

**MOUNT EVANS BOARD OF COOPERATIVE
EDUCATIONAL SERVICES**

BLACK HAWK, COLORADO

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS**

**For The Year Ended
June 30, 2017**



RECEIVED

By the Office of the State Auditor at 4:10 pm, Dec 13, 2017

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INTRODUCTORY SECTION

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

ROSTER OF OFFICIALS

June 30, 2017

BOARD MEMBERS

Gilpin School District RE -1:
Steve Boulter

Clear Creek School District RE -1:
Joseph O'Leary
Nicolai Hoffman

Platte Canyon School District RE -1:
Katie Spodyak
Susan Carpenter

SUPERINTENDENTS

Roslin Marshall – Clear Creek School District RE-1

Dr. David MacKenzie – Gilpin County School District RE-1

Dr. Brenda Krage– Platte Canyon School District RE-1

ADMINISTRATIVE

Dr. Terri Jones – Executive Director

Terry Scharg – Business Manager

INTRODUCTORY SECTION

Roster of Officials

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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 Mt. Evans BOCES' (the "BOCES") financial performance provides an overall review of the BOCES' financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the BOCES' financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, and budgetary comparison schedules to broaden their understanding of the BOCES financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, issued June 1999.

Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The Mt. Evans BOCES came into existence in July 1997. The BOCES was formed primarily to assist member districts to provide educational services to children identified in the Exceptional Children's Education Act by providing oversight of such programs and by distributing available state and federal grant monies. The BOCES distributed \$563,832 to member districts during the twelve months ended June 30, 2017, which was \$103,078 more than was distributed during the previous fiscal year.

The BOCES restructured for the 2014-15 fiscal year. As a result of the restructuring, special service providers, such as occupational therapists, psychologists, and speech pathologists are BOCES employees and not employees of the member districts. This structure allows for more flexibility in meeting the needs of the districts and is in line with how other BOCES are structured.

Using the Basic Financial Statements

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

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

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

Financial Analysis of the BOCES as a Whole

The BOCES' ending net position was (\$1,766,845) as of June 30, 2017, which represents an increase of (\$1,036,585) from the preceding fiscal year. The BOCES has a negative net position as a result of the BOCES reporting their proportionate share of the net pension liability in compliance with GASB 68. The PERA net pension liability for this fiscal year increased to \$3,832,644. Detailed information about the Defined Benefit Pension Plan can be found in Note 4 to the financial statements on pages 15-22.

The BOCES' cash position at year end was \$329,336.

Government-Wide Financial Statements

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

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

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

Governmental Activities – All of the BOCES' programs and services are reported here including instruction, support services, and grant activities.

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

Table 1 - Condensed Statement of Net Position

	Governmental Activities	
	2017	2016
Current Assets	\$ 480,404	\$ 345,238
Deferred Outflow of Financial Resources	<u>1,917,760</u>	<u>1,144,968</u>
Total Assets and Deferred Outflows	<u>2,398,164</u>	<u>1,490,206</u>
Current Liabilities	256,756	306,247
Noncurrent Liabilities	3,842,634	1,325,290
Deferred Inflows of Financial Resources	<u>65,619</u>	<u>85</u>
Total Liabilities and Deferred Outflows	<u>4,165,009</u>	<u>1,631,622</u>
Unrestricted Net Position	\$ <u>(1,766,845)</u>	\$ <u>(141,416)</u>

A summary of the BOCES' activity and changes in net position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2017	2016
Program Revenues:		
Operating Grants	\$ <u>1,696,743</u>	\$ <u>1,350,807</u>
General Revenues:		
Investment Earnings	85	12
Miscellaneous	<u>2,769</u>	<u>256</u>
Total General Revenues	<u>2,854</u>	<u>268</u>
Total Revenues	<u>1,699,597</u>	<u>1,351,075</u>
Expenses		
Instruction	1,086,764	784,856
Supporting Services	<u>1,649,418</u>	<u>721,186</u>
Total Expenses	<u>2,736,182</u>	<u>1,506,042</u>
Change in Net Position	(1,036,585)	(154,967)
Net Position - Beginning	<u>(730,260)</u>	<u>13,551</u>
Net Position - Ending	\$ <u>(1,766,845)</u>	\$ <u>(141,416)</u>

Operating grants included funds from both state and federal sources. State and federal grant revenue was \$829,951 and \$484,229, respectively.

Reporting the BOCES' Most Significant Fund

The analysis of the BOCES' major funds begins on page three. Fund financial statements provide detailed information about the BOCES' major funds. The BOCES' only fund is the General Fund.

Governmental Funds. Most of BOCES' activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short - term view of the BOCES' general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The BOCES' governmental fund is the General Fund. The General Fund accounts for all of BOCES' instruction and support operations.

Fund Financial Statements

As of June 30, 2017, the BOCES' governmental fund reported an assigned fund balance of \$38,945 for gifted and talented expenses and an unassigned fund balance of \$136,402. The unassigned fund balance at year end was the result of amounts retained to cover BOCES administrative expenses.

Capital Assets

As of June 30, 2017 the BOCES had no capital assets.

Debt Administration

As of June 30, 2017 the BOCES had no long-term debt.

General Fund Budget

The Board of Director's adopts the BOCES' budget in June of each year. Changes are then made in December when State and Federal allocations are known. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received.

The Future of the BOCES

The BOCES does not anticipate any changes in its operations during the next fiscal year. Any changes in operations would be directly attributable to modifications of grant funding.

Requests for information

This financial report is designed to provide a general overview of the BOCES' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 10595 Highway 119, Black Hawk, CO 80422.

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
Mount Evans Board of Cooperative Educational Services
Black Hawk, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Mount Evans Board of Cooperative Educational Services (Mt. Evans BOCES), 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. 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 and the major fund of the Mt. Evans BOCES, 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 the Mt. Evans BOCES' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2016. 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.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M5 and pension schedules on 25 - 26 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 schedule on pages 27 - 28 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 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 pages 29 - 32 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.



Englewood, CO
October 31, 2017

Basic Financial Statements

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF NET POSITION

June 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u> <u>2017</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
ASSETS	
Current Assets	
Cash and Investments	\$ 329,336
Accounts Receivable	1,481
Grants Receivable	149,587
TOTAL ASSETS	<u>480,404</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Contributions Subsequent to Measurement Date	58,722
Difference Between Projected and Actual Returns on Pension Plan Investments - net	128,155
Difference Between Projected and Actual Pension Plan Experience - net	47,914
Change in Pension Plan Assumptions - net	1,243,613
Change in BOCES' Proportionate Share of Net Pension Liability - net	439,356
TOTAL DEFERRED OUTFLOWS	<u>1,917,760</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,398,164</u>
LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 171,172
Accrued Salaries and Benefits	85,584
Total Current Liabilities	<u>256,756</u>
Noncurrent Liabilities	
Accrued Compensated Absences	9,990
PERA Net Pension Liability	3,832,644
Total Noncurrent Liabilities	<u>3,842,634</u>
TOTAL LIABILITIES	<u>4,099,390</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Grant Revenues	48,301
Difference Between Projected and Actual Pension Plan Experience - net	34
Change in Pension Plan Assumptions - net	17,284
TOTAL DEFERRED INFLOWS	<u>65,619</u>
NET POSITION	
Unrestricted	(1,766,845)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 2,398,164</u>

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

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

	<u>EXPENSES</u>	<u>PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES TOTAL</u>
FUNCTIONS/PROGRAMS			
PRIMARY GOVERNMENT:			
GOVERNMENTAL ACTIVITIES:			
Current:			
Instruction	\$ 1,086,764	\$ 831,584	\$ (255,180)
Supporting Services	<u>1,649,418</u>	<u>865,159</u>	<u>(784,259)</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 2,736,182</u>	 <u>\$ 1,696,743</u>	 (1,039,439)
 GENERAL REVENUES:			
Investment Earnings			85
Miscellaneous			<u>2,769</u>
 Total General Revenues			 <u>2,854</u>
 Change in Net Position			 (1,036,585)
 Net Position - Beginning			 <u>(730,260)</u>
 Net Position - Ending			 <u>\$ (1,766,845)</u>

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

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

With Comparative Totals for June 30, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and Investments	\$ 329,336	\$ 244,532
Accounts Receivable	1,481	2,236
Grants Receivable	<u>149,587</u>	<u>165,481</u>
TOTAL ASSETS	<u>\$ 480,404</u>	<u>\$ 412,249</u>
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY		
LIABILITIES		
Accounts Payable	\$ 171,172	\$ 165,480
Accrued Salaries and Benefits	<u>85,584</u>	<u>72,836</u>
TOTAL LIABILITIES	<u>256,756</u>	<u>238,316</u>
DEFERRED INFLOWS		
Deferred Grant Revenue	<u>48,301</u>	<u>34,020</u>
FUND EQUITY		
Assigned for Local Gifted and Talented	38,945	35,044
Unassigned	<u>136,402</u>	<u>104,869</u>
TOTAL FUND EQUITY	<u>175,347</u>	<u>139,913</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 480,404</u>	<u>\$ 412,249</u>

Reconciliation of Governmental Fund Balance to Governmental Activities Net Position:

Fund Balance - Governmental Funds	\$ 175,347
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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	58,722
Difference between projected and actual investment returns on the pension plan	228,179
Amortization of investment return difference	(100,024)
Difference between projected and actual pension plan experience (outflow)	80,469
Amortization of experience difference (outflow)	(32,555)
Change in pension plan assumptions for deferred outflows	1,747,100
Amortization of change in assumptions for deferred outflows	(503,487)
Net pension liability	(3,832,644)
Difference between projected and actual pension plan experience (inflow)	(179)
Amortization of experience difference (inflow)	145
Change in BOCES' proportionate share of net pension liability	1,660,401
Amortization of change in proportion	(1,221,045)
Change in pension plan assumptions for deferred inflows	(38,361)
Amortization of change in assumptions for deferred inflows	21,077

Long-term liabilities are not due and payable in the current year and are, therefore, not reported in the funds.

Accrued Compensated Absences	<u>(9,990)</u>
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Net Position - Governmental Activities	<u>\$ (1,766,845)</u>
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The accompanying notes are an integral part of the financial statements.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2017
With Comparative Totals for the Year Ended June 30, 2016**

	<u>2017</u>	<u>2016</u>
REVENUES		
Local Sources:		
Interest Income	\$ 85	\$ 36
Member Assessments	382,563	298,599
Other Local	<u>2,769</u>	<u>856</u>
Total Local Sources	<u>385,417</u>	<u>299,491</u>
State Sources:		
ECEA	573,545	475,498
Gifted and Talented	129,420	167,038
Gifted and Talented Universal Screening	27,000	30,590
Implementing State Educational Priorities	<u>99,986</u>	<u>106,431</u>
Total State Sources	<u>829,951</u>	<u>779,557</u>
Federal Sources:		
IDEA Part B	457,527	428,883
IDEA Preschool	<u>26,702</u>	<u>26,702</u>
Total Federal Sources	<u>484,229</u>	<u>455,585</u>
TOTAL REVENUES	<u>1,699,597</u>	<u>1,534,633</u>
EXPENDITURES		
Local and State Programs:		
ECEA - Special Education	900,428	665,810
Gifted and Talented	69,038	88,452
GERC	83,482	86,843
Implementing Educational Priorities	99,986	106,431
Gifted and Talented Universal Screening	<u>27,000</u>	<u>30,590</u>
Total Local and State Programs	<u>1,179,934</u>	<u>978,126</u>
Federal Grants:		
IDEA - Education of the Handicapped	457,527	428,883
IDEA - Preschool	<u>26,702</u>	<u>26,702</u>
Total Federal Grants	<u>484,229</u>	<u>455,585</u>
TOTAL EXPENDITURES	<u>1,664,163</u>	<u>1,433,711</u>
CHANGE IN FUND BALANCE	35,434	100,922
FUND BALANCE - Beginning	<u>139,913</u>	<u>38,991</u>
FUND BALANCE - Ending	<u>\$ 175,347</u>	<u>\$ 139,913</u>

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

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

**RECONCILIATION OF GOVERNMENTAL CHANGES IN FUND BALANCE
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION**

For the Year Ended June 30, 2017

Reconciliation of Governmental Change in Fund Balance to Governmental Activities
Change in Net Position:

Governmental Funds Change in Fund Balance		\$	35,434
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			7,341
Current year projected to actual investment return difference			13,572
Current year amortization of overall investment return differences			(47,397)
Current year projected to actual pension plan experience difference (outflow)			45,784
Current year amortization of pension plan experience differences (outflow)			(23,026)
Current year change in pension plan assumptions for deferred outflows			1,747,100
Current year amortization of change in assumptions for deferred outflows			(503,487)
Change in net pension liability			(1,927,627)
Current year projected to actual pension plan experience difference (inflow)			(6)
Current year amortization of overall pension plan experience differences (inflow)			52
Current year change in proportionate share of cost-sharing plan liability			58,325
Current year amortization of overall proportionate share differences			(451,417)
Current year change in pension plan assumptions for deferred inflows			(1,242)
Current year amortization of change in assumptions for deferred inflows			10,879
			<u>(1,071,149)</u>
Repayment of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Change in accrued compensated absences			<u>(870)</u>
Governmental Activities Change in Net Position		\$	<u>(1,036,585)</u>

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

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Mt. Evans Board of Cooperative Educational Services (the BOCES) conform to generally accepted accounting principles as applicable to governmental units. A summary of the more significant policies is provided below.

Reporting Entity

In evaluating how to define the BOCES 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 specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues would include:

- (1) fees and charges paid by the recipients of goods or services offered by the programs and
- (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

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

Fund Financial Statements The fund financial statements provide information about the BOCES' funds. Separate statements would be presented for each applicable fund category (governmental, proprietary and fiduciary, as applicable).

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The BOCES reports one 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.

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.

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 procedures listed below in establishing the budgetary data reflected in the financial statements.

- Budgets are required by state law for all funds. By May 31, the Executive Director submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board.
- Budgeted amounts reported in the accompanying financial statements are as adopted or amended by the Board.

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

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

Unearned Revenues Unearned revenues include governmental grants that have been received, but not yet earned, since service has not been provided.

Deferred outflows/inflows of resources In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has items that qualify for reporting in this category, all related to outstanding pension obligations and further described in Note 4.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 pension related deferrals as further described in Note 4 as well as grant deferrals.

Fund Equity/Net Position In the government-wide financial statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted. The BOCES net position are all considered 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 balance is reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

MOUNT EVANS 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 Equity/Net Position (Continued)

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, and at their highest level of action 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.

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

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

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

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.

Vacation, Sick Leave, and Other Compensated Absences The BOCES offers vacation and sick leave compensated absences pursuant to Gilpin County School District RE-1 personnel policies. These balances were recorded as noncurrent obligations of the governmental activities at June 30, 2017.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2: CASH AND INVESTMENTS

The following is a reconciliation of cash on the statement of net position to the summary of cash and investments shown below:

Deposits	\$ 69,581
Investments	<u>9,754</u>
Governmental Activities Total	<u>\$ 79,335</u>

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 Amount</u>
FDIC Insured	\$ 250,000	\$250,000
PDPA Collateralized	<u>79,304</u>	<u>69,581</u>
Total Cash	<u>\$ 329,304</u>	<u>\$319,581</u>

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS(Continued)

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>	<u>Weighted Average Maturity</u>
Local Government Pools	\$ -	\$ 9,754	\$ -	\$ 9,754	-

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.

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. Colotrust 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. The value of this investment at June 30, 2017 was \$9,754.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS(Continued)

Investments (Continued)

Concentration of Credit Risk

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

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.

NOTE 3: RISK MANAGEMENT

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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 3: 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.

The BOCES carries commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks did not exceed commercial or BOCES coverage in the past year.

NOTE 4: 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"). 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.

General Information about the Pension Plan

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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: 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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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.

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 BOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the BOCES were \$104,745 for the plan year ended December 31, 2016 and \$112,043 for the fiscal year ended June 30, 2017.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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 \$3,832,644 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 .01287% which is an increase of .00042% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017 the BOCES recognized pension expense of \$731,632. At June 30, 2017, the BOCES 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	\$ 47,914	\$ (34)
Changes of assumptions or other inputs	\$ 1,243,613	\$ (17,284)
Net difference between projected and actual earnings on pension plan investments	\$ 128,155	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ 439,356
Contributions subsequent to the measurement date	\$ 58,722	\$ -
Total	\$ 1,478,404	\$ 422,038

\$58,722 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2018	\$ (912,168)
2019	(642,082)
2020	(286,190)
2021	(1,280)
Total	\$ (1,841,720)

Actuarial assumptions. The total pension liability as of December 31, 2016 was determined based on the December 31, 2015 actuarial valuation using the following roll-forward assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.7%
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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

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, adopted by the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real 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 applied the actuarial method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 16, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.5%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED, and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based on a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increase financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e. the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e. the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF’s fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer Federal Obligation 20-year Municipal Bond Index published weekly by the board of Governors of the Federal Reserve System was applied to periods on or after 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the GASB Statement No. 67 projection test indicated 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 of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate and the discount rate was 7.50 percent.

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)	\$ (4,819,427)	\$ (3,832,644)	\$ (3,029,023)

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 5: 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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 5: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

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 made \$4,000 in contributions.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Plan Description – The BOCES contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the year ending June 30, 2017, 2016, and 2015 the BOCES contributions to the HCTF were \$6,260, \$5,652 and \$4,852, equal to their required contribution for the year.

NOTE 7: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND COMPLIANCE

Claims and Judgments

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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 7: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND COMPLIANCE (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (TABOR) 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, in which the court has found that these organizations are not subject to TABOR, since they are not a municipality and do not exercise independent "Government" power. However, in virtually all situations BOCES will be impacted to the degree that its 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 8: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$1,766,845, primarily due to the PERA net pension liability of \$3,832,644, as further described in Note 4. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

MOUNT EVANS 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>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
BOCES' proportion of the net pension asset (liability)	0.012873%	0.012456%	0.009718%	0.000000%
BOCES' proportionate share of the net pension asset (liability)	\$ (3,832,644)	\$ (1,905,017)	\$ (1,317,160)	\$ -
BOCES' covered-employee payroll	\$ 577,741	\$ 542,818	\$ 407,128	\$ -
BOCES' proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	663.38%	350.95%	323.52%	0.00%
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.

MOUNT EVANS BOARD OF COOPERATIVE EDUCATIONAL SERVICES

SCHEDULE OF BOCES CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>	<u>06/30/14</u>
Contractually required contributions	\$ 104,745	\$ 94,070	\$ 66,891	\$ -
Actual contributions	<u>(104,745)</u>	<u>(94,070)</u>	<u>(66,891)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOCES' covered-employee payroll	\$ 577,741	\$ 542,818	\$ 407,128	\$ -
Contributions as a percentage of covered-employee payroll	18.13%	17.33%	16.43%	0.00%

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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REQUIRED SUPPLEMENTARY INFORMATION

MOUNT EVANS 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			VARIANCE WITH FINAL BUDGET FAV. (UNFAV.)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources:					
Interest Income	\$ -	\$ -	\$ 85	\$ 85	\$ 36
Member Assessments	353,248	381,523	382,563	1,040	298,599
Other Local	-	-	2,769	2,769	856
Total Local Sources	<u>353,248</u>	<u>381,523</u>	<u>385,417</u>	<u>3,894</u>	<u>299,491</u>
State Sources:					
ECEA	506,468	577,429	573,545	(3,884)	475,498
Gifted and Talented	165,130	190,173	129,420	(60,753)	167,038
State Counselor Grant	16,815	16,815	-	(16,815)	-
Implementing State Educational Priorities	100,262	105,763	99,986	(5,777)	106,431
Gifted and Talented Universal Screening	-	27,000	27,000	-	30,590
Total State Sources	<u>788,675</u>	<u>917,180</u>	<u>829,951</u>	<u>(87,229)</u>	<u>779,557</u>
Federal Sources:					
IDEA Part B	457,527	457,527	457,527	-	428,883
IDEA Preschool	26,702	26,702	26,702	-	26,702
Total Federal Sources	<u>484,229</u>	<u>484,229</u>	<u>484,229</u>	<u>-</u>	<u>455,585</u>
TOTAL REVENUES	<u>1,626,152</u>	<u>1,782,932</u>	<u>1,699,597</u>	<u>(83,335)</u>	<u>1,534,633</u>
EXPENDITURES					
Instruction:					
Salaries	189,639	186,866	191,245	(4,379)	138,283
Benefits	64,413	65,050	60,716	4,334	43,398
PS - Professional	-	1,000	400	600	1,890
Pass-through to Districts	494,429	568,790	563,832	4,958	460,754
Supplies	7,000	50,949	15,391	35,558	1,074
Total Instruction	<u>755,481</u>	<u>872,655</u>	<u>831,584</u>	<u>41,071</u>	<u>645,399</u>
Support Services:					
Pupil Support:					
Salaries	239,595	246,020	233,547	12,473	174,005
Benefits	80,123	74,328	69,204	5,124	47,022
PS - Professional	16,695	17,650	17,649	1	17,749
PS - Property	200	200	-	200	-
PS - Other	99,485	100,486	96,023	4,463	89,186
Supplies	2,400	8,500	8,822	(322)	16,924
Total Pupil Support	<u>438,498</u>	<u>447,184</u>	<u>425,245</u>	<u>21,939</u>	<u>344,886</u>

(Continued)

See the accompanying Independent Auditors' Report.

MOUNT EVANS 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			VARIANCE WITH FINAL BUDGET FAV. (UNFAV.)	2016 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
	(Continued)				
Staff Support:					
Salaries	187,572	187,750	164,317	23,433	207,572
Benefits	48,295	45,895	42,851	3,044	44,329
PS - Professional	49,915	48,340	40,231	8,109	40,144
PS - Property	3,000	3,000	956	2,044	600
PS - Other	58,818	59,834	55,736	4,098	86,200
Supplies	31,842	65,686	52,629	13,057	15,581
Other Expenses	2,900	2,850	2,797	53	1,438
Total Staff Support	<u>382,342</u>	<u>413,355</u>	<u>359,517</u>	<u>53,838</u>	<u>395,864</u>
General Administration:					
PS - Professional	<u>5,000</u>	<u>4,925</u>	<u>4,925</u>	<u>-</u>	<u>4,775</u>
School Administration:					
Benefits	<u>3,615</u>	<u>3,444</u>	<u>2,474</u>	<u>970</u>	<u>3,280</u>
Business Administration:					
Salaries	23,597	23,073	23,072	1	22,661
Benefits	5,092	4,876	4,791	85	4,560
PS - Professional	1,200	1,200	1,163	37	1,134
PS - Other	-	500	-	500	-
Total Business Administration	<u>29,889</u>	<u>29,649</u>	<u>29,026</u>	<u>623</u>	<u>28,355</u>
Other Central Support:					
Benefits	-	-	-	-	(18)
PS - Property	-	400	378	22	-
PS - Other	<u>1,997</u>	<u>1,995</u>	<u>1,766</u>	<u>229</u>	<u>1,594</u>
Total Central Support	<u>1,997</u>	<u>2,395</u>	<u>2,144</u>	<u>251</u>	<u>1,576</u>
Risk Management:					
PS - Other	<u>9,330</u>	<u>9,325</u>	<u>9,248</u>	<u>77</u>	<u>9,576</u>
Total Support Services	<u>870,671</u>	<u>910,277</u>	<u>832,579</u>	<u>77,698</u>	<u>788,312</u>
TOTAL EXPENDITURES	<u>1,626,152</u>	<u>1,782,932</u>	<u>1,664,163</u>	<u>118,769</u>	<u>1,433,711</u>
CHANGE IN FUND BALANCE	-	-	35,434	35,434	100,922
FUND BALANCE, Beginning	-	-	139,913	139,913	38,991
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,347</u>	<u>\$ 175,347</u>	<u>\$ 139,913</u>

See the accompanying Independent Auditors' Report.

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STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 9140 - MT EVANS 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	139,912		1,699,597		1,664,162		175,346
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub- Total	139,912		1,699,597		1,664,162		175,346
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	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 9140 - MT EVANS BOCES

Fiscal Year 2016-17

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals			
Cash and Investments (8100-8104,8111)	329,336	0	0	0	0	0	0	0	0	0	0	0	0	0	329,336			
Grants Accounts Receivable (8142)	149,587	0	0	0	0	0	0	0	0	0	0	0	0	0	149,587			
Other Receivables (8151-8154,8161)	1,481	0	0	0	0	0	0	0	0	0	0	0	0	0	1,481			
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total Assets	480,403	0	0	0	0	0	0	0	0	0	0	0	0	0	480,403			

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	38,945	0	0	0	0	0	0	0	0	0	0	0	0	0	38,945
Unassigned Fund Balance 6770	136,401	0	0	0	0	0	0	0	0	0	0	0	0	0	136,401
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	175,346	0	0	0	0	0	0	0	0	0	0	0	0	0	175,346

	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	480,403	0	0	0	0	0	0	0	0	0	0	0	0	0	480,403

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

See accompanying Independent Auditor's Report.