

**RIO BLANCO BOARD OF
COOPERATIVE EDUCATIONAL SERVICES
RANGELY, COLORADO**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities	14
Notes to the Basic Financial Statements	15-26
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	27
Other Supplemental Information:	
Supplemental Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	28
Supplemental Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	29
COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS:	
Electronic Financial Data Integrity Check Figures & Bolded Balance Sheet Report	30-33



**HAYS
MAGGARD
& HOOD, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Rio Blanco Board of Cooperative Educational Services
Rangely, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rio Blanco Board of Cooperative Educational Services, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Cooperative's 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

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 Rio Blanco Board of Cooperative Educational Services, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Blanco Board of Cooperative Educational Services' basic financial statements. The schedules listed in the table of contents as Other Supplemental Information are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures, bolded balance sheet report and related reconciliations are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required part of the basic financial statements. This information is the responsibility of management and is derived from and relates 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 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 Other Supplemental Information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



HAYS, MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

November 26, 2014

**RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Rio Blanco Board of Cooperative Educational Services (BOCES) is incorporated under applicable Colorado Laws to provide programs and services assigned by its Board of Directors. Colorado's Boards of Cooperative Educational Services were established by the "Boards of Cooperative Services Act of 1965" as regional educational service units designed to provide supporting, instructional, administrative, facility, community, or any other services contracted by participating members. The Rio Blanco BOCES was established in 1976 and provides services to all schools in Rio Blanco County, Colorado, which include two public school districts, one centered in Meeker (RE-1) and one centered in Rangely (RE-4).

The discussion and analysis of the Rio Blanco Board of Cooperative Educational Services' financial performance provides an overall review of the Cooperative's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the financial performance as a whole and should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2014 are as follows:

- In total, the *overall* net position remained the same as the prior fiscal year.
- General Revenues accounted for \$751 while program specific revenues, in the form of program specific grants and contributions accounted for \$2,135,742, or 99.9%, of the total revenues of \$2,136,493.
- The Cooperative had \$2,136,493 in expenses, which were offset by program specific charges for services and sales, grants and contributions. Included in this amount are member district assessment refunds in the amount of \$159,118.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Rio Blanco Board of Cooperative Educational Services as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities as a whole, presenting both an aggregate view of the Cooperative's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Cooperative's operations in more detail than the government-wide statements by providing information about the most significant funds. For the Rio Blanco Board of Cooperative Educational Services, the General Fund is the most significant fund. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014**

REPORTING ON THE COOPERATIVE AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used to provide programs and activities, the view of the Cooperative as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of the government-wide financial statements is on the overall financial position. These statements are constructed around the concept of a primary government, the Cooperative. The two statements report the Cooperative's net position and changes in therein. This change in net position is important because it identifies whether the financial position has improved or diminished. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the Cooperative's operations are considered governmental activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Cooperative's programs and services are reported here including instruction, support services, operation and maintenance, and extracurricular activities.

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the Cooperative's major funds. The Cooperative uses one major governmental fund, the General Fund, to account for all financial transactions. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Cooperative rather than the Cooperative as a whole.

The governmental fund focuses on how monies flow into and out of the fund and the balances left at fiscal year-end for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Cooperative's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents supplemental information required by U.S. generally accepted accounting principles, as well as other supplemental information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education and Federal Funding agencies.

**RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014**

THE COOPERATIVE AS A WHOLE

The perspective of the statement of net position is of BOCES as a whole. Following is a summary of the net position for the fiscal years ending June 30, 2014 compared to 2013.

	Governmental Activities	
	2014	2013
ASSETS:		
Current and Other Assets	\$ 401,335	\$ 411,173
Capital Assets, Net	-	-
	<u>401,335</u>	<u>411,173</u>
LIABILITIES:		
Current & Other Liabilities	<u>297,014</u>	<u>306,852</u>
NET POSITION:		
Invested in Capital Assets, Net of Related Debt	-	-
Restricted	-	-
Unrestricted	<u>104,321</u>	<u>104,321</u>
	<u>\$ 104,321</u>	<u>\$ 104,321</u>

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general revenues, resulting in the overall change in net position for the current fiscal year.

	Governmental Activities	
	2014	2013
REVENUES		
Program Revenues:		
Grants & Contributions	\$ 2,135,742	\$ 2,172,235
General Revenues:		
Investment Income	50	50
Other Revenues	701	-
Total General Revenues	<u>751</u>	<u>50</u>
Total Revenues	<u>2,136,493</u>	<u>2,172,285</u>
EXPENSES		
Instruction	1,397,504	1,529,135
Support Services:		
Student Based	168,184	207,012
Instructional Staff	122,886	126,215
General Administration	93,869	135,568
Business Services	144,888	144,366
Central Support Services	50,044	28,766
Assessment Refund	<u>159,118</u>	<u>-</u>
Total Expenses	<u>2,136,493</u>	<u>2,171,062</u>
Increase (Decrease) in Net Position	<u>\$ -</u>	<u>\$ 1,223</u>

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014

THE COOPERATIVE AS A WHOLE – CONTINUED

Current Assets decreased primarily from decreased year-end grant funding amounts receivable. Current Liabilities decreased correspondingly, for decreases in unexpected deferred, or unearned, grant revenues.

Net Cost of Providing Services

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by general revenues:

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	\$ 1,397,504	\$ 1,529,135	\$ 50	\$ 1,173
Support Services:				
Student Based	168,184	207,012	701	-
Instructional Staff	122,886	126,215	-	-
General Administration	93,869	135,568	-	-
Business Services	144,888	144,366	-	-
Central Support Services	50,044	28,766	-	-
Assessment Refund	159,118	-	-	-
Total	<u>\$ 2,136,493</u>	<u>\$ 2,171,062</u>	<u>\$ 751</u>	<u>\$ 1,173</u>

The Cooperative's services are primarily financed by Federal, State and local operating grants and contributions.

THE COOPERATIVE'S GENERAL FUND

The Cooperative uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are accounted for using the modified accrual basis of accounting. The Cooperative's single governmental fund, the general fund, had current year revenues and other financing sources of \$2,136,493 and current year expenditures and other financing uses of \$2,136,493. The remaining fund balance of \$104,321 is the amount available for future spending.

**RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014**

GENERAL FUND BUDGETING HIGHLIGHTS

The Cooperative's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Cooperative uses a line-item based budget which is designed to control expenditures, but provide flexibility for overall budgetary management. Schedules showing the District's budget amounts compared with amounts actually paid or received are provided in the supplemental information of the financial statements.

For the General Fund, actual revenues and other financing sources of \$2,136,493 were below final budgetary expectations of \$2,176,451 by \$39,958.

The Cooperative's General Fund actual expenditures and other financing uses of \$2,136,493 were \$49,958 less than the final appropriated balance of \$2,186,451.

* * *

The Board of Directors and Cooperative management continue to strive to budget appropriate amounts for each individual line item. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity. The overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the Cooperative had no capital assets (see note 3).

Debt

As of June 30, 2014 the Cooperative had no long-term debt outstanding.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

Financial support of the Cooperative is derived from local, state and federal educational sources. The board sets an annual budget that designates expenditures for all instructional and support areas needed for the agency. Federal and state funding is applied to the costs with the balance coming from the local districts based upon the services received by that district. The director of special education, with input from the district administrators, determines the instructional and support staff needed to implement the special education programs within their service area. The districts then contribute amounts for needed services from the administrative unit on an actual cost basis. Historically, the Cooperative has been successful in meeting the special education needs of the two member districts. Changes in the number of severe needs students is a factor that will affect the need for additional resources and may require future budget constraints.

**RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2014**

CONTACTING THE COOPERATIVE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Cooperative's finances and to show the Cooperative's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Rio Blanco Board of Cooperative Educational Services
Attn: Business Office
234 S. Jones Avenue, Rm 103
Rangely, Colorado 81648
Tel: (970) 675-2064
Fax: (970) 675-5738

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 312,658
Receivables:	
Intergovernmental Contributions	22,013
Intergovernmental Grants	66,250
Other Receivables	414
TOTAL ASSETS	401,335
LIABILITIES:	
Accrued Salaries and Benefits	211,018
Unearned Revenues	85,996
TOTAL LIABILITIES	297,014
NET POSITION:	
Unrestricted	104,321
TOTAL NET POSITION	\$ 104,321

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

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE)</u> <u>REVENUE AND</u> <u>CHANGES IN</u> <u>NET POSITION</u>
		<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 1,397,504	\$ 1,397,118	\$ 336	\$ (50)
General Support Services:				
Student Based	168,184	167,483	-	(701)
Instructional Staff	122,886	122,886	-	-
General Administration	93,869	93,869	-	-
Business Support Services	144,888	144,408	480	-
Central Support Services	50,044	50,044	-	-
Assessment Refund	<u>159,118</u>	<u>159,118</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,136,493</u>	<u>\$ 2,134,926</u>	<u>\$ 816</u>	<u>\$ (751)</u>
GENERAL REVENUES:				
				701
				<u>50</u>
				<u>751</u>
				-
				<u>104,321</u>
				<u>\$ 104,321</u>

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

FUND FINANCIAL STATEMENTS

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund
ASSETS:	
Cash and Cash Equivalents	\$ 312,658
Receivables:	
Intergovernmental Contributions	22,013
Intergovernmental Grants	66,250
Other Receivables	414
TOTAL ASSETS	\$ 401,335
 LIABILITIES AND FUND EQUITY:	
Liabilities:	
Accrued Salaries and Benefits	\$ 211,018
Unearned Revenues	85,996
Total Liabilities	297,014
 Fund Equity:	
Unassigned	104,321
Total Fund Equity	104,321
TOTAL LIABILITIES AND FUND EQUITY	\$ 401,335

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

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	<u>General Fund</u>
REVENUES:	
Local Sources	\$ 1,335,725
State Sources	471,400
Federal Sources	329,318
Interest Earned	<u>50</u>
TOTAL REVENUES	<u>2,136,493</u>
EXPENDITURES:	
Instruction	1,397,504
Supporting Services:	
Student Based	168,184
Instructional Staff	122,886
General Administration	93,869
Business Support Services	144,888
Central Support Services	50,044
Assessment Refunds	<u>159,118</u>
TOTAL EXPENDITURES	<u>2,136,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
FUND BALANCE - BEGINNING OF YEAR	<u>104,321</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 104,321</u></u>

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

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rio Blanco Board of Cooperative Educational Services (BOCES) are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Cooperative is discussed below.

A. Financial Reporting Entity

The Rio Blanco Board of Cooperative Educational Services is organized under the laws of the State of Colorado and is governed by a twelve member Board of Directors comprised of all school board members from each participating district who are together empowered to direct, and are responsible to the electorate for, the services and programs provided. Policy is in place adjusting voting percentages of the Board to ensure equal representation of each district. Under the board, administrative control is given to the executive director of the BOCES who is responsible to the Board for all functions of the program. Superintendents of the participating districts participate as ex-officio members of the Board with no voting privileges. All special education staff working in the districts are BOCES employees and under the direct supervision of the executive director. In all non-special education matters BOCES staff are subject to the building principal and district superintendent as per the regulations and policies of each participating district. The BOCES has on file with the Colorado Department of Education a variance to CRS 3.01(1)(a) regarding pupil membership and size, which is requested each year due to several factors (remote location, travel distance within county, local control issues, etc.) which prevent the unit from joining with other special education administrative units. The Board is solely responsible for the Cooperative's budget adoption process. BOCES meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the Cooperative, and (b) organizations for which the Cooperative is financially accountable. The Cooperative is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Cooperative. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Cooperative. Organizations for which the nature and significance of their relationship with the Cooperative are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. Based on these criteria, the Cooperative's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the Cooperative's reporting entity. The Cooperative is not a component unit of any other governmental reporting entity. The Cooperative's financial statements include the accounts of all operations.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The Cooperative's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the entity as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues.

FUND FINANCIAL STATEMENTS

Governmental Funds are those through which most governmental functions of are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The Cooperative has one major governmental fund, the General Fund:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund, when applicable. The General Fund balance is available for any purpose provided it is expended or transferred according to general statutory laws.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with operations are included on the statement of net position. 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. Government-wide financial statements are prepared using the accrual basis of accounting.

FUND FINANCIAL STATEMENTS

Governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and governmental fund statements. Governmental funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus)

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The Cooperative considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the Cooperative receives value without directly giving equal value in return, include grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due, when applicable.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

The Cooperative follows these procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by Colorado Budget Law for all funds. The BOCES legally adopted annual budgets for all of the Cooperative's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the Cooperative's Board may adopt supplemental appropriations during the year.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the Cooperative for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding.

F. Assets, Liabilities and Fund Equity/Net Position

- 1) Cash and Investments – The policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

See additional required disclosures for cash and investments in *Note 2*.

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

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position - continued

3) Net Position and Fund Balances -

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

At June 30, 2014, Net Position/Fund Balances were all Unrestricted/Unassigned.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position - continued

- 4) Capital Assets – Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$5,000 (set by the Board) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives, when applicable:

Buildings & Improvements	25-50 years
Administrative Software Systems	20 years
Equipment	5 years

- 5) Accrued Liabilities and Long-term Obligations – All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers' salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year with the incremental change charged to expenditures. The accrued PERA and Medicare related to these salaries are shown as a current liability.

G. Unearned Revenue

Unearned Revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

H. Fair Values of Financial Instruments

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

I. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS

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 regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

At June 30, 2014 there were bank balances of \$443,782 of which \$350,657 was covered by FDIC insurance and \$93,125 by PDPA as described above. The following is a summary of cash and cash equivalents as of June 30, 2014:

Checking and Savings	\$	343,125
Time Deposit Account		100,657
Less Outstanding Items		<u>(131,124)</u>
Total Cash and Cash Equivalents	\$	<u>312,658</u>

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The Board recognizes the importance of prudent and profitable investment of monies and its responsibility in overseeing the Cooperative's financial program. It is the policy to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the Cooperative over which it exercises financial control.

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The Cooperative's policy places no limit on the amount it may invest in any one issuer; however the Cooperative maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Cooperative maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

		<u>Maturities</u>
Time Deposit Account (Not Rated)	\$100,657	08/19/14

The Cooperative was not subject to foreign currency risk as of June 30, 2014.

NOTE 3 - CAPITAL ASSETS

As discussed in Note 1 F (4), it is the policy of the Cooperative to capitalize fixed assets purchased or acquired with an original cost in excess of the capitalization threshold of \$5,000 set by the Board. This policy is in compliance with those required by the Cooperative's federal funding sources. There are no capital assets as of June 30, 2014.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 - DEFINED BENEFIT PENSION PLAN

Plan Description

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

Basis of Accounting for the CSSDTF

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

Funding Policy

Plan members and the Cooperative are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the Cooperative are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% and for the Cooperative is 10.15% of covered salary for the period of July 1, 2013 through December 31, 2013 plus an amortization equalization disbursement (AED) equal to 3.4% of total payroll and an additional supplemental AED equal to 3.0% of total payroll. The contribution rate for members was 8% for the period of January 1, 2014 through June 30, 2014 plus an AED equal to 3.8% and an additional supplemental AED equal to 3.5% of total payroll. Also, a portion of the Cooperative's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (See Note 5). The Cooperative's contributions to the CSSDTF for the years ending June 30, 2014, 2013, and 2012 were \$210,045, \$218,514, and \$170,030, respectively, equal to their required contributions for each year.

NOTE 5 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Cooperative contributes to the Health Care Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 5 - POSTEMPLOYMENT HEALTHCARE BENEFITS – (continued)

Basis of Accounting for the HCTF

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

Funding Policy

The Cooperative is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Cooperative are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Cooperative's contributions to HCTF for the years ending June 30, 2014, 2013, and 2012 were \$12,608, \$13,842, and \$13,483, respectively, equal to their required contributions for each year.

NOTE 6 - DEFINED CONTRIBUTION PENSION PLAN

Plan Description

The (CSSDTF) members (*See Note 4*) of the Cooperative may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by the PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy

The 401(k) Plan is funded by voluntary member contributions of up to 100% of covered salary, less the 8% PERA contribution to a maximum limit set by the IRS. The contribution requirements for the Cooperative are established under Title 24, Article 51, Section 1402 of the Colorado Revised Statutes, as amended. The 401(k) Plan member contributions for the years ended June 30, 2014, 2013 and 2012 were \$6,100, \$707 and \$669, respectively.

NOTE 7 - RISK MANAGEMENT

The Cooperative is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The Cooperative maintains commercial insurance for all risks of loss. There have been no significant reductions in coverage from prior year and settled claims have not exceeded coverage in any of the past three years.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 8 - CONTINGENCIES

The Cooperative participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit. If expenditures are disallowed due to noncompliance with grant program regulations, the Cooperative may be required to reimburse the grantor government. As of June 30, 2014 the Cooperative was not aware of any amounts to be refunded to the Colorado Department of Education. The Cooperative believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the Cooperative.

NOTE 9 - JOINTLY GOVERNED ORGANIZATION

The Rio Blanco Board of Cooperative Educational Services (BOCES) is a jointly governed organization of two regional school districts, with each member district appointing members to the BOCES board of directors whom are in control of budgeting and finance. The districts do not meet the criteria for inclusion within the reporting entity of the BOCES due to the lack of an ongoing financial interest.

NOTE 10 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance

The Cooperative appears to be in compliance with all other material legal, contractual and accounting provisions, as prescribed by Federal and State laws and statutes.

B. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. TABOR requires local governments to establish Emergency Reserves at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 10 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (continued)

B. TABOR Amendment – Tax, Spending and Debt Limitations – (continued)

The Cooperative's management believes it is exempt from the restrictions of TABOR because it receives no taxes and is a jointly governed service organization; however, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 11 - SUBSEQUENT EVENTS

Management of the Rio Blanco Board of Cooperative Educational Services has evaluated events subsequent to June 30, 2014 through the issuance date of this report. There has been no material event noted during this period that would either impact the results reflected in this report of the Cooperative's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE GENERAL FUND

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended June 30, 2014

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources	\$ 1,416,942	\$ 1,416,942	\$ 1,335,725	\$ (81,217)
State Sources	318,214	318,214	471,400	153,186
Federal Sources	441,295	441,295	329,318	(111,977)
Interest Earned	-	-	50	50
	<u>2,176,451</u>	<u>2,176,451</u>	<u>2,136,493</u>	<u>(39,958)</u>
EXPENDITURES:				
Instruction	1,573,605	1,573,605	1,397,504	176,101
Supporting Services:				
Student Based	174,847	174,847	168,184	6,663
Instructional Staff	124,715	124,715	122,886	1,829
General Administration	113,102	113,102	93,869	19,233
Business Administration	158,182	158,182	144,888	13,294
Central Support Services	32,000	32,000	50,044	(18,044)
Assessment Refund	-	-	159,118	(159,118)
Appropriated Reserves	10,000	10,000	-	10,000
	<u>2,186,451</u>	<u>2,186,451</u>	<u>2,136,493</u>	<u>49,958</u>
Excess of Revenues Over (Under) Expenditures	(10,000)	(10,000)	-	10,000
FUND BALANCE – BEGINNING	<u>104,321</u>	<u>104,321</u>	<u>104,321</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ 94,321</u>	<u>\$ 94,321</u>	<u>\$ 104,321</u>	<u>\$ 10,000</u>

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

OTHER SUPPLEMENTAL INFORMATION

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2014

REVENUES:	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenue from Local Sources:</i>			
District Contributions	\$ 1,416,942	\$ 1,329,024	\$ (87,918)
Other Local Grants and Contributions	-	6,701	6,701
Total Revenue from Local Sources	1,416,942	1,335,725	(81,217)
<i>Revenue from State Sources:</i>			
ECEA	248,623	407,563	158,940
Gifted and Talented	29,939	34,223	4,284
Other State Sources	39,652	29,614	(10,038)
Total Revenue from State Sources	318,214	471,400	153,186
<i>Revenue from Federal Sources:</i>			
Title IA - Improving Basic Programs			
IDEA Part B	317,313	205,411	(11,902)
IDEA Preschool	13,667	13,593	(74)
Title IIA - Teacher Quality			
SWAP Grant	110,315	110,314	(1)
Total Revenue from Federal Sources	441,295	329,318	(111,977)
Interest Earned	-	50	50
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 2,176,451	\$ 2,136,493	\$ (39,958)

RIO BLANCO BOARD OF COOPERATIVE EDUCATIONAL SERVICES
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2014

EXPENDITURES:	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<i>INSTRUCTION:</i>			
Salaries	\$ 922,645	\$ 898,178	\$ 24,467
Employee Benefits	425,145	408,583	16,562
Purchased Services	143,171	69,817	73,354
Supplies and Materials	20,750	20,590	160
Capital Outlay	5,000	336	4,664
Other Expenditures - Contingency	56,894	-	56,894
<i>TOTAL INSTRUCTION</i>	<u>1,573,605</u>	<u>1,397,504</u>	<u>176,101</u>
<i>SUPPORTING SERVICES:</i>			
Student Support:			
Salaries	111,700	112,767	(1,067)
Employee Benefits	50,897	42,868	8,029
Purchased Services	11,500	11,787	(287)
Supplies and Materials	750	762	(12)
Subtotal	<u>174,847</u>	<u>168,184</u>	<u>6,663</u>
Instructional Staff:			
Salaries	75,695	76,519	(824)
Employee Benefits	24,950	24,014	936
Purchased Services	17,450	16,201	249
Supplies and Materials	2,620	2,370	250
Other Expenditures	4,000	3,782	218
Subtotal	<u>124,715</u>	<u>122,886</u>	<u>1,829</u>
General Administration:			
Salaries	80,632	61,964	18,668
Employee Benefits	18,470	16,620	1,850
Purchased Services	14,000	15,285	(1,285)
Subtotal	<u>113,102</u>	<u>93,869</u>	<u>19,233</u>
Business Administration:			
Salaries	85,200	87,489	(2,289)
Employee Benefits	51,882	40,745	11,137
Purchased Services	9,100	6,512	2,588
Supplies and Materials	10,000	9,662	338
Capital Outlay	2,000	480	1,520
Subtotal	<u>158,182</u>	<u>144,888</u>	<u>13,294</u>
Central Support Services:			
Purchased Services	32,000	50,044	(18,044)
Subtotal	<u>32,000</u>	<u>50,044</u>	<u>(18,044)</u>
<i>TOTAL SUPPORTING SERVICES</i>	<u>602,846</u>	<u>579,871</u>	<u>22,975</u>
<i>OTHER:</i>			
Assessment Refund	-	159,118	(159,118)
Appropriated Reserves	10,000	-	10,000
<i>TOTAL OTHER:</i>	<u>10,000</u>	<u>159,118</u>	<u>(149,118)</u>
TOTAL APPROPRIATION	<u>\$ 2,186,451</u>	<u>\$ 2,136,493</u>	<u>\$ 49,958</u>

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

**ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES**

AND

BOLDED BALANCE SHEET REPORT

Colorado Department of Education
Auditors Integrity Report
 District: 9125 - RIO BLANCO BOCES
 Fiscal Year 2013-14
 Colorado School District/BOCES

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	104,321		2,136,493		2,136,493		104,321
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	104,321		2,136,493		2,136,493		104,321
11 Charter School Fund	0		0		0		0
20.26-29 Special Revenue Fund	0		0		0		0
21 Capital Reserve Spec Revenue Fund	0		0		0		0
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Non-Voter Approved 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
Totals	104,321		2,136,493		2,136,493		104,321
Proprietary							
51 Food Service Fund	0		0		0		0
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60.65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL

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

Colorado Department of Education
Bolded Balance Sheet Report
 District: 9125 - RIO BLANCO BOCES
 Fiscal Year 2013-14
 Colorado School District/BOCES

	Governmental						Proprietary				Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
ASSETS													
Cash and Investments (8100-8104,8111)	311,568	0	0	0	0	0	0	0	0	0	0	0	311,568
Cash with Fiscal Agent (8105)	1,090	0	0	0	0	0	0	0	0	0	0	0	1,090
Intergovernmental Accounts Rec (8141)	22,013	0	0	0	0	0	0	0	0	0	0	0	22,013
Grants Accounts Receivable (8142)	66,250	0	0	0	0	0	0	0	0	0	0	0	66,250
Other Receivables (8151-8154,8161)	414	0	0	0	0	0	0	0	0	0	0	0	414
Total Assets	401,335	0	0	0	0	0	0	0	0	0	0	0	401,335

	Governmental						Proprietary				Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY													
LIABILITIES													
Accrued Expenses (7461)	211,017	0	0	0	0	0	0	0	0	0	0	0	211,017
Grants Deferred Revenue (7482)	85,996	0	0	0	0	0	0	0	0	0	0	0	85,996
Total Liabilities	297,013	0	0	0	0	0	0	0	0	0	0	0	297,013

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0
Full Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	104,321	0	0	0	0	0	0	0	0	0	0	0	104,321
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	104,321	0	0	0	0	0	0	0	0	0	0	0	104,321

General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
401,335	0	0	0	0	0	0	0	0	0	0	0	401,335
Total Liabilities & Fund Equity												401,335

General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Enterprise Fund 51 (Food)	Other Enterprise Funds 50, 52-59	Risk-Related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do Assets=Liability+Fund Equity											