,756</u>
Deferred Outflows of Financial Resources	<u>5,127,496</u>	<u>412,226</u>
Current Liabilities	1,646,394	2,214,497
Noncurrent Liabilities	<u>13,200,011</u>	<u>6,387,447</u>
Total Liabilities	<u>14,846,405</u>	<u>8,601,944</u>
Deferred Inflows of Financial Resources	<u>518,228</u>	<u>258,833</u>
Net Investment in Capital Assets	1,078,755	1,025,662
Restricted Net Position	-	114,240
Unrestricted Net Position	<u>(6,068,572)</u>	<u>(4,041,697)</u>
Total Net Position	<u>\$ (4,989,817)</u>	<u>\$ (2,901,795)</u>

Cash and cash equivalents increased by \$352,529 and with an increase in capital assets net of accumulated depreciation and an increase in deferred outflows of financial resources, the increase in total assets from the prior year is \$299,436.

The current liability also increased \$568,103. The majority of increase in liability is due to the pension liability accounted for in the noncurrent liabilities of \$13,122,421.

Total net position for the current fiscal year is (\$4,989,817) compared to \$(2,901,795) the previous fiscal year, a decrease of \$2,047,567.

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

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2017	2016
Program Revenues:		
Charges for Services	\$ 2,890,591	\$ 3,028,708
Operating Grants	<u>6,521,355</u>	<u>7,809,499</u>
Total Program Revenues	<u>9,411,946</u>	<u>10,838,207</u>
General Revenues:		
Investment Earnings	3,312	661
Miscellaneous	<u>119,128</u>	<u>208,534</u>
Total General Revenues	<u>122,440</u>	<u>209,195</u>
Total Revenues	<u>9,534,386</u>	<u>11,047,402</u>
Expenses		
Instruction	5,072,425	5,355,957
Supporting Services	6,374,484	5,707,075
Community Services	<u>22,477</u>	<u>24,825</u>
Total Expenses	<u>11,469,386</u>	<u>11,087,857</u>
Change in Net Position	<u>(1,935,000)</u>	<u>(40,455)</u>
Net Position - Beginning	(2,942,250)	
Prior Period Restatement	<u>(112,566)</u>	<u>-</u>
Net Position - Beginning Restated	<u>(3,054,816)</u>	<u>(2,901,795)</u>
Net Position - Ending	<u>\$ (4,989,816)</u>	<u>\$ (2,942,250)</u>

A year to year decrease in total revenues of \$1,513,016, is attributed to a decrease in both charges for services and revenue for operating grants, as a reflection of both Aspen and Summit School Districts leaving Mountain BOCES as of July 1, 2016. The increase in total expenditures of \$381,530 is attributed to a decrease in the amount of funds flowed to districts and cost for supporting services.

Reporting Mountain BOCES' Most Significant Fund

The analysis of Mountain BOCES' major funds begins on page 4. Fund financial reports provide detailed information about Mountain BOCES' major funds. Mountain BOCES' has two funds, the General Fund and the YMHS Pupil Activity fund.

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

Fund Financial Statements

As of June 30, 2017, Mountain BOCES' governmental funds reported a fund balance of \$2,317,482 that is a decrease of \$36,471 from the June 30, 2016 fund balance.

The governmental fund has unassigned fund equity of \$1,730,586 that is subject to an intergovernmental agreement detailing the division of assets in the splitting of the BOCES may be used to meet Mountain BOCES ongoing obligations. This unassigned fund equity decreased \$143,972 from the previous year as a result of the restatement of position. The assigned fund equity of \$586,895 is designated to specific programs and capital expenses.

Capital Assets

As of June 30, 2017, Mountain BOCES had \$1,078,755 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. A summary of Mountain BOCES' Capital Assets is as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>7/1/2016</u>	<u>Additions</u>	<u>Retirements</u>		<u>6/30/2017</u>
Depreciable assets					
Buildings and site improvements	\$ 1,610,682	\$ -	\$ -	\$ -	\$ 1,610,682
Transportation equipment	499,067	98,290	-	-	597,357
Other equipment	<u>231,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,768</u>
Total assets	<u>2,341,517</u>	<u>98,290</u>	<u>-</u>	<u>-</u>	<u>2,439,807</u>
Accumulated depreciation					
Buildings and site improvements	(658,832)	(39,546)	-	-	(698,378)
Transportation equipment	(404,334)	(26,572)	-	-	(430,906)
Other equipment	<u>(231,768)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231,768)</u>
Total accumulated depreciation	<u>(1,294,934)</u>	<u>(66,118)</u>	<u>-</u>	<u>-</u>	<u>(1,361,052)</u>
Net Capital assets	<u>\$ 1,046,583</u>	<u>\$ 32,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,078,755</u>

Mountain BOCES' policy is to capitalize and annually inventory 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, 2017 Mountain BOCES had one outstanding debit of \$77,950 associated with a bus lease which will transfer to the Colorado River BOCES.

	<u>Balance</u>		<u>Balance</u>	<u>Current</u>
	<u>6/30/16</u>	<u>Advances</u>	<u>6/30/17</u>	<u>Portion</u>
Capital Leases Payable	\$ -	\$ 98,290	\$ 77,950	\$ 18,643

General Fund Budget

The Board of Director's adopts Mountain BOCES' budget in May of each year. Changes are then made in September when grant allocations are announced and staff changes are made for the new school year. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are due to donations to specific programs and/or grants awarded after the September budget adoption.

The State of Mountain BOCES

Mountain BOCES Board of Directors agreed to split the BOCES, by forming a new BOCES (Colorado River BOCES) that will include Roaring Fork, Garfield Re2, Garfield 16 and DeBeque School Districts beginning July 1, 2017. Mountain BOCES will remain intact and include Lake County, Park County Re2, Buena Vista and Salida School Districts. The division of assets of Mountain BOCES is specified in an intergovernmental agreement that has been approved by the Mountain BOCES Board.

Aspen and Summit County School Districts withdrew their membership from Mountain BOCES beginning July 1, 2016.

Requests for Information

The financial report is designed to provide a general overview of Mountain 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 Business Manager at 1713 Mt. Lincoln Drive W., Leadville, CO 80461 or by calling 719.486.2603 ext. 312.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

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

Board of Directors
Mountain Board of Cooperative Educational Services
Leadville, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Mountain Board of Cooperative Educational Services, Colorado, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the BOCES, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 in 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and aggregate remaining fund information of Mountain Board of Cooperative Educational Services, Colorado, as of June 30, 2017, 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.

Report on Summarized Comparative Information

We have previously audited Mountain Board of Cooperative Educational Services 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the 2017 financial statements have been restated to reflect adjustments consisting of overstatement of the General Fund receivables related to IDEA federal funding for the June 30, 2016 year-end. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M6 and the pension schedules on page 31 - 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 33 - 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedule on page 36 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 45-48 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2017 on our consideration of the Mountain Board of Cooperative Educational Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mountain Board of Cooperative Educational Services' internal control over financial reporting and compliance.

Holscher, Mayberry + Company, LLC

Englewood, CO
December 27, 2017

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the BOCES' operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2017.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET POSITION

June 30, 2017

	GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 2,896,749
Accounts Receivable	34,658
Grants Receivable	703,163
Due from Other Funds	33,995
Deposits	500,000
Total Current Assets	<u>4,168,565</u>
Noncurrent Assets	
Capital Assets	2,439,807
Accumulated Depreciation	<u>(1,361,052)</u>
Total Noncurrent Assets	<u>1,078,755</u>
TOTAL ASSETS	<u>5,247,320</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Contributions Subsequent to Measurement Date	266,708
Difference Between Actual and Expected Experience - net	164,050
Difference Between Projected and Actual Returns on Pension Plan Investments - net	438,786
Changes of Assumptions - net	<u>4,257,952</u>
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>5,127,496</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 10,374,816</u>
LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,344,288
Accrued Salaries and Benefits	<u>302,106</u>
Total Current Liabilities	<u>1,646,394</u>
Noncurrent Liabilities	
Due Within One Year	18,643
Due Beyond One Year	<u>13,181,368</u>
Total Noncurrent Liabilities	<u>13,200,011</u>
TOTAL LIABILITIES	<u>14,846,405</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Difference Between Projected and Actual Pension Plan Experience - net	115
Changes of Assumptions - net	59,176
Change in BOCES' Proportionate Share of Net Pension Liability - net	254,248
Deferred Inflows - Grants	<u>204,689</u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>518,228</u>
NET POSITION	
Net Investment in Capital Assets	1,078,755
Unrestricted	<u>(6,068,572)</u>
TOTAL NET POSITION	<u>(4,989,817)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 10,374,816</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF ACTIVITIES

June 30, 2017

		<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES TOTAL</u>
FUNCTIONS/PROGRAMS				
GOVERNMENTAL ACTIVITIES:				
Current:				
Instruction	\$ 5,054,166	\$ 1,316,642	\$ 2,633,940	\$ (1,103,583)
Supporting Services	6,360,885	1,573,949	3,887,415	(899,522)
Community Services	<u>54,336</u>	<u>-</u>	<u>-</u>	<u>(54,336)</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 11,469,387</u>	 <u>\$ 2,890,591</u>	 <u>\$ 6,521,355</u>	 <u>(2,057,441)</u>
 GENERAL REVENUES:				
Investment Earnings				3,312
Miscellaneous				<u>119,128</u>
Subtotal, General Revenues				<u>122,440</u>
 Change in Net Position				 <u>(1,935,001)</u>
 Net Position - Beginning				 (2,942,250)
Prior Period Restatement				<u>(112,566)</u>
Net Position - Beginning				<u>(3,054,816)</u>
 Net Position - Ending				 <u>\$ (4,989,817)</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

With Comparative Totals for June 30, 2016

	<u>GOVERNMENTAL FUNDS</u>	
	<u>GENERAL FUND</u>	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and Investments	\$ 2,896,749	\$ 2,190,696
Accounts Receivable	34,658	1,217,654
Grants Receivable	703,163	1,473,470
Due from Other Funds	33,995	-
Deposits	500,000	-
TOTAL ASSETS	<u>\$ 4,168,565</u>	<u>\$ 4,881,820</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 1,344,288	\$ 2,033,853
Accrued Liabilities	-	17,918
Accrued Salaries and Benefits	302,106	334,031
TOTAL LIABILITIES	<u>1,646,394</u>	<u>2,385,802</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Inflows - Grants	<u>204,689</u>	<u>142,065</u>
FUND BALANCE		
Assigned Fund Balance	586,896	479,394
Unassigned	<u>1,730,586</u>	<u>1,874,559</u>
TOTAL FUND BALANCE	<u>2,317,482</u>	<u>2,353,953</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,168,565</u>	<u>\$ 4,881,820</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**Reconciliation of Governmental Fund Balance
to Governmental Activities Net Position
June 30, 2017
With Comparative Totals for June 30, 2016**

Fund Balance - Governmental Funds		\$	2,317,482
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, being depreciated	2,439,807		
Accumulated depreciation	<u>(1,361,052)</u>		1,078,755
Certain long-term pension related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Contributions subsequent to measurement date	266,708		
Difference between actual and expected experience	275,514		
Amortization of experience difference	(111,464)		
Difference between projected and actual investment returns on the pensio	781,253		
Amortization of investment return difference	(342,467)		
Changes of assumptions	5,981,819		
Amortization of change in assumptions	(1,723,867)		
Net pension liability	(13,122,421)		
Difference between projected and actual pension plan experience	(611)		
Amortization of pension plan experience difference	496		
Changes of assumptions	(131,342)		
Amortization of change in assumptions	72,166		
Change in BOCES' proportionate share of net pension liability	(331,820)		
Amortization of change in proportion	<u>77,572</u>		(8,308,464)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital lease obligations			<u>(77,590)</u>
Total Net Position - Governmental Activities		\$	<u>(4,989,817)</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016**

	<u>GOVERNMENTAL FUNDS</u>	
	<u>GENERAL FUND</u>	
	<u>2017</u>	<u>2016</u>
REVENUES		
Local Sources:		
Transportation Fees	\$ 56,865	\$ 37,115
Interest Income	3,312	661
Donations	158,543	312,726
Member Assessments	2,647,463	2,650,867
Services Provided Outside AU	27,720	28,000
Indirect Cost Recovery	137,248	230,235
Other Local	217,418	208,535
Total Local Sources	<u>3,248,569</u>	<u>3,468,139</u>
Intermediate Sources:		
Other Intermediate Source Revenue	<u>22,370</u>	<u>41,053</u>
State Sources:		
ECEA	2,705,420	3,450,145
Gifted and Talented	144,111	189,112
Educator Effectiveness	1,700	19,818
GT Education Universal Screening	31,759	57,842
State BOCES Allocation	139,503	126,521
State Grant Writing	11,039	15,471
On-Line Grant	916,587	460,800
Total State Sources	<u>3,950,119</u>	<u>4,319,709</u>
Federal Sources:		
IDEA Part B	2,356,791	3,127,232
IDEA Preschool	49,953	81,220
CACFP Grant	4,874	6,203
IDEA Part B: Special Ed Competitive	-	3,847
Total Federal Sources	<u>2,411,618</u>	<u>3,218,502</u>
TOTAL REVENUES	<u>9,632,676</u>	<u>11,047,403</u>
EXPENDITURES		
Local Programs		
Yampah Mountain High School	1,131,676	1,054,822
Executive Leadership	232,325	192,663
Professional Learning	1,021	1,646
Business Services	184,186	161,027
Human Resources	6,734	10,803
Educational Resources Center	27,825	41,505
Alternative Licensure	162,367	152,232
Courier Services	12,622	16,162
Other General Administrative	117,576	204,350
Other Local Donations	84,235	54,168
Teen Parent Program	158,047	147,357
Total Local Programs	<u>2,118,614</u>	<u>2,045,727</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016**

	<u>GOVERNMENTAL FUNDS</u>	
	<u>GENERAL FUND</u>	
	<u>2017</u>	<u>2016</u>
EXPENDITURES (Continued)		
State Grants:		
ECEA - Special Education	3,781,648	4,607,834
Gifted and Talented	144,113	189,112
Educator Effectiveness	1,700	19,817
GT Education Universal Screening	31,759	57,842
Grant Writing	11,039	15,471
Colorado On-Line	916,587	460,800
Ctr for Collab Initiative	139,503	126,521
Total State Grant Programs	<u>5,026,349</u>	<u>5,477,397</u>
Federal Grants:		
IDEA - Education of the Handicapped	2,356,791	3,127,232
IDEA Part B: Special Ed Competitive	-	3,847
IDEA - Preschool	49,953	81,220
CACFP Grant	4,874	6,203
Total Federal Grant Expenditures	<u>2,411,618</u>	<u>3,218,502</u>
 TOTAL EXPENDITURES	 <u>9,556,581</u>	 <u>10,741,626</u>
 NET CHANGE IN FUND BALANCE	 <u>76,095</u>	 <u>305,777</u>
 FUND BALANCE - Beginning	 2,353,953	 2,048,176
Prior Period Restatement	<u>(112,566)</u>	<u>-</u>
 FUND BALANCE - Beginning (As Restated)	 <u>2,241,387</u>	 <u>2,048,176</u>
 FUND BALANCE - Ending	 <u>\$ 2,317,482</u>	 <u>\$ 2,353,953</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**Reconciliation of Governmental Fund Net Change in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016**

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS \$ 76,095

Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:

Capitalized Assets	98,290	
Depreciation Expense	<u>(66,119)</u>	32,171

Pension expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Change in contributions subsequent to measurement date	85,060	
Change in the difference between actual and expected experience	146,587	
Change in the amortization of experience difference	(76,045)	
Current year projected to actual investment return difference	(16,464)	
Current year amortization of overall investment return differences	(146,847)	
Change in the changes of assumptions	5,981,819	
Change in the amortization of change in assumptions	(1,723,867)	
Change in net pension liability	(6,041,268)	
Current year projected to actual pension plan experience difference	31	
Current year amortization of overall pension plan experience differences	149	
Change in the changes of assumptions	6,632	
Change in the amortization of change in assumptions	34,261	
Current year change in proportionate share of cost-sharing plan liability	(311,475)	
Current year amortization of overall proportionate share differences	<u>95,750</u>	(1,965,677)

Debt proceeds are reported as an other financing source at the fund level and are reported as long-term obligations at the activity level

Capital lease proceeds		(98,290)
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Debt principal payments are expensed at the fund level and reduce long-term liabilities at the activity level

Capital lease principal payments		<u>20,700</u>
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CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (1,935,001)

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2017

With Comparative Totals for June 30, 2016

	<u>TOTAL</u>	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 179,765	\$ 97,759
LIABILITIES		
Due to Other Funds	\$ 33,995	\$ -
Accounts Payable - Due to Student Groups	<u>145,770</u>	<u>97,759</u>
TOTAL LIABILITIES	<u>179,765</u>	<u>97,759</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

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

Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The BOCES reports the following major governmental fund:

General Fund - This fund is the general operating fund of the BOCES. It is used to account for all financial resources except those required to be accounted for in another fund.

The BOCES also maintains a fiduciary fund, the Pupil Activity Fund, which accounts for resources generated by and utilized for students at the Yampah Mountain High School.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The BOCES considers all revenues reported in the governmental funds to be available if they can be used to satisfy current obligations as of year-end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

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

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

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

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

Cash - The BOCES pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

The BOCES considers cash and cash equivalents to be all cash on hand, cash on demand deposit and highly liquid investments with a maturity of three months or less when purchased.

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

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Buildings and Site Improvements	10-45 years
Vehicles	3-15 years
Other Equipment	5-20 years

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

Vacation, Sick Leave, and Other Compensated Absences - The BOCES does not offer any vacation, sick leave or other compensated absences that contain vesting provisions that require financial statement disclosure. Vacation is not carried over from fiscal year to fiscal year. Sick leave is carried over but it is not paid out upon termination.

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

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The BOCES has no committed fund balances.

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

All remaining fund balance amounts are shown as unassigned.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures

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

Comparative Data

Comparative total data for the prior year has been presented in the accompanying Basic financial statements in order to provide an understanding of changes in the BOCES financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The BOCES' deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2017, all of the BOCES' deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 116,606
PDPA Collateralized (Not in BOCES name)	<u>1,068,670</u>	<u>1,164,045</u>
Total Deposits	<u>\$ 1,318,670</u>	<u>\$ 1,280,651</u>

As the BOCES checking is a combined sweep account the overall bank balance was positive even after taking into account outstanding checks as of June 30, 2017. The remaining portion of the bank account balance is reflected in the Repurchase Agreement category of the investments show below.

Investments

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2017 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Repurchase Agreements (Sweep Acct)	\$ -	\$ 1,648,271	\$ -	\$ 1,648,271
Local Gov't Invest Pool - Unrestricted	<u>-</u>	<u>147,592</u>	<u>-</u>	<u>147,592</u>
Total Investments	<u>\$ -</u>	<u>\$ 1,795,863</u>	<u>\$ -</u>	<u>\$ 1,795,863</u>

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Investment Pools:** Valued at the proportionate share of ownership of the quoted market prices of the underlying assets.

The BOCES recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2017, there were no changes in the methods or assumptions utilized to derive the fair value of the BOCES assets and liabilities.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The BOCES investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

The BOCES invests available cash balances overnight through repurchase agreement with its financial institution. This overnight investment is not rated. The BOCES also has funds held in money market mutual funds for the purpose of debt repayment. The rating of these funds is not available.

During the year ended June 30, 2017, the BOCES invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation. As the investment is completely liquid, there is no weighted average maturity.

Concentration of Credit Risk

The BOCES places no limit on the amount that may be invested in any one issuer.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The BOCES does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the BOCES will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2017, the BOCES did not have any investments requiring safekeeping.

A summary of the BOCES' cash and investment balances is as follows:

Bank Deposits	\$	1,280,651
Local Govt Investment Pools		147,592
Repurchase Agreements (Sweep)		1,648,271
Cash on Hand		-
Total Cash and Investments	\$	<u>3,076,514</u>
Unrestricted	\$	2,896,748
Fiduciary		179,766
Total Cash and Investments	\$	<u>3,076,514</u>

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 3: CAPITAL ASSETS

Due to time involved in tracking the movement of the BOCES' capital assets by program, depreciation has not been allocated across programs. Activity for capital assets is summarized below:

	<u>Balance</u>			<u>Balance</u>
	<u>7/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2017</u>
Depreciable assets				
Buildings and site improvements	\$ 1,610,682	\$ -	\$ -	\$ 1,610,682
Transportation equipment	499,067	98,290	-	597,357
Other equipment	231,768	-	-	231,768
Total assets	<u>2,341,517</u>	<u>98,290</u>	<u>-</u>	<u>2,439,807</u>
Accumulated depreciation				
Buildings and site improvements	(658,832)	(39,546)	-	(698,378)
Transportation equipment	(404,334)	(26,572)	-	(430,906)
Other equipment	(231,768)	-	-	(231,768)
Total accumulated depreciation	<u>(1,294,934)</u>	<u>(66,118)</u>	<u>-</u>	<u>(1,361,052)</u>
Net Capital assets	<u>\$ 1,046,583</u>	<u>\$ 32,172</u>	<u>\$ -</u>	<u>\$ 1,078,755</u>
Instruction		\$ 29,033		
Supporting services		<u>37,086</u>		
Total depreciation		<u>\$ 66,118</u>		

NOTE 4: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2017, are \$302,106. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 5: LONG-TERM OBLIGATIONS

The BOCES long-term debt transactions for the year ended June 30, 2017, were as follows

	<u>Balance</u>			<u>Balance</u>	<u>Current</u>	<u>Interest</u>
	<u>6/30/16</u>	<u>Advances</u>	<u>Payments</u>	<u>6/30/17</u>	<u>Portion</u>	<u>Expense</u>
Capital Leases Payable	\$ -	\$ 98,290	\$ 20,700	\$ 77,590	\$ 18,643	\$ -

2017 Capital Bus Lease

In 2017, the BOCES entered into a capital lease arrangement for the purchase of a school bus. The lease was for \$103,498, and requires 5 annual payments of \$20,700 through 2021 at 2.65%. The BOCES has capitalized assets with a remaining value of \$92,440 related to this lease. Future payments will be made by the Colorado River BOCES as further discussed in Note 13. This lease was formally transferred to Colorado River BOCES subsequent to the end of the fiscal year.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

2017 Capital Bus Lease (Continued)

Future minimum lease payments on the lease are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 20,700
2019	20,699
2020	20,700
2021	<u>20,699</u>
Total Payments	82,798
Less Interest at 5.03%	<u>(5,208)</u>
Present Value of Payments	<u>\$ 77,590</u>

NOTE 6: RISK MANAGEMENT

Health Insurance

Beginning for fiscal year 2013, the BOCES partially self-insures its health insurance claims. The BOCES provides annual coverage up to \$20,000 per individual, without an aggregate stop loss. The BOCES carries commercial insurance for all claims in excess of that amount. A summary of the BOCES' self-insured claims and liability is as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
6/30/2016	\$ 20,073	\$ 200,876	\$ 203,031	\$ 17,918
6/30/2017	17,918	83,945	101,863	-

Property and Liability Coverage

The BOCES belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The BOCES has not materially changed its coverage from previous years. The BOCES has not recorded any liability for unpaid claims at June 30, 2017.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 6: RISK MANAGEMENT (Continued)

Property and Liability Coverage (Continued)

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

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

Workers Compensation

The BOCES carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The BOCES participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA").

General Information about the Pension Plan

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

\$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

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

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

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions. Eligible employees and the BOCES are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

January 1st through December 31st	2014¹	2015¹	2016¹
Employer contribution rate	10.15%	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from BOCES were \$358,630 for the plan year ended December 31, 2016 and \$533,504 for the fiscal year ended June 30, 2017.

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

At June 30, 2017, the BOCES reported a liability of \$13,122,421 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The BOCES' proportion of the net pension liability was based on BOCES' contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the BOCES' proportion was .044074%, which was an decrease of .002353% from its proportion measured as of December 31, 2015.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2017 the BOCES recognized pension expense of \$2,505,004. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 164,050	\$ (116)
Changes of assumptions or other inputs	\$ 4,257,952	\$ (59,176)
Net difference between projected and actual earnings on pension plan investments	\$ 438,786	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (254,248)
Contributions subsequent to the measurement date	\$ 266,708	
Total	\$ 5,127,496	\$ (313,540)

\$266,708 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Total
2018	\$ (1,818,668)
2019	\$ (1,813,570)
2020	\$ (910,634)
2021	\$ (4,376)
Total	\$ (4,547,248)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the BOCES' proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension asset (liability)	\$ (16,501,023)	\$ (13,122,421)	\$ (10,370,937)

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the BOCES that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The BOCES does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2017 program members contributed \$63,432.

NOTE 9: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The BOCES contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment 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 by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Basis of Accounting for the HCTF. The financial statements of the HCTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy. The BOCES is required to contribute at a rate of 1.02% of covered salary from July 1, 2016 through June 30, 2017 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 contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The BOCES' contributions to HCTF for the years ending June 30, 2017, 2016, and 2015 were \$19,800, \$20,043, and \$20,880, respectively, equal to their required contributions for each year.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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

Claims and Judgments - The BOCES participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the BOCES may be required to reimburse the grantor government. In the opinion of the BOCES, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

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

NOTE 11: FUND BALANCE ASSIGNMENTS

Based on an analysis of program operations, the BOCES has assigned a portion of its year end fund balance for the following programs and activities:

Assigned-TPP Aspen Valley Med	\$	9,860
Assigned-TPP Women's Foundation		17,409
Assigned-TPP Aspen Comm Fndtn		53,078
Assigned-TPP Temple Buell		16,344
Assigned-TPP Aspen Comm Arches		359
Assigned-TPP Aspen Comm Kaplan		1,840
Assigned-TPP Hemera Foundation		9,600
Assigned-Head Start		70,304
Assigned-Aspen Ski Environ		15
Assigned-NSTA		366
Assigned-YMHS Whole Kids		489
Assigned-Colorado Legacy		1,192
Assigned-Colorado Education Initiative		22
Assigned-Teen Parent		41,053
Assigned-YMHS Alternative Program		85,000
Assigned-Rebound		26,307
Assigned-CSDB		23,620
Assigned-YMHS Capital Reserve		135,989
Assigned-Technology		14,524
Assigned-Alternative Licensure		38,638
Assigned-Transportation		40,886
Total Assigned Fund Balance	\$	<u>586,895</u>

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 12: DEFICIT NET POSITION

The Governmental Activities has an overall deficit net position of \$(4,989,817) and an unrestricted net position deficit of \$(6,068,572), primarily due to the PERA net pension liability of \$13,122,421, as further described in Note 6. As the BOCES has no control over pension benefits or contribution rates, the BOCES expects this deficit net position to continue for the foreseeable future.

NOTE 13: SUBSEQUENT EVENTS

As of July 1, 2017, Mountain Board of Cooperative Educational Services has split into two different BOCES districts. Mountain BOCES will continue providing services for the “East Group” of school districts consisting of Buena Vista School District R-31, Lake County School District R-1, Park County School District RE-2, and Salida School District R-32-J. The split will create a new BOCES named Colorado River BOCES. Colorado River will provide services to the “West Group” consisting of Garfield County School District 16, Garfield County School District RE-2 and Roaring Fork School District RE-1. The split of the June 30, 2017 fund balance is based on a signed Intergovernmental Agreement between all participating districts. In general, all unassigned fund balance at year end will be split based on the 2016 October pupil counts of the member districts. Other assigned balances that are not included in the above split per the agreement will remain with those programs.

The BOCES provided upfront funding of \$500,000 to Colorado River BOCES prior to June 30, 2017 which is shown a deposit at year end on the balance sheet.

NOTE 14: PRIOR PERIOD RESTATEMENT

As part of the June 30, 2017 fiscal year audit, it was determined that certain prior year balances required restatement. These adjustments consisted of overstatement of General Fund receivables related to IDEA federal funding for the June 30, 2016 year-end. The BOCES included a receipt that represented fiscal year 2017 funding as a receivable at the end of the fiscal year 2016 year-end. However, the BOCES also requested more funds during the 2017 fiscal year end than incurred costs. It is believed that some of these reimbursements represented costs incurred for fiscal year 2016 but paid in fiscal year 2017. The net restatements are as follows:

	General Fund	Governmental Activities
Beginning Equity	\$ 2,353,953	\$ (2,942,250)
Restate 6/30/16 IDEA Pt B Receivable	<u>(112,566)</u>	<u>(112,566)</u>
Beginning Equity (As Restated)	<u>\$ 2,241,387</u>	<u>\$ (3,054,816)</u>

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules - Unaudited)

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**SCHEDULE OF THE BOCES' PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
BOCES' proportion of the net pension asset (liability)	0.044074%	0.046299%	0.047128%	0.046427%
BOCES' proportionate share of the net pension asset (liability)	\$ (13,122,421)	\$ (7,081,153)	\$ (6,387,447)	\$ (5,921,766)
BOCES' covered-employee payroll	\$ 1,956,520	\$ 2,017,713	\$ 1,974,331	\$ 1,871,625
BOCES' proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	670.70%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	62.84%	64.07%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown

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

See the accompanying Independent Auditors' Report.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF BOCES CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
Contractually required contributions	\$ 358,630	\$ 349,670	\$ 324,383	\$ 290,663
Actual contributions	<u>(358,630)</u>	<u>(349,670)</u>	<u>(324,383)</u>	<u>(290,663)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' covered-employee payroll	\$ 1,956,520	\$ 2,017,713	\$ 1,974,331	\$ 1,871,625
Contributions as a percentage of covered-employee payroll	18.33%	17.33%	16.43%	15.53%

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

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

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULE
(Required Supplementary Information)

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	2017				
	ORIGINAL	FINAL		VARIANCE	
	BUDGET	BUDGET	ACTUAL	WITH FINAL	2016
			BUDGET	ACTUAL	
REVENUES					
Local Sources:					
Transportation Fees	\$ 40,174	\$ 17,160	\$ 56,865	\$ 39,705	\$ 37,115
Interest Income	-	-	3,312	3,312	661
Donations	265,052	371,951	158,543	(213,408)	312,726
Member Assessments	2,625,282	2,620,578	2,647,463	26,885	2,650,867
Services Provided Outside AU	28,000	28,000	27,720	(280)	28,000
Indirect Cost Recovery	194,934	192,477	137,248	(55,229)	230,235
Other Local	144,524	144,550	217,418	72,868	208,535
Total Local Sources	<u>3,297,966</u>	<u>3,374,716</u>	<u>3,248,569</u>	<u>(126,147)</u>	<u>3,468,139</u>
Intermediate Sources:					
Other Intermediate Source Revenue	26,000	40,000	22,370	(17,630)	41,053
State Sources:					
ECEA	2,532,633	2,517,337	2,705,420	188,083	3,450,145
Gifted and Talented	141,920	144,111	144,111	-	189,112
Educator Effectiveness	71,633	51,815	1,700	(50,115)	19,818
GT Education Universal Screening	60,501	39,712	31,759	(7,953)	57,842
State BOCES Allocation	140,505	152,934	139,503	(13,431)	126,521
On-Line Grant	960,000	960,000	916,587	(43,413)	460,800
Grant Writing	28,803	28,803	11,039	(17,764)	15,471
Total State Sources	<u>3,935,995</u>	<u>3,894,712</u>	<u>3,950,119</u>	<u>55,407</u>	<u>4,319,709</u>
Federal Sources:					
IDEA Part B	2,396,504	2,396,504	2,356,791	(39,713)	3,127,232
IDEA Preschool	53,554	53,554	49,953	(3,601)	81,220
CACFP Grant	6,000	7,700	4,874	(2,826)	6,203
IDEA Part B: Special Ed Competitive	-	-	-	-	3,847
Total Federal Sources	<u>2,456,058</u>	<u>2,457,758</u>	<u>2,411,618</u>	<u>(46,140)</u>	<u>3,218,502</u>
TOTAL REVENUES	<u>9,716,019</u>	<u>9,767,186</u>	<u>9,632,676</u>	<u>(134,510)</u>	<u>11,047,403</u>
EXPENDITURES					
Instruction:					
Salaries	847,680	804,875	811,933	(7,058)	954,748
Benefits	359,027	339,972	325,212	14,760	367,450
PS - Professional	31,091	85,296	76,651	8,645	57,065
PS - Property	375	375	492	(117)	632
PS - Other	2,736,844	2,724,139	2,929,211	(205,072)	3,743,377
Supplies	30,747	30,747	9,737	21,010	31,219
Property	7,000	22,900	2,658	20,242	10,777
Other Expenses	8,000	8,000	7,250	750	7,521
Total Instruction	<u>4,020,764</u>	<u>4,016,304</u>	<u>4,163,144</u>	<u>(146,840)</u>	<u>5,172,789</u>
Support Services:					
Pupil Support:					
Salaries	142,040	149,476	163,779	(14,303)	51,146
Benefits	49,759	52,066	55,406	(3,340)	9,602
PS - Professional	85,984	91,625	8,239	83,386	13,600
PS - Property	2,000	2,000	1,634	366	-
PS - Other	2,237,183	2,237,183	2,226,762	10,421	2,911,889
Supplies	13,860	13,860	1,367	12,493	718
Property	6,000	6,000	1,843	4,157	-
Other Expenses	-	-	-	-	5,000
Total Pupil Support	<u>2,536,826</u>	<u>2,552,210</u>	<u>2,459,030</u>	<u>93,180</u>	<u>2,991,955</u>

(Continued)

See the Accompanying Independent Auditors' Report.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	2017				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2016 ACTUAL
EXPENDITURES (Continued)					
Support Services (Continued):					
Staff Support:					
Salaries	162,550	199,531	219,987	(20,456)	236,930
Benefits	51,045	56,696	65,431	(8,735)	63,968
PS - Professional	1,133,001	1,015,920	892,944	122,976	50,766
PS - Other	22,100	82,102	58,130	23,972	511,227
Supplies	17,093	17,975	12,392	5,583	8,439
Property	12,000	12,000	1,874	10,126	9,013
Other Expenses	30,717	27,893	46,092	(18,199)	9,185
Total Staff Support	<u>1,428,506</u>	<u>1,412,117</u>	<u>1,296,850</u>	<u>115,267</u>	<u>889,528</u>
General Administration:					
Salaries	156,740	140,591	140,626	(35)	130,577
Benefits	48,238	44,883	41,364	3,519	37,077
PS - Professional	13,081	26,854	25,760	1,094	9,979
PS - Other	7,323	10,567	12,739	(2,172)	2,752
Supplies	7,470	5,000	3,023	1,977	3,259
Other Expenses	4,500	4,500	8,813	(4,313)	9,100
Total General Administration	<u>237,352</u>	<u>232,395</u>	<u>232,325</u>	<u>70</u>	<u>192,744</u>
School Administration:					
Salaries	137,014	137,014	147,190	(10,176)	136,756
Benefits	48,788	48,788	49,855	(1,067)	41,935
PS - Other	-	-	-	-	101
Supplies	15,920	21,304	15,886	5,418	11,070
Total School Administration	<u>201,722</u>	<u>207,106</u>	<u>212,931</u>	<u>(5,825)</u>	<u>189,862</u>
Business Administration:					
Salaries	72,500	74,065	71,421	2,644	98,129
Benefits	30,305	30,985	48,631	(17,646)	38,457
PS - Professional	9,000	8,650	12,625	(3,975)	8,700
PS - Other	2,750	2,050	1,903	147	2,211
Supplies	25,330	25,000	50,221	(25,221)	13,528
Total Business Administration	<u>139,885</u>	<u>140,750</u>	<u>184,801</u>	<u>(44,051)</u>	<u>161,025</u>
Operations and Maintenance:					
Salaries	6,126	6,126	7,100	(974)	4,375
Benefits	1,272	1,272	1,489	(217)	887
PS - Property	63,900	62,400	65,368	(2,968)	77,455
Property	2,500	1,000	-	1,000	-
Total Operations and Maintenance	<u>73,798</u>	<u>70,798</u>	<u>73,957</u>	<u>(3,159)</u>	<u>82,717</u>
Transportation:					
Salaries	81,679	81,679	71,612	10,067	68,581
Benefits	27,131	27,131	24,622	2,509	21,881
PS - Property	-	-	-	-	10,564
PS - Other	72,130	68,446	28,143	40,303	22,367
Supplies	-	-	-	-	303
Property	85,618	107,606	46,143	61,463	80,758
Other Expenses	-	-	-	-	(27,000)
Total Transportation	<u>266,558</u>	<u>284,862</u>	<u>170,520</u>	<u>114,342</u>	<u>177,454</u>

(Continued)

See the Accompanying Independent Auditors' Report.

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	2017				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	2016 ACTUAL
EXPENDITURES (Continued)					
Support Services (Continued):					
Other Central Support:					
Salaries	145,300	142,138	172,258	(30,120)	234,381
Benefits	44,017	54,485	62,109	(7,624)	69,025
PS - Professional	22,777	19,057	25,016	(5,959)	19,750
PS - Other	119,623	117,988	107,417	10,571	127,431
Supplies	25,898	12,000	7,328	4,672	12,371
Property	1,131	1,131	237	894	2,544
Other	185,148	185,808	145,735	40,073	230,234
Total Other Central Support	<u>543,894</u>	<u>532,607</u>	<u>520,100</u>	<u>12,507</u>	<u>695,736</u>
Other Support Services:					
Salaries	101,010	101,010	91,849	9,161	89,379
Benefits	71,797	71,797	63,755	8,042	57,165
PS - Professional	29,222	70,027	79	69,948	-
PS - Other	28,803	28,803	11,039	17,764	15,471
Supplies	2,479	2,479	1,165	1,314	976
Total Other Support Services	<u>233,311</u>	<u>274,116</u>	<u>167,887</u>	<u>106,229</u>	<u>162,991</u>
Total Support Services	<u>5,661,852</u>	<u>5,706,961</u>	<u>5,318,401</u>	<u>388,560</u>	<u>5,544,012</u>
Enterprise Operations	<u>186,885</u>	<u>196,629</u>	<u>36,583</u>	<u>160,046</u>	<u>9,445</u>
Food Service	<u>-</u>	<u>-</u>	<u>150</u>	<u>(150)</u>	<u>1,424</u>
Community Services	<u>2,900</u>	<u>11,000</u>	<u>17,603</u>	<u>(6,603)</u>	<u>13,956</u>
Debt Service	<u>-</u>	<u>-</u>	<u>20,700</u>	<u>(20,700)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>9,872,401</u>	<u>9,930,894</u>	<u>9,556,581</u>	<u>374,313</u>	<u>10,741,626</u>
CHANGE IN FUND BALANCE	<u>(156,382)</u>	<u>(163,708)</u>	<u>76,095</u>	<u>239,803</u>	<u>305,777</u>
FUND BALANCE, Beginning	2,353,953	2,353,953	2,353,953	-	2,048,176
Prior Period Restatement	<u>-</u>	<u>-</u>	<u>(112,566)</u>	<u>(112,566)</u>	<u>-</u>
FUND BALANCE, Beginning (As Restated)	<u>2,353,953</u>	<u>2,353,953</u>	<u>2,241,387</u>	<u>(112,566)</u>	<u>2,048,176</u>
FUND BALANCE, Ending	<u>\$ 2,197,571</u>	<u>\$ 2,190,245</u>	<u>\$ 2,317,482</u>	<u>\$ 127,237</u>	<u>\$ 2,353,953</u>

See the Accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

MOUNTAIN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**PUPIL ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
BUDGET AND ACTUAL**

For the Year Ended June 30, 2017

With Comparative Totals for the Year Ended June 30, 2016

	<u>2017</u>		VARIANCE WITH FINAL	<u>2016</u>
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Receipts	\$ 84,000	\$ 85,012	\$ 1,012	\$ 55,938
Disbursements	<u>84,000</u>	<u>37,001</u>	<u>46,999</u>	<u>37,136</u>
Net Receipts (Disbursements)	<u>\$ -</u>	48,011	<u>\$ 48,011</u>	18,802
CASH IN BANK, Beginning		<u>97,759</u>		<u>78,957</u>
CASH IN BANK, Ending		<u>\$ 145,770</u>		<u>\$ 97,759</u>

See the accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9030 - MOUNTAIN BOCES
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	2,241,387		9,632,676		9,556,581		2,317,482
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	2,241,387		9,632,676		9,556,581		2,317,482
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	0		0		0		0
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	0		0		0		0
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	97,759		85,013		37,001		145,770
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	97,759		85,013		37,001		145,770

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 9030 - MOUNTAIN BOCES

Fiscal Year 2016-17

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Cash and Investments (8100-8104,8111)	2,896,749	0	0	0	0	0	0	0	0	0	0	179,766	0	3,076,515	
Interfund Loans Receivable (8131,8132)	33,995	0	0	0	0	0	0	0	0	0	0	0	0	33,995	
Grants Accounts Receivable (8142)	703,164	0	0	0	0	0	0	0	0	0	0	0	0	703,164	
Other Receivables (8151-8154,8161)	34,658	0	0	0	0	0	0	0	0	0	0	0	0	34,658	
Other Current Assets (8191-8194,8199)	500,000	0	0	0	0	0	0	0	0	0	0	0	0	500,000	
Total Assets	4,168,566	0	0	0	0	0	0	0	0	0	0	179,766	0	4,348,331	

See accompanying Independent Auditor's Report.

Proprietary

Governmental

Fiduciary

	Governmental										Proprietary				Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	33,995	0	0	33,995
Other Payables (7421-7423)	1,344,288	0	0	0	0	0	0	0	0	0	0	0	0	0	1,344,288
Accrued Expenses (7461)	302,106	0	0	0	0	0	0	0	0	0	0	0	0	0	302,106
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	204,689	0	0	0	0	0	0	0	0	0	0	0	0	0	204,689
Total Liabilities	1,851,084	0	0	0	0	0	0	0	0	0	0	33,995	0	0	1,885,079

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	586,896	0	0	0	0	0	0	0	0	0	0	0	0	0	586,896
Unassigned Fund Balance 6770	1,843,153	0	0	0	0	0	0	0	0	0	0	0	145,770	0	1,988,924
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	-112,567	0	0	0	0	0	0	0	0	0	0	0	0	0	-112,567
Total Fund Equity	2,317,482	0	0	0	0	0	0	0	0	0	0	0	145,770	0	2,463,252

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,168,566	0	0	0	0	0	0	0	0	0	0	0	179,766	0	4,348,331

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