cPa DIXON, WALLER & CO., INC.

BENNETT SCHOOL DISTRICT

NUMBER 29-J

BENNETT, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

BENNETT SCHOOL DISTRICT NUMBER 29-J

FINANCIAL STATEMENTS

JUNE 30, 2021

BENNETT SCHOOL DISTRICT NUMBER 29-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2021

BOARD OF EDUCATION

James DuBois	President
Nancy Barden	Vice President
Kyle Meyer	Treasurer
Dennis Smialek	Secretary
Andrew Thornton	Director

SCHOOL OFFICIALS

Robin Purdy	Superintendent
Keith Yaich	Business Manager

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bennett School District Number 29-J, as of and for the year ended June 30, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Bennett School District Number 29-J, as of June 30, 2021, 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 and pension and post employment benefits trend data on pages i through ix and 46 through 53 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 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, state required schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, state required schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of Bennett School District Number 29-J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bennett School District Number 29-J's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bennett School District Number 29-J's internal control over financial reporting and compliance.

Dixon, Waller & Co., Inc.

November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bennett School District No.29J
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 by $3,861,291, with net position related to governmental activities generating all of the increase.
- General revenues, primarily property taxes and state equalization payments, account for $10,170,751 or 82 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for $2,239,482 or 18 percent of total revenues of $12,406,163.
  The District had $8,548,942 in expenses related to governmental activities; of which $2,239,482 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of $10,170,751 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 $735,000 or 19 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 one category, "Governmental 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 six 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, (3) Building Capital Projects Fund and (4) the grants special revenue fund because they are considered major funds. Data from other governmental funds are combined into a single, aggregated presentation. Also included in the other information section is budget-to-actual information for the debt service fund, the capital reserve capital projects fund, and the food services special revenue fund as required by state law.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The District does not have any Fiduciary Funds as of June 30, 2021.

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 9 through 45.

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, 2020 and 2021.

	Governmental Activities		Business-Type Activities		Core District Total	
	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021
Assets						
Current & Other	10,978,651	10,480,091	0	0	10,978,651	10,480,091
Deferred Pension	3,137,283	6,685,223			3,137,283	6,685,223
Capital Assets net	20,289,506	19,682,820	0	0	20,289,506	19,682,820
Total Assets	**34,405,440**	**36,848,134**	**0**	**0**	**34,405,440**	**36,848,134**
Liabilities						
Current Liabilities	2,857,797	2,475,820	0	0	2,857,797	2,475,820
Deferred Pension	10,681,975	8,188,881	0	0	10,681,975	8,188,881
Long-Term Debt	23,799,764	25,256,238	0		23,799,764	25,256,238
Total Liabilities	**37,339,536**	35,920,939	0	0	**37,339,536**	35,920,939
Net Position (aka Fund Equity)						
Invested in Capital Assets (net of related debt)	8,566,172	9,099,981	0	0	8,566,172	9,099,981
Restricted	4,536,700	3,631,369	0	0	4,536,700	3,631,369
Unrestricted	(16,037,268)	(11,804,155)	0	0	(16,037,268)	**(11,804,155)**
Total Fund Equity	**(2,934,096)**	**927,195**	0	0	**(2,934,096)**	**927,195**
Total Liabilities & Equity	34,405,440	36,848,134	**0**	**0**	**34,405,440**	36,848,134

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

Table 2
Changes in Net Assets from Operating Results

	Governmental Activities		Business-Type Activities		Total Activities	
	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021
Revenues						
Property & Other Taxes	6,342,939	6,666,561	0	0	6,342,939	6,666,561
State Formula Revenue	3,940,184	3,170,231	0	0	3,940,184	3,170,231
Charges for Services	388,995	75,288	0	0	388,995	75,288
Operating Grants & Other	1,235,042	2,164,194	0	0	1,235,042	2,164,194
Capital Grants & Other	30,580	0	0	0	30,580	0
Other Revenues	269,338	333,959			269,338	333,959
Total Revenue	**12,207,078**	**12,410,233**	**0**	**0**	**12,207,078**	**12,410,233**
Expenses						
Instructional	7,009,276	7,430,157	0	0	7,009,276	7,430,157
Support Services:						
- Students	253,507	288,874	0	0	253,507	288,874
- Instructional Staff	274,772	217,983	0	0	274,772	217,983
- General Admin	576,526	358,494	0	0	576,526	358,494
- School Admin	422,389	337,488	0	0	422,389	337,488
- Business	288,815	337,087	0	0	288,815	337,087
- Ops & Maint.	1,162,361	1,310,871	0	0	1,162,361	1,310,871
- Transportation	680,677	603,834	0	0	680,677	603,834
- Central	477,631	474,902	0	0	477,631	474,902
- Community	2,531	0	0	0	2,531	0
- Food Svc Ops	343,418	297,714			343,418	297,714
- Pension & Other	-2,228,789	-3,550,371			-2,228,789	-3,550,371
- Capital Outlay	-	-	0	0	-	-
- Debt Service	471,961	441,909	0	0	471,961	441,909
Total Expenses	**9,735,075**	**8,548,942**	**0**	**0**	**9,735,075**	**8,548,942**
Incr/(Decr) Net Position	**2,472,003**	**3,861,291**	**0**	**0**	**2,472,003**	**3,861,291**

Property taxes and per pupil state formula revenue (state equalization) account for most of the District's revenue, contributing about 50 cents and 29 cents respectively for every dollar raised (see Table 3). Another 17 cents came from operating grants and contributions with the remainder from fees charged for services and miscellaneous sources.

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

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the districts received $8,437.86 per funded student. In fiscal year 2020-2021, the funded pupil count was 1,141.5. 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 40 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 55 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)

	2019-2020		2020-2021	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
Instruction	7,009,276	5,800,708	7,430,157	5,579,031
Students	253,507	253,507	288,874	288,874
Instructional Staff	274,772	274,772	217,983	217,983
District Administration	576,526	576,526	358,494	358,494
School Administration	422,389	422,389	337,488	337,488
Business	288,815	288,815	337,087	337,087
Operations and Maintenance	1,162,361	1,162,361	1,310,871	1,310,871
Student Transportation	680,677	569,089	603,834	481,218

Central	477,631	477,631	474,902	474,902
Other	2,531	2,531	0	0
Food Service Operations	343,418	62,961	297,714	31,974
Capital Outlays/DS	471,961	417,957	441,909	441,909
Pension Expense	-2,228,789	-2,228,789	-3,550,371	-3,550,371
Total	**9,735,075**	**8,080,458**	**8,548,942**	**6,309,460**

- The cost of all governmental activities this year was $8.5 million.
- Some of the cost was financed by the users of the District's programs ($0.075 million). Revenues in this category include items such as athletic fees.
- Federal and State government subsidized certain programs with grants and contributions amounting to $2.164 million.
- Most of the District's costs ($8.5 million), however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with $6.216 million in property taxes, 3.170 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 44. These funds are accounted for using a modified accrual basis of accounting. All governmental funds have total revenues 12,368,848, and expenditures of 12,556,833 with a net change in fund balance of (187,985.)

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In January, 2020, the District revised the annual operating budget approved by the District's Board of Education in June 2020. The primary reason for the issuance of a supplemental budget was an updated ending fund balance figure.

The actual general fund expenditures were $1,581,639 under budget, primarily because of the coronavirus grant funds coming late in the year causing a large deferred revenue and appropriated reserves.

The fund balance as of June 30, 2021 (actual basis) was 5,033,688 compared to $4,502,049 as of June 30, 2020.

Capital Assets

By the end of the fiscal year 2021, the District had invested $32.4 million in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6)

Table 4
Capital Assets

	Governmental Activities	Business-Type Activities	Total
2020-2021			
Land &Const. in Progress	144,624		144,624
Food	115,136		115,136
Bldg & Site Improvements	29,555,573		29,555,573
Equipment & Vehicles	2,625,914	0	2,625,914
Total	**32,441,247**	**0**	**32,441,247**
2019-2020			
Land &Const. in Progress	118,000		118,000
Food	115,136		115,136
Bldg & Site Improvements	29,478,182		29,478,182
Equipment & Vehicles	2,546,204	0	2,546,204
Total	**32,257,522**	**0**	**32,257,522**

Long-Term Debt

At year-end, the District had approximately $3,101,472 in general obligation bonds and deferred amounts, a reduction of 18 percent from last year, as shown in Table 7. More detail information about the District's long-term liabilities is presented on pages 21 through 24, in the notes to the financial statements.

Table 5
Outstanding Long-Term Debt (in millions)

	2020	2021	% Change
Governmental Activities:			
Bonds Payable	**3.900**	**3.165**	**(9 %)**

During the 2021 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 2021-2022 student enrollment "October Count" shows that Bennett School District has an increasing student count in 2020-2021, 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 2021 will likely show increased enrollment from 2020.
- The United States and the State of Colorado have experienced stable economic conditions in the past couple years. We are anticipating growth and a stable economic condition for the next couple of years

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 7^{th} St, Bennett, CO., 80102.

BASIC FINANCIAL STATEMENTS

BENNETT SCHOOL DISTRICT NUMBER 29-J
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and Equivalents	5,927,479	5,927,479
Investments	3,807,064	3,807,064
Property Taxes Receivable	334,227	334,227
Accounts Receivable	33,995	33,995
Accrued Revenue	116,550	116,550
Prepaid Expenses	247,165	247,165
Inventories	13,611	13,611
Total Current Assets	10,480,091	10,480,091
Capital Assets		
Land	118,000	118,000
Construction in Progress	26,624	26,624
Depreciable Assets	32,296,623	32,296,623
Accumulated Depreciation	(12,758,427)	(12,758,427)
Capital Assets Net of Depreciation	19,682,820	19,682,820
TOTAL ASSETS	30,162,911	30,162,911
DEFERRED OUTFLOW OF RESOURCES		
Bond Refunding	98,143	98,143
Pension	6,480,105	6,480,105
Other Post Employment Benefits	106,975	106,975
Total Deferred Outflows of Resources	6,685,223	6,685,223
LIABILITIES		
Current Liabilities		
Accounts Payable	219,968	219,968
Accrued Salaries and Benefits	896,496	896,496
Accrued Interest	146,913	146,913
Unearned Grant Payments	78,397	78,397
Capital Leases-Current	364,463	364,463
General Obligation Bonds-Current	755,000	755,000
Unamortized Bond Premium-Current	14,583	14,583
Total Current Liabilities	2,475,820	2,475,820
NonCurrent Liabilities		
Capital Lease	7,053,376	7,053,376
General Obligation Bonds	2,410,000	2,410,000
Net Pension Liability	14,998,515	14,998,515
Net Other Post Employment Benefits Liability	545,146	545,146
Compensated Absences	229,169	229,169
Unamortized Bond Premium	20,032	20,032
Total Noncurrent Liabilities	25,256,238	25,256,238
TOTAL LIABILITIES	27,732,058	27,732,058
DEFERRED INFLOW OF RESOURCES		
Pension	7,961,337	7,961,337
Other Post Employment Benefits	227,544	227,544
Total Deferred Outflows of Resources	8,188,881	8,188,881
NET POSITION		
Net Investment in Capital Assets	9,099,981	9,099,981
Restricted for:		
Debt Service	3,241,535	3,241,535
TABOR	323,400	323,400
Preschool	26,301	26,301
Food Services	40,133	40,133
Unrestricted	(11,804,155)	(11,804,155)
TOTAL NET POSITION	927,195	927,195

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, 2021

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position — Primary Government	
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government						
Governmental Activities						
Instruction	7,430,157	75,288	1,775,838	-	(5,579,031)	(5,579,031)
Student Support	288,874	-	-	-	(288,874)	(288,874)
Instructional Staff	217,983	-	-	-	(217,983)	(217,983)
General Administration	358,494	-	-	-	(358,494)	(358,494)
School Administration	337,488	-	-	-	(337,488)	(337,488)
Business Support	337,087	-	-	-	(337,087)	(337,087)
Operation & Maintenance	1,310,871	-	-	-	(1,310,871)	(1,310,871)
Transportation	603,834	-	122,616	-	(481,218)	(481,218)
Central Support	474,902	-	-	-	(474,902)	(474,902)
Food Services	297,714	-	265,740	-	(31,974)	(31,974)
Interest on Long-Term Debt	441,909	-	-	-	(441,909)	(441,909)
Pension Cost	(3,513,794)	-	-	-	3,513,794	3,513,794
Other Post Employment Benefits Cost	(36,577)	-	-	-	36,577	36,577
Total Governmental Activities	8,548,942	75,288	2,164,194	-	(6,309,460)	(6,309,460)
Total Primary Government	8,548,942	75,288	2,164,194	-	(6,309,460)	(6,309,460)
General Revenues						
Local Property Taxes					6,220,525	6,220,525
Specific Ownership Taxes					446,036	446,036
School Finance Act					3,170,231	3,170,231
Earnings on Investments					4,431	4,431
Contributions					235,867	235,867
Other Revenues					93,661	93,661
Total General Revenues					10,170,751	10,170,751
Change in Net Position					3,861,291	3,861,291
Net Position, Beginning					(2,934,096)	(2,934,096)
Net Position, Ending					927,195	927,195

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Bond Redemption Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Equivalents	1,788,240	3,241,535	897,704	5,927,479
Investments	3,807,064	-	-	3,807,064
Property Taxes Receivable	334,227	-	-	334,227
Accounts Receivable	33,995	-	-	33,995
Accrued Revenue	82,842	-	33,708	116,550
Accrued Interest Receivable	-	-	-	-
Inventories	-	-	13,611	13,611
Prepaid Expenditures	245,785	-	1,380	247,165
Due From Other Funds	-	-	12,527	12,527
Total Assets	6,292,153	3,241,535	958,930	10,492,618
LIABILITIES:				
Accounts Payable	184,923	-	35,045	219,968
Accrued Salaries Payable	849,541	-	46,955	896,496
Due To Other Funds	12,527	-	-	12,527
Unearned Grant Payments	39,041	-	39,356	78,397
Total Liabilities	1,086,032	-	121,356	1,207,388
DEFERRED INFLOW OF RESOURCES				
Deferred Property Tax	172,433	-	-	172,433
FUND BALANCES:				
Nonspendable:				
Prepaid Expenditures	245,785	-	1,380	247,165
Inventories	-	-	13,611	13,611
Restricted:				
TABOR (Emergencies)	323,400	-	-	323,400
Preschool	26,301	-	-	26,301
Debt Service	-	3,241,535	-	3,241,535
Food Services	-	-	40,133	40,133
Committed:				
Capital Outlay	-	-	657,327	657,327
Assigned:				
Student Activity	-	-	125,123	125,123
Unassigned	4,438,202	-	-	4,438,202
Total Fund Balances	5,033,688	3,241,535	837,574	9,112,797
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	6,292,153	3,241,535	958,930	10,492,618

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, 2021

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

Total Fund Balance – Governmental Funds		9,112,797
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $32,441,247 and the accumulated depreciation is $12,758,427.		19,682,820
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.		172,433
Interest is recognized when paid in the funds. This is accrued interest payable to year end.		(146,913)
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	(3,165,000)	
Capital Leases	(7,417,839)	
Unamortized Bond Premium	(34,615)	
Bond Refunding	98,143	(10,519,311)
Compensated absences are not reported as a liability in the funds.		(229,169)
Net Pension Liability		(14,998,515)
Net Post Employment Benefits Liability		(545,146)
Deferred Flows - Pension		(1,481,232)
Deferred Flows – Post Employment Benefits		(120,569)
TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES		927,195

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, 2021

	General	Bond Redemption Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Local Sources				
Property Taxes	6,169,445	4,070	-	6,173,515
Specific Ownership	446,036	-	-	446,036
Earnings on Investments	3,938	221	272	4,431
Delinquent Taxes & Interest	4,789	836	-	5,625
Tuition/Concurrent Enrollment	22,199	-	-	22,199
Donations/Contributions	235,867	-	-	235,867
Local Grants	-	-	58,003	58,003
Student Activities	-	-	75,288	75,288
Other	71,462	-	-	71,462
State Sources				
Equalization	3,170,231	-	-	3,170,231
Transportation	122,616	-	-	122,616
Vocational Education	8,850	-	-	8,850
Special Education	306,404	-	-	306,404
Additional At Risk	5,458	-	-	5,458
Small Rural School	152,281	-	-	152,281
State ELPA	34,422	-	-	34,422
ELPA	51,097	-	-	51,097
State Grants	-	-	76,353	76,353
Federal Source				
Federal Grants	-	-	395,164	395,164
Coronavirus Relief	449,061	-	-	449,061
Coronavirus Relief Pass Thru	121,551	-	-	121,551
ESSER	69,299	-	-	69,299
ESSER II	233,606	-	-	233,606
CVR	28,003	-	-	28,003
RISE	52,026	-	-	52,026
TOTAL REVENUES	11,758,641	5,127	605,080	12,368,848
EXPENDITURES				
Instructional Services:	6,388,841	-	263,780	6,652,621
Supporting Services:				
Students	288,874	-	-	288,874
Instructional Staff	217,983	-	-	217,983
General Administration	358,494	-	-	358,494
School Administration	337,488	-	-	337,488
Business Services	337,087	-	-	337,087
Operation & Maintenance	1,287,771	-	-	1,287,771
Student Transportation	493,402	-	-	493,402
Central Support	467,062	-	-	467,062
Food Services	-	-	294,939	294,939
Student Activity	-	-	110,031	110,031
Debt Service:				
Principal	-	735,000	405,493	1,140,493
Interest & Fees	-	111,536	302,729	414,265
Capital Outlay	-	-	156,323	156,323
Total Supporting Services	3,788,161	846,536	1,269,515	5,904,212
TOTAL EXPENDITURES	10,177,002	846,536	1,533,295	12,556,833
Revenues Over (Under) Expenditures	1,581,639	(841,409)	(928,215)	(187,985)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)	(1,050,000)	-	1,050,000	-
Total Other Financing Sources (Uses)	(1,050,000)	-	1,050,000	-
Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses	531,639	(841,409)	121,785	(187,985)
FUND BALANCE, Beginning	4,502,049	4,082,944	715,789	9,300,782
FUND BALANCE, Ending	5,033,688	3,241,535	837,574	9,112,797

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, 2021

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

Net Change in Fund Balances – Total Governmental Funds			(187,985)
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	183,725	
	Depreciation expense	(790,411)	(606,686)
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.			41,385
The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums is recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:			
	Repayment of Debt Principal	1,140,495	
	Interest Expense	5,505	
	Amortization Expense	(33,151)	1,112,849
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.			(48,643)
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:			
	Pension Cost		3,513,794
	Other Post Employment Benefit Cost		36,577
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			3,861,291

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

D. Fund Accounting

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

- Major Governmental Funds

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2020 but uncollected in 2021 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2021 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

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, 2021 the District reserved $323,400 for this purpose.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2020 property tax calendar for Adams and Arapahoe Counties was as follows:

Levy Date	December 15, 2020
Lien Date	January 1, 2021
Tax Bills Mailed	January 1, 2021
First Installment Due	February 28, 2021
Second Installment Due	June 15, 2021
If Paid in Full, Due	April 30, 2021

L. Use of Estimates

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

M. Interest Expense

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

N. GASB Statement No. 54

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	General Fund	Special Revenue Grants Fund	Special Revenue Food Services Fund	Special Revenue Student Activity Fund	Bond Redemption Debt Service Fund	Capital Projects Capital Reserve Fund	Total Governmental Funds
Nonspendable:							
Prepaid Expense	245,785	-	1,380	-	-	-	247,165
Inventories	-	-	13,611	-	-	-	13,611
Restricted:							
Emergencies	323,400	-	-	-	-	-	323,400
Capital Outlay	-	-	-	-	-	-	-
Preschool	26,301	-	-	-	-	-	26,301
Debt Service	-	-	-	-	3,241,535	-	3,241,535
Food Service	-	-	40,133	-	-	-	40,133
Committed:							
Capital Outlay	-	-	-	-	-	657,327	657,327
Assigned:							
Student Activity	-	-	-	125,123	-	-	125,123
Unassigned	4,438,202	-	-	-	-	-	4,438,202
Total Fund Balances	5,033,688	-	55,124	125,123	3,241,535	657,327	9,112,797

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Governmental Funds	Due From	Due To	Transfer In	Transfer Out
General Fund	-	12,527	-	1,050,000
Grants - Special Revenue Fund	12,527	-	-	-
Bond – Debt Service Fund	-	-	-	-
Capital Reserve Capital Projects Fund	-	-	1,050,000	-
Food Services Fund	-	-	-	-
	12,527	12,527	1,050,000	1,050,000

NOTE 3 BUDGETARY INFORMATION

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

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

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

2. Public notices are released to obtain taxpayer comments.

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

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

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

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

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

At June 30, 2021, the District's bank balance and corresponding carrying balance were as follows:

	Carrying Balance	Bank Balance
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,249,222	2,602,918
Cash Equivalents	3,241,535	-
Cash with County Treasurer	186,722	-
Total Cash and Deposits	5,927,479	2,852,918

As presented above, deposits with a bank balance of $2,602,918 and carrying balance of $2,249,222 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2021, the District had the following investments:

Investment	Maturity	Fair Value	Credit Rating
COLOTRUST Plus	2 Months or Less	3,807,064	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.

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 no recurring fair value measurements as of June 30, 2021:

- COLOTRUST Investment Pool

  Investments in this external investment pool are reported at $1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Non-Depreciable Assets:				
Land	118,000	-	-	118,000
Construction in Progress	-	26,624	-	26,624
Total Non-Depreciable Assets	118,000	26,624	-	144,624
Depreciable Assets:				
Improvements	1,894,504	-	-	1,894,504
Buildings	27,583,678	77,391	-	27,661,069
Vehicles and Equipment	2,546,204	79,710	-	2,625,914
Food Service	115,136	-	-	115,136
Total Depreciable Assets	32,139,522	157,101	-	32,296,623
Less Accumulated Depreciation for:				
Improvements	894,450	63,537	-	957,987
Buildings	9,370,935	577,182	-	9,948,117
Vehicles and Equipment	1,607,579	146,918	-	1,754,497
Food Service	95,052	2,774	-	97,826
Total Accumulated Depreciation	11,968,016	790,411	-	12,758,427
Total Capital Assets, Net	20,289,506	(606,686)	-	19,682,820

NOTE 5 CAPITAL ASSETS (Continued)

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

Governmental Activities:	
Instruction	646,264
Operations and Maintenance	23,100
Transportation	110,432
Food Services	2,775
Central Support	7,840
Total Depreciation Expense –Governmental Activities	790,411

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, 2021, are estimated to be $896,496 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, 2021 was $3,155,000.

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.

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE (Continued)

General Obligation Refunding Series 2011 (Continued)

Payments to maturity are as follows:

	Year Ended June 30,	Principal	Interest	Total
General Obligation Refunding Bonds payable dated December 6, 2011, with interest ranging from 2.0% to 3.5% Original amount of issue $7,020,000.				
	2022	755,000	89,775	844,775
	2023	780,000	66,750	846,750
	2024	800,000	42,050	842,050
	2025	830,000	14,525	844,525
	Total	3,165,000	213,100	3,378,100

Changes in General Obligation Bonds

	Beginning Balance July 1, 2020	Additions	Deletions	Ending Balance June 30, 2021	Due Within One Year
Series 2011 G.O. Refunding Bonds	3,900,000	-	735,000	3,165,000	755,000
Total Bonds Payable	3,900,000	-	735,000	3,165,000	755,000
Deferred Amounts:					
Bond Premium 2011 Issue	52,680	-	18,065	34,615	14,583
Bond Refunding 2011 Issue	(149,359)	-	(51,216)	(98,143)	(41,346)
Totals	3,803,321	-	701,849	3,101,472	728,237

NOTE 8 COMPENSATED ABSENCES

The following is a summary of compensated absences transactions of the District for the year ended June 30, 2021, and includes all activities and component units.

District	Balance July 1, 2020	Net Additions (Deductions)	Balance June 30, 2021
Governmental	180,526	48,643	229,169
Total Accumulated Sick & Vacation Leave	180,526	48,643	229,169

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%.

The District entered into a capital lease agreement in the amount of $7,152,082 to pay the costs of acquiring, constructing, equipping and installing a structure for use as school classrooms and including a cafeteria area, office and conference rooms. The lease term is for 20 years and 6 months, with interest at 3.987%.

Capital lease obligations for the fiscal year ended June 30, 2021 is comprised of the following:

Governmental Funds	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due In One Year
Capital Reserve/ Capital Projects Fund:					
Building	6,911,579	-	250,093	6,661,486	260,064
Energy Retrofit Project	854,352	-	97,999	756,353	104,399
Computers	57,403	-	57,403	-	-
	7,823,334	-	405,495	7,417,839	364,463

Current Liability	364,463
NonCurrent Liability	7,053,376
Total	7,417,839

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
	2022	127,215	104,399	22,816
	2023	130,520	111,102	19,418
	2024	133,926	118,122	15,804
	2025	137,432	125,470	11,962
	2026	141,045	133,162	7,883
	2027-2028	167,835	164,098	3,737
Total Minimum Payments		837,973	756,353	81,620
Less Amount Representing Interest		(81,620)		
Net Present Value of Future Minimum Payments		756,353		

NOTE 9 CAPITAL LEASES (Continued)

Building

	Fiscal Year	Annual Payment	Principal	Interest
	2022	525,657	260,064	265,593
	2023	525,657	270,432	255,225
	2024	525,658	281,215	244,443
	2025	525,657	292,427	233,230
	2026	525,657	304,086	221,571
	2027-2031	2,628,285	1,712,247	916,038
	2032-2036	2,628,285	2,081,910	546,375
	2037-2039	1,576,971	1,459,105	117,866
Total Minimum Payments		9,461,827	6,661,486	2,800,341
Less Amount Representing Interest		(2,800,341)		
Net Present Value of Future Minimum Payments		6,661,486		

Summary of annual capital lease purchase requirements to maturity is as follows:

	Fiscal Year	Annual Payment	Principal	Interest
	2022	652,872	364,463	288,409
	2023	656,177	381,534	274,643
	2024	659,584	399,337	260,247
	2025	663,089	417,897	245,192
	2026	666,702	437,248	229,454
	2027-2031	2,796,120	1,876,345	919,775
	2032-2036	2,628,285	2,081,910	546,375
	2037-2039	1,576,971	1,459,105	117,866
Total Minimum Payments		10,299,800	7,417,839	2,881,961
Less Amount Representing Interest		(2,881,961)		
Net Present Value of Future Minimum Payments		7,417,839		

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 plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the Bennett School District Number 29-J are provided with pensions through the 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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.

NOTE 10 PENSION PLAN (Continued)

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2021: Eligible employees of, Bennett School District Number 29-J and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below.

NOTE 10 PENSION PLAN (Continued)

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 $1,093,775 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. 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 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

NOTE 10 PENSION PLAN (Continued)

At June 30, 2021, the Bennett School District Number 29-J reported a liability of $14,998,515 for its proportionate share of the net pension liability. The amount recognized by the Bennett School District Number 29-J as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Bennett School District Number 29-J were as follows:

Bennett School District Number 29-J proportionate share of the net pension liability	$ 14,998,515
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Bennett School District Number 29-J	-
Total	$ 14,998,515

At December 31, 2020, the Bennett School District Number 29-J proportion was 0.0992 percent, which was an increase of 0.0162 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Bennett School District Number 29-J recognized pension income of $3,513,794 and revenue of $-0-for support from the State as a nonemployer contributing entity. At June 30, 2021, the Bennett School District Number 29-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	824,094	-
Changes of assumptions or other inputs	1,442,811	(2,521,123)
Net difference between projected and actual earnings on pension plan investments	1,047,563	(4,349,077)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,603,676	(1,091,137)
Contributions subsequent to the measurement date	561,961	N/A
Total	6,480,105	(7,961,337)

$561,961 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, 2022. 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, 2021	
2022	(2,379,303)
2023	983,991
2024	(125,992)
2025	(521,889)
2026	-
Thereafter	-

NOTE 10 PENSION PLAN (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 9.70 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

NOTE 10 PENSION PLAN (Continued)

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00 %
Salary increases, including wage inflation	3.40 % – 11.00 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 %
Discount rate	7.25 %
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25 %
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy; Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

NOTE 10 PENSION PLAN (Continued)

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
Total	**100.00%**	

*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

NOTE 10 PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

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

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP 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 middle of the year.

NOTE 10 PENSION PLAN (Continued)

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Bennett School District Number 29-J proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	20,459,203	14,998,515	10,447,963

Pension plan fiduciary net position. Detailed information about the SCHDTF's FNP is available in PERA's Annual 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 Annual Report which includes additional information on the Voluntary Investment Program. 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, 2021, program members contributed $47,832.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Bennett School District Number 29-J participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Bennett School District Number 29-J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF 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. Employer contributions recognized by the HCTF from Bennett School District Number 29-J were $56,119 for the year ended June 30, 2021.

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

At June 30, 2021, the Bennett School District Number 29-J reported a liability of $545,146 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Bennett School District Number 29-J proportion of the net OPEB liability was based on Bennett School District Number 29-J contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Bennett School District Number 29-J proportion was 0.0574 percent, which was a decrease of 0.0032 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Bennett School District Number 29-J recognized OPEB income of $36,577. At June 30, 2021, the Bennett School District Number 29-J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,447	(119,849)
Changes of assumptions or other inputs	4,073	(33,428)
Net difference between projected and actual earnings on OPEB plan investments	6,921	(29,196)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	65,701	(45,071)
Contributions subsequent to the measurement date	28,833	N/A
Total	106,975	(227,544)

$28,833 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(32,932)
2023	(29,809)
2024	(36,429)
2025	(41,663)
2026	(8,106)
Thereafter	(463)

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
Medicare Plan	**Monthly Cost**	**Monthly Premium**	**Monthly Cost Adjusted to Age 65**
Medicare Advantage/Self-Insured Rx	$588	$227	$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is $458 (actual dollars) per month.

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

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

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 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 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% -5.30%
State Troopers	3.20% - 12.40%	N/A	3.20% - 12.40% *	N/A

* C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	**Target Allocation**	**30 Year Expected Geometric Real Rate of Return**
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
Total	**100.00%**	

*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020

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 nominal rate of return assumption of 7.25 percent.

Sensitivity of the Bennett School District Number 29-J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	531,056	545,146	561,549

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (Continued)

- 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 3.00 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Bennett School District Number 29-J proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	624,475	545,146	477,366

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

NOTE 12 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, 2020, the latest year for which audited information is available, is as follows:

Assets and Deferred Outflows	3,975,540
Liabilities and Deferred Inflows	13,721,932
Net Position	(9,746,392)
	3,975,540
Revenues	10,237,636
Expenditures	9,008,734
Excess (Deficiency)	1,228,902

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.

NOTE 13 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, 2021.

NOTE 13 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at June 30, 2020 and for the year then ended (latest information available) follows:

Total Assets	50,982,972
Total Liabilities	23,141,059
Total Equity	27,841,913
Revenue	31,306,454
Underwriting Expenses	26,904,016
Underwriting Gain (Loss)	4,402,438
Net Investment Income	1,580,789
Other Income	-
Net Income (Loss) Before Dividend	5,983,227
Dividend	-
Net Income	5,983,227
Transfer of Capital Contributions	-
Change in Non Admitted Assets	48,913
Capital Contributions from Members	-
Unassigned Surplus	27,841,913

NOTE 14 RISK MANAGEMENT

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

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

NOTE 15 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Governmental Funds:	Due From	Due To	Transfer In	Transfer Out
General Fund	-	12,527	-	1,050,000
Grants - Special Revenue Fund	12,527	-	-	-
Bond – Debt Service Fund	-	-	-	-
Capital Reserve Capital Projects Fund	-	-	1,050,000	-
Food Services Fund	-	-	-	-
Total	12,527	12,527	1,050,000	1,050,000

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

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

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.

Pension Trend Data

Other Post Employment Benefits 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, 2021

	Budgeted Amounts		Actual	Variance- Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Local Sources				
Property Taxes	6,083,837	6,083,837	6,169,445	85,608
Specific Ownership Taxes	367,061	367,061	446,036	78,975
Delinquent Taxes & Interest	12,000	12,000	4,789	(7,211)
Tuition	20,000	20,000	22,199	2,199
Developer Contributions	-	-	235,867	235,867
Earnings on Investments	20,000	20,000	3,938	(16,062)
Other Local	100,000	10,000	71,462	(28,538)
Total Local Revenues	6,602,898	6,602,898	6,953,736	350,838
State Sources				
Equalization	3,010,652	3,010,652	3,170,231	159,579
Vocational Education	-	-	8,850	8,850
Small Rural School	152,281	152,281	152,281	-
Additional at Risk	-	-	5,458	5,458
State ELPA	34,422	34,422	34,422	-
ELPA	30,732	30,732	51,097	20,365
Special Education – BOCES Pass Thru	240,000	240,000	306,404	66,404
Transportation	116,283	116,283	122,616	6,333
Total State Sources	3,584,370	3,584,370	3,851,359	266,989
Federal Sources				
Coronavirus Relief	-	450,258	449,061	(1,197)
Coronavirus Relief Pass Thru	-	-	121,551	121,551
ESSER	69,800	69,800	69,299	(501)
ESSER II	262,000	262,000	233,606	(28,394)
CVR	35,000	35,000	28,003	(6,997)
RISE	-	-	52,026	52,026
Total Federal Sources	366,800	817,058	953,546	136,488
TOTAL REVENUES	10,554,068	11,004,326	11,758,641	754,315

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, 2021

	Budgeted Amounts		Actual	Variance-
	Original	Final	Amounts	Favorable (Unfavorable)
EXPENDITURES				
INSTRUCTION				
Salaries	4,088,412	4,088,412	3,782,298	306,114
Employee Benefits	927,045	927,045	1,255,896	(328,851)
Purchased Services – Professional	139,177	139,177	197,468	(58,291)
Purchased Services – Property	62,750	62,750	50,021	12,729
Purchased Services – Other	213,116	563,374	631,518	(68,144)
Supplies and Materials	133,370	133,370	385,109	(251,739)
Property	1,925	1,925	82,013	(80,088)
Other	5,988	5,988	4,518	1,470
Total Instruction	5,571,783	5,922,041	6,388,841	(466,800)
SUPPORTING SERVICES				
Student Supporting Services				
Salaries	171,073	171,073	67,476	103,597
Employee Benefits	43,145	43,145	25,710	17,435
Purchased Services – Professional	16,247	16,247	48,901	(32,654)
Purchased Services – Property	25,000	25,000	-	25,000
Purchased Services – Other	32,000	32,000	144,275	(112,275)
Supplies & Materials	4,500	4,500	2,512	1,988
Total Student Services	291,965	291,965	288,874	3,091
Instructional Staff				
Salaries	145,812	145,812	32,070	113,742
Employee Benefits	24,157	24,157	13,902	10,255
Purchased Services – Professional	10,964	10,964	13,035	(2,071)
Purchased Services – Property	8,500	8,500	9,608	(1,108)
Purchased Services – Other	12,500	12,500	35,785	(23,285)
Supplies and Materials	28,644	28,644	112,333	(83,689)
Property	24,500	24,500	1,250	23,250
Other	3,040	3,040	-	3,040
Total Instructional Staff	258,117	258,117	217,983	40,134
General Administration				
Salaries	182,860	182,860	167,783	15,077
Employee Benefits	28,591	28,591	62,911	(34,320)
Purchased Services – Professional	23,565	23,565	74,202	(50,637)
Purchased Services – Property	12,500	12,500	5,108	7,392
Purchased Services – Other	13,000	13,000	44,750	(31,750)
Supplies and Materials	14,600	14,600	3,740	10,860
Property	500	500	-	500
Total General Administration	275,616	275,616	358,494	(82,878)

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, 2021

SUPPORTING SERVICES (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance-Favorable (Unfavorable)
School Administration				
Salaries	440,465	440,465	254,354	186,111
Employee Benefits	140,022	140,022	81,574	58,448
Purchased Services – Professional	200,000	200,000	-	200,000
Supplies and Materials	3,500	3,500	1,560	1,940
Total School Administration	783,987	783,987	337,488	446,499
Business Services				
Salaries	142,939	142,939	162,477	(19,538)
Employee Benefits	38,000	38,000	151,566	(113,566)
Purchased Services – Professional	6,210	6,210	25	6,185
Purchased Services – Property	3,000	3,000	-	3,000
Purchased Services – Other	4,000	4,000	14,960	(10,960)
Supplies and Materials	12,500	12,500	8,059	4,441
Property	500	500	-	500
Total Business Services	207,149	207,149	337,087	(129,938)
Operations and Maintenance				
Salaries	289,905	389,905	445,766	(55,861)
Employee Benefits	75,081	75,081	160,685	(85,604)
Purchased Services – Professional	50,346	50,346	-	50,346
Purchased Services – Property	209,703	209,703	197,213	12,490
Purchased Services – Other	27,000	27,000	-	27,000
Supplies and Materials	268,917	268,917	407,235	(138,318)
Property	5,933	5,933	76,872	(70,939)
Total Operations and Maintenance	926,885	1,026,885	1,287,771	(260,886)
Student Transportation				
Salaries	205,000	205,000	220,395	(15,395)
Employee Benefits	45,000	45,500	83,843	(38,843)
Purchased Services – Professional	88,729	88,729	1,455	87,274
Purchased Services – Property	35,000	35,000	82,100	(47,100)
Purchased Services – Other	50,000	50,000	25,518	24,482
Supplies and Materials	119,300	119,300	80,091	39,209
Property	60	60	-	60
Other	343	343	-	343
Total Student Transportation	543,432	543,432	493,402	50,030

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, 2021

SUPPORTING SERVICES (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance-Favorable (Unfavorable)
Central Support				
Salaries	109,000	109,000	165,366	(56,366)
Employee Benefits	10,000	10,000	61,047	(51,047)
Purchased Services – Professional	25,376	25,376	-	25,376
Purchased Services – Property	145,000	145,000	-	145,000
Purchased Services – Other	80,000	80,000	240,649	(160,649)
Total Central Support	369,376	369,376	467,062	(97,686)
TOTAL SUPPORTING SERVICES	3,656,527	3,756,527	3,788,161	(31,634)
Appropriated Reserve	4,427,481	4,427,481	-	4,427,481
TOTAL EXPENDITURES	13,655,791	14,106,049	10,177,002	3,929,047
Revenues Over (Under) Expenditures	(3,101,723)	(3,101,723)	1,581,639	
Other Financing Sources (Uses)				
Transfers (Out)	(790,000)	(790,000)	(1,050,000)	(260,000)
Total Other Financing Sources (Uses)	(790,000)	(790,000)	(1,050,000)	(260,000)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(3,891,723)	(3,891,723)	531,639	
FUND BALANCE, Beginning	3,891,723	3,891,723	4,502,049	
FUND BALANCE, Ending	-	-	5,033,688	

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Plan Measurement Date	12-31-20	12-31-19	12-31-18	12-31-17	12-31-16	12-31-15	12-31-14	12-31-13	-	-
District's proportion of the net pension liability (asset)	0.0992%	0.0830%	0.0911%	0.0975%	0.0957%	0.0930%	0.0915%	0.0968%	-	-
District's proportionate share of the net pension liability (asset)	$14,998,515	$12,392,727	$16,128,516	$31,535,348	$28,490,464	$14,217,135	$12,400,918	$12,349,740	-	-
State's proportionate share of the net pension liability associated with the District**	-	$1,571,860	$2,205,351	-	-	-	-	-	-	-
District's covered payroll	$5,501,873	$5,254,541	$4,918,719	$4,534,425	$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 payroll	273%	236%	328%	695%	652%	321%	318%	322%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-	-

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	$ 1,093,775	$ 1,018,332	$ 940,952	$ 868,493	$ 803,912	$ 784,597	$ 658,806	$ 615,839	$ 590,536	-
Contributions in relation to the contractually required contributions	$ (1,093,775)	$ (1,018,332)	$ (940,952)	$ (868,493)	$ (803,912)	$ (784,597)	$ (658,806)	$ (615,839)	$ (590,536)	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
District's covered payroll	$5,501,873	$5,254,541	$4,918,719	$4,534,425	$4,372,756	$4,426,311	$3,901,954	$3,833,043	$3,938,068	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	19.15%	18.38%	17.73%	16.88%	16.07%	15.00%	-

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

BENNETT SCHOOL DISTRICT NUMBER 29-J

SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

For The Last 10 Fiscal Years (As Available)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net OPEB liability (asset)	0.0574%	0.0542%	0.0592%	0.0554%	0.0542%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	$545,146	$609,055	$805,521	$720,134	$702,341	-	-	-	-	-
District's covered payroll	$5,501,873	$5,254,541	$4,918,719	$4,534,425	$4,372,756	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.91%	11.59%	16.38%	15.88%	16.06%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.71%	-	-	-	-	-

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	$ 56,119	$ 53,596	$ 50,171	$ 46,251	$ 44,602	-	-	-	-	-
Contributions in relation to the contractually required contributions	$(56,119)	$(53,596)	$(50,171)	$(46,251)	$(44,602)	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	-	-	-	-	-
District's covered payroll	$5,501,873	$5,254,541	$4,918,719	$4,534,425	$4,372,756	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption Fund

Bond Redemption Debt Service Fund – Use 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.

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

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

Student Activity Fund – This fund is used to account for activities associated with District's student clubs and organizations.

Capital Project Funds

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

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, 2021

	Budgeted Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Property Tax Revenue	40,000	4,070	(35,930)
Delinquent Taxes & Interest	-	836	836
Interest Earnings	-	221	221
Total Revenues	40,000	5,127	(34,873)
EXPENDITURES			
Interest Expenditures	-	111,206	(111,206)
Principal Expenditures	870,000	735,000	135,000
Other Expenditures	-	330	(330)
Appropriated Reserve	3,252,944	-	3,252,944
Total Expenditures	4,122,944	846,536	3,276,408
REVENUES OVER (UNDER) EXPENDITURES	(4,082,944)	(841,409)	
FUND BALANCES, Beginning	4,082,944	4,082,944	
FUND BALANCES, Ending	-	3,241,535	

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, 2021

	Special Revenue			Capital Projects	Total
	Food Services Fund	Student Activity Fund	Grant Fund	Capital Reserve Fund	Non-Major Governmental Funds
ASSETS					
Cash	35,814	125,123	54,336	682,431	897,704
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	-	12,527	-	12,527
Due From Other Governments	33,708	-	-	-	33,708
Inventories	13,611	-	-	-	13,611
Prepaid Expenditures	1,380	-	-	-	1,380
Total Assets	84,513	125,123	66,863	682,431	958,930
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	9,941	-	-	25,104	35,045
Accrued Salaries Payable	19,448	-	27,507	-	46,955
Due To Other Funds	-	-	-	-	-
Unearned Grant Payments	-	-	39,356	-	39,356
Total Liabilities	29,389	-	66,863	25,104	121,356
Fund Balances:					
Nonspendable:					
Prepaid Expenditures	1,380	-	-	-	1,380
Inventories	13,611	-	-	-	13,611
Restricted:					
Food Services	40,133	-	-	-	40,133
Committed:					
Capital Outlay	-	-	-	657,327	657,327
Assigned:					
Student Activity	-	125,123	-	-	125,123
Unassigned:	-	-	-	-	-
Total Fund Balances	55,124	125,123	-	657,327	837,574
TOTAL LIABILITIES & FUND BALANCES	84,513	125,123	66,863	682,431	958,930

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, 2021

	Special Revenue			Capital Projects	Total
	Food Services Fund	Student Activity Fund	Grant Fund	Capital Reserve Fund	Non-Major Governmental Funds
REVENUES					
Local Sources	-	75,288	58,003	272	133,563
State Sources	2,284	-	74,069	-	76,353
Federal Sources	263,456	-	131,708	-	395,164
Total Revenues	265,740	75,288	263,780	272	605,080
EXPENDITURES					
Instruction	-	-	263,780	-	263,780
Capital Outlay	-	-	-	156,323	156,323
Debt Service	-	-	-	708,222	708,222
Food Services	294,939	-	-	-	294,939
Student Activities	-	110,031	-	-	110,031
Total Expenditures	294,939	110,031	263,780	864,545	1,533,295
REVENUES OVER (UNDER) EXPENDITURES	(29,199)	(34,743)	-	(864,273)	(928,215)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	-	-	1,050,000	1,050,000
Total Other Financing Sources (Uses)	-	-	-	1,050,000	1,050,000
NET CHANGE IN FUND BALANCES	(29,199)	(34,743)	-	185,727	121,785
FUND BALANCES, Beginning	84,323	159,866	-	471,600	715,789
FUND BALANCES, Ending	55,124	125,123	-	657,327	837,574

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, 2021

	Budgeted Amounts Original & Final	Actual Amounts	Variance-Favorable (Unfavorable)
REVENUES			
Local Sources	5,000	58,003	53,003
State Sources	175,000	74,069	(100,931)
Federal Sources	131,500	131,708	208
Total Revenues	311,500	263,780	(47,720)
EXPENDITURES			
Instruction	311,500	263,780	47,720
Total Expenditures	311,500	263,780	47,720
Revenues Over (Under) Expenditures	-	-	
FUND BALANCE, Beginning	-	-	
FUND BALANCE, Ending	-	-	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget Amounts Original & Final	Actual	Variance with Final Budget-Favorable (Unfavorable)
REVENUES			
Local Sources			
Food Sales	223,415	-	(223,415)
Interest Earnings	150	-	(150)
Total Local Sources	223,565	-	(223,565)
State Sources			
State Match	714	2,284	1,570
Total State Sources	714	2,284	1,570
Federal Sources			
School Lunches	133,800	251,243	117,443
Commodities	18,500	12,213	(6,287)
Total Federal Sources	152,300	263,456	111,156
TOTAL REVENUES	376,579	265,740	(110,839)
EXPENDITURES			
Salaries	145,493	108,060	37,433
Employee Benefits	39,470	32,277	7,193
Purchased Services – Professional	-	309	(309)
Purchased Services – Property	2,000	1,466	534
Purchased Services – Other	500	-	500
Food and Milk	186,500	129,162	57,338
Supplies and Materials	93,937	23,665	70,272
Appropriated Reserves	28,000	-	28,000
TOTAL EXPENDITURES	495,900	294,939	200,961
REVENUES OVER (UNDER) EXPENDITURES	(119,321)	(29,199)	
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	35,000	-	(35,000)
TOTAL OTHER FINANCING SOURCES (USES)	35,000	-	(35,000)
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES	(84,321)	(29,199)	
FUND BALANCE, Beginning	84,321	84,323	
FUND BALANCE, Ending	-	55,124	

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

BENNETT SCHOOL DISTRICT NUMBER 29-J
STUDENT ACTIVITY – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budgeted Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
REVENUE			
Local Sources	400,000	75,288	(324,712)
EXPENDITURES			
Instruction:			
Purchased Services – Professional	205,341	54,931	150,410
Supplies and Materials	354,525	55,100	299,425
Total Expenditures	559,866	110,031	449,835
Excess Revenues (Expenditures)	(159,866)	(34,743)	
Fund Balance, Beginning	159,866	159,866	
Fund Balance, Ending	-	125,123	

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, 2021

	Budgeted Amounts Original & Final	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Interest Revenue	-	272	272
Total Revenues	-	272	272
EXPENDITURES			
Purchased Services – Other	170,100	-	170,100
Equipment	-	24,356	(24,356)
Vehicles	233,010	50,486	182,524
Buildings	525,900	81,481	444,419
Debt Service:			
Interest	-	302,729	(302,729)
Principal	-	405,493	(405,493)
Appropriated Reserve	242,590	-	242,590
Total Expenditures	1,171,600	864,545	307,055
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,171,600)	(864,273)	
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	700,000	1,050,000	350,000
Total Other Financing Sources (Uses)	700,000	1,050,000	350,000
NET CHANGE IN FUND BALANCES	(471,600)	185,727	
FUND BALANCE, Beginning	471,600	471,600	
FUND BALANCE, Ending	-	657,327	

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 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	4,462,616	10,604,641	10,059,870	5,007,387
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	39,432	104,000	117,131	26,301
Sub-Total	4,502,049	10,708,641	10,177,001	5,033,688
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
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	84,323	265,740	294,939	55,124
22 Govt Designated-Purpose Grants Fund	0	263,780	263,780	0
23 Pupil Activity Special Revenue Fund	159,866	75,287	110,031	125,123
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	4,082,944	5,127	846,536	3,241,535
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	471,600	1,050,272	864,545	657,327
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	9,300,781	12,368,847	12,556,832	9,112,796
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Colorado Department of Education

Bolded Balance Sheet Report

District: 0050 - Bennett 29J
Fiscal Year 2020-21
Colorado School District/BOCES

ASSETS	Governmental								Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	5,361,266	0	47,316	179,459	0	0	35,814	3,241,535	682,431	0	0	0	0	0	0	9,547,820
Cash with Fiscal Agent (8105)	186,722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	186,722
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	334,227	0	0	0	0	0	0	0	0	0	0	0	0	0	0	334,227
Interfund Loans Receivable (8131,8132)	0	0	0	12,527	0	0	0	0	0	0	0	0	0	0	0	12,527
Intergovernmental Accounts Rec (8141)	28,003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28,003
Grants Accounts Receivable (8142)	83,101	0	0	0	0	0	33,708	0	0	0	0	0	0	0	0	116,809
Other Receivables (8151-8154,8161)	5,734	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,734
Inventories (8171,8172 8173)	0	0	0	0	0	0	13,611	0	0	0	0	0	0	0	0	13,611
Prepaid Expenses 8181,8182)	245,785	0	0	0	0	0	1,380	0	0	0	0	0	0	0	0	247,165
Other Current Assets (8191-8194,8199)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings (8231-8234)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Outflow (8800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	6,244,837	0	47,316	191,986	0	0	84,513	3,241,535	682,431	0	0	0	0	0	0	10,492,617

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LIABILITIES & FUND EQUITY

	Governmental							Proprietary						Fiduciary		
LIABILITIES	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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)	12,527	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,527
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	184,923	0	0	0	0	0	9,941	0	25,104	0	0	0	0	0	0	219,968
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	828,526	0	21,015	27,506	0	0	19,448	0	0	0	0	0	0	0	0	896,495
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	39,041	0	0	39,356	0	0	0	0	0	0	0	0	0	0	0	78,397
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term Liabilities (7521,7531,7561,7590)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	172,433	0	0	0	0	0	0	0	0	0	0	0	0	0	0	172,433
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	1,237,450	0	21,015	66,863	0	0	29,389	0	25,104	0	0	0	0	0	0	1,379,820

FUND EQUITY	Governmental									Proprietary				Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	245,785	0	0	0	0	0	14,991	0	0	0	0	0	0	0	0	260,776
Restricted Fund Balance 6720	0	0	0	0	0	0	40,133	0	0	0	0	0	0	0	0	40,133
TABOR 3% Emergency Reserve 6721	323,400	0	0	0	0	0	0	3,241,535	0	0	0	0	0	0	0	3,564,935
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	26,301	0	0	0	0	0	0	0	0	0	0	0	0	26,301
Full-Day Kindergarten Reserve 6725	0	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	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	657,327	0	0	0	0	0	0	657,327
Assigned Fund Balance 6760	0	0	0	125,123	0	0	0	0	0	0	0	0	0	0	0	125,123
Unassigned Fund Balance 6770	4,438,202	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,438,202
Invested in Capital Assets, Net of Related Debt 6790	0	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	0
Unrestricted Net Assets 6792	0	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	0
Total Fund Equity	5,007,387	0	26,301	125,123	0	0	55,124	3,241,535	657,327	0	0	0	0	0	0	9,112,796
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	6,244,837	0	47,316	191,986	0	0	84,513	3,241,535	682,431	0	0	0	0	0	0	10,492,616
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

SINGLE AUDIT SECTION

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

164 E. MAIN
TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bennett School District Number 29-J as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bennett School District Number 29-J's basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bennett School District Number 29-J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bennett School District Number 29-J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bennett School District Number 29-J's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bennett School District Number 29-J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dixon, Waller & Co., Inc.

November 30, 2021

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

164 E. MAIN
TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Bennett School District Number 29-J's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bennett School District Number 29-J's major federal programs for the year ended June 30, 2021. Bennett School District Number 29-J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bennett School District Number 29-J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bennett School District Number 29-J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Bennett School District Number 29-J's compliance.

Opinion on Each Major Federal Program

In our opinion, Bennett School District Number 29-J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Bennett School District Number 29-J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bennett School District Number 29-J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Bennett School District Number 29-J's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bennett School District Number 29-J's internal control over compliance.

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

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

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

Dixon, Waller & Co., Inc.

November 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Report

An unmodified report has been issued on the financial statements of Bennett School District Number 29-J

Internal Control – Financial Statements

No conditions were disclosed by the audit that are considered to be a material weakness.
No significant deficiencies not considered a material weakness were identified.

Noncompliance – Financial Statements

No instances of noncompliance in amounts material to the financial statements of Bennett School District Number 29-J were disclosed by the audit.

Internal Control – Federal Awards

No conditions were disclosed by the audit that are considered to be a material weakness.
No significant deficiencies not considered a material weakness were identified.

Report on Compliance – Major Programs

An unmodified report has been issued on Bennett School District Number 29-J Compliance for Major Programs.

Audit Findings

Audit findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were not disclosed by the audit.

Major Programs

Coronavirus Relief Program	21.019

Dollar Threshold to Distinguish Type A and Type B Programs

$750,000.

Qualification as Low-Risk Auditee

The District did not qualify as a low-risk auditee for Fiscal Year 2020/2021.

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

FINDINGS – FEDERAL AWARDS

None

BENNETT SCHOOL DISTRICT NUMBER 29-J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Pass-Through Grantor	State Code Number	Expenditures
Department of the Treasury				
(Pass through Colorado Department of Education)				
Coronavirus Relief Program	21.019	CDE	4012	449,061
Coronavirus Relief Program	21.019	CDE	5012	28,003
Total Department of the Treasury				477,064
Department of Education				
(Passed through Colorado Department of Education)				
Title I Part A	84.010	CDE	5010	37,500
ESSER II	84.425D	CDE	4420	233,606
ESSER I	84.425D	CDE	4425	69,299
(Passed through Colorado Office of the Governor)				
RISE	84.425	CO Office of Governor	6425	52,026
Total Department of Education				392,431
Department of Agriculture				
(Passed through Colorado Department of Education)				
Special Milk	10.556	CDE	4556	591
Special Milk – COVID-19	10.556	CDE	4556	150
Summer Program	10.559	CDE	4559	220,962
Summer Program – COVID-19	10.559	CDE	4559	29,540
(Passed through Colorado Department of Health and Human Services)				
Commodity Supplemental Food Program	10.555	CO Dept. of HHS	4555	12,213
Total U.S. Department of Agriculture				263,456
TOTAL EXPENDITURES OF FEDERAL AWARDS				1,132,951

The accompanying notes are an integral part of this schedule.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Bennett School District Number 29-J and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2 INDIRECT COST RATES

All grants have been received from the Colorado Department of Education and the Office of the Governor. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3 FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

NOTE 4 SUBRECIPIENTS

No payments were made to subrecipients in the fiscal year ended June 30, 2021.