

cPa DIXON, WALLER & CO., INC.

BENNETT SCHOOL DISTRICT

NUMBER 29-J

BENNETT, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017

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DIXON, WALLER & CO., INC.

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BENNETT SCHOOL DISTRICT NUMBER 29-J

FINANCIAL STATEMENTS

JUNE 30, 2017

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BENNETT SCHOOL DISTRICT NUMBER 29-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Diane Moler	President
Amy Kirkwood	Vice President
Robert Scoby	Treasurer
Nancy Barden	Secretary
Bonnie Feight	Director

SCHOOL OFFICIALS

Robin Purdy	Superintendent
Keith Yaich	Business Manager

FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

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, 2017, 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, 2017, 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 37 through 43 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.

Dixon, Waller & Co, Inc.

Trinidad, Colorado
November 15, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bennett School District No.29J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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, 2017. 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 11 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 \$9,726,115 or 85.75 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$1,617,089 or 14 percent of total revenues of \$11,343,204.
- The District had \$14,374,662 in expenses related to governmental activities; of which \$1,617,089 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$9,726,115 were adequate to provide for these programs, excluding pension expense, leading to an overall decrease 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 \$670,000 or 11 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 debt service fund, and (3) 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 10 through 36.

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, 2016 and 2017.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Core District Total</u>	
	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>
<u>Assets</u>						
Current & Other	7,508,079	8,312,704	0	0	7,508,079	8,312,704
Deferred Pension	2,371,632	11,707,351			2,371,632	11,707,351
Capital Assets net	14,310,375	14,342,456	0	0	14,310,375	14,342,456
Total Assets	24,190,086	34,362,511	0	0	24,190,086	34,362,511
<u>Liabilities</u>						
Current	2,060,961	1,852,443	0	0	2,060,961	1,852,443
Liabilities						
Deferred Pension	513,626	257,249	0	0	513,626	257,249
Long-Term Debt	21,565,885	35,234,663	0		21,565,885	35,234,663
Total	24,140,472	37,344,355	0	0	24,140,472	37,344,355
<u>Net Position</u> (aka Fund Equity)						
Invested in						
Capital Assets						
(net of related debt)	6,452,388	7,009,798	0	0	6,452,388	7,009,798
Restricted	2,486,888	3,190,080	0	0	2,486,888	3,190,080
Unrestricted	(8,889,662)	(13,181,722)	0	0	(8,889,662)	(13,181,722)
Total Fund	49,614	(2,981,844)	0	0	49,614	(2,981,844)
Equity						
Total	24,190,086	34,362,511	0	0	24,190,086	34,362,511
Liabilities & Equity						

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Activities</u>	
	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2016-2017</u>
Revenues						
Property & Other Taxes	6,203,003	5,448,009	0	0	6,203,003	5,448,009
State Formula Revenue	3,540,577	4,161,939	0	0	3,540,577	4,161,939
Charges for Services	201,853	162,411	0	0	201,853	162,411
Operating Grants & Other	1,109,254	1,164,183	0	0	1,109,254	1,164,183
Capital Grants & Other	0	290,495	0	0	0	290,495
Other Revenues	204,301	116,167	0	0	204,301	116,167
Total Revenue	11,258,988	11,394,486	0	0	11,258,988	11,394,486
Expenses						
Instructional	5,229,798	5,815,430	0	0	5,229,798	5,815,430
Support Services:						
- Students	242,934	270,119	0	0	242,934	270,119
- Instructional Staff	138,698	95,428	0	0	138,698	95,428
- General Admin	423,083	370,598	0	0	423,083	370,598
- School Admin	447,795	525,205	0	0	447,795	525,205
- Business	246,682	208,437	0	0	246,682	208,437
- Ops & Maint.	801,343	886,623	0	0	801,343	886,623
- Transportation	516,124	547,354	0	0	516,124	547,354
- Central	278,377	215,392	0	0	278,377	215,392
- Community	85	4,000	0	0	85	4,000
- Food Svc Ops	303,506	291,975	0	0	303,506	291,975
- Pension & Other	489,627	4,599,290	0	0	489,627	4,599,290
- Capital Outlay	367,139	270,922	0	0	367,139	270,922
- Debt Service	284,829	273,889	0	0	284,829	273,889
Total Expenses	9,770,020	14,374,662	0	0	9,770,020	14,374,662
Incr/(Decr) Net Position	1,488,968	(3,031,458)	0	0	1,488,968	(3,031,458)

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 44 cents and 37 cents respectively for every dollar raised (see Table 3). Another 13 cents came from 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 \$7,729.03 per funded student. In fiscal year 2016-2017, the funded pupil count was 1021.3. 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 44 percent of this funding from state equalization while the remaining amounts come from property taxes, specific ownership tax and other revenues. 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)

	2015-2016		2016-2017	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
	<u>Of Services</u>	<u>Of Services</u>	<u>Of Services</u>	<u>Of Services</u>
Instruction	5,229,798	4,318,620	5,815,430	4,860,916
Students	242,934	242,934	270,119	270,119
Instructional Staff	138,698	138,698	95,428	95,428
District Administration	423,083	423,083	370,598	370,598
School Administration	447,795	447,795	525,205	525,205
Business	246,682	246,682	208,437	208,437
Operations and Maintenance	801,343	801,343	886,625	886,623
Student Transportation	516,124	405,855	547,354	439,911
Central	278,377	278,377	215,392	215,392

Other	2,794	2,794	4,000	4,000
Food Service Operations	303,506	13,846	303,506	27,338
Capital Outlays/DS	367,139	367,139	544,811	254,316
Pension Expense	486,918	486,918	4,599,290	4,599,290
Total	9,770,020	8,458,913	14,374,662	12,757,573

- The cost of all governmental activities this year was \$14.3 million.
- Some of the cost was financed by the users of the District's programs (\$0.162 million). Revenues in this category include items such as athletic fees.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$1.45 million.
- Most of the District's costs (\$11.3 million), however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with \$5.006 million in property taxes, 4.161 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 37. These funds are accounted for using a modified accrual basis of accounting. All governmental funds have total revenues 11,665,408 and expenditures of 10,531,959 with a net change in fund balance of 1,133,449.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In January, 2017, the District revised the annual operating budget approved by the District's Board of Education in June 2017. The primary reason for the issuance of a supplemental budget was an updated ending fund balance figure.

The actual general fund expenditures were \$2,551,603 under budget, primarily because of the cost saving measures, procurement practices and amount designated for future operations.

The fund balance as of June 30, 2017 (actual basis) was 3,942,242 compared to \$3,469,987 as of June 30, 2016.

Capital Assets

By the end of the fiscal year 2017, the District had invested \$24.2 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
2016-2017			
Land	118,000		118,000
Food	115,136		115,136
Bldg & Site Improvements	21,822,865		21,822,865
Equipment & Vehicles	2,259,432	0	2,259,432
Total	24,315,433	0	24,315,433
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

Long-Term Debt

At year-end, the District had approximately \$5,771,771 in general obligation bonds and deferred amounts, 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 10 through 36, in the notes to the financial statements.

Table 5
Outstanding Long-Term Debt (in millions)

	2015	2016	% Change
<u>Governmental Activities:</u>			
Bonds Payable	6,670	6,000	(9 %)

During the 2017 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 2017-2018 student enrollment "October Count" shows that Bennett School District has a relatively flat but increasing student count in 2016-17, 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 2017 will likely show level or increased enrollment from 2016.
- 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, 2017

	Governmental Activities	Total
ASSETS		
<u>Current Assets</u>		
Cash and Equivalents	8,083,349	8,083,349
Investments	418	418
Property Taxes Receivable	90,369	90,369
Accounts Receivable	30,764	30,764
Accrued Revenue	46,602	46,602
Prepaid Expenses	56,107	56,107
Inventories	5,095	5,095
<u>Total Current Assets</u>	<u>8,312,704</u>	<u>8,312,704</u>
<u>Capital Assets</u>		
Land	118,000	118,000
Depreciable Assets	24,197,433	24,197,433
Accumulated Depreciation	(9,972,977)	(9,972,977)
<u>Capital Assets Net of Depreciation</u>	<u>14,342,456</u>	<u>14,342,456</u>
TOTAL ASSETS	<u>22,655,160</u>	<u>22,655,160</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Bond Refunding	352,586	352,586
Deferred Pension Cost – Plan	10,553,398	10,553,398
Deferred Pension Cost – Employer	386,628	386,628
Deferred Pension Cost - Contributions Subsequent to Pension Measurement Date	414,739	414,739
<u>Total Deferred Outflows of Resources</u>	<u>11,707,351</u>	<u>11,707,351</u>
LIABILITIES		
<u>Current Liabilities</u>		
Accounts Payable	85,169	85,169
Accrued Salaries and Benefits	760,169	760,169
Accrued Interest	20,164	20,164
Unearned Grant Payments	142,308	142,308
Capital Leases-Current	133,072	133,072
General Obligation Bonds-Current	685,000	685,000
Unamortized Bond Premium-Current	26,561	26,561
<u>Total Current Liabilities</u>	<u>1,852,443</u>	<u>1,852,443</u>
<u>NonCurrent Liabilities</u>		
Capital Lease	1,199,586	1,199,586
General Obligation Bonds	5,315,000	5,315,000
Net Pension Liability	28,490,464	28,490,464
Compensated Absences	131,817	131,817
Unamortized Bond Premium	97,796	97,796
<u>Total Noncurrent Liabilities</u>	<u>35,234,663</u>	<u>35,234,663</u>
TOTAL LIABILITIES	<u>37,087,106</u>	<u>37,087,106</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension – Plan	128,729	128,729
Deferred Pension – Employer	128,520	128,520
<u>Total Deferred Outflows of Resources</u>	<u>257,249</u>	<u>257,249</u>
NET POSITION		
Net Investment in Capital Assets	7,009,798	7,009,798
Restricted for:		
Debt Service	2,796,489	2,796,489
TABOR	283,620	283,620
Preschool	49,595	49,595
Food Services	60,376	60,376
Unrestricted	(13,181,722)	(13,181,722)
TOTAL NET POSITION	<u>(2,981,844)</u>	<u>(2,981,844)</u>

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, 2017

		<u>Net (Expenses) Revenue and Changes in Net Position</u>			
		<u>Program Revenues</u>		<u>Primary Government</u>	
<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Governmental</u>	<u>Total</u>
		<u>Services</u>	<u>Grants &</u>	<u>Activities</u>	
			<u>Contributions</u>		
			<u>Capital Grants</u>		
			<u>and</u>		
			<u>Contributions</u>		
<u>Primary Government</u>					
Instruction	5,815,430	45,636	908,878	(4,860,916)	(4,860,916)
Student Support	270,119	-	-	(270,119)	(270,119)
Instructional Staff	95,428	-	-	(95,428)	(95,428)
General Administration	370,598	-	-	(370,598)	(370,598)
School Administration	525,205	-	-	(525,205)	(525,205)
Business Support	208,437	-	-	(208,437)	(208,437)
Operation & Maintenance	886,623	-	-	(886,623)	(886,623)
Transportation	547,354	-	107,443	(439,911)	(439,911)
Central Support	215,392	-	-	(215,392)	(215,392)
Food Services	291,975	116,775	147,862	(27,338)	(27,338)
Community Services	4,000	-	-	(4,000)	(4,000)
Capital Outlay	270,922	-	290,495	19,573	19,573
Interest on Long-Term Debt	273,889	-	-	(273,889)	(273,889)
Pension Expense	4,599,290	-	-	(4,599,290)	(4,599,290)
<u>Total Governmental Activities</u>	<u>14,374,662</u>	<u>162,411</u>	<u>1,164,183</u>	<u>(12,757,573)</u>	<u>(12,757,573)</u>
<u>Total Primary Government</u>	<u>14,374,662</u>	<u>162,411</u>	<u>1,164,183</u>	<u>(12,757,573)</u>	<u>(12,757,573)</u>
<u>General Revenues</u>					
Local Property Taxes				5,006,020	5,006,020
Specific Ownership Taxes				441,989	441,989
School Finance Act				4,161,939	4,161,939
Earnings on Investments				2,574	2,574
Other Revenues				113,593	113,593
<u>Total General Revenues</u>				<u>9,726,115</u>	<u>9,726,115</u>
<u>Change in Net Position</u>				<u>(3,031,458)</u>	<u>(3,031,458)</u>
<u>Net Position, Beginning</u>				<u>49,614</u>	<u>49,614</u>
<u>Net Position, Ending</u>				<u>(2,981,844)</u>	<u>(2,981,844)</u>

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Grants Special Revenue Fund</u>	<u>Bond Redemption Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Equivalents	4,618,573	142,578	2,780,262	541,936	8,083,349
Investments	418	-	-	-	418
Property Taxes Receivable	62,724	-	27,645	-	90,369
Accounts Receivable	17,842	-	-	12,922	30,764
Accrued Revenue	-	46,602	-	-	46,602
Accrued Interest Receivable	-	-	-	-	-
Inventories	-	-	-	5,095	5,095
Prepaid Expenditures	54,689	-	-	1,418	56,107
Due From Other Funds	16,818	913	-	-	17,731
<u>Total Assets</u>	<u>4,771,064</u>	<u>190,093</u>	<u>2,807,907</u>	<u>561,371</u>	<u>8,330,435</u>
<u>LIABILITIES:</u>					
Accounts Payable	85,002	167	-	-	85,169
Accrued Salaries Payable	717,007	30,800	-	12,362	760,169
Due To Other Funds	913	16,818	-	-	17,731
Unearned Grant Payments	-	142,308	-	-	142,308
<u>Total Liabilities</u>	<u>802,922</u>	<u>190,093</u>	<u>-</u>	<u>12,362</u>	<u>1,005,377</u>
<u>DEFERRED INFLOW OF RESOURCES</u>					
Deferred Property Tax	25,900	-	11,418	-	37,318
<u>FUND BALANCES:</u>					
Nonspendable:					
Prepaid Expenditures	54,689	-	-	-	54,689
Inventories	-	-	-	5,095	5,095
Restricted:					
TABOR (Emergencies)	283,620	-	-	-	283,620
Preschool	49,595	-	-	-	49,595
Debt Service	-	-	2,796,489	-	2,796,489
Food Services	-	-	-	55,281	55,281
Committed:					
Capital Outlay	-	-	-	488,633	488,633
Unassigned	3,554,338	-	-	-	3,554,338
<u>Total Fund Balances</u>	<u>3,942,242</u>	<u>-</u>	<u>2,796,489</u>	<u>549,009</u>	<u>7,287,740</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>					
	<u>4,771,064</u>	<u>190,093</u>	<u>2,807,907</u>	<u>561,371</u>	<u>8,330,435</u>

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, 2017

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

<u>Total Fund Balance – Governmental Funds</u>		7,287,740
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$24,315,433 and the accumulated depreciation is \$9,972,977.		14,342,456
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.		37,318
Interest is recognized when paid in the funds. This is accrued interest payable to year end.		(20,164)
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	(6,000,000)	
Capital Leases	(1,332,658)	
Unamortized Bond Premium	(124,357)	
Bond Refunding	<u>352,586</u>	(7,104,429)
Compensated absences are not reported as a liability in the funds.		(131,817)
Net Pension Liability		(28,490,464)
Deferred Pension Cost – Plan		10,424,669
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date		414,739
Deferred Pension Cost – Employer		<u>258,108</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>		<u>(2,981,844)</u>

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, 2017

	General	Grants Special Revenue Fund	Bond Redemption Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
<u>Local Sources</u>					
Property Taxes	3,506,989	-	1,545,639	-	5,052,628
Specific Ownership	441,989	-	-	-	441,989
Earnings on Investments	2,034	-	227	313	2,574
Delinquent Penalties & Interest	3,219	-	1,455	-	4,674
Tuition/Concurrent Enrollment	45,636	-	-	-	45,636
Local /BOCES Grants	308,681	26,169	-	-	334,850
Food Sales	-	-	-	116,775	116,775
Other	113,593	-	-	-	113,593
<u>State Sources</u>					
Equalization	4,161,939	-	-	-	4,161,939
Transportation	107,443	-	-	-	107,443
Vocational Education	13,104	-	-	-	13,104
Additional At Risk	4,867	-	-	-	4,867
ELPA	100,158	-	-	-	100,158
State Grants	-	464,039	-	36,720	500,759
<u>Federal Source</u>					
Federal Grants	-	250,555	-	142,942	393,497
TOTAL REVENUES	8,809,652	740,763	1,547,321	296,750	11,394,486
<u>EXPENDITURES</u>					
<u>Instructional Services:</u>	<u>4,835,916</u>	<u>466,936</u>	<u>-</u>	<u>-</u>	<u>5,302,852</u>
<u>Supporting Services:</u>					
Students	270,119	-	-	-	270,119
Instructional Staff	95,428	-	-	-	95,428
General Administration	370,598	-	-	-	370,598
School Administration	525,205	-	-	-	525,205
Business Services	208,437	-	-	-	208,437
Operation & Maintenance	871,049	-	-	-	871,049
Student Transportation	445,625	-	-	-	445,625
Central Support	210,707	-	-	-	210,707
Food Services	-	-	-	289,119	289,119
Community Services	4,000	-	-	-	4,000
<u>Debt Service:</u>					
Principal	-	-	670,000	126,251	796,251
Interest & Fees	-	-	178,225	44,139	222,364
Capital Outlay	-	273,827	-	646,378	920,205
<u>Total Supporting Services</u>	<u>3,001,168</u>	<u>273,827</u>	<u>848,225</u>	<u>1,105,887</u>	<u>5,229,107</u>
TOTAL EXPENDITURES	7,837,084	740,763	848,225	1,105,887	10,531,959
<u>Revenues Over (Under) Expenditures</u>	<u>972,568</u>	<u>-</u>	<u>699,096</u>	<u>(809,137)</u>	<u>862,527</u>
<u>OTHER FINANCING SOURCES</u>					
<u>(USES)</u>					
Lease Purchase Proceeds	-	-	-	270,922	270,922
Operating Transfers In (Out)	(500,313)	-	-	500,313	-
<u>Total Other Financing</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Sources (Uses)</u>	<u>(500,313)</u>	<u>-</u>	<u>-</u>	<u>771,235</u>	<u>270,922</u>
<u>Revenues and Other Financing</u>					
<u>Sources Over (Under) Expenditures</u>	<u>472,255</u>	<u>-</u>	<u>699,096</u>	<u>(37,902)</u>	<u>1,133,449</u>
<u>and Other Uses</u>	<u>3,469,987</u>	<u>-</u>	<u>2,097,393</u>	<u>586,911</u>	<u>6,154,291</u>
FUND BALANCE, Beginning	3,942,242	-	2,796,489	549,009	7,287,740
FUND BALANCE, Ending	3,942,242	-	2,796,489	549,009	7,287,740

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, 2017

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

Net Change in Fund Balances – Total Governmental Funds 1,133,449

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	708,116	
Depreciation expense	(676,035)	32,081

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. (51,282)

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:

Lease Purchase Proceeds	(270,922)	
Repayment of Debt Principal	796,251	
Interest Expense	30,418	
Amortization Expense	<u>(81,943)</u>	473,804

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. (20,220)

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	(4,599,290)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (3,031,458)

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, 2017

	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	134,334
Accounts Receivable	-
Deposits Held for Others	-
<u>Total Assets</u>	<u>134,334</u>
<u>LIABILITIES</u>	
Due to Student Groups	134,334
Accounts Payable	-
<u>Total Liabilities</u>	<u>134,334</u>
<u>NET POSITION</u>	
Unrestricted	-
<u>Total Net Position</u>	<u>-</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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).

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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 District's 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.

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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 2016 but uncollected in 2017 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2017 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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017 the District reserved \$283,620 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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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 2016 property tax calendar for Adams and Arapahoe Counties was as follows:

Levy Date	December 15, 2016
Lien Date	January 1, 2017
Tax Bills Mailed	January 1, 2017
First Installment Due	February 28, 2017
Second Installment Due	June 15, 2017
If Paid in Full, Due	April 30, 2017

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.

BENNETT SCHOOL DISTRICT NUMBER 29J
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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:

	<u>General Fund</u>	<u>Special Revenue Grants Fund</u>	<u>Special Revenue Food Services Fund</u>	<u>Bond Redemption Debt Service Fund</u>	<u>Capital Projects Capital Reserve Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	5,095	-	-	5,095
Prepays	54,689	-	-	-	-	54,689
<u>Restricted:</u>						
Emergencies	283,620	-	-	-	-	283,620
Preschool	49,595	-	-	-	-	49,595
Debt Service	-	-	-	2,796,489	-	2,796,489
Food Service	-	-	55,281	-	-	55,281
<u>Committed:</u>						
Capital Outlay	-	-	-	-	488,633	488,633
<u>Unassigned</u>	<u>3,554,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,554,338</u>
<u>Total Fund Balances</u>	<u>3,942,242</u>	<u>-</u>	<u>60,376</u>	<u>2,796,489</u>	<u>488,633</u>	<u>7,287,740</u>

BENNETT SCHOOL DISTRICT NUMBER 29J
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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:

<u>Governmental Funds</u>	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	16,818	913	-	500,313
Grants - Special Revenue Fund	913	16,818	-	-
Capital Reserve Capital Projects Fund	-	-	480,000	-
Food Services Fund	-	-	20,313	-
	<u>17,731</u>	<u>17,731</u>	<u>500,313</u>	<u>500,313</u>

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	5,165,162	5,380,108
Cash Equivalents	2,779,725	2,779,725
Cash with County Treasurer	<u>22,796</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>8,217,683</u>	<u>8,409,833</u>

As presented above, deposits with a bank balance of \$5,380,108 and carrying balance of \$5,165,162 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2017, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Credit Rating</u>
COLOTRUST Plus	2 Months or Less	418	AAA

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017:

- COLOTRUST Investment Pool of \$418 is 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, 2016	Additions	Deletions	Balance June 30, 2017
<u>Non-Depreciable Assets:</u>				
Land	118,000	-	-	118,000
<u>Total Non-Depreciable Assets</u>	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>118,000</u>
<u>Depreciable Assets:</u>				
Improvements	982,935	486,753	-	1,469,688
Buildings	20,065,019	221,279	-	20,286,298
Vehicles and Equipment	2,211,512	47,920	-	2,259,432
Food Services	99,147	15,989	-	115,136
Construction in Progress	130,704	66,879	130,704	66,879
<u>Total Depreciable Assets</u>	<u>23,489,317</u>	<u>838,820</u>	<u>130,704</u>	<u>24,197,433</u>
<u>Less Accumulated Depreciation for:</u>				
Improvements	660,178	64,483	-	724,661
Building	7,420,378	468,485	-	7,888,863
Vehicles and Equipment	1,132,682	140,211	-	1,272,893
Food Services	83,704	2,856	-	86,560
<u>Total Accumulated Depreciation</u>	<u>9,296,942</u>	<u>676,035</u>	<u>-</u>	<u>9,972,977</u>
<u>Total Capital Assets, Net</u>	<u>14,310,375</u>	<u>162,785</u>	<u>130,704</u>	<u>14,342,456</u>

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 5 CAPITAL ASSETS (Continued)

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

Governmental Activities:

Instruction	538,696
Operations and Maintenance	15,574
Transportation	114,224
Food Services	2,856
Central Support	<u>4,685</u>

<u>Total Depreciation Expense –Governmental Activities</u>	<u>676,035</u>
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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, 2017, are estimated to be \$760,169 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, 2017 was \$5,760,000.

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (Continued)

General Obligation Refunding Series 2011 (Continued)

Payments to maturity are as follows:

	<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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.				
	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	755,000	89,775	844,775
	2023-2025	<u>2,410,000</u>	<u>123,325</u>	<u>2,533,325</u>
	<u>Total</u>	<u>6,000,000</u>	<u>765,575</u>	<u>6,765,575</u>

Changes in General Obligation Bonds

	<u>Beginning</u> <u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u> <u>June 30, 2017</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Series 2011 G.O.					
Refunding Bonds	<u>6,670,000</u>	-	<u>670,000</u>	<u>6,000,000</u>	<u>685,000</u>
<u>Total Bonds Payable</u>	<u>6,670,000</u>	-	<u>670,000</u>	<u>6,000,000</u>	<u>685,000</u>

Deferred Amounts:

Bond Premium 2011 Issue	153,259	-	28,902	124,357	26,561
Bond Refunding 2011 Issue	<u>(434,529)</u>	-	<u>(81,943)</u>	<u>(352,586)</u>	<u>(75,309)</u>
<u>Totals</u>	<u>6,388,730</u>	-	<u>616,959</u>	<u>5,771,771</u>	<u>636,252</u>

NOTE 8 COMPENSATED ABSENCES

The following is a summary of compensated absences transactions of the District for the year ended June 30, 2017, and includes all activities and component units.

<u>District</u>	<u>Balance</u> <u>July 1, 2016</u>	<u>Net Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental	<u>111,597</u>	<u>20,220</u>	<u>131,817</u>
Total Accumulated Sick & Vacation Leave	<u>111,597</u>	<u>20,220</u>	<u>131,817</u>

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9 CAPITAL LEASES

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

The District entered into a capital lease agreement to acquire computers. The lease term is for five years with interest at 2.931%.

Capital lease obligations for the fiscal year ended June 30, 2017 is comprised of the following:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
<u>Governmental Funds</u>				
Capital Reserve/Capital Projects Fund:				
Energy Retrofit Project	1,187,987	-	75,192	1,112,795
Computers	-	270,922	51,059	219,863
	<u>1,187,987</u>	<u>270,922</u>	<u>126,251</u>	<u>1,332,658</u>
		Current Liability		133,072
		NonCurrent Liability		<u>1,199,586</u>
		<u>Total</u>		<u>1,332,658</u>

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

Individual Capital Leases Payable

Energy Improvement

	Fiscal Year	Annual Payment	Principal	Interest
	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	127,215	104,399	22,816
	2023-2027	687,689	629,067	58,622
	2028	23,069	22,887	182
Total Minimum Payments		1,315,652	<u>1,112,795</u>	<u>202,857</u>
Less Amount Representing Interest		(202,857)		
Net Present Value of Future Minimum Payments		<u>1,112,795</u>		

Computers

	Fiscal Year	Annual Payment	Principal	Interest
	2018	58,318	52,576	5,742
	2019	58,318	54,138	4,180
	2020	58,318	55,746	2,572
	2021	58,318	57,403	915
Total Minimum Payments		233,272	<u>219,863</u>	<u>13,409</u>
Less Amount Representing Interest		(13,409)		
Net Present Value of Future Minimum Payments		<u>219,863</u>		

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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. 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

- \$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.

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.50%	5.00%
Total Employer Contribution Rate to the SCHDTF	18.13%	18.63%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the 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 \$803,912 for the year ended June 30, 2017.

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

At June 30, 2017, the Bennett School District Number 29-J reported a liability of \$28,490,464 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The 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 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the Bennett School District Number 29-J proportion was 0.09569 percent, which was an increase of 0.00273 from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Bennett School District Number 29-J recognized pension expense of \$4,599,290. At June 30, 2017, the Bennett School District Number 29-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	356,174	(251)
Changes of assumptions or other inputs	9,244,562	(128,478)
Net difference between projected and actual earnings on pension plan investments	952,662	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	386,628	(128,520)
Contributions subsequent to the measurement date	414,739	N/A
Total	11,354,765	(257,249)

\$414,739 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017	
2018	4,219,703
2019	4,330,760
2020	2,122,788
2021	9,526
2022	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, 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
Discount Rate	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

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
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

Mortality rates used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

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

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

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

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

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

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

The long-term expected rate of return on pension plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 **PENSION PLAN (Continued)**

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, 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.
- 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 assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate. The discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 **PENSION PLAN (Continued)**

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 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	35,825,844	28,490,464	22,516,064

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.

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, 2017, program members contributed \$38,318.

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.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 PENSION PLAN (Continued)

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, 2017, 2016 and 2015, the Bennett School District Number 29-J contributions to the HCTF were \$44,602, \$45,148 and \$38,800, 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, 2016, the latest year for which audited information is available, is as follows:

Assets and Deferred Outflows	<u>3,687,970</u>
Liabilities and Deferred Inflows	9,789,063
Fund Equity	<u>(6,101,093)</u>
	<u>3,687,970</u>
Revenues	8,398,687
Expenditures	<u>8,359,060</u>
Excess (Deficiency)	<u>39,627</u>

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, 2017. The joint venture summary audited financial information as of June 30, 2016, the latest year for which audited information is available, is as follows:

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 11 JOINT VENTURE (Continued)

Assets	<u>75,515</u>
Liabilities	<u>-</u>
Net Assets	<u>75,515</u>
Revenues	231,342
Expenditures	<u>193,208</u>
Excess (Deficiency)	<u>38,134</u>

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 \$46,164 to the Prairie Creek Charter School for the fiscal year ended June 30, 2017.

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, 2017.

BENNETT SCHOOL DISTRICT NUMBER 29-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at December 31, 2016 (latest information available) follows:

Total Assets	<u>48,036,383</u>
Total Liabilities	<u>21,232,630</u>
Total Equity	<u>26,803,753</u>
Revenue	14,232,299
Underwriting Expenses	<u>12,497,566</u>
Underwriting Gain (Loss)	1,734,733
Net Investment Income	690,250
Other Income	-
Net Income (Loss) Before Dividend	2,424,983
Dividend	-
Net Income	<u>2,424,983</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>53,761</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>26,803,753</u>

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 its 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

<u>District:</u>	<u>Due From</u>	<u>Due To</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:				
General	16,818	913	-	500,313
Grants - Special Revenue Fund	913	16,818	-	
Non-Major Governmental:				
Food Services-Special Revenue Fund	-	-	20,313	-
Capital Reserve-Capital Projects Fund	-	-	<u>480,000</u>	-
Total	<u>17,731</u>	<u>17,731</u>	<u>500,313</u>	<u>500,313</u>

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

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, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Property Taxes	3,799,691	3,506,989	(292,702)
Specific Ownership Taxes	235,057	441,989	206,932
Delinquent Taxes & Interest	12,000	3,219	(8,781)
Tuition	50,000	45,636	(4,364)
BOCES Grants	120,000	308,681	188,681
Earnings on Investments	1,000	2,034	1,034
Other Local	<u>115,000</u>	<u>113,593</u>	<u>(1,407)</u>
<u>Total Local Revenues</u>	<u>4,332,748</u>	<u>4,422,141</u>	<u>89,393</u>
<u>State Sources</u>			
Equalization	3,780,700	4,161,939	381,239
Vocational Education	-	13,104	13,104
Additional at Risk	-	4,867	4,867
ELPA	32,000	100,158	68,158
Transportation	<u>106,459</u>	<u>107,443</u>	<u>984</u>
<u>Total State Sources</u>	<u>3,919,159</u>	<u>4,387,511</u>	<u>468,352</u>
<u>TOTAL REVENUES</u>	<u>8,251,907</u>	<u>8,809,652</u>	<u>557,745</u>
<u>EXPENDITURES</u>			
<u>INSTRUCTION</u>			
Salaries	3,039,030	2,859,215	179,815
Employee Benefits	55,657	1,250,279	(1,194,622)
Purchased Services – Professional	92,822	128,017	(35,195)
Purchased Services – Property	53,100	49,889	3,211
Purchased Services – Other	313,667	428,197	(114,530)
Supplies and Materials	145,132	115,873	29,259
Property	1,424	383	1,041
Other	<u>4,687</u>	<u>4,063</u>	<u>624</u>
<u>Total Instruction</u>	<u>3,705,519</u>	<u>4,835,916</u>	<u>(1,130,397)</u>
<u>SUPPORTING SERVICES</u>			
<u>Student Supporting Services</u>			
Salaries	94,312	100,030	(5,718)
Employee Benefits	-	43,267	(43,267)
Purchased Services – Professional	23,937	12,040	11,897
Purchased Services – Property	-	-	-
Purchased Services – Other	116,400	111,012	5,388
Supplies & Materials	<u>4,200</u>	<u>3,770</u>	<u>430</u>
<u>Total Student Services</u>	<u>238,849</u>	<u>270,119</u>	<u>(31,270)</u>

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, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>SUPPORTING SERVICES (Continued)</u>			
<u>Instructional Staff</u>			
Salaries	42,747	39,869	2,878
Employee Benefits	11,883	17,245	(5,362)
Purchased Services – Professional	10,300	6,502	3,798
Purchased Services – Property	40,375	8,204	32,171
Purchased Services – Other	31,906	5,436	26,470
Supplies and Materials	17,224	16,017	1,207
Property	3,000	1,500	1,500
Other	<u>1,210</u>	<u>655</u>	<u>555</u>
<u>Total Instructional Staff</u>	<u>158,645</u>	<u>95,428</u>	<u>63,217</u>
<u>General Administration</u>			
Salaries	151,249	173,969	(22,720)
Employee Benefits	1,200	75,249	(74,049)
Purchased Services – Professional	40,200	36,225	3,975
Purchased Services – Property	11,100	11,290	(190)
Purchased Services – Other	58,203	47,439	10,764
Supplies and Materials	7,700	8,579	(879)
Property	100	-	100
Other	<u>74,252</u>	<u>17,847</u>	<u>56,405</u>
<u>Total General Administration</u>	<u>344,004</u>	<u>370,598</u>	<u>(26,594)</u>
<u>School Administration</u>			
Salaries	356,135	359,276	(3,141)
Employee Benefits	1,177,081	163,834	1,013,247
Supplies and Materials	2,500	2,095	405
Property	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total School Administration</u>	<u>1,535,716</u>	<u>525,205</u>	<u>1,010,511</u>
<u>Business Services</u>			
Salaries	133,850	104,397	29,453
Employee Benefits	271,003	45,156	225,847
Purchased Services – Professional	40,025	34,358	5,667
Purchased Services – Property	-	-	-
Purchased Services – Other	31,655	20,325	11,330
Supplies and Materials	8,755	1,210	7,545
Property	100	-	100
Other	<u>-</u>	<u>2,991</u>	<u>(2,991)</u>
<u>Total Business Services</u>	<u>485,388</u>	<u>208,437</u>	<u>276,951</u>

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, 2017

	<u>Budgeted Amount</u> <u>Original & Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>SUPPORTING SERVICES (Continued)</u>			
<u>Operations and Maintenance</u>			
Salaries	281,878	267,445	14,433
Employee Benefits	-	115,681	(115,681)
Purchased Services – Professional	-	-	-
Purchased Services – Property	178,141	167,541	10,600
Purchased Services – Other	-	-	-
Supplies and Materials	348,702	320,382	28,320
Property	250	-	250
<u>Total Operations and Maintenance</u>	<u>808,971</u>	<u>871,049</u>	<u>(62,078)</u>
<u>Student Transportation</u>			
Salaries	196,349	209,348	(12,999)
Employee Benefits	48,939	42,084	6,855
Purchased Services – Professional	2,800	876	1,924
Purchased Services – Property	69,040	75,175	(6,135)
Purchased Services – Other	21,400	8,557	12,843
Supplies and Materials	123,800	109,585	14,215
Property	60	-	60
Other	340	-	340
<u>Total Student Transportation</u>	<u>462,728</u>	<u>445,625</u>	<u>17,103</u>
<u>Central Support</u>			
Salaries	102,475	-	102,475
Purchased Services – Professional	-	97,295	(97,295)
Purchased Services – Other	-	113,412	(113,412)
Supplies and Materials	244,627	-	244,627
<u>Total Central Support</u>	<u>347,102</u>	<u>210,707</u>	<u>136,395</u>
<u>Community Services</u>			
Other	508	4,000	(3,492)
<u>Total Community Services</u>	<u>508</u>	<u>4,000</u>	<u>(3,492)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>4,381,911</u>	<u>3,001,168</u>	<u>1,380,743</u>
<u>Appropriated Reserve</u>	<u>2,301,257</u>	<u>-</u>	<u>2,301,257</u>
<u>TOTAL EXPENDITURES</u>	<u>10,388,687</u>	<u>7,837,084</u>	<u>2,551,603</u>

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, 2017

	<u>Budgeted Amount</u> <u>Original & Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues Over (Under) Expenditures</u>	(2,136,780)	<u>972,568</u>	
<u>Other Financing Sources (Uses)</u>			
Transfers (Out)	<u>(500,313)</u>	<u>(500,313)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(500,313)</u>	<u>(500,313)</u>	<u>-</u>
<u>Revenues and Other Financing Sources</u> <u>Over (Under) Expenditures and Other Uses</u>	(2,637,093)	472,255	
<u>FUND BALANCE, Beginning</u>	<u>2,637,093</u>	<u>3,469,987</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>3,942,242</u>	

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, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>			
Local Sources	520,000	26,169	(493,831)
State Sources	283,845	464,039	180,194
Federal Sources	398,490	250,555	(147,935)
<u>Total Revenues</u>	<u>1,202,335</u>	<u>740,763</u>	<u>(461,572)</u>
<u>EXPENDITURES</u>			
<u>Instruction</u>			
<u>Total Instruction</u>	<u>916,335</u>	<u>466,936</u>	<u>449,399</u>
<u>Support Services</u>			
<u>Total Support Services</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Facilities</u>			
Property	286,000	273,827	12,173
<u>Total Facilities</u>	<u>286,000</u>	<u>273,827</u>	<u>12,173</u>
<u>Total Expenditures</u>	<u>1,202,335</u>	<u>740,763</u>	<u>461,572</u>
<u>Revenues Over (Under) Expenditures</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	

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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.0957%	0.0930%	0.0915%	0.0968%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$28,490,464	\$14,217,135	\$12,400,918	\$12,349,740	-	-	-	-	-	-
District's covered-employee payroll	\$4,372,756	\$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	652%	321%	318%	322%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contributions	\$ 803,912	\$ 784,597	\$ 658,806	\$ 615,839	\$ 590,536	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (803,912)</u>	<u>\$ (784,597)</u>	<u>\$ (658,806)</u>	<u>\$ (615,839)</u>	<u>\$ (590,536)</u>	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-
District's covered-employee payroll	\$4,372,756	\$4,426,311	\$3,901,954	\$3,833,043	\$3,938,068	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	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.

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.

Capital Project Funds

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

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, 2017

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Property Tax Revenue	950,000	1,545,639	595,639
Delinquent Taxes & Interest	-	1,455	1,455
Interest Earnings	<u>1,800</u>	<u>227</u>	<u>(1,573)</u>
Total Revenues	<u>951,800</u>	<u>1,547,321</u>	<u>595,521</u>
<u>EXPENDITURES</u>			
Paying Agent Fees	-	300	(300)
Interest Expenditures	255,000	177,925	77,075
Principal Expenditures	603,500	670,000	(66,500)
Appropriated Reserve	<u>1,400,093</u>	<u>-</u>	<u>1,400,093</u>
Total Expenditures	<u>2,258,593</u>	<u>848,225</u>	<u>1,410,368</u>
<u>REVENUES OVER (UNDER)</u> <u>EXPENDITURES</u>	(1,306,793)	699,096	
<u>FUND BALANCES, Beginning</u>	<u>1,306,793</u>	<u>2,097,393</u>	
<u>FUND BALANCES, Ending</u>	<u>-</u>	<u>2,796,489</u>	

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, 2017

	<u>Special Revenue Food Services Fund</u>	<u>Capital Projects Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash	53,303	488,633	541,936
Accounts Receivable	12,922	-	12,922
Inventories	5,095	-	5,095
Prepaid Expenditures	1,418	-	1,418
<u>Total Assets</u>	<u>72,738</u>	<u>488,633</u>	<u>561,371</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries Payable	12,362	-	12,362
Due To Other Funds	-	-	-
Unearned Grant Payments	-	-	-
<u>Total Liabilities</u>	<u>12,362</u>	<u>-</u>	<u>12,362</u>
<u>Fund Balances:</u>			
Nonspendable:			
Inventories	5,095	-	5,095
Restricted:			
Food Services	55,281	-	55,281
Committed:			
Capital Outlay	-	488,633	488,633
Unassigned:	-	-	-
<u>Total Fund Balances</u>	<u>60,376</u>	<u>488,633</u>	<u>549,009</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>72,738</u>	<u>488,633</u>	<u>561,371</u>

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, 2017

	<u>Special Revenue Food Services Fund</u>	<u>Capital Projects Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>REVENUES</u>			
Local Sources	116,775	313	117,088
State Sources	4,920	31,800	36,720
Federal Sources	<u>142,942</u>	<u>-</u>	<u>142,942</u>
<u>Total Revenues</u>	<u>264,637</u>	<u>32,113</u>	<u>296,750</u>
<u>EXPENDITURES</u>			
Capital Outlay	-	646,378	646,378
Debt Service	-	170,390	170,390
Food Services	<u>289,119</u>	<u>-</u>	<u>289,119</u>
<u>Total Expenditures</u>	<u>289,119</u>	<u>816,768</u>	<u>1,105,887</u>
<u>REVENUES OVER (UNDER)</u>			
<u>EXPENDITURES</u>	<u>(24,482)</u>	<u>(784,655)</u>	<u>(809,137)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	270,922	270,922
Transfers In (Out)	<u>20,313</u>	<u>480,000</u>	<u>500,313</u>
<u>Total Other Financing Sources (Uses)</u>	<u>20,313</u>	<u>750,922</u>	<u>771,235</u>
<u>NET CHANGE IN FUND BALANCES</u>	(4,169)	(33,733)	(37,902)
<u>FUND BALANCES, Beginning</u>	<u>64,545</u>	<u>522,366</u>	<u>586,911</u>
<u>FUND BALANCES, Ending</u>	<u>60,376</u>	<u>488,633</u>	<u>549,009</u>

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, 2017

	<u>Budget Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	251,701	116,775	(134,926)
Interest Earnings	150	-	(150)
<u>Total Local Sources</u>	<u>251,851</u>	<u>116,775</u>	<u>(135,076)</u>
<u>State Sources</u>			
State Match	714	2,448	1,734
Smart Start	-	617	617
PK-2 Reduced Breakfast	-	1,855	1,855
<u>Total State Sources</u>	<u>714</u>	<u>4,920</u>	<u>4,206</u>
<u>Federal Sources</u>			
School Lunches & Breakfast	93,771	123,664	29,893
Commodities	15,315	19,278	3,963
<u>Total Federal Sources</u>	<u>109,086</u>	<u>142,942</u>	<u>33,856</u>
<u>TOTAL REVENUES</u>	<u>361,651</u>	<u>264,637</u>	<u>(97,014)</u>
<u>EXPENDITURES</u>			
Salaries	98,170	86,790	11,380
Employee Benefits	51,424	42,574	8,850
Purchased Services – Professional	-	14	(14)
Purchased Services – Property	2,000	-	2,000
Purchased Services – Other	250	-	250
Food and Milk	181,900	143,087	38,813
Supplies and Materials	26,000	16,654	9,346
Appropriated Reserves	138,719	-	138,719
<u>TOTAL EXPENDITURES</u>	<u>498,463</u>	<u>289,119</u>	<u>209,344</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(136,812)</u>	<u>(24,482)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	20,313	20,313	-
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(116,499)</u>	<u>(4,169)</u>	
<u>FUND BALANCE, Beginning</u>	<u>116,499</u>	<u>64,545</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>60,376</u>	

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, 2017

	Budgeted Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Interest	-	313	313
BEST Grant	-	31,800	31,800
<u>Total Revenues</u>	-	32,113	32,113
<u>EXPENDITURES</u>			
Purchased Services – Other	80,000	24,678	55,322
Equipment	-	409,001	(409,001)
Vehicles	71,994	39,869	32,125
Buildings	390,016	170,370	219,646
Other	2,484	2,460	24
Debt Service:			
Interest	73,217	44,139	29,078
Principal	80,789	126,251	(45,462)
Appropriated Reserve	181,500	-	181,500
<u>Total Expenditures</u>	880,000	816,768	63,232
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(880,000)	(784,655)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Lease Purchase Proceeds	-	270,922	270,922
Transfers In (Out)	480,000	480,000	-
<u>Total Other Financing Sources (Uses)</u>	480,000	750,922	270,922
<u>NET CHANGE IN FUND BALANCES</u>	(400,000)	(33,733)	
<u>FUND BALANCE, Beginning</u>	400,000	522,366	
<u>FUND BALANCE, Ending</u>	-	488,633	

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, 2017

	<u>Budget Amounts Original & Final</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>ADDITIONS</u>			
Local Receipts	<u>430,000</u>	<u>393,036</u>	<u>(36,964)</u>
<u>DEDUCTIONS</u>			
Disbursements	<u>575,000</u>	<u>400,565</u>	<u>174,435</u>
<u>CHANGES IN DUE TO STUDENT GROUPS</u>	(145,000)	(7,529)	
<u>DUE TO STUDENT GROUPS, Beginning</u>	<u>145,000</u>	<u>141,863</u>	
<u>DUE TO STUDENT GROUPS, Ending</u>	<u>-</u>	<u>134,334</u>	

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 2016-17
Colorado School District/BOCES

Page: 1

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	1000-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	3,420,537	8,231,838	7,759,728	3,892,647
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	49,650	77,500	77,355	49,595
Sub-Total	3,469,587	8,309,338	7,837,083	3,942,242
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
21 Food Service Spec Revenue Fund	64,544	284,950	285,118	60,376
22 Govt Designated-Purpose Grants Fund	0	740,763	740,763	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	2,097,393	1,547,321	848,225	2,796,489
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	522,366	783,035	816,769	488,633
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	6,154,250	11,665,407	10,531,958	7,287,749
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
68,65-69 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	141,853	393,036	400,565	134,334
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	141,853	393,036	400,565	134,334
FINAL	6,154,250	12,058,443	10,932,523	7,422,083



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0050 - BENNETT 29
 Fiscal Year 2016-17
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Cash and Investments (8100-8104,8111)	4,539,693	0	57,039	142,578	0	53,303	2,779,725	488,633	0	0	0	0	134,334	0	8,195,305
Cash with Fiscal Agent (8105)	22,259	0	0	0	0	0	536	0	0	0	0	0	0	0	22,796
Taxes Receivable (8121,8122)	62,724	0	0	0	0	0	27,645	0	0	0	0	0	0	0	90,370
Interfund Loans Receivable (8131,8132)	16,818	0	0	913	0	0	0	0	0	0	0	0	0	0	17,732
Intergovernmental Accounts Rec (8141)	17,842	0	0	0	0	0	0	0	0	0	0	0	0	0	17,842
Grants Accounts Receivable (8142)	0	0	0	46,602	0	12,922	0	0	0	0	0	0	0	0	59,524
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	5,096	0	0	0	0	0	0	0	0	5,096
Prepaid Expenses 8181,8182)	54,689	0	0	0	0	1,418	0	0	0	0	0	0	0	0	56,107
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,714,025	0	57,039	190,093	0	72,738	2,807,507	488,633	0	0	0	0	134,334	0	8,164,770

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY															
LIABILITIES	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk- Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	913	0	0	16,818	0	0	0	0	0	0	0	0	0	0	17,732
Other Payables (7421-7423)	76,750	0	0	167	0	0	0	0	0	0	0	0	0	0	76,917
Accrued Expenses (7461)	709,563	0	7,444	30,801	0	12,362	0	0	0	0	0	0	0	0	760,169
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	25,900	0	0	0	0	0	11,418	0	0	0	0	0	0	0	37,318
Grants Deferred Revenue (7482)	0	0	0	142,308	0	0	0	0	0	0	0	0	0	0	142,308
Other Current Liabilities (7491,7492,7499)	8,251	0	0	0	0	0	0	0	0	0	0	0	0	0	8,251
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	821,378	0	7,444	190,093	0	12,362	11,418	0	0	0	0	0	0	0	1,042,695

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	54,689	0	0	0	0	5,096	0	0	0	0	0	0	0	0	59,785
Restricted Fund Balance 6720	0	0	0	0	0	55,280	0	0	0	0	0	0	0	0	55,280
TABOR 3% Emergency Reserve 6721	283,620	0	0	0	0	0	2,796,489	0	0	0	0	0	0	0	3,080,109
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Distinct Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	49,595	0	0	0	0	0	0	0	0	0	0	0	49,595
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	488,633	0	0	0	0	134,334	0	622,967
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,554,338	0	0	0	0	0	0	0	0	0	0	0	0	0	3,554,338
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,892,647	0	49,595	0	0	60,376	2,796,489	488,633	0	0	0	0	134,334	0	7,422,074

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,714,025	0	57,039	190,093	0	72,738	2,807,907	488,633	0	0	0	0	134,334	0	8,464,769

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

For Each Fund Type:
Do Assets=Liability+Fund Equity