

**ST. VRAIN COMMUNITY MONTESSORI SCHOOL**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2016**



**RECEIVED**

*By Justin L. Smith at 9:42 am, Nov 15, 2016*

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## JOHN CUTLER & ASSOCIATES

Board of Directors  
St. Vrain Community Montessori School  
Longmont, Colorado

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of St. Vrain Community Montessori School (the "School"), component unit of the St. Vrain Valley School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the School, as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of St. Vrain Community Montessori School as of June 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of the school's proportionate share, and schedule of the school's contributions on pages 23-26 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.

*John Luttrell & Associates, LLC*

October 19, 2016

# **St. Vrain Community Montessori School**

## **Management's Discussion and Analysis**

### **As of and for the Year Ended June 30, 2016**

As management of St. Vrain Community Montessori School (the School), we offer readers of the School's basic financial statements this narrative and analysis of the financial activities of the School as of and for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the basic financial statements.

#### **Financial Highlights**

The year ended June 30, 2016, was the seventh year of operations for the School. As of June 30, 2016, the net position was a negative \$1,634,084 due to the implementation of GASB 68. The General Fund ending fund balance increased from \$547,340 to \$727,249. This was an increase of \$179,909 or 33%. The operations of the School are funded primarily by tax revenue received under the State School Finance Act (the Act). State categorical revenue for the year was \$1,354,364.

#### **Overview of Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

##### ***Government-wide Financial Statements***

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

The statement of net position presents information on all the School's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the assets/deferred outflows and liabilities/deferred inflows being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial condition of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the 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 the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year end).

##### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The School reports two governmental funds, its General Fund, and Grants Fund.

**St. Vrain Community Montessori School**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2016**

The School adopts annual budgets for its funds. Budgetary comparisons have been provided for each governmental fund in the basic financial statements to demonstrate compliance with these budgets.

**Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements are shown on pages 6 through 22.

**Government-wide Financial Analysis**

As noted previously, net position may serve over time as a useful indicator of the School's financial condition. As of June 30, 2016, the School's liabilities exceeded assets by \$1,634,084. \$61,000 of this total is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. Accordingly, these funds are not available to satisfy general operating expenses of the School. The negative net position balance of \$1,634,084 increased from the prior fiscal year by \$172,776, principally because the School recognized pension deferred charges of \$308,591.

Net position as of June 30, 2016:

	<b>2016</b>
<b>Assets</b>	
Cash and Investments	\$ 804,402
Receivables and Other Current Assets	6,188
Capital Assets, Net	79,482
Deposits	13,841
Prepaid Expenses	36,510
Total Assets	940,423
Deferred Outflows, Pensions	820,476
 <b>Liabilities</b>	
Accounts Payable	22,139
Accrued Expenses	7,488
Unearned Revenue	104,065
Net Pension Liability	3,215,713
Total Liabilities	3,349,405
Deferred Inflows, Pensions	45,578
 <b>Net Position</b>	
Net Investment in Capital Assets	73,307
Restricted for Emergencies	61,000
Unrestricted	(1,768,391)
Total Net Position	\$ (1,634,084)

**St. Vrain Community Montessori School**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2016**

Change in net position for the year ended June 30, 2016:

	<b>2016</b>
Revenues	
Program Revenues	
Charges for Services	\$ 323,318
Operating Grants and Contributions	212,523
Capital Grants and Contributions	49,010
Total Program Revenues	584,851
General Revenues	
State Categorical Revenue	1,354,364
Mill Levy Override	155,043
Earnings on Investments	420
Other	4,208
Total General Revenues	1,514,035
Total Revenues	2,098,886
Expenditures/Expenses	
Current	
Instruction	1,375,164
Supporting Services	896,498
Other Operating Expenditures	-
Total Expenses	2,271,662
Decrease in Net Position	(172,776)
Net Position, Beginning of Year	(1,461,308)
Net Position, End of Year	\$ (1,634,084)

**Financial Analysis of the School's Funds**

The School reports two governmental funds, the General Fund, and Grants Fund. The General Fund is considered a major fund and is used to account for the School's general operations. The General Fund began the year with a positive fund balance of \$547,340. As a result of operating within its budget, fund balance in the General Fund increased to \$727,249 at year-end. Eighty five percent of fund balance is unassigned. The Grants Fund ended the year with no fund balance as it began the year.

**St. Vrain Community Montessori School**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2016**

**General Fund and Grants Fund Budgetary Highlights**

The School's consolidated General Fund budget had expenditures of \$2,029,790 for the year ended June 30, 2016. Actual expenditures were \$1,852,754. The Grants Fund had budgetary expenditures of \$75,000 with actual expenditures of \$66,223.

A budget amendment was passed during the year to address activity related to labor and supplies.

**Capital Assets and Debt Administration**

The School leases its school facility and land under operating leases with a third party that expire in 2017. Please refer to Note 7 for details on all leases.

The School had no outstanding debt at June 30, 2016.

**Economic Factors, Next Year's Budget, Student Counts**

The primary factor driving the budget for the School is student enrollment. Funded Pupil Count (FPC) was 72, 99, 116.3, 139, 158, 178.3 and 189.6 for FY10, FY11, FY12, FY13, FY14, FY15 and FY16 respectively. The FPC projected for the FY17 school year is expected to be 199. This factor was considered in preparing the School's budget for FY17. There are currently plans to increase the number of classrooms and grades in the future. State funding increased moderately the last few years and continues (3.2%, 5.6%, 3.8% and 1.7% for FY14, FY15, FY16 and FY 17 respectively). The increases are primarily attributed to the improvement in Colorado's economy and the legislature's desire to reduce the negative factor impacting school finance.

**Requests for Information**

The financial report is designed to provide a general overview of the School's finances for all those with an interest in the School. Questions concerning any of the information provided in this report or requests for additional information should be addressed to St. Vrain Community Montessori School, 1055 Delaware Ave., Longmont, Colorado 80501.

## **BASIC FINANCIAL STATEMENTS**

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

STATEMENT OF NET POSITION

Year Ended June 30, 2016

	Governmental Activities	
	2016	2015
<b>ASSETS</b>		
Cash and Investments	\$ 804,402	\$ 611,076
Accounts Receivable	6,188	5,668
Prepaid Expenses	36,510	38,311
Deposits	13,841	13,841
Capital Assets, not depreciated	6,175	-
Capital Assets, Depreciated, net of accumulated depreciation	73,307	123,576
	<u>940,423</u>	<u>792,472</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pensions	820,476	371,933
	<u>820,476</u>	<u>371,933</u>
<b>LIABILITIES</b>		
Accounts Payable	22,139	19,272
Accrued Expenses	7,488	9,361
Unearned Revenues	104,065	92,923
Noncurrent Liabilities		
Net Pension Liability	3,215,713	2,504,017
	<u>3,349,405</u>	<u>2,625,573</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to Pensions	45,578	140
	<u>45,578</u>	<u>140</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	73,307	123,576
Restricted for Emergencies	61,000	66,000
Unrestricted	(1,768,391)	(1,650,884)
	<u>(1,768,391)</u>	<u>(1,650,884)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (1,634,084)</u>	<u>\$ (1,461,308)</u>

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



ST. VRAIN COMMUNITY MONTESSORI SCHOOL

BALANCE SHEET  
Year Ended June 30, 2016

	GENERAL FUND	GRANTS FUND	TOTAL	
			2016	2015
<b>ASSETS</b>				
Cash and Investments	\$ 804,402	\$ -	\$ 804,402	\$ 611,076
Accounts Receivable	6,188	-	6,188	5,668
Prepaid Expenses	36,510	-	36,510	38,311
Deposits	13,841	-	13,841	13,841
<b>TOTAL ASSETS</b>	<b>\$ 860,941</b>	<b>\$ -</b>	<b>\$ 860,941</b>	<b>\$ 668,896</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 22,139	\$ -	\$ 22,139	\$ 19,272
Accrued Salaries	7,488	-	7,488	9,361
Unearned Revenues	104,065	-	104,065	92,923
<b>TOTAL LIABILITIES</b>	<b>133,692</b>	<b>-</b>	<b>133,692</b>	<b>121,556</b>
<b>FUND BALANCES</b>				
Restricted for Emergencies	61,000	-	61,000	66,000
Nonspendable	50,351	-	50,351	52,152
Unassigned	615,898	-	615,898	429,188
<b>TOTAL FUND BALANCES</b>	<b>727,249</b>	<b>-</b>	<b>727,249</b>	<b>547,340</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 860,941</b>	<b>\$ -</b>		

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

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

79,482 123,576

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes net pension liability of (\$3,215,713), deferred outflows related to pensions of \$820,476, and deferred inflows related to pensions of (\$45,578).

(2,440,815) (2,132,224)

Net position of governmental activities

\$ (1,634,084) \$ (1,461,308)

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

## ST. VRAIN COMMUNITY MONTESSORI SCHOOL

## STATEMENT OF REVENUES, EXPENDITURES

Year Ended June 30, 2016

	GENERAL FUND	GRANTS FUND	TOTAL	
			2016	2015
REVENUES				
Local Sources	\$ 2,032,663	\$ 5,601	\$ 2,038,264	\$ 2,221,744
State and Federal Sources	-	60,622	60,622	50,263
 TOTAL REVENUES	 2,032,663	 66,223	 2,098,886	 2,272,007
EXPENDITURES				
Current				
Instruction	1,134,277	17,213	1,151,490	1,413,763
Supporting Services	718,477	49,010	767,487	698,278
 TOTAL EXPENDITURES	 1,852,754	 66,223	 1,918,977	 2,112,041
 NET CHANGE IN FUND BALANCES	 179,909	 -	 179,909	 159,966
FUND BALANCES, Beginning	547,340	-	547,340	387,374
FUND BALANCES, Ending	<u>\$ 727,249</u>	<u>\$ -</u>	<u>\$ 727,249</u>	<u>\$ 547,340</u>

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

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$ 179,909
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$59,225), exceeded exceeded capital outlay \$15,131, for the year.	(44,094)
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>(308,591)</u>
Change in net position of governmental activities	<u>\$ (172,776)</u>

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

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Vrain Community Montessori School (the “School”) was formed pursuant to the Colorado Charter Schools Act to form and operate a charter school within the St. Vrain Valley School District (the “District”) in the State of Colorado.

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

**Reporting Entity**

The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School.

Based upon the application of these criteria, there are no organizations that should be included in the School’s reporting entity.

The School is a component unit of the St. Vrain Valley School District (the “District”).

**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 activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

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

Major individual governmental funds are reported in separate columns in the fund financial statements.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Internally dedicated resources are reported as general revenues rather than as program revenues.

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

The School reports the following major governmental funds:

*General Fund* – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

*Grants Fund* – This fund is used to account for grant revenues and related expenditures.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Fund Balance/Net Position**

*Capital Assets* – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: leasehold remaining life of lease.

*Unearned Revenues* – Unearned revenues include tuition payments that have been collected for the following school year.

*Net Position* - The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted and are as follows:

- Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.
- Restricted Net Position are liquid assets, which have third party limitations on their use.
- Unrestricted Net Position represents assets that do not have any third party limitation on their use. While management may have categorized and segmented portion for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions.

*Fund Balance Classification* – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Fund Balance/Net Position** (Continued)

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. At June 30, 2016, the School reports nonspendable fund balance in the form of prepaid expenses and deposits.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School did not have any committed resources as of June 30, 2016.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

A budget is adopted for General Fund and the Grants Fund on a basis consistent with generally accepted accounting principles.

School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

**NOTE 3: CASH AND INVESTMENTS**

Cash and Investments at June 30, 2016 consisted of the following:

Deposits	\$ 803,702
Cash on Hand	<u>700</u>
Total	<u><b>\$ 804,402</b></u>

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

At June 30, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The School has no policy regarding custodial credit risk for deposits.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 3:** *CASH AND INVESTMENTS* (Continued)

At June 30, 2016, the School had deposits with financial institutions with a carrying amount of \$803,702. The bank balances with the financial institutions were \$812,872. Of these balances, \$250,000 was covered by federal depository insurance and \$562,872 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

**Investments**

Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At June 30, 2016 the School does not have any investments.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 4: CAPITAL ASSETS**

Capital Assets activity for the year ended June 30, 2016, is summarized below.

	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2016</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Construction in Progress	\$ _____ -	\$ _____ 6,175	\$ _____ -	\$ _____ 6,175
Capital Assets, Being Depreciated				
Leasehold Improvements	\$ _____ 573,039	\$ _____ 8,956	\$ _____ -	\$ _____ 581,995
Accumulated Depreciation				
Leasehold Improvements	_____ 449,463	_____ 59,225	_____ -	_____ 508,688
Total Capital Assets, Depreciated, Net	_____ 123,576	_____ (50,269)	_____ -	_____ 73,307
Net Capital Assets	<u>\$ _____ 123,576</u>	<u>\$ _____ (44,094)</u>	<u>\$ _____ -</u>	<u>\$ _____ 79,482</u>

Depreciation expense is charged to the supporting services program of the School.

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from July to June, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2016, were \$7,488. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

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

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN**(Continued)

**General Information about the Pension Plan**

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

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

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

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

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.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6:** **DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled. Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions.* Eligible employees and the School are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.00%	4.50%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	17.33%	18.13%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF School were \$181,554 for the year ended June 30, 2016.

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

At June 30, 2016 the School reported a liability of \$3,215,713 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the School's proportion was 0.02102%, which was an increase of 0.00255% from its proportion measured as of December 31, 2014.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the year ended June 30, 2016 the School recognized pension expense of \$490,144. At June 30, 2016, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$42,464	\$ 134
Net difference between projected and actual earnings on pension plan investments	\$273,426	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$416,496	N/A
Changes in assumptions and other inputs	N/A	\$45,444
Contributions subsequent to the measurement date	\$88,090	N/A
Total	\$820,476	\$ 45,578

\$88,090 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30, 2016</b>	
2017	\$ 249,096
2018	\$ 249,139
2019	\$ 132,504
2020	\$ 56,069

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN**(Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

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

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

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

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

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

The following programming changes were made:

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

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The following methodology changes were made:

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

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

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

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

\* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted).

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

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

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

*Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 4,168,504	\$ 3,215,713	\$ 2,423,169

*Pension plan fiduciary net position.* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

**Other Post-Employment Benefits**

Health Care Trust Fund

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

**Funding Policy.** The School is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2016, 2015 and 2014, the School's employer contribution to the HCTF was \$9,875, \$8,742, and \$7,104 respectively, equal to their required contribution for each year.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**Operating Lease**

The School renewed its operating lease for their building. Monthly lease payments ranging from \$3,358 to \$3,462 are due through July 31, 2015. The School also has extended an existing lease for land for outdoor space and additional modular space near their building. The monthly payments for this lease ranged from \$1,200 to \$2,000 a month and were due through June 30, 2015. The School also entered a lease on July 1, 2013 for additional building space in the with monthly lease payments ranging from \$2,039 to \$2,207 which were due through June 30, 2015.

In April of 2015 the School executed new leases for their buildings which extended all of the above leases through July 31, 2016 with payments ranging from \$1,200 to \$3,693 per month.

Total rent expense for the year ended June 30, 2016 for these leases was \$138,964.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

**NOTE 7:**     **COMMITMENTS AND CONTINGENCIES** (Continued)

**Claims and Judgments**

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

**Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2016, the reserve of \$61,000 was recorded as a restriction of fund balance in the General Fund.

**NOTE 8:**     **DEFICIT NET POSITION**

The Net Position of the government type activities is in a deficit position of \$1,634,084 due to the School including the Net Pension Liability per GASB No. 68.

**REQUIRED SUPPLEMENTARY INFORMATION**

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

GENERAL FUND  
Year Ended June 30, 2016

	2016			VARIANCE	2015 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
<b>REVENUES</b>					
Local Sources					
Per pupil revenue	\$ 1,376,130	\$ 1,376,130	\$ 1,354,364	\$ (21,766)	\$ 1,223,393
Mill Levy	125,000	125,000	155,043	30,043	127,356
Tuition and Fees	314,250	325,750	323,318	(2,432)	260,838
Grants and Contributions	135,600	194,500	195,310	810	85,146
Interest	410	410	420	10	418
Other	8,000	8,000	4,208	(3,792)	524,593
<b>TOTAL REVENUES</b>	<u>1,959,390</u>	<u>2,029,790</u>	<u>2,032,663</u>	<u>2,873</u>	<u>2,221,744</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	777,747	798,042	744,717	53,325	678,015
Employee Benefits	221,237	224,276	227,837	(3,561)	198,664
Purchased Services	4,900	4,900	7,133	(2,233)	1,812
Supplies and Materials	63,550	117,400	103,351	14,049	59,481
Property	86,000	86,000	48,853	37,147	56,285
Other	2,130	2,200	2,386	(186)	399,428
<b>TOTAL INSTRUCTION</b>	<u>1,155,564</u>	<u>1,232,818</u>	<u>1,134,277</u>	<u>98,541</u>	<u>1,393,685</u>
Supporting Services					
Salaries	249,189	249,189	282,729	(33,540)	224,059
Employee Benefits	96,714	96,714	87,302	9,412	62,836
Purchased Services	332,866	332,866	290,584	42,282	307,587
Supplies and Materials	46,400	46,400	55,885	(9,485)	44,893
Property	-	-	-	-	26,132
Other	78,657	71,803	1,977	69,826	2,586
<b>TOTAL SUPPORTING SERVICES</b>	<u>803,826</u>	<u>796,972</u>	<u>718,477</u>	<u>78,495</u>	<u>668,093</u>
<b>TOTAL EXPENDITURES</b>	<u>1,959,390</u>	<u>2,029,790</u>	<u>1,852,754</u>	<u>177,036</u>	<u>2,061,778</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	179,909	179,909	159,966
<b>FUND BALANCE, Beginning</b>	<u>486,337</u>	<u>387,375</u>	<u>547,340</u>	<u>159,965</u>	<u>387,374</u>
<b>FUND BALANCE, Ending</b>	<u>\$ 486,337</u>	<u>\$ 387,375</u>	<u>\$ 727,249</u>	<u>\$ 339,874</u>	<u>\$ 547,340</u>

See the accompanying independent auditors' report.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

GRANTS FUND  
Year Ended June 30, 2016

	2016			VARIANCE	2015
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources	\$ -	\$ 6,000	\$ 5,601	\$ (399)	\$ -
State and Federal Sources	49,750	69,000	60,622	(8,378)	50,263
TOTAL REVENUES	49,750	75,000	66,223	(8,777)	50,263
EXPENDITURES					
Salaries	1,250	17,000	15,089	1,911	15,266
Employee Benefits	-	1,000	926	74	2,954
Purchased Services	48,500	55,000	49,010	5,990	30,185
Supplies and Materials	-	2,000	1,198	802	1,858
TOTAL EXPENDITURES	49,750	75,000	66,223	8,777	50,263
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE  
 SCHOOL DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>
School's proportionate share of the Net Pension Liability	0.017%	0.018%	0.021%
School's proportionate share of the Net Pension Liability	\$ 2,172,426	\$ 2,504,017	\$ 3,215,713
School's covered-employee payroll	\$ 689,659	\$ 773,972	\$ 916,386
School's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	315.0%	323.5%	350.9%
Plan fiduciary net position as a percentage of the total pension liability	64.1%	62.8%	59.2%

See the accompanying independent auditors' report.

ST. VRAIN COMMUNITY MONTESSORI SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS  
SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Statutorily required contributions	\$ 118,453	\$ 153,475	\$ 181,554
Contributions in relation to the Statutorily required contributions	<u>118,453</u>	<u>153,475</u>	<u>181,554</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 696,520	\$ 857,010	\$ 968,117
Contributions as a percentage of covered-employee payroll	17.01%	17.91%	18.75%

See the accompanying independent auditors' report.