

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

Financial Statements

Fiscal Year Ended June 30, 2019



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES

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June 30, 2019

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Juan Board of Cooperative Educational Services
Durango, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of San Juan Board of Cooperative Educational Services (the SJBOCES), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the SJBOCES' basic financial statements 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 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 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 from 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 control. 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.

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the SJBOCES, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefits information on pages i–vii and 31-36 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SJBOCES' basic financial statements. The Auditor's Integrity Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Auditor's Integrity Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Auditor's Integrity Report and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 October 15, 2019, on our consideration of the SJBOCES' 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 SJBOCES' internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

October 15, 2019

**San Juan Board of Cooperative Educational Services
Management's Discussion and Analysis
As of and for the fiscal year ended June 30, 2019**

As management of the San Juan Board of Cooperative Educational Services (SJBoces), Durango, Colorado we offer readers of the SJBoces' annual financial report this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019.

Financial Highlights

- The net position (assets in excess of liabilities) of SJBoces at the close of the most recent fiscal year is (\$17,319,852) with (\$17,364,031) unrestricted and \$44,179 net investment in capital assets. In comparison, at June 30, 2018 the net position of SJBoces was (\$19,445,570) with (\$19,513,337) unrestricted and \$67,767 invested in capital assets.
- SJBoces' total liabilities at June 30, 2019 were \$11,238,463 compared to \$27,058,608 at June 30, 2018. The most significant reason for this increase is due to the changes in calculation methods for the net pension liability which resulted in a \$15,653,282 decrease in the SJBoces proportionate share of the net pension liability.
- At the close of the current fiscal year, SJBoces' governmental funds reported combined ending fund balances of \$1,158,560 compared to \$1,478,170 at the close of the prior fiscal year.
- At the end of the current fiscal year, the governmental funds reported a total unassigned fund balance of \$504,357 assigned balance of \$562,993 and an additional \$91,210 reserved for prepaid items compared to \$849,829 unassigned, \$562,993 assigned and \$65,348 reserved for prepaid items at the close of the prior fiscal year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an *introduction to the SJBoces basic financial statements*. The basic financial statements presented on pages 4 - 30 are comprised of three components: 1) SJBoces Wide Financial Statements 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements.

SJBoces-Wide Financial Statements

The SJBoces-wide financial statements are designed to provide the reader of the SJBoces' financial statement a broad overview of the financial activities in a manner similar to a private sector business. The SJBoces-Wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the SJBoces' assets and liabilities. The difference between assets and liabilities is reported as net position. *Over time changes in net position may serve as a useful indicator whether the financial position of the SJBoces is improving or deteriorating.*

The *statement of activities* presents information showing how the net position of the SJBoces changed during the fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the SJBoces are categorized as governmental.

Governmental funds account for essentially the same information reported in the governmental activities of the SJBoces financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 10-30 of this report.

Financial Analysis of the SJBOCES

**San Juan BOCES decreased the General fund balance from \$1,478,170 at the fiscal year end 2018 to 1,158,560 at the fiscal year end 2019.

At the end of the 2019 fiscal year, SJBOCES shows a negative balance in total net position in the amount of \$(17,319,852). The negative balance is the amount by which total liabilities exceed assets. The SJBOCES' long-term obligation at June 30, 2019 totals \$19,555 as compensated absences payable to current employees. Additional information on these obligations can be found in Note 5. The total net position increased \$2,135,718 from 2018. [It is important to note, as previously stated, this increase is due to PERA and OPEB.

The effect of the PERA pension and OPEB on the SJBOCES total net position for the Fiscal Year 2019 and 2018 is summarized below:

	Fiscal Year 2019	Fiscal Year 2018
Net Position (GAAP Basis)	\$ (17,319,852)	\$ (19,445,570)
GASB 68 – Pension	17,898,966	20,354,397
GASB 75 – OPEB	604,070	620,965
Net Position Excluding Pension and OPEB	<u>\$ 1,183,184</u>	<u>\$ 1,529,792</u>

The effect of the PERA pension and OPEB expense on the SJBOCES unrestricted net position is summarized below:

	Fiscal Year 2019	Fiscal Year 2018
Net Position (GAAP Basis)	\$ (17,364,031)	\$ (19,513,337)
GASB 68 – Pension	17,898,966	20,354,397
GASB 75 – OPEB	604,070	620,965
Net Position Excluding Pension and OPEB	<u>\$ 1,139,005</u>	<u>\$ 1,462,025</u>

Management's estimate of the SJBOCES proportionate share of the State On-Behalf Direct Distribution is \$83,329, which is recognized as a contribution and allocation of expenditures in the General Fund.

The analysis below focuses on the Net Position (Table 1); Statements of Activities (Table 2)

TABLE 1

Condensed Statement of Net Position

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 1,604,369	\$2,014,769
Capital Assets	44,179	67,767
Total Assets	<u>1,648,548</u>	<u>2,082,536</u>
Deferred Outflows of Resources		
Pensions	3,218,835	7,544,056
OPEB	27,539	20,599
Total Deferred Outflow of Resources	<u>3,246,374</u>	<u>7,564,655</u>
Current Liabilities	445,809	536,599
Long-term Liabilities	10,792,654	26,522,009
Total Liabilities	<u>11,238,463</u>	<u>27,058,608</u>
Deferred Inflows of Resources		
Pensions	10,857,150	1,984,520
OPEB	119,161	49,633
Total Deferred Inflow of Resources	<u>10,976,311</u>	<u>2,034,153</u>
Net Position:		
Net Investment in Capital Assets	44,179	67,767
Unrestricted	<u>(17,364,031)</u>	<u>(19,513,377)</u>
Total Net Position	<u><u>\$(17,319,852)</u></u>	<u><u>(\$19,445,570)</u></u>

TABLE 2

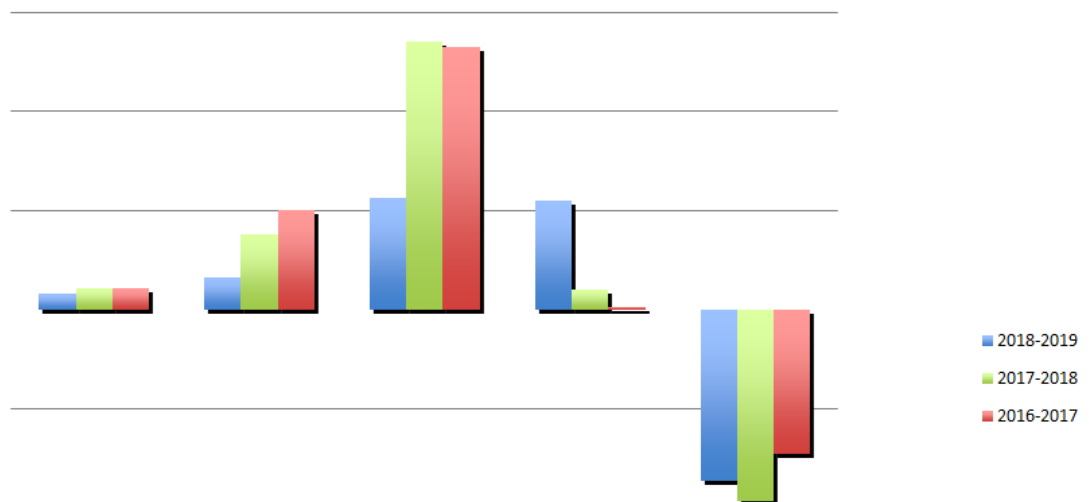
Condensed Statements of Activities

	<u>2019</u>	<u>2018</u>
Revenues:		
<u>Governmental Activities</u>		
Charges for services	\$ 1,478,925	\$ 1,220,237
Operating and capital grants & contributions	4,853,287	5,269,990
Total revenues	<u>\$ 6,332,212</u>	<u>\$ 6,490,227</u>
Expenses:		
<u>Governmental Activities</u>		
Instruction	\$ 1,654,682	\$ 4,226,425
Pupil Activities	1,392,116	3,921,478
Instructional Support	545,889	1,502,059
Business Services	132,396	338,566
Operations and Maintenance	56,550	61,605
General Administration	72,620	21,617
Central Services	444,626	644,031
Total Expenses	<u>\$ 4,298,879</u>	<u>\$ 10,715,781</u>
Net (Expense) Revenue:		
<u>Governmental Activities</u>	2,033,333	(4,225,554)
<u>General Revenues</u>		
Sale of Fixed Assets	57,250	
Other Revenues	35,135	9,083
Change in net position	<u>\$ 2,125,718</u>	<u>(\$ 4,216,471)</u>
Net position, Beginning of Year	(19,445,570)	(14,614,319)
GASB 75 Restatement		(614,780)
Net Position, Beginning of Year Restated		<u>(15,229,099)</u>
Ending net position	<u>\$(17,319,852)</u>	<u>(\$19,445,570)</u>

Three Year Restricted vs Unrestricted

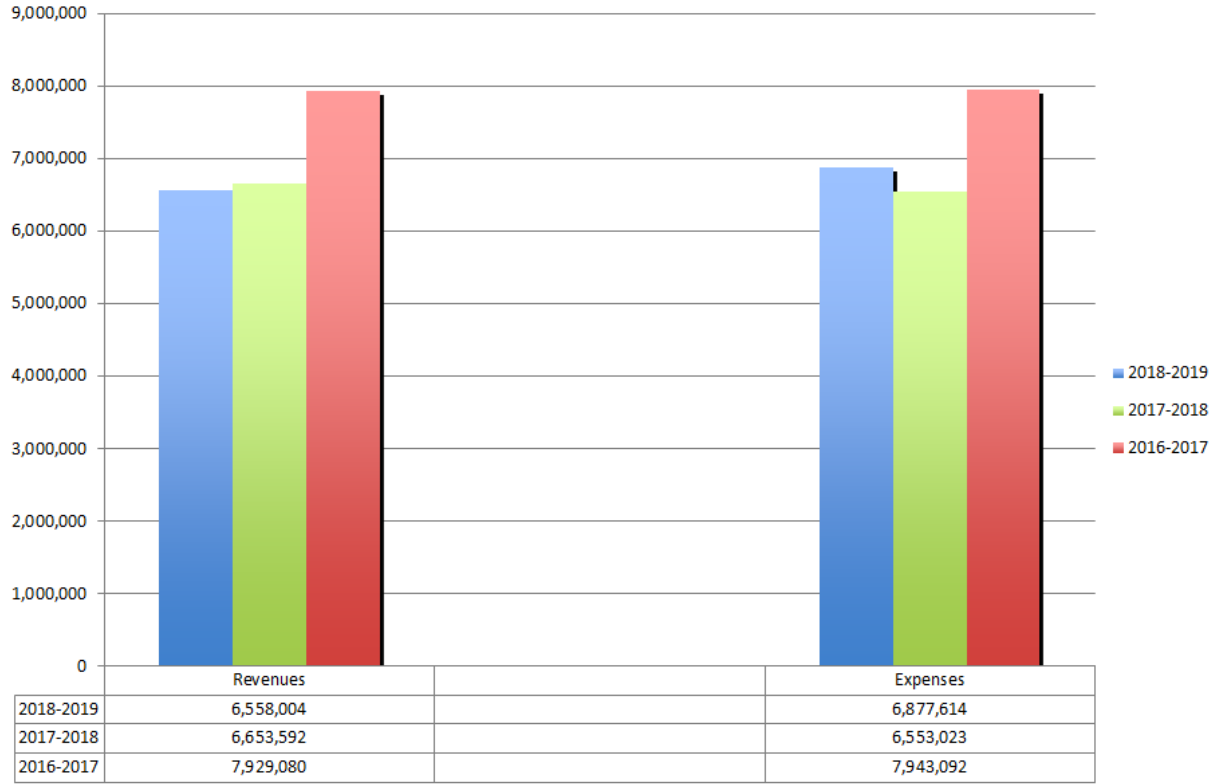


Three Year Comparisons Net Position

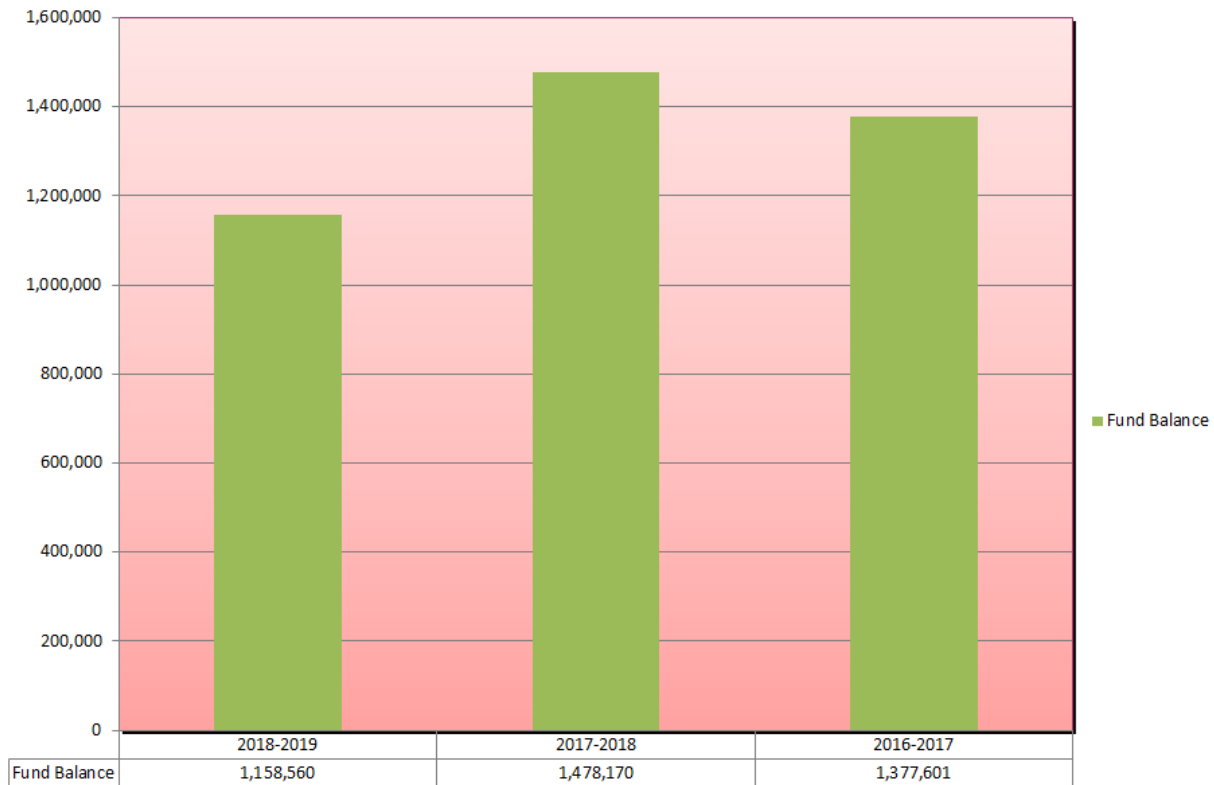


	Assets	Deferred Outflows of Resources	Liabilites	Deferred Inflows of Resources	NET POSITION
2018-2019	1,648,548	3,246,374	11,238,463	10,976,311	-17,319,852
2017-2018	2,082,536	7,564,655	27,058,608	2,034,153	-19,445,570
2016-2017	2,153,720	9,968,828	26,480,497	256,370	-14,614,319

Three Year Revenues and Expenses Governmental Funds



Three Year Comparison Fund Balance



Budgetary Highlights

The fiscal year 2018-2019 revised budget adopted by the San Juan BOCES Board was \$7,297,548 of which \$5,527,299 was allocated to the General Fund and \$1,770,249 from Federal Grant Funds. A Salary Step increase was Board approved. No changes were made to the salary schedules.

ECEA budgeted dollars from the state in the General Fund was \$2,047,067, local districts membership to ECEA added another \$500,000 for a total of \$2,749,726 not including the SWAP Local Resource Teacher Flow Through funds of \$202,659. Seven member districts received a total of \$208,569 for high cost reimbursements, while the SJBOCES retained \$38,533 for SJBOCES provided Educational Interpreter High Cost reimbursement.

ECEA Gifted allocation was \$133,652 of which \$106,375 flowed through to the districts; the remaining dollars were used to support .25 FTE of the Gifted Ed Coordinator.

The SJBOCES Implementing State Education Priorities Grant (HB 1345) was awarded \$134,385.

Additional Grants awarded in 2018 -2019 were:

- Gifted Ed Screening and Personnel Grant in the amount of \$18,448 to provide funding for Gifted screening tests for 2nd and 6th Grades in the amount of \$18,448.

Total actual expenditures in the General Fund were \$5,268,299 with a net decrease of (\$316,609). A variety of factors influenced actual expenditures compared to budget.

- ECEA closed over budget by \$361,514 due to miscalculation for carry-forward and intentional fund balance reduction for unreserved fund balance.
- The Admin budget closed approximately (\$45,622) under budget related to the sale of Dolores office building.

Economic Factors and Next Year's Budget

Economic factors of concern for the next year:

- Continued increased numbers of preschoolers with severe disabilities being identified requiring increased need for 1:1 aides and the costs associated with staffing those positions and preschool placement related to their IEPs
- Continued costs associated with staff mileage, training and professional development
- Competitive salary standards for recruitment and retention of specialized staff
- The continued annual increases to PERA employer's contributions
- Health insurance premium increase of 14.5%
- Increased levels of identified children with significant needs
- The economic impact of Durango 9-R's departure is being felt by San Juan BOCES in relation to being able to attract competent/licensed staff to cover the rest of the region.
- Continuous impact from underfunding of state and federal monies in relation to exceptional students

Overall the San Juan BOCES' service levels remain in capacity to meet the needs of serving students in the eight member districts.

Request for Information

This financial report is designed to provide a general overview of the SJBOCES' finances for all those with an interest in the SJBOCES. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mandi Birge, Director Business Services
San Juan Board of Cooperative Educational Services
162 Stewart Street, Suite A
Durango, CO 81303

BASIC FINANCIAL STATEMENTS

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF NET POSITION
June 30, 2019

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Equivalents (Note 2)	\$ 1,119,801
Accounts Receivable	24,548
Due from Other Governments	368,810
Prepaid and Other	91,210
Depreciable Capital Assets, Net (Note 4)	44,179
TOTAL ASSETS	1,648,548
DEFERRED OUTFLOWS OF RESOURCES	
Pensions (Note 8)	3,218,835
OPEB (Note 9)	27,539
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,246,374
LIABILITIES	
Accounts Payable	24,867
Unearned Grant Revenue	420,942
Compensated Absences Payable (Note 5)	19,555
Net Pension Liability (Note 8)	10,260,651
Net OPEB Liability (Note 9)	512,448
TOTAL LIABILITIES	11,238,463
DEFERRED INFLOWS OF RESOURCES	
Pensions (Note 8)	10,857,150
OPEB (Note 9)	119,161
TOTAL DEFERRED INFLOWS OF RESOURCES	10,976,311
NET POSITION	
Net Investment in Capital Assets	44,179
Unrestricted	(17,364,031)
TOTAL NET POSITION	\$ (17,319,852)

The accompanying notes are an integral part of this financial statement.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Primary Government</u>
Primary Government:					
Governmental Activities:					
Instructional	\$ 1,654,682	\$ 491,894	\$ 3,001,154	\$ -	\$ 1,838,366
Pupil Support Services	1,392,116	727,903	1,574,098	-	909,885
Instructional Staff Support	545,889	-	272,368	-	(273,521)
Business Services	132,396	27,088	2,405	-	(102,903)
Operations and Maintenance	56,550	-	-	-	(56,550)
General Administration	72,620	-	-	-	(72,620)
Central Supporting Services	444,626	232,040	3,262	-	(209,324)
Total Governmental Activities	\$ 4,298,879	\$ 1,478,925	\$ 4,853,287	\$ -	2,033,333
General Revenues					
					57,250
					35,135
					<u>92,385</u>
					2,125,718
					<u>(19,445,570)</u>
					<u>\$ (17,319,852)</u>

The accompanying notes are an integral part of this financial statement.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	<u>GENERAL FUND</u>	<u>GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,119,801	\$ -	\$ 1,119,801
Accounts Receivable	24,548	-	24,548
Due From Other Governments	109,786	259,024	368,810
Due From Other Funds (Note 3)	253,976	-	253,976
Prepaid and Other	91,210	-	91,210
TOTAL ASSETS	<u>\$ 1,599,321</u>	<u>\$ 259,024</u>	<u>\$ 1,858,345</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 23,532	\$ 1,335	\$ 24,867
Due to Other Funds (Note 3)	-	253,976	253,976
Unearned Grant Revenue	417,229	3,713	420,942
TOTAL LIABILITIES	<u>440,761</u>	<u>259,024</u>	<u>699,785</u>
FUND BALANCE			
Nonspendable - Prepaid Items	91,210	-	91,210
Committed	562,993	-	562,993
Unassigned	504,357	-	504,357
TOTAL FUND BALANCE	<u>1,158,560</u>	<u>-</u>	<u>1,158,560</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,599,321</u>	<u>\$ 259,024</u>	<u>\$ 1,858,345</u>

The accompanying notes are an integral part of this financial statement.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
June 30, 2019

TOTAL GOVERNMENTAL FUND BALANCES \$ 1,158,560

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.

Equipment	\$ 175,413	
Less: Accumulated Depreciation	(131,234)	
		44,179
Total Capital Assets, Net		

Elimination of interfund receivables and payables between governmental funds.

Due from Governmental Designated Purpose Grants Fund	253,976	
Due to General Fund	(253,976)	
		-

Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		3,246,374
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Long term liabilities, including compensated absences, are not due in the current period and therefore are not reported in the funds.		
Compensated Absences		(19,555)

Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(10,773,099)
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Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		(10,976,311)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ (17,319,852)</u>
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SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	<u>GENERAL FUND</u>	<u>GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Intergovernmental			
Local	\$ 1,905,014	\$ -	\$ 1,905,014
Intermediate	120,969	-	120,969
State	2,887,571	-	2,887,571
Federal	-	1,609,315	1,609,315
Other	35,135	-	35,135
TOTAL REVENUES	<u>4,948,689</u>	<u>1,609,315</u>	<u>6,558,004</u>
EXPENDITURES			
Instructional	2,107,396	388,433	2,495,829
Supporting Services			
Pupil Support Services	1,933,397	729,166	2,662,563
Instructional Staff Support	378,719	490,216	868,935
Business Services	205,189	1,500	206,689
Operations and Maintenance	97,640	-	97,640
General Administration	4,532	-	4,532
Central Supporting Services	541,426	-	541,426
TOTAL EXPENDITURES	<u>5,268,299</u>	<u>1,609,315</u>	<u>6,877,614</u>
NET CHANGE IN FUND BALANCE	(319,610)	-	(319,610)
Fund Balances, Beginning of Year	<u>1,478,170</u>	-	<u>1,478,170</u>
Fund Balances, End of Year	<u>\$ 1,158,560</u>	<u>\$ -</u>	<u>\$ 1,158,560</u>

The accompanying notes are integral part of this financial statement.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (319,610)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the capital asset activity recorded in the current period.

Capital Outlay	\$	41,090	
Capital Asset Deletion net of Accumulated Depreciation		(47,880)	
Depreciation Expense		<u>(16,798)</u>	(23,588)

Governmental funds do not report compensated absences unless they are current and payable. The increase in compensated absences is recorded on the statement of activities. (3,410)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expense. 2,472,326

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,125,718

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the San Juan Board of Cooperative Educational Services (SJBOCES) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant SJBOCES accounting policies are described below.

Reporting Entity

SJBOCES is a regional education service unit organized under the *Board of Cooperative Services Act of 1965* – Colorado Revised Statutes 22-5-101 through 117. The Colorado Department of Education approved the separation of Durango School District 9-R from the SJBOCES effective July 1, 2017. The eight member school districts are located in Southwestern Colorado. The SJBOCES Board of Directors (Board) is the basic level of government, which has financial accountability and control over all activities related to the SJBOCES operations. The SJBOCES receives funding from local, state, and federal government sources and must comply with the commitment requirements of these funding source entities. However, the SJBOCES is not included in any other governmental “reporting entity” as defined by the GASB pronouncement since Board members are appointed by each member school government and have decision-making authority, the power to designate management, the ability to significantly influence operations, and have primary accountability of fiscal matters. In addition, there are no component units, as defined in GASB Statements 14, 39, and 61, required to be included in the SJBOCES reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental Activities* are supported by intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The policy of SJBOCES is to not allocate indirect expenses to functions in the Statement of Activities. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon

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enough thereafter (i.e., within 60 days) to pay liabilities in the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

All revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund – This is the SJBOCES’ primary operating fund. It accounts for all financial resources of SJBOCES, except those required to be accounted for in another fund.

Governmental Designated Purpose Grants Fund - This fund is used to account for revenues and expenditures associated with Federal grants.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Deposits and Investments

SJBOCES considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The SJBOCES pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool, which is available upon demand.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Interfund receivables/payables within governmental activities are eliminated in the statement of net position.

All other interfund transactions are operating transfers.

Capital Assets

Capital assets, which include land, building, and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value at the date of donation.

The capitalization level for capital assets is \$5,000 in all funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Buildings, improvements, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	50
Equipment	5-10

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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period.

Certain amounts related to pensions must be deferred.

Compensated Absences

Each employee of SJBOCES may accumulate a total of 18 days of vacation leave, depending upon position. However, employees are paid for the accumulated vacation leave upon retirement. SJBOCES accrues a liability for compensated absences, which meet the following criteria:

- SJBOCES' obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

SJBOCES budgets the available financial resources for that year's anticipated payments for compensated absences. The entire unpaid liability for these compensated absences for the governmental funds is recorded at the government-wide level.

Accrued Salaries

Salaries and benefits to teachers and certain other employees are paid over a twelve-month period from August 1 to July 31, but are earned over a school year of approximately nine months. All salaries were paid before year-end, therefore, there were no accrued liabilities at June 30, 2019.

Unearned Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Pensions

The SJBOCES participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into

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law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of the annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

OPEB

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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Fund Balance

Fund balances are reported by classification based on the extent to which SJBOCES is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid items.
- *Restricted Fund Balance* – amounts restricted due to constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, SJBOCES considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, SJBOCES considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. SJBOCES believes the techniques and assumptions used in establishing these estimates are appropriate.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding year.

Budgets are required by Colorado State Statute for all funds. During April, the Executive Director submits to the Board a proposed budget for all funds for the fiscal year commencing the following July 1. Public hearings are conducted by the Board to obtain comments. Prior to June 30, a preliminary budget is adopted by formal resolution. Prior to January 31 of the following year, a final budget is adopted by formal resolution.

Formal budgetary integration is employed as a management control device during the year for the governmental funds. The appropriated budget is prepared by fund. The SJBOCES department heads may not make transfers of appropriations. The legal level of control is the fund level.

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Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves as established by the Board. Variances between budget and actual result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects, and normal operating variances.

Reclassifications

Certain amounts from FY 2018 have been reclassified to conform to the FY 2019 financial statement presentation.

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral, as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

The SJBOCES must report deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the entity's name. As of June 30, 2019, the SJBOCES had no such balances.

At June 30, 2019, SJBOCES cash deposits had a carrying balance and bank balance as follows:

	Carrying Balance	Bank Balance
Cash on Hand and in Banks	\$ 1,119,801	\$ 1,296,100
Total Deposits	\$ 1,119,801	\$ 1,296,100

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the SJBOCES' deposits may not be returned to it. At June 30, 2019, \$796,100 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

SJBOCES does not have a policy relating to interest rate risk.

Investments

The SJBOCES has no investments as of June 30, 2019, and has disclosed custodial credit risk. The investment policy states that the Executive Director has the ability to invest funds not immediately needed in accordance with Colorado School Law.

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NOTE 3 INTERFUND RECEIVABLES/PAYABLES

Due to/from other funds are recorded at the fund level and are eliminated, where possible. Amounts are a result of pooled cash transactions. At the fund level at June 30, 2019, interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Governmental Designated Purpose Grants Fund	\$ 253,976

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in the governmental capital assets for the year ended June 30, 2019:

Governmental Activities

	Balance 06/30/2018	Additions	Deletions	Balance 06/30/2019
Depreciable Assets:				
Building	\$ 57,000	\$ -	\$ (57,000)	\$ -
Equipment	134,323	41,090	-	175,413
Accumulated Depreciation	(123,556)	(16,798)	9,120	(131,234)
Totals	\$ 67,767	\$ 24,292	\$ (47,880)	\$ 44,179

Depreciation is allocated to the General Administration function on the Statement of Activities.

In June 2011, the SJBOCES entered into an Intergovernmental Agreement for joint ownership of real property with the Dolores School District, RE-4A, a related party. The SJBOCES and the District are tenants in common, each having an equal undivided one-half interest in the property. In June 2019 SJBOCES sold their interest back to Dolores School District.

NOTE 5 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the SJBOCES for the year ended June 30, 2019:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Compensated Absences	\$ 16,145	\$ 3,410	\$ -	\$ 19,555	\$ -

NOTE 6 TAX, SPENDING, AND DEBT LIMITATION

In November of 1992, Colorado voters approved a State Constitutional Amendment, referred to as the Taxpayer's Bill of Rights (TABOR), containing tax, spending, and debt limitations on state and local governments. The amendment is complex and subject to judicial interpretation.

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The management of SJBOCES believes it does not meet the definition of a governmental entity under the guidelines of TABOR and, therefore, is not subject to the provisions of this amendment. However, the SJBOCES has made certain interpretations of the amendment's language in order to reach this conclusion.

NOTE 7 CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the SJBOCES expects such amounts, if any, to be immaterial.

NOTE 8 DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of SJBOCES 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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2018. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 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.

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.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will

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receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019. Eligible employees, SJBOCES and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDT are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, Through December 31	
	2019	2018
Employer Contribution Rate	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%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF	19.13%	19.13%

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and SJBOCES is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$634,877, for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. SJBOCES proportion of the net pension liability was based on SJBOCES contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, SJBOCES reported a liability of \$10,260,651 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by SJBOCES as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with SJBOCES were as follows:

SJBOCES proportionate share of the net position liability	\$ 10,260,651
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the SJBOCES	1,403,002
Total	\$ 11,663,653

At December 31, 2018, SJBOCES proportion was 0.0579 percent, which was a decrease of 0.0222 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, SJBOCES recognized pension expense of \$2,455,431 and revenue of \$83,329 for support from the State as a nonemployer contributing entity. At June 30, 2019, the SJBOCES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 348,053	\$ -
Changes of assumptions or other inputs	1,915,195	6,381,021
Net difference between projected and actual earnings on pension plan investments	559,270	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	37,397	4,476,129
Contributions subsequent to the measurement date	358,920	-
Total	\$ 3,218,835	\$ 10,857,150

\$358,920 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:

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Year Ended June 30,	
2020	\$ (2,249,027)
2021	(3,736,127)
2022	(2,318,012)
2023	305,931
2024	-
Thereafter	

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07;	2.00 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07	0% through 2019 and 1.5% Compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy post-retirement mortality assumptions reflect the RP-2014 White Collar Employee Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant 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.

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As of the most recent adoption of the long-term expected rate of return by the PERA Board, 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 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial 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. 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 middle of the year.

Based on the above assumptions and methods, the projection test indicates 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 of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 13,044,662	\$ 10,260,651	\$ 7,924,396

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

NOTE 9 OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and SJBOCES is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from SJBOCES were \$33,851 for the year ended June 30, 2019.

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

At June 30, 2019, SJBOCES reported a liability of \$512,448 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. SJBOCES proportion of the net OPEB liability was based on SJBOCES contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

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At December 31, 2018, SJBOCES proportion was 0.0376 percent, which was a decrease of 0.0078 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019 SJBOCES recognized OPEB expense of \$16,895. At June 30, 2019, SJBOCES reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,860	\$ 780
Changes of assumptions or other inputs	3,595	-
Net difference between projected and actual earnings on OPEB plan investments	2,947	118,381
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	19,137	-
Total	\$ 27,539	\$ 119,161

\$19,137 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2020	\$	(23,721)
2021		(23,721)
2022		(23,720)
2023		(21,674)
2024		(17,258)
Thereafter		(664)

Actuarial assumptions. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method		Entry age
Price inflation		2.40 percent
Real wage growth		1.10 percent
Wage inflation		3.50 percent
Salary increases, including wage inflation		3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25 percent
Discount rate		7.25 percent
Health care cost trend rates		
PERA benefit structure:		
Service-based premium subsidy		0.00 percent
PERACare Medicare plans		5.00 percent
Medicare Part A premiums		3.25 percent for 2018,

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

gradually rising to 5.00
percent in 2025

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop were adopted by the PERA Board during the November 18, 2016, Board Meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium- free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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June 30, 2019

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care cost assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>100.00%</u>	

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%.

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	<u>\$498,298</u>	<u>\$512,448</u>	<u>\$528,724</u>

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 573,384	\$ 512,448	\$ 460,353

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 RISK OF LOSS

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Board carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

A budgetary comparison schedule is required for the General Fund and, if applicable, each of the SJBOCES' major special revenue funds. In addition, pension plan and OPEB contributions and the District's proportionate share of the net pension and OPEB liability are required to supplement the basic financial statements.

General Fund

The General Fund is used to account for resources traditionally associated with the government, which are not required legally or by sound financial management to be accounted for in another fund.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	2019			2018	
	BUDGETED AMOUNTS		Actual	Variance with	Actual
	ORIGINAL	FINAL		Final Budget	
			Favorable	(Unfavorable)	
REVENUES					
Local	\$ 1,970,267	\$ 2,201,808	\$ 1,905,014	\$ (296,794)	\$ 1,760,690
Intermediate	118,045	118,045	120,969	2,924	84,922
State	3,206,446	3,206,446	2,887,571	(318,875)	2,887,846
Other	1,000	1,000	35,135	34,135	9,083
TOTAL REVENUES	5,295,758	5,527,299	4,948,689	(578,610)	4,742,541
EXPENDITURES					
Instructional Services	2,517,549	2,669,448	2,107,396	562,052	2,097,399
Supporting Services:					
Pupil Support Services	1,772,054	1,498,897	1,933,397	(434,500)	1,454,865
Instructional Staff Support	284,593	392,468	378,719	13,749	379,887
Business Services	385,375	222,893	205,189	17,704	204,893
Operations and Maintenance	-	52,000	97,640	(45,640)	61,605
General Administration	-	3,000	4,532	(1,532)	5,715
Central Supporting Services	215,265	567,368	541,426	25,942	437,608
TOTAL EXPENDITURES	5,174,836	5,406,074	5,268,299	137,775	4,641,972
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	120,922	121,225	(319,610)	(440,835)	100,569
OTHER FINANCING SOURCES					
Other	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
NET CHANGE IN FUND BALANCE	120,922	121,225	(319,610)	(440,835)	100,569
Fund Balance, Beginning of year	1,356,835	1,356,835	1,478,170	121,335	1,377,601
Fund Balance, End of year	\$ 1,477,757	\$ 1,478,060	\$ 1,158,560	\$ (319,500)	\$ 1,478,170

Notes to Required Supplementary Information:

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

Governmental Designated Purpose Grants Fund

The Governmental Designated Purpose Grants Fund is used to account for revenues and expenditures associated with Federal and State grants.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED PURPOSE GRANTS FUND
For the Year Ended June 30, 2019

	<u>2019</u>			<u>2018</u>	
	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance with</u>	<u>Actual</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Final Budget</u>	
REVENUES					
Intergovernmental					
Federal Sources	\$ 1,597,325	\$ 1,770,249	\$ 1,609,315	\$ (160,934)	\$ 1,911,051
TOTAL REVENUES	<u>1,597,325</u>	<u>1,770,249</u>	<u>1,609,315</u>	<u>(160,934)</u>	<u>1,911,051</u>
EXPENDITURES					
Instructional	253,490	402,687	388,433	14,254	589,535
Supporting Services:					
Pupil Support Services	806,478	849,001	729,166	119,835	766,298
Instructional Staff Support	477,601	517,061	490,216	26,845	553,718
Business Services	-	1,500	1,500	-	1,500
Central Supporting Services	15,852	-	-	-	-
TOTAL EXPENDITURES	<u>1,553,421</u>	<u>1,770,249</u>	<u>1,609,315</u>	<u>160,934</u>	<u>1,911,051</u>
NET CHANGE IN FUND BALANCE	43,904	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-	-
Fund Balance, End of year	<u>\$ 43,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Required Supplementary Information:

The basis of budgeting is the same as GAAP.
The schedule is presented on the GAAP basis.

Pensions & Other Post-Employment Benefits

These schedules are presented to illustrate the requirements to show information for ten years. However, until a full 10-year trend is compiled, the SJBOCES will present information for those years for which information is available.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0579467%	0.0801385%	0.0865588%	0.0845938%	0.0875694%	0.0941855%
District's proportionate share of the net pension liability (asset)	\$ 10,260,651	\$ 25,913,934	\$ 25,771,902	\$ 12,938,025	\$ 11,868,602	\$ 12,013,329
State's proportionate share of the net pension liability (asset) associated with the District	<u>1,403,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,663,653</u>	<u>\$ 25,913,934</u>	<u>\$ 25,771,902</u>	<u>\$ 12,938,025</u>	<u>\$ 11,868,602</u>	<u>\$ 12,013,329</u>
District's covered payroll	\$ 3,187,708	\$ 3,696,692	\$ 3,884,912	\$ 3,686,579	\$ 3,661,445	\$ 3,796,913
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	322%	701%	663%	351%	324%	316%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.1%	59.2%	62.8%	64.1%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 8 in the accompanying Notes to the Basic Financial Statements for changes to assumptions or other inputs used.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 634,877	\$ 600,109	\$ 744,734	\$ 672,103	\$ 606,027	\$ 606,750	\$ 571,743	\$ 478,001	\$ 430,964
Contributions in relation to the contractually required contribution	<u>(634,877)</u>	<u>(600,109)</u>	<u>(744,734)</u>	<u>(672,103)</u>	<u>(606,027)</u>	<u>(606,750)</u>	<u>(571,743)</u>	<u>(478,001)</u>	<u>(430,964)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	3,318,750	3,174,359	4,045,222	3,780,991	3,578,282	3,777,069	3,544,552	3,149,385	3,227,426
Contributions as a percentage of covered payroll	19.13%	18.90%	18.41%	17.78%	16.94%	16.06%	16.13%	15.18%	13.35%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

See Note 8 in the accompanying Notes to the Financial Statements for changes to assumptions or other inputs used.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.0376650091%	0.0455343639%	0.0492010303%
District's proportionate share of the net pension liability (asset)	\$ 512,448	\$ 591,931	\$ 637,908
District's covered payroll	\$ 3,187,708	\$ 3,696,692	\$ 3,884,912
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16%	16%	16%
Plan fiduciary net position as a percentage of the total pension liability	17.03%	17.53%	20.07%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

There have not been any changes to benefit terms

There have not been any changes in assumptions

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF DISTRICT CONTRIBUTIONS
COLORADO PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 33,851	\$ 32,378	\$ 41,261	\$ 38,566	\$ 36,498	\$ 38,526	\$ 36,154	\$ 32,124	\$ 32,920
Contributions in relation to the contractually required contribution	<u>(33,851)</u>	<u>(32,378)</u>	<u>(41,261)</u>	<u>(38,566)</u>	<u>(36,498)</u>	<u>(38,526)</u>	<u>(36,154)</u>	<u>(32,124)</u>	<u>(32,920)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	3,318,750	3,174,359	4,045,222	3,780,991	3,578,282	3,777,069	3,544,552	3,149,385	3,227,426
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

Notes to Required Supplementary Information:

There have not been any changes to benefit terms

There have not been any changes in assumptions

SUPPLEMENTARY INFORMATION

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Special Education Cluster (IDEA)</i>			
Department of Education			
Special Education Grants to States	84.027	Colorado Department of Education, 4027	\$ 1,503,383
Special Education Preschool Grants	84.173	Colorado Department of Education, 4173	<u>30,844</u>
<i>Total Special Education Cluster (IDEA)</i>			<u>1,534,227</u>
<i>Other Programs</i>			
Department of Education			
Career and Technical Education -- Basic Grants to States	84.243	State Board of Community Colleges, 5243	43,696
Special Education - State Personnel Development	84.323	Colorado Department of Education, 5323	<u>31,392</u>
<i>Total Other Programs</i>			<u>75,088</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 1,609,315</u>

The accompanying notes are an integral part of this schedule.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of San Juan Board of Cooperative Educational Services under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of San Juan Board of Cooperative Educational Services, it is not intended to and does not present the financial position or changes in net position of San Juan Board of Cooperative Educational Services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available, however no federal funds were passed through to other entities during fiscal year 2019. San Juan Board of Cooperative Educational Services did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance for the year ended June 30, 2019.

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



Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Juan Board of Cooperative Educational Services
Durango, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the San Juan Board of Cooperative Educational Services (SJBOCES), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the SJBOCES' basic financial statements, and have issued our report thereon dated October 15, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SJBOCES' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SJBOCES' internal control. Accordingly, we do not express an opinion on the effectiveness of the SJBOCES' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. Finding 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SJBOCES' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

Certified Public Accountants

700 Main Street, Suite 200 PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

SJBOCES' Response to the Finding

SJBOCES' response to the finding identified in our audit is described in the accompanying corrective action plan. SJBOCES' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

October 15, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**



Wall,
Smith,
Bateman Inc.

To the Board of Directors
San Juan Board of Cooperative Educational Services
Durango, Colorado

Report on Compliance for Each Major Federal Program

We have audited the San Juan Board of Cooperative Educational Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the SJBOCES' major federal programs for the year ended June 30, 2019. The SJBOCES' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the SJBOCES' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the SJBOCES' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the SJBOCES' compliance.

Opinion on Each Major Federal Program

In our opinion, the SJBOCES, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Certified Public Accountants

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Report on Internal Control over Compliance

Management of the SJBOCES is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the SJBOCES internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the SJBOCES internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

October 15, 2019

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? X yes no

Section II – Financial Statement Findings

Finding 2019-001: Internal Control over Financial Reporting

Type of finding: Internal Control (material weakness)

Condition/Cause: Internal Controls over monthly and year-end reconciliation procedures were not sufficient to prevent and detect financial misstatements.

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, antifraud programs, non-routine transactions, financial statement preparation and safeguarding of assets.

Effect: As a result of this condition audit adjustments were proposed to properly state the SJBOCES financial statements as of June 30, 2019, in accordance with generally accepted accounting principles.

SAN JUAN BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

Recommendation: The SJBOCES should strengthen its internal controls with additional monitoring and review of monthly and year-end financial close accounting and government-wide reporting and continue to strengthen reconciliation and monitoring processes for year-end accruals and grant activity.

Management's Response: See corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Audit Findings

None

CORRECTIVE ACTION PLAN

Oversight Agency - U.S. Department of Education

San Juan Board of Cooperative Educational Services respectfully submits the following corrective action plan for the year ended June 30, 2019.

Independent Accountants: Wall, Smith, Bateman Inc.
Certified Public Accountants
700 Main Street, Suite 200, P.O. Box 809
Alamosa, CO 81101

Audit period: Year ended June 30, 2019

The finding from the June 30, 2019 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II – Financial Statement Findings

Finding 2019-001: Internal Control over Financial Reporting

Type of finding: Internal Control (material weakness)

Recommendation: The SJBOCES should strengthen its internal controls with additional monitoring and review of monthly and year-end financial close accounting and government-wide reporting and continue to strengthen reconciliation and monitoring processes for year-end accruals and grant activity.

Action Taken:

SJBOCES agrees with the finding. The SJBOCES business office consists of two employees managing all of the fiscal activities of the organization. SJBOCES recognizes the need for additional fiscal oversight for review of monthly and year-end financial close accounting and government-wide reporting, and will seek such support to ensure GAAP is maintained and fiscal reporting is complete and accurate.

If the U.S. Department of Education has questions regarding this plan, please call the responsible party listed below.

Sincerely yours,



Ms. Adrea Bogle
Executive Director
San Juan Board of Cooperative Educational Services



Colorado Department of Education
Auditors Integrity Report
 District: 9050 - San Juan BOCES
 Fiscal Year 2018-19
 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	1,478,170	4,948,689	5,268,298	1,158,561
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,478,170	4,948,689	5,268,298	1,158,561
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	1,609,316	1,609,316	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	1,478,170	6,558,005	6,877,614	1,158,561
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