DIXON, WALLER & CO., INC.

BENNETT SCHOOL DISTRICT

NUMBER 29-J

BENNETT, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2016

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FINANCIAL STATEMENTS

JUNE 30, 2016

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ROSTER OF SCHOOL OFFICIALS
June 30, 2016

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Amy Kirkwood	Vice President
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SCHOOL OFFICIALS

Robin Purdy	Superintendent
Keith Yaich	Business Manager

FINANCIAL SECTION

cPa DIXON, WALLER & CO., INC. CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Bennett School District Number 29-J
Bennett, Colorado 80102

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bennett School District Number 29-J, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 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 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, each major fund, and the aggregate remaining fund information of the Bennett School District Number 29-J, as of June 30, 2016, 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 information, and pension trend data on pages i through ix and 39 through 45 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 Bennett School District Number 29-J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, and state required schedules 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 combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

Dwyer, Waller & Co., Inc.

Trinidad, Colorado
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bennett School District No.29J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

As management of the Bennett School District, we offer readers of the Bennett School District's financial statements this narrative overview and analysis of the financial activities of the Bennett School District for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follows this section.

Financial Highlights

- Total net position increased 9 percent, with net position related to governmental activities generating substantially all of the increase. The increase was caused primarily by a budget cuts and under-spending unrestricted funds.
- General revenues, primarily property taxes and state equalization payments, account for $9,352,079 or 83 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for $1,311,107 or 12 percent of total revenues of $11,258,988
- The District had $9,770,020 in expenses related to governmental activities; of which $1,311,107 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of $9,947.881 were adequate to provide for these programs, leading to the increase in net position.
- Outlays for capital assets were primarily comprised of repairs and maintenance, remodeling to buildings, and acquisitions of miscellaneous equipment.
- The District reduced its outstanding long-term debt approximately $598,078 or 9 percent due to prescribed redemptions of outstanding bond issues.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and includes a comparison to the District's budget for the year.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Bennett School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Bennett School District is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type). Included in governmental activities are most of the District's basic services such as regular and special education, transportation and administration.

The district-wide financial statements can be found following management's discussion and analysis.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds; not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Bennett School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The District's funds are divided into two categories: governmental funds, and fiduciary funds.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and, (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Bennett School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the (1) general fund, (2) the capital reserve capital projects fund, (3) the debt service fund, and (4) the grants special revenue fund because they are considered major funds. Data from other governmental funds are combined into a single, aggregated presentation. Also included in the other information section is budget-to-actual information for the debt service fund, the capital reserve capital projects fund, and the food services special revenue fund as required by state law.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 11 through 37.

FINANCIAL HIGHLIGHTS

Other information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law.

District-wide Financial Analysis

Table 1 provides a summary of the District's net position at June 30, 2015 and 2016.

	Governmental Activities		Business-Type Activities		Core District Total	
	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016
Assets						
Current & Other	5,493,692	7,508,079	0	0	5,493,692	7,508,079
Deferred Pension	1,110,603	2,371,632			1,110,603	2,371,632
Capital Assets net	14,762,303	14,310,375	0	0	14,762,303	14,310,375
Total Assets	**21,366,598**	**24,190,086**	**0**	**0**	**21,366,598**	**24,190,086**
Liabilities						
Current Liabilities	1,758,941	2,060,961	0	0	1,758,941	2,060,961
Deferred Pension	754	513,626	0	0	754	513,626
Long-Term Debt	20,550,536	21,565,885	0		20,550,536	21,565,885
Total Liabilities	22,310,231	24,140,472	0	0	22,310,231	24,140,472
Net Position (aka Fund Equity)						
Invested in Capital Assets (net of related debt)	6,173,440	6,452,388	0	0	6,173,440	6,452,388
Restricted	1,598,656	2,486,888	0	0	1,598,656	2,486,888
Unrestricted	(8,715,729)	(8,889,662)	0	0	(8,715,729)	(8,889,662)
Total Fund Equity	(943,633)	49,614	0	0	(943,633)	49,614
Total Liabilities & Equity	**21,366,598**	**24,190,086**	**0**	**0**	**21,366,598**	**24,190,086**

Table 2 provides a summary of the changes in net position. Following Table 2 is a specific discussion Related to overall revenues and expenses.

Table 2
Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total Activities	
	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016
Revenues						
Property Taxes	4,162,518	6,203,003	0	0	4,162,518	6,203,003
State Formula Revenue	4,495,802	3,540,577	0	0	4,495,802	3,540,577
Charges for Services	217,086	201,853	0	0	217,086	201,853
Operating Grants & Other	1,121,612	1,109,254	0	0	1,121,612	1,109,254
Capital Grants & Other	0	0	0	0	0	0
Other Revenues	298,795	204,301	0	0	298,795	204,301
Total Revenue	**10,295,813**	**11,258,988**	**0**	**0**	**10,295,813**	**11,258,988**
Expenses						
Instructional	4,903,404	5,229,798	0	0	4,903,404	5,229,798
Support Services:						
- Students	231,045	242,934	0	0	231,045	242,934
- Instructional Staff	145,708	138,698	0	0	145,708	138,698
- General Admin	349,320	423,083	0	0	349,320	423,083
- School Admin	438,730	447,795	0	0	438,730	447,795
- Business	257,837	246,682	0	0	257,837	246,682
- Ops & Maint.	757,468	801,343	0	0	757,468	801,343
- Transportation	554,012	516,124	0	0	554,012	516,124
- Central	307,076	278,377	0	0	307,076	278,377
- Community	0	85	0	0	0	85
- Food Svc Ops	303,294	303,506			303,294	303,506
- Pension & Other	80,285	489,627			80,285	489,627
- Capital Outlay	2,952	367,139	0	0	2,952	367,139
- Debt Service	303,745	284,829	0	0	303,745	284,829
Total Expenses	**8,634,606**	**9,770,020**	**0**	**0**	**8,634,606**	**9,770,020**
Incr/(Decr) Net Position	**1,661,207**	**1,488,968**	**0**	**0**	**1,661,207**	**1,488,968**

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 35 cents and 62 cents respectively for every dollar raised (see Table 3). Another 3 cents came from operating grants and contributions with the remainder from fees charged for services and miscellaneous sources.

The District expenses are predominately related to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Bennett School District is a service organization providing education services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the districts received $7,575.59 per funded student. In fiscal year 2015-2016, the funded pupil count was 1024.1. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization while the remaining amounts come from property taxes, specific ownership taxes and state equalization. The district receives approximately 35 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax. State law allows school districts to obtain an additional 65 percent of funding from local property taxes. This is accomplished by successfully passing a mill levy override ballot question. At this time the District does not have a mill levy override.

The statement of activities provides the cost of program services and related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

Table 3
Net Cost of Governmental Activities (in dollars)

	2014-2015		2015-2016	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
Instruction	4,903,404	3,989,065	5,229,798	4,318,620
Students	231,045	231,045	242,934	242,934
Instructional Staff	145,708	145,708	138,698	138,698
District Administration	349,320	349,320	423,083	423,083
School Administration	438,730	438,730	447,795	447,795
Business	257,837	257,837	246,682	246,682
Operations and Maintenance	757,468	757,468	801,343	801,343
Student Transportation	,554,012	,426,893	516,124	405,855
Central	307,076	307,076	278,377	278,377

Other	80,285	80,285	489,712	489,712
Food Service Operations	303,294	6,054	303,506	13,846
Capital Outlays	2,952	2,952	367,139	367,139
Debt Service	303,475	303,475	284,829	284,829
Total	**8,634,606**	**7,295,908**	**9,770,020**	**8,458,913**

- The cost of all governmental activities this year was $9.7 million.
- Some of the cost was financed by the users of the District's programs ($0.284 million). Revenues in this category include items such as athletic fees.
- Federal and State government subsidized certain programs with grants and contributions amounting to $1.1 million.
- Most of the District's costs ($8.4 million), however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with $5.81 million in property taxes, 3.54 million in state aid (equalization) based on the statewide formula for per pupil funding.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 38. These funds are accounted for using a modified accrual basis of accounting. All governmental funds have total revenues 11,232,788 and expenditures of 9,539,111 with a net change in fund balance of $ 1,693,677

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In January, 2016, the District revised the annual operating budget approved by the District's Board of Education in June 2015. The primary reason for the issuance of a supplemental budget was an updated ending fund balance figure.

The actual general fund expenditures were $2,749,860 under budget, primarily because of the cost saving measures, procurement practices and amount designated for future operations.

The fund balance as of June 30, 2016 (actual basis) was 3,469,987 compared to $2,996,006 as of June 30, 2015.

Capital Assets

By the end of the fiscal year 2016, the District had invested $23.4 million in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6)

Table 4
Capital Assets

	Governmental Activities	Business-Type Activities	Total
2015-2016			
Land	118,000		118,000
Food	99,147		99,147
Bldg & Site Improvements	21,178,658		21,178,658
Equipment & Vehicles	2,211,512	0	2,211,512
Total	**23,607,317**	**0**	**23,607,317**
2014-2015			
Land	118,000		118,000
Construction Progress	99,147		99,147
Bldg & Site Improvements	21,047,954		21,047,954
Equipment & Vehicles	2,212,807	0	2,212,807
Total	**23,477,908**	**0**	**23,477,908**

Long-Term Debt

At year-end, the District had approximately $6,388,730 in general obligation bonds, a reduction of 9 percent from last year, as shown in Table 7. More detail information about the District's long-term liabilities is presented on pages 13 through 30, in the notes to the financial statements.

Table 5
Outstanding Long-Term Debt (in millions)

	2015	**2016**	**% Change**
Governmental Activities:			
Bonds Payable	**7,320**	**6,670**	**(9 %)**

During the 2016 fiscal year, the District continued to pay down its debt. . Colorado Revised Statue 22-42-104 states that a school district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below the statutory limit.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Information from the 2016-2017 student enrollment "October Count" shows that Bennett School District has a relatively flat student count in 2015-16, resulting in stabilized revenue growth in the funded pupil count.

- Based on historical trends, and an analysis of our current population, student enrollment for fall 2016 will likely show level or increased enrollment from 2015.
- The United States and the State of Colorado have experienced weak economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues, and spending limits. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues may be adversely impacted. We are looking at tremendous shortfalls over the next few years which could impact our funding by as much as 30%.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer's Office, Bennett School District 29J, 615 7th St, Bennett, CO., 80102.

BASIC FINANCIAL STATEMENTS

BENNETT SCHOOL DISTRICT NUMBER 29-J
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash	4,961,325	4,961,325
Investments	2,070,431	2,070,431
Property Taxes Receivable	163,306	163,306
Accounts Receivable	69,943	69,943
Accrued Revenue	237,258	237,258
Inventories	5,816	5,816
Total Current Assets	7,508,079	7,508,079
Capital Assets		
Land	118,000	118,000
Depreciable Assets	23,489,317	23,489,317
Accumulated Depreciation	(9,296,942)	(9,296,942)
Capital Assets Net of Depreciation	14,310,375	14,310,375
TOTAL ASSETS	21,818,454	21,818,454
DEFERRED OUTFLOW OF RESOURCES		
Bond Refunding	434,529	434,529
Deferred Pension Cost – Plan	1,396,594	1,396,594
Deferred Pension Cost – Employer	143,527	143,527
Deferred Pension Cost - Contributions Subsequent to Pension Measurement Date	396,982	396,982
Total Deferred Outflows of Resources	2,371,632	2,371,632
LIABILITIES		
Current Liabilities		
Accounts Payable	321,589	321,589
Accrued Salaries and Benefits	743,294	743,294
Accrued Interest	21,680	21,680
Unearned Grant Payments	200,305	200,305
Capital Leases-Current	75,192	75,192
General Obligation Bonds-Current	670,000	670,000
Unamortized Bond Premium-Current	28,901	28,901
Total Current Liabilities	2,060,961	2,060,961
NonCurrent Liabilities		
Capital Lease	1,112,795	1,112,795
General Obligation Bonds	6,000,000	6,000,000
Net Pension Obligation	14,217,135	14,217,135
Compensated Absences	111,597	111,597
Unamortized Bond Premium	124,358	124,358
Total Noncurrent Liabilities	21,565,885	21,565,885
TOTAL LIABILITIES	23,626,846	23,626,846
DEFERRED INFLOW OF RESOURCES		
Deferred Pension – Plan	201,505	201,505
Deferred Pension – Employer	312,121	312,121
Total Deferred Outflows of Resources	513,626	513,626
NET POSITION		
Net Investment in Capital Assets	6,452,388	6,452,388
Restricted for:		
Debt Service	2,097,393	2,097,393
TABOR	275,500	275,500
Preschool	49,450	49,450
Food Services	64,545	64,545
Unrestricted	(8,889,662)	(8,889,662)
TOTAL NET POSITION	49,614	49,614

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position Primary Government	
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government						
Governmental Activities						
Instruction	5,229,798	55,858	855,320	-	(4,318,620)	(4,318,620)
Student Support	242,934	-	-	-	(242,934)	(242,934)
Instructional Staff	138,698	-	-	-	(138,698)	(138,698)
General Administration	423,083	-	-	-	(423,083)	(423,083)
School Administration	447,795	-	-	-	(447,795)	(447,795)
Business Support	246,682	-	-	-	(246,682)	(246,682)
Operation & Maintenance	801,343	-	-	-	(801,343)	(801,343)
Transportation	516,124	-	110,269	-	(405,855)	(405,855)
Central Support	278,377	-	-	-	(278,377)	(278,377)
Food Services	303,506	145,995	143,665	-	(13,846)	(13,846)
Community Services	85	-	-	-	(85)	(85)
Capital Outlay	367,139	-	-	-	(367,139)	(367,139)
Interest on Long-Term Debt	284,829	-	-	-	(284,829)	(284,829)
Loss on Disposition of Property	2,709	-	-	-	(2,709)	(2,709)
Pension Expense	486,918	-	-	-	(486,918)	(486,918)
Total Governmental Activities	9,770,020	201,853	1,109,254	-	(8,458,913)	(8,458,913)
Total Primary Government	9,770,020	201,853	1,109,254	-	(8,458,913)	(8,458,913)
		General Revenues				
		Local Property Taxes			5,811,502	5,811,502
		Specific Ownership Taxes			391,501	391,501
		School Finance Act			3,540,577	3,540,577
		Earnings on Investments			1,697	1,697
		Other Revenues			202,604	202,604
		Total General Revenues			9,947,881	9,947,881
		Change in Net Position			1,488,968	1,488,968
		Net Position, Beginning			(943,633)	(943,633)
		Prior Year Adjustment			(495,721)	(495,721)
		Net Position, Ending			49,614	49,614

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Grants Special Revenue Fund	Bond Redemption Debt Service Fund	Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	4,207,343	59,900	4,285	619,891	69,906	4,961,325
Investments	300	-	2,070,131	-	-	2,070,431
Property Taxes Receivable	113,029	-	50,277	-	-	163,306
Accounts Receivable	21,087	-	-	48,630	226	69,943
Accrued Revenue	-	237,258	-	-	-	237,258
Accrued Interest Receivable	-	-	-	-	-	-
Inventories	-	-	-	-	5,816	5,816
Due From Other Funds	-	8,611	-	-	-	8,611
Total Assets	4,341,759	305,769	2,124,693	668,521	75,948	7,516,690
LIABILITIES:						
Accounts Payable	27,619	147,815	-	146,155	-	321,589
Accrued Salaries Payable	710,619	21,272	-	-	11,403	743,294
Due To Other Funds	8,611	-	-	-	-	8,611
Unearned Grant Payments	63,623	136,682	-	-	-	200,305
Total Liabilities	810,472	305,769	-	146,155	11,403	1,273,799
DEFERRED INFLOW OF RESOURCES						
Deferred Property Tax	61,300	-	27,300	-	-	88,600
FUND BALANCES:						
Nonspendable:						
Inventories	-	-	-	-	5,816	5,816
Restricted:						
TABOR (Emergencies)	275,500	-	-	-	-	275,500
Preschool	49,450	-	-	-	-	49,450
Debt Service	-	-	2,097,393	-	-	2,097,393
Food Services	-	-	-	-	58,729	58,729
Committed:						
Capital Outlay	-	-	-	522,366	-	522,366
Unassigned	3,145,037	-	-	-	-	3,145,037
Total Fund Balances	3,469,987	-	2,097,393	522,366	64,545	6,154,291
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	4,341,759	305,769	2,124,693	668,521	75,948	7,516,690

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2016

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

Total Fund Balance – Governmental Funds		6,154,291
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $23,607,317 and the accumulated depreciation is $9,296,942.		14,310,375
Property tax revenue is recognized when earned (claim to resources established) rather than when "available." All of the deferred property tax revenue is not available.		88,600
Interest is recognized when paid in the funds. This is accrued interest payable to year end.		(21,680)
Long-term liabilities, including certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in funds:		
General Obligation Bonds	(6,670,000)	
Capital Leases	(1,187,987)	
Unamortized Bond Premium	(153,259)	
Bond Refunding	434,529	(7,576,717)
Compensated absences are not reported as a liability in the funds.		(111,597)
Net Pension Liability		(14,217,135)
Deferred Pension Cost – Plan		1,195,089
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date		396,982
Deferred Pension Cost – Employer		(168,594)
TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES		49,614

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	General	Grants Special Revenue Fund	Bond Redemption Debt Service Fund	Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Local Sources						
Property Taxes	4,013,737	-	1,766,746	-	-	5,780,483
Specific Ownership	391,501	-	-	-	-	391,501
Earnings on Investments	1,509	-	1	187	-	1,697
Delinquent Penalties & Interest	4,819	-	-	-	-	4,819
Tuition/Concurrent Enrollment	55,858	-	-	-	-	55,858
Local /BOCES Grants	240,879	241,124	-	-	-	482,003
Food Sales	-	-	-	-	145,995	145,995
Other	202,604		-	-	-	202,604
State Sources						
Equalization	3,540,577	-	-	-	-	3,540,577
Transportation	110,269	-	-	-	-	110,269
Additional At Risk	4,389	-	-	-	-	4,389
State Grant	-	171,709	-	48,630	5,065	225,404
Federal Source						
Federal Grants	-	148,589	-	-	138,600	287,189
TOTAL REVENUES	8,566,142	561,422	1,766,747	48,817	289,660	11,232,788
EXPENDITURES						
Instructional Services:	4,377,320	371,992	-	-	-	4,749,312
Supporting Services:						
Students	242,934	-	-	-	-	242,934
Instructional Staff	138,698	-	-	-	-	138,698
General Administration	423,083	-	-	-	-	423,083
School Administration	447,795	-	-	-	-	447,795
Business Services	246,682	-	-	-	-	246,682
Operation & Maintenance	787,966	512	-	-	-	788,478
Student Transportation	394,111	-	-	-	-	394,111
Central Support	272,432	-	-	-	-	272,432
Food Services	-	-	-	-	301,716	301,716
Community Services	85	-	-	-	-	85
Debt Service:						
Principal	10,742	-	650,000	70,134	-	730,876
Interest & Fees	-	-	195,945	39,170	-	235,115
Capital Outlay	-	188,918	-	378,876	-	567,794
Total Supporting Services	2,964,528	189,430	845,945	488,180	301,716	4,789,799
TOTAL EXPENDITURES	7,341,848	561,422	845,945	488,180	301,716	9,539,111
Revenues Over (Under) Expenditures	1,224,294	-	920,802	(439,363)	(12,056)	1,693,677
OTHER FINANCING SOURCES (USES)						
Operating Transfers In (Out)	(750,313)	-	-	730,000	20,313	-
Total Other Financing Sources (Uses)	(750,313)	-	-	730,000	20,313	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	473,981	-	920,802	290,637	8,257	1,693,677
FUND BALANCE, Beginning	2,996,006	-	1,176,591	231,729	56,288	4,460,614
FUND BALANCE, Ending	3,469,987	-	2,097,393	522,366	64,545	6,154,291

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

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

Net Change in Fund Balances – Total Governmental Funds		1,693,677
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the $5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlays more than $5,000	200,655	
Depreciation expense	(649,874)	
Loss on disposition of property	(2,709)	(451,928)
Property tax revenues are not recognized for amounts levied and due but not "available" at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities.		26,200
The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums is recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:		
Repayment of Debt Principal	730,876	
Interest Expense	35,707	
Amortization Expense	(85,421)	681,162
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount.		26,775
The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:		
Change in net pension liability and related deferred flows		(486,918)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		1,488,968

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

	Student Activities Fund
ASSETS	
Cash	141,863
Accounts Receivable	-
Deposits Held for Others	-
Total Assets	141,863
LIABILITIES	
Due to Student Groups	141,863
Accounts Payable	-
Total Liabilities	141,863
NET POSITION	
Unrestricted	-
Total Net Position	-

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bennett School District Number 29-J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Bennett School District Number 29-J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statement No. 34, No. 39 and No. 61), *"The Financial Reporting Entity"* (*GASB No. 14)* describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 (as amended by Statement No. 34, No. 39 and No. 61) and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements represent the District (the primary government).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the Districts own programs.

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

    1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

    2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

    3. Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

        a. Grants Fund - this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

    4. Capital Reserve-Capital Projects Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Additionally, the District reports the following fund type:

- Fiduciary Funds

    1. Trust and Agency Funds – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

- Fiduciary Funds (Continued)

Student Activity Fund – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application.* Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2015 but uncollected in 2016 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2016 are recorded as unearned revenue. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is $5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (7-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

J. Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1996 the registered voters approved a ballot resolution authorizing Bennett School District Number 29-J to collect, retain and expend all revenues collected during 1995 & 1996 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2016 the District reserved $275,500 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2015 property tax calendar for Adams and Arapahoe Counties was as follows:

Levy Date	December 15, 2015
Lien Date	January 1, 2016
Tax Bills Mailed	January 1, 2016
First Installment Due	February 28, 2016
Second Installment Due	June 15, 2016
If Paid in Full, Due	April 30, 2016

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Interest Expense

Interest expense has not been allocated to functions in the Government-wide financial statements.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	General Fund	Special Revenue Grants Fund	Special Revenue Food Services Fund	Bond Redemption Debt Service Fund	Capital Projects Capital Reserve Fund	Total Governmental Funds
Nonspendable:						
Inventories	-	-	5,816	-	-	5,816
Restricted:						
Emergencies	275,500	-	-	-	-	275,500
Preschool	49,450	-	-	-	-	49,450
Debt Service	-	-	-	2,097,393	-	2,097,393
Food Service	-	-	58,729	-	-	58,729
Committed:						
Capital Outlay	-	-	-	-	522,366	522,366
Unassigned	3,145,037	-	-	-	-	3,145,037
Total Fund Balances	3,469,987	-	64,545	2,097,393	522,366	6,154,291

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities. The items which were eliminated are as follows:

Governmental Funds	Due From	Due To	Transfer In	Transfer Out
General Fund	-	8,611	-	750,313
Grants - Special Revenue Fund	8,611	-	-	-
Capital Reserve Capital Projects Fund	-	-	730,000	-
Other Governmental Funds	-	-	20,313	-
	8,611	8,611	750,313	750,313

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public notices are released to obtain taxpayer comments.

3. Prior to June 30, the budget is legally enacted through passage of a resolution.

4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service, Special Revenue and Capital Project Funds.

6. Budgets for the General, Debt Service, Special Revenue and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. 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 market value of the collateral must be at least equal to the aggregate uninsured deposits.

At June 30, 2016, the District's bank balance and corresponding carrying balance were as follows:

	Carrying Balance	Bank Balance
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	4,840,631	5,110,833
Cash with County Treasurer	12,557	-
Total Cash and Deposits	5,103,188	5,360,833

As presented above, deposits with a bank balance of $5,110,833 and carrying balance of $4,840,631 as of June 30, 2016 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2016, the District had the following investments:

Investment	Maturity	Fair Value	Credit Rating
COLOTRUST Plus	2 Months or Less	300	AAA
First Amer Treas Oblig FD CLA	60 Days or Less	2,070,131	AAA
		2,070,431	

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

NOTE 4 CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk – State Law limits the type of investments allowable. The above investments were rated AAA by Standard and Poor's. U.S. Treasury instruments as obligations of the U.S. Government are not considered to have credit risk.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- COLOTRUST Investment Pool of $300 is valued using quoted market prices (Level 1 inputs)
- U.S. Treasury ecurities of $2,070,131 are valued using quoted market prices (Level 1 inputs)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Non-Depreciable Assets:				
Land	118,000	-	-	118,000
Total Non-Depreciable Assets	118,000	-	-	118,000
Depreciable Assets:				
Improvements	982,935	-	-	982,935
Buildings	20,065,019	-	-	20,065,019
Vehicles and Equipment	2,212,807	69,951	71,246	2,211,512
Food Services	99,147	130,704	-	229,851
Construction in Progress	-	-	-	-
Total Depreciable Assets	23,359,908	200,655	71,246	23,489,317
Less Accumulated Depreciation for:				
Improvements	613,639	46,539	-	660,178
Building	6,965,385	454,993	-	7,420,378
Vehicles and Equipment	1,054,667	146,552	68,537	1,132,682
Food Services	81,914	1,790	-	83,704
Total Accumulated Depreciation	8,715,605	649,874	68,537	9,296,942
Total Capital Assets, Net	14,762,303	(449,219)	2,709	14,310,375

NOTE 5 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction	507,261
Operations and Maintenance	12,865
Transportation	122,013
Food Services	1,790
Central Support	5,945
Total Depreciation Expense –Governmental Activities	649,874

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2016, are estimated to be $743,294 for the District. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE

General Obligation Refunding Series 2011

On December 6, 2011, the District issued $7,020,000 in General Obligation Refunding Bonds with an average interest rate of 3.0 % to advance refund $6,350,000 of outstanding 2004 General Obligation Bonds bearing interest rates ranging from 3.70% to 5.00%. Refunding proceeds of $7,173,810 were deposited with an escrow agent to provide debt service payment of $6,350,000 in principal and $1,663,190 in interest on the 2004 Series Bonds. As a result, that portion of 2004 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements. The defeased debt balance at June 30, 2016 was $6,350,000.

The District completed the advance refunding to reduce the total debt service payments over the next 13 years by $456,149 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of $362,644.

As a result of the difference between the reacquisition price and the carrying amount of the old debt (including unamortized issue costs and unamortized premium), a deferred refunding was recorded in the amount of $823,810. It will be amortized against interest costs of the refunding issue.

Payments to maturity are as follows:

	Year Ended June 30,	Principal	Interest	Total
General Obligation Refunding Bonds payable dated December 6, 2011, with interest ranging from 2.0% to 3.5% Original amount of issue $7,020,000.				
	2017	670,000	177,925	847,925
	2018	685,000	163,519	848,519
	2019	700,000	147,500	847,500
	2020	715,000	130,250	845,250
	2021	735,000	111,206	846,206
	2022-2025	3,165,000	213,100	3,378,100
	Total	6,670,000	943,500	7,613,500

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (continued)

Changes in General Obligation Bonds

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016	Due Within One Year
Series 2011 G.O. Refunding Bonds	6,755,000	-	85,000	6,670,000	670,000
Series 2004 G.O. Bonds	565,000	-	565,000	-	-
Total Bonds Payable	7,320,000	-	650,000	6,670,000	670,000
Deferred Amounts:					
Bond Premium 2004 Issue	3,371	-	3,371	-	-
Bond Premium 2011 Issue	183,387	-	30,128	153,259	28,901
Bond Refunding 2011 Issue	(519,950)	-	(85,421)	(434,529)	(85,421)
Totals	6,986,808	-	598,078	6,388,730	613,480

NOTE 8 COMPENSATED ABSENCES

The following is a summary of compensated absences transactions of the District for the year ended June 30, 2016, and includes all activities and component units.

District	Balance July 1, 2015	Net Additions (Deductions)	Balance June 30, 2016
Governmental	138,372	(26,775)	111,597
Total Accumulated Sick & Vacation Leave	138,372	(26,775)	111,597

NOTE 9 CAPITAL LEASES

The District has entered into a capital lease agreement to acquire a phone system. The lease term is five years with interest at 9.997%.

The District entered into a capital lease agreement to improve the energy efficiency of District facilities. The lease term is for sixteen years with interest at 3.179%.

The District entered into a capital lease to pay off an operating lease. The lease is for four years with interest at 0%.

Capital lease obligations for the fiscal year ended June 30, 2016 is comprised of the following:

Governmental Funds	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
General Fund - Buy Out eq.	10,742	-	10,742	-
Capital Reserve/Project Fund				
Energy Retrofit Project	1,258,121	-	70,134	1,187,987
	1,268,863	-	80,876	1,187,987
		Current Liability		75,192
		NonCurrent Liability		1,112,795
		Total		1,187,987

NOTE 9 CAPITAL LEASES (continued)

Annual debt service requirement to maturity for the lease purchase agreements is as follows:

Individual Capital Leases Payable

Energy Improvement

Leases Payable

	Fiscal Year	Annual Payment	Principal	Interest
	2017	112,073	75,192	36,881
	2018	114,924	80,496	34,428
	2019	117,862	86,058	31,804
	2020	120,888	91,889	28,999
	2021	124,005	97,999	26,006
	2022-2026	670,138	592,255	77,883
	2027-2028	167,835	164,098	3,737
Total Minimum Payments		1,427,725	1,187,987	239,738
Less Amount Representing Interest		(239,738)		
Net Present Value of Future Minimum Payments		1,187,987		

NOTE 10 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Bennett School District Number 29-J participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Bennett School District Number 29-J are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www. copera.org/investment/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s), under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 24-51-601, 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.

NOTE 10 PENSION PLAN (Continued)

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

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

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

NOTE 10 PENSION PLAN (Continued)

Contributions. Eligible employees and Bennett School District Number 29-J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
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	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF	17.33%	18.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Bennett School District Number 29-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Bennett School District Number 29-J were $784,597 for the year ended June 30, 2016.

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

At June 30, 2016, the Bennett School District Number 29-J reported a liability of $14,217,135 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Bennett School District Number 29-J proportion of the net pension liability was based on Bennett School District Number 29-J contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the Bennett School District Number 29-J proportion was 0.0930 percent, which was an increase of 0.0015 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Bennett School District Number 29-J recognized pension expense of $486,918. At June 30, 2016, the Bennett School District Number 29-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 10 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	187,739	(592)
Changes of assumptions or other inputs	0	(200,913)
Net difference between projected and actual earnings on pension plan investments	1,208,855	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	143,527	(312,121)
Contributions subsequent to the measurement date	396,982	N/A
Total	1,937,103	(513,626)

$396,982 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2016	
2017	185,748
2018	240,933
2019	351,924
2020	247,890
2021	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage Inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

NOTE 10 PENSION PLAN (Continued)

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

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

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuations are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18 month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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

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

NOTE 10 PENSION PLAN (Continued)

Asset Class	**Target Allocation**	**10 Year Expected Geometric Real Rate of Return**
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
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 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 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 increase annually at a rate of 3.9%.

- Employee contributions were assumed to be made at the current member contribution rate. 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, including 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.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTE 10 PENSION PLAN (Continued)

- The AIR balance was excluded from the initial fiduciary net position, as, per statute. AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Bennett School District Number 29-J 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 7.50 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-percent-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	18,429,562	14,217,135	10,713,181

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

NOTE 10 PENSION PLAN (Continued)

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Bennett School District Number 29-J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees, PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2016, program members contributed $89,045.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Bennett School District Number 29-J contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Bennett School District Number 29-J is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Bennett School District Number 29-J are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2016, 2015 and 2014, the Bennett School District Number 29-J contributions to the HCTF were $45,148, $39,800 and $39,325, respectively equal to their required contributions for each year.

NOTE 11 JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides Member Districts Educational Services at a shared lower cost per District.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES Board. The joint venture summary audited financial information as of June 30, 2015, the latest year for which audited information is available, is as follows:

Assets and Deferred Outflows	3,022,761
Liabilities and Deferred Inflows	9,163,481
Fund Equity	(6,140,720)
	3,022,761
Revenues	8,424,082
Expenditures	8,882,336
Excess (Deficiency)	(458,254)

The BOCES is not included as a component unit of the District as the oversight responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES, and the District is not accountable for fiscal matters of the BOCES.

Prairie Creek Charter School

Not reflected in the accompanying financial statements is the District's participation in the Prairie Creek Charter School. The mission of the Prairie Creek Charter School "is to provide a second chance alternative high school program to grades 9-12 expelled students, high at-risk students or students counseled because they could not get along in their regular school program".

The District has one member on the Board; however it does not assume any liability incurred by the Charter School beyond the funds allocated to it by the District under the current contract. The District's share of the joint venture is not determinable at June 30, 2016. The joint venture summary audited financial information as of June 30, 2015, the latest year for which audited information is available, is as follows:

NOTE 11 JOINT VENTURE (Continued)

Assets	37,381
Liabilities	-
Net Assets	37,381
Revenues	190,606
Expenditures	193,282
Excess (Deficiency)	(2,676)

Prairie Creek Charter School is not included as a component unit of the District as the oversight responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the Charter School and the District is not accountable for fiscal matters of the Charter School.

The District paid $45,658 to the Prairie Creek Charter School for the fiscal year ended June 30, 2016.

NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the fund from which they are paid.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2016.

NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at December 31, 2015 (latest information available) follows:

Total Assets	46,958,320
Total Liabilities	22,633,311
Total Equity	24,325,009
Revenue	13,432,892
Underwriting Expenses	16,484,758
Underwriting Gain (Loss)	(3,051,866)
Net Investment Income	663,509
Other Income	-
Net Income (Loss) Before Dividend	(2,388,357)
Dividend	-
Net Income	(2,388,357)
Transfer of Capital Contributions	-
Change in Non Admitted Assets	95,339
Capital Contributions from Members	-
Unassigned Surplus	24,325,009

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self-insurance pool. The District funds it pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District is fully self insured for unemployment compensation.

The District continues to carry commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

NOTE 14 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

District:	Due From	Due To	Transfers In	Transfers Out
Governmental Funds:				
General	-	8,611	-	750,313
Grants - Special Revenue Fund	8,611	-	-	
Capital Reserve-Capital Projects Fund	-	-	730,000	-
Non-Major Governmental:				
Food Services-Special Revenue Fund	-	-	20,313	-
Total	8,611	8,611	750,313	750,313

Due to and due from accounts are to be repaid within three months after year end. Transfers were for operational purposes.

NOTE 15 PRIOR PERIOD ADJUSTMENT

In the fiscal year ended June 30, 2015, no deferred inflow was recorded for the change in proportion of the District's contributions to PERA in relation to their portion of the net pension liability originally recorded during the implementation of GASB Statements No. 68 and 71. The amount of deferred inflow at June 30, 2015 that should have been recorded was $495,721. The Statement of Activities reflects the corresponding reduction to entity-wide net position as of that date as a prior period adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Grants Fund – This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
REVENUES			
Local Sources			
Property Taxes	2,817,078	4,013,737	1,196,659
Specific Ownership Taxes	169,657	391,501	221,844
Delinquent Taxes & Interest	12,000	4,819	(7,181)
Tuition	50,000	55,858	5,858
BOCES Grants	120,000	240,879	120,879
Earnings on Investments	1,000	1,509	509
Other Local	316,950	202,604	(114,346)
Total Local Revenues	3,486,685	4,910,907	1,424,222
State Sources			
Equalization	4,664,316	3,540,577	(1,123,739)
Additional at Risk	-	4,389	4,389
ELPA	28,000	-	(28,000)
Transportation	106,000	110,269	4,269
Total State Sources	4,798,316	3,655,235	(1,143,081)
TOTAL REVENUES	8,285,001	8,566,142	281,141
EXPENDITURES			
INSTRUCTION			
Salaries	2,754,837	2,717,101	37,736
Employee Benefits	610,447	1,020,643	(410,196)
Purchased Services – Professional	82,937	36,660	46,277
Purchased Services – Property	89,720	36,923	52,797
Purchased Services – Other	85,000	446,268	(361,268)
Supplies and Materials	175,339	115,362	59,977
Property	5,640	27	5,613
Other	5,107	4,336	771
Total Instruction	3,809,027	4,377,320	(568,293)
SUPPORTING SERVICES			
Student Supporting Services			
Salaries	247,025	93,696	153,329
Employee Benefits	23,145	40,060	(16,915)
Purchased Services – Professional	16,247	21,278	(5,031)
Purchased Services – Property	25,000	-	25,000
Purchased Services – Other	32,000	84,000	(52,000)
Supplies & Materials	4,500	3,900	600
Total Student Services	347,917	242,934	104,983

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
SUPPORTING SERVICES (Continued)			
Instructional Staff			
Salaries	145,812	37,339	108,473
Employee Benefits	24,157	13,470	10,687
Purchased Services – Professional	10,964	3,217	7,747
Purchased Services – Property	8,500	41,809	(33,309)
Purchased Services – Other	7,500	17,571	(10,071)
Supplies and Materials	28,894	22,504	6,390
Property	24,500	2,366	22,134
Other	3,040	422	2,618
Total Instructional Staff	253,367	138,698	114,669
General Administration			
Salaries	182,860	170,024	12,836
Employee Benefits	28,591	32,099	(3,508)
Purchased Services – Professional	23,565	39,280	(15,715)
Purchased Services – Property	12,500	11,322	1,178
Purchased Services – Other	13,000	59,423	(46,423)
Supplies and Materials	14,600	6,495	8,105
Property	500	-	500
Other	8,749	104,440	(95,691)
Total General Administration	284,365	423,083	(138,718)
School Administration			
Salaries	729,066	337,919	391,147
Employee Benefits	140,022	107,778	32,244
Supplies and Materials	3,500	2,098	1,402
Property	26,785	-	26,785
Other	235,952	-	235,952
Total School Administration	1,135,325	447,795	687,530
Business Services			
Salaries	95,350	144,852	(49,502)
Employee Benefits	115,686	83,891	31,795
Purchased Services – Professional	6,210	208	6,002
Purchased Services – Property	3,000	-	3,000
Purchased Services – Other	4,000	10,900	(6,900)
Supplies and Materials	1,895	1,147	748
Property	500	-	500
Other	-	5,684	(5,684)
Total Business Services	226,641	246,682	(20,041)

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

SUPPORTING SERVICES (Continued)	Budgeted Amount Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
Operations and Maintenance			
Salaries	270,386	273,939	(3,553)
Employee Benefits	74,581	76,417	(1,836)
Purchased Services – Professional	50,846	7,430	43,416
Purchased Services – Property	50,500	135,823	(85,323)
Purchased Services – Other	27,000	-	27,000
Supplies and Materials	267,417	294,086	(26,669)
Property	7,973	271	7,702
Total Operations and Maintenance	748,703	787,966	(39,263)
Student Transportation			
Salaries	231,812	177,223	54,589
Employee Benefits	49,685	32,755	16,930
Purchased Services – Professional	88,729	1,196	87,533
Purchased Services – Property	35,000	69,391	(34,391)
Purchased Services – Other	50,000	20,254	29,746
Supplies and Materials	119,300	93,222	26,078
Property	60	-	60
Other	343	70	273
Total Student Transportation	574,929	394,111	180,818
Central Support			
Salaries	84,625	80,232	4,393
Employee Benefits	-	136	(136)
Purchased Services – Professional	25,376	-	25,376
Purchased Services – Property	236,170	-	236,170
Purchased Services – Other	80,000	192,064	(112,064)
Other	191,945	-	191,945
Total Central Support	618,116	272,432	345,684
Community Services			
Property	48,463	-	48,463
Other	255,708	85	255,623
Total Community Services	304,171	85	304,086
Debt Service			
Principal	-	10,742	(10,742)
Interest	-	-	-
Total Debt Service	-	10,742	(10,742)
TOTAL SUPPORTING SERVICES	4,493,534	2,964,528	1,529,006
Appropriated Reserve	1,789,147	-	1,789,147
TOTAL EXPENDITURES	10,091,708	7,341,848	2,749,860

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amount Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
Revenues Over (Under) Expenditures	(1,806,707)	1,224,294	
Other Financing Sources (Uses)			
Transfers (Out)	(500,313)	(750,313)	(250,000)
Total Other Financing Sources (Uses)	(500,313)	(750,313)	(250,000)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(2,307,020)	473,981	
FUND BALANCE, Beginning	2,307,020	2,996,006	
FUND BALANCE, Ending	-	3,469,987	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
GRANTS – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
REVENUES			
Local Sources	520,000	241,124	(278,876)
State Sources	283,845	171,709	(112,136)
Federal Sources	398,490	148,589	(249,901)
Total Revenues	1,202,335	561,422	(640,913)
EXPENDITURES			
Instruction	1,202,335	371,992	830,343
Total Instruction	1,202,335	371,992	830,343
Support Services:			
Operation and Maintenance	-	512	(512)
Total Support Services	-	512	(512)
Facilities			
Property	-	188,918	(188,918)
Total Facilities	-	188,918	(188,918)
Total Expenditures	1,202,335	561,422	640,913
Revenues Over (Under) Expenditures	-	-	
FUND BALANCE, Beginning	-	-	
FUND BALANCE, Ending	-	-	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
For The Last 10 Fiscal Years (As Available)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.0930%	0.0915%	0.0968%	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	$14,217,135	$12,400,918	$12,349,740	-	-	-	-	-	-	-
District's covered-employee payroll	$4,426,311	$3,901,954	$3,833,043	-	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	321%	318%	322%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.80%	64.06%	-	-	-	-	-	-	-

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF DISTRICT CONTRIBUTIONS
For The Last 10 Fiscal Years (As Available)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contributions	$ 784,597	$ 658,806	$ 615,839	$ 590,536	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	$ (784,597)	$ (658,806)	$ (615,839)	$ (590,536)	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	-	-	-	-	-	-
District's covered-employee payroll	$4,426,311	$3,901,954	$3,833,043	$3,938,068	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.73%	16.88%	16.07%	15.00%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Debt Service Fund

Bond Redemption Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

Capital Project Funds

Capital Reserve Capital Project Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Services Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Fiduciary Fund Types

Agency Fund – Student Activity Fund – This fund is used to account for amounts held in a fiduciary capacity for student clubs and organizations.

BENNETT SCHOOL DISTRICT NUMBER 29-J
BOND REDEMPTION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts Original &Final	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Property Tax Revenue	1,106,593	1,766,746	660,153
Delinquent Taxes & Interest	-	-	-
Interest Earnings	-	1	1
Total Revenues	1,106,593	1,766,747	660,154
EXPENDITURES			
Paying Agent Fees	-	300	(300)
Interest Expenditures	366,500	195,645	170,855
Principal Expenditures	883,500	650,000	233,500
Appropriated Reserve	1,006,593	-	1,006,593
Total Expenditures	2,256,593	845,945	1,410,648
REVENUES OVER (UNDER) EXPENDITURES	(1,150,000)	920,802	
FUND BALANCES, Beginning	1,150,000	1,176,591	
FUND BALANCES, Ending	-	2,097,393	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
CAPITAL RESERVE – CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Interest	-	187	187
BEST Grant Revenue	-	48,630	48,630
Total Revenues	-	48,817	48,817
EXPENDITURES			
Purchased Services – Other	80,000	53,038	26,962
Equipment	123,510	82,945	40,565
Buildings	162,656	226,212	(63,556)
Other	52,484	16,681	35,803
Debt Service:			
Interest	53,217	39,170	14,047
Principal	60,789	70,134	(9,345)
Appropriated Reserve	102,366	-	102,366
Total Expenditures	635,022	488,180	146,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(635,022)	(439,363)	
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	500,000	730,000	230,000
Total Other Financing Sources (Uses)	500,000	730,000	230,000
NET CHANGE IN FUND BALANCES	(135,022)	290,637	
FUND BALANCE, Beginning	135,022	231,729	
FUND BALANCE, Ending	-	522,366	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue Food Services Fund	Total Non-Major Governmental Funds
ASSETS		
Cash	69,906	69,906
Accounts Receivable	226	226
Inventories	5,816	5,816
Total Assets	75,948	75,948
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	-	-
Accrued Salaries Payable	11,403	11,403
Due To Other Funds	-	-
Unearned Grant Payments	-	-
Total Liabilities	11,403	11,403
Fund Balances:		
Nonspendable:		
Inventories	5,816	5,816
Restricted:		
Food Services	58,729	58,729
Unassigned:	-	-
Total Fund Balances	64,545	64,545
TOTAL LIABILITIES & FUND BALANCES	75,948	75,948

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Special Revenue Food Services Fund	Total Non-Major Governmental Funds
REVENUES		
Local Sources	145,995	145,995
State Sources	5,065	5,065
Federal Sources	138,600	138,600
Total Revenues	289,660	289,660
EXPENDITURES		
Capital Outlay	-	-
Debt Service	-	-
Food Services	301,716	301,716
Total Expenditures	301,716	301,716
REVENUES OVER (UNDER) EXPENDITURES	(12,056)	(12,056)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	20,313	20,313
Total Other Financing Sources (Uses)	20,313	20,313
NET CHANGE IN FUND BALANCES	8,257	8,257
FUND BALANCES, Beginning	56,288	56,288
FUND BALANCES, Ending	64,545	64,545

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE – SPECIAL REVENUE FUND
BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	Budget Amounts Original & Final	Actual	Variance with Final Budget-Favorable (Unfavorable)
REVENUES			
Local Sources			
Food Sales	305,333	145,995	(159,338)
Interest Earnings	150	-	(150)
Total Local Sources	305,483	145,995	(159,488)
State Sources			
State Match	714	2,633	1,919
Smart Start	-	610	610
PK-2 Reduced Breakfast	-	1,822	1,822
Total State Sources	714	5,065	4,351
Federal Sources			
School Lunches	105,951	116,742	10,791
Commodities	15,315	21,858	6,543
Total Federal Sources	121,266	138,600	17,334
TOTAL REVENUES	427,463	289,660	(137,803)
EXPENDITURES			
Salaries	114,718	88,922	25,796
Employee Benefits	36,924	44,618	(7,694)
Purchased Services – Professional	1,000	-	1,000
Purchased Services – Property	700	902	(202)
Purchased Services – Other	-	241	(241)
Food and Milk	323,121	147,726	175,395
Supplies and Materials	5,000	19,307	(14,307)
Appropriated Reserves	25,000	-	25,000
TOTAL EXPENDITURES	506,463	301,716	204,747
REVENUES OVER (UNDER) EXPENDITURES	(79,000)	(12,056)	
OTHER FINANCING SOURCES (USES)			
Transfers In	21,000	20,313	(687)
REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES	(58,000)	8,257	
FUND BALANCE, Beginning	58,000	56,288	
FUND BALANCE, Ending	-	64,545	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - BUDGET AND ACTUAL
STUDENT ACTIVITY FUND
For the Year Ended June 30, 2016

	Budget Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
ADDITIONS			
Local Receipts	430,000	351,993	(78,007)
DEDUCTIONS			
Disbursements	575,000	343,955	231,045
CHANGES IN DUE TO STUDENT GROUPS	(145,000)	8,038	
DUE TO STUDENT GROUPS, Beginning	145,000	133,825	
DUE TO STUDENT GROUPS, Ending	-	141,863	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet

Colorado Department of Education

Auditors Integrity Report
District: 0050 - BENNETT 29J
Fiscal Year 2015-16
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001-0999 Total Expenditures & Other Uses =	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental					
10	General Fund	2,922,945	7,740,093	7,242,501	3,420,537
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	73,061	75,736	99,347	49,450
	Sub-Total	**2,996,006**	**7,815,829**	**7,341,848**	**3,469,987**
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
21	Food Service Spec Revenue Fund	56,287	309,972	301,716	64,544
22	Govt Designated-Purpose Grants Fund	0	561,422	561,422	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	1,176,591	1,766,747	845,945	2,097,393
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	231,729	778,817	488,180	522,366
	Totals	**4,460,613**	**11,232,788**	**9,539,110**	**6,154,290**
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	133,825	351,992	343,955	141,863
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
	Totals	**133,825**	**351,992**	**343,955**	**141,863**

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.

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Colorado Department of Education

Bolded Balance Sheet Report

District: 0050 - BENNETT 29J
Fiscal Year 2015-16
Colorado School District/BOCES

ASSETS	Governmental							Proprietary			Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	4,114,355	0	58,866	69,906	59,899	2,070,131	619,891	0	0	0	141,863	0	7,134,911
Cash with Fiscal Agent (8105)	34,423	0	0	0	0	4,285	0	0	0	0	0	0	38,708
Taxes Receivable (8121,8122)	113,029	0	0	0	0	50,277	0	0	0	0	0	0	163,305
Interfund Loans Receivable (8131,8132)	0	0	36	0	8,611	0	0	0	0	0	0	0	8,647
Grants Accounts Receivable (8142)	0	0	0	226	237,258	0	0	0	0	0	0	0	237,484
Other Receivables (8151-8154,8161)	21,087	0	0	0	0	0	48,630	0	0	0	0	0	69,717
Inventories (8171,8172,8173)	0	0	0	5,816	0	0	0	0	0	0	0	0	5,816
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	**4,282,893**	**0**	**58,902**	**75,948**	**305,769**	**2,124,693**	**668,521**	**0**	**0**	**0**	**141,863**	0	**7,658,588**

LIABILITIES & FUND EQUITY

LIABILITIES	Governmental							Proprietary			Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	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
Interfund Payables (7401,7402)	8,647	0	0	0	0	0	0	0	0	0	0	0	8,647
Other Payables (7421-7423)	27,415	0	204	0	147,815	0	146,155	0	0	0	0	0	321,588
Accrued Expenses (7461)	701,371	0	9,248	11,404	21,272	0	0	0	0	0	0	0	743,294
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	61,300	0	0	0	0	27,300	0	0	0	0	0	0	88,600
Grants Deferred Revenue (7482)	63,623	0	0	0	136,682	0	0	0	0	0	0	0	200,305
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	**862,356**	**0**	**9,452**	**11,404**	**305,769**	**27,300**	**146,155**	**0**	**0**	**0**	**0**	**0**	**1,362,435**

	Governmental						Proprietary				Fiduciary		
FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	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	5,816	0	0	0	0	0	0	0	0	5,816
Restricted Fund Balance 6720	275,500	0	0	58,728	0	0	0	0	0	0	0	0	334,228
TABOR 3% Emergency Reserve 6721	0	0	0	0	0	2,097,393	0	0	0	0	0	0	2,097,393
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	49,450	0	0	0	0	0	0	0	0	0	49,450
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	522,366	0	0	0	141,863	0	664,229
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,145,037	0	0	0	0	0	0	0	0	0	0	0	3,145,037
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	3,420,537	0	49,450	64,544	0	2,097,393	522,366	0	0	0	141,863	0	6,296,153
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,282,893	0	58,902	75,948	305,769	2,124,693	668,521	0	0	0	141,863	0	7,658,588
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Food Service Special Revenue Fund 21	Special Revenue Funds 20, 22-29	Debt Service Funds 30-39	Capital Projects Funds 40-49	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	