JUNIPER RIDGE COMMUNITY SCHOOL

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

September 8, 2017

Board of Directors
Juniper Ridge Community School
Grand Junction, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Juniper Ridge Community School as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Juniper Ridge Community School's basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Juniper Ridge Community School'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 Juniper Ridge Community School'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.

Board of Directors
Juniper Ridge Community School
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Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Juniper Ridge Community School as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund 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, schedule of activity–net pension liability, and schedule of activity–employer pension contributions 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.

Chadwick, Steinkirchner, Davis & Co., P.C.

Management's Discussion and Analysis

Juniper Ridge Community School

June 30, 2017

As management of the Juniper Ridge Community School (the School), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2017.

Financial Highlights

The liabilities and deferred inflows of the School exceeded its assets and deferred outflows at the close of the fiscal year of 2017 by $2,949,258 due to the School's net pension liability. Net position decreased in 2017 by $1,518,447 primarily due to an increase in the School's net pension liability. Of the net position $66,107 is restricted for emergencies in 2017.

At the end of the fiscal year, fund balance for the governmental fund was $500,223 for 2017 and $551,434 for 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. Juniper Ridge Community School created the Juniper Ridge Building Corporation to purchase buildings in which to operate the school in order to comply with TABOR. Juniper Ridge Building Corporation purchased modular buildings financed through a loan. GASB 61 requires the combined reporting of these two entities; this is discussed further in Note A on page 14 of the financial statements. The School's basic financial statements consist 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 of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position.

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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements focus on the governmental activities of the School. The governmental activities include instructional services, student support services, business support services, school administration services, and maintenance and capital asset services. The government-wide financial statements include the School itself and the Juniper Ridge Building Corporation, which is a blended component unit of the School. The government-wide financial statements can be found on pages 7 and 8 of this report.

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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School are governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The School maintained one governmental fund.

The School adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget on page 13.

The basic general fund financial statements can be found on pages 9 through 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 14 through 30 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, the liabilities and deferred inflows of the School exceeded its assets and deferred outflows at the close of the fiscal year of 2017 by $2,949,258 and 2016 by $1,430,811.

The School's Net Position

	Governmental Activities	
	2016-2017	2015-2016
Current assets	$ 776,647	$ 617,570
Capital assets	539,212	436,837
Deferred outflows of resources	3,708,398	945,229
Total assets and deferred outflows	5,024,257	1,999,636
Current liabilities	653,345	116,271
Long-term liabilities	7,287,244	3,273,198
Deferred inflows of resources	32,926	40,978
Total liabilities and deferred inflows	7,973,515	3,430,447
Net position:		
Net investment in capital assets	164,477	9,338
Restricted	66,107	58,733
Unrestricted	(3,179,842)	(1,498,882)
Total net position	$ (2,949,258)	$ (1,430,811)

Governmental activities. Governmental activities decreased the School's net position by $1,518,447 in 2017 and decreased it by $46,137 in 2016. Key elements of these changes are as follows:

The School's Change in Net Position

	Governmental Activities	
	2016-2017	2015-2016
Revenues:		
Charges for services	$ 76,361	$ 92,996
Operating grants	69,942	94,638
Capital grants	78,133	62,400
State equalization	1,983,926	1,739,241
Investment Earnings	378	343
Total revenues	2,208,740	1,989,618
Expenses:		
Instructional services	2,827,949	1,653,663
Interest expense long term debt	22,500	30,768
Student support	479,670	110,597
School administration	183,941	29,721
Business support	51,496	35,698
Operations/maintenance	161,631	175,308
Total expenses	3,727,187	2,035,755
Change in net position	(1,518,447)	(46,137)
Net position – beginning	(1,430,811)	(1,384,674)
Net position – ending	$ (2,949,258)	$ (1,430,811)

Governmental fund. The focus of the School's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of both fiscal years.

At the end of the fiscal year 2017 and 2016, the School's governmental fund reported an ending fund balance of $500,223 and $551,434 respectively. *Unassigned fund balance* is $418,022 and $482,369 respectively. Restricted fund balances of $66,107 and $58,733 respectively, must be set aside for emergencies (TABOR). Nonspendable fund balance of $16,094 is a deposit on a land lease, prepaid expenses, and inventory.

General Fund Budgetary Highlights

There were no significant variances from budget to actual considered noteworthy.

Capital assets. The School made improvements to place additional leased classroom space in service and began construction in progress payments on a new permanent building to use in School operations. This caused an increase in total capital assets before depreciation of $153,419 for 2017. Accumulated depreciation increased by $51,044 in 2017 and $33,603 in 2016. Additional information related to the capital assets is reflected in Note C on Page 18 of the financial statements.

Long-term debt. The balance of long term debt for the School at the end of 2016 was $427,499. Payments on the loan during 2017 totaled $52,764 resulting in a net decrease in long-term debt for the year. The School's net pension liability increased by $4,393,855 in 2017. Additional details related to the School's long-term debt and net pension liability can be found in Note D on page 19 and Note F beginning on page 21 of the financial report.

Economic Factors and Next Year's Budget

This was the fourth year in operation as a District Charter School and operations were at 92% enrollment capacity. Next year, for the 2017-2018 year budget, it is anticipated to operate at over 95% of enrollment with an increase in enrollment of 90+ children. Total Enrollment for 2017-2018 school year is projected to be around 395 students.

Requests for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Juniper Ridge Community School Board of Stewards by telephone at (970) 986-8219.

Juniper Ridge Community School

STATEMENT OF NET POSITION

June 30, 2017

		Governmental Activities
ASSETS		
Cash and investments		$ 697,552
Accounts receivable, net of allowance for doubtful accounts of $5,367		63,001
Inventory		1,042
Prepaid expenses		10,052
Other assets		5,000
	Total current assets	776,647
Noncurrent assets		
Depreciable capital assets, net		539,212
	Total assets	1,315,859
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension		3,708,398
	Total deferred outflows of resources	3,708,398
	Total assets and deferred outflows of resources	$ 5,024,257
LIABILITIES		
Accounts payable		$ 1,753
Accrued payroll liabilities		41,082
Accrued interest		2,186
Due to Mesa County Valley School District #51		160,343
Unearned revenue		73,246
Current portion of long-term liabilities		374,735
	Total current liabilities	653,345
Long-term liabilities due in more than one year:		
Net pension liability		7,287,244
Notes payable, less current portion		-
	Total liabilities	7,940,589
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension		32,926
	Total deferred inflows of resources	32,926
NET POSITION		
Net investment in capital assets		164,477
Restricted for emergencies		66,107
Unrestricted		(3,179,842)
	Total net position	(2,949,258)
	Total liabilities, deferred inflows of resources, and net position	$ 5,024,257

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

STATEMENT OF ACTIVITIES

Year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:						
Instructional services	$ 2,827,949	$ 76,361	$ 69,942	$ 78,133	$ (2,603,513)	$ (2,603,513)
Interest expense on long-term debt	22,500	-	-	-	(22,500)	(22,500)
Support services:						
Student support	479,670	-	-	-	(479,670)	(479,670)
Business support	51,496	-	-	-	(51,496)	(51,496)
School administration	183,941	-	-	-	(183,941)	(183,941)
Operations and maintenance	161,631	-	-	-	(161,631)	(161,631)
Total support services	876,738	-	-	-	(876,738)	(876,738)
Total governmental activities	$ 3,727,187	$ 76,361	$ 69,942	$ 78,133	(3,502,751)	(3,502,751)
General revenues:						
State equalization					1,983,926	1,983,926
Investment earnings					378	378
Total general revenues					1,984,304	1,984,304
Change in net position					(1,518,447)	(1,518,447)
Net position - beginning					(1,430,811)	(1,430,811)
Net position - ending					$ (2,949,258)	$ (2,949,258)

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2017

		General Fund
ASSETS		
Cash and investments	$	697,552
Accounts receivable, net of allowance for doubtful accounts of $5,367		63,001
Inventory		1,042
Prepaid expenses		10,052
Other assets		5,000
Total assets	$	776,647
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$	1,753
Accrued payroll liabilities		41,082
Due to Mesa County Valley School District #51		160,343
Unearned revenue		73,246
Total liabilities		276,424
Fund balances		
Nonspendable:		
Inventory		1,042
Prepaid expenses		10,052
Other		5,000
Restricted - TABOR reserve		66,107
Unassigned		418,022
Total fund balances		500,223
Total liabilities and fund balances	$	776,647

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

RECONCILIATION OF GOVERNMENTAL FUND - FUND BALANCE TO THE STATEMENT OF NET POSITION

Year ended June 30, 2017

Total governmental fund balance	$ 500,223
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 are not reported in the funds.	539,212
The amount by which pension-related deferred outflows of resources are more than pension-related deferred inflows of resources, both of which are not recorded in the funds. ($3,708,398-$32,926)	3,675,472
Net pension liability reported as a liability in governmental activities is not reported in the funds.	(7,287,244)
Notes payable and accrued interest reported as liabilities in governmental activities are not reported in the funds. ($374,735 + $2,186)	(376,921)
Net position of governmental activities	$ (2,949,258)

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

Year ended June 30, 2017

		General Fund
Revenues		
Local sources		$ 81,921
State sources		2,126,819
	Total revenues	2,208,740
Expenditures		
Current		
Instructional services		1,443,572
Student support		262,695
Business support		51,496
School administration		101,293
Operation and maintenance		161,631
Debt service principal		52,764
Debt service interest		22,759
Capital outlay		163,741
	Total expenditures	2,259,951
	Revenues in excess (deficiency) of expenditures	(51,211)
Fund balance beginning of year		551,434
Fund balance end of year		$ 500,223

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance - governmental fund	$ (51,211)
In the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. In the governmental funds, capital outlays are an expenditure in the current period. This is the amount by which depreciation was less than capital expenditures ($51,044-$153,419).	102,375
In the governmental funds, expenditures related to pension obligations are measured by the amount of financial resources used (essentially, the amounts actually paid to the pension plan), whereas in the statement of activities, they are measured on full accrual basis. This is the amount by which pension expense in the statement of activities was more than pension expenditures in the governmental funds.	(1,622,634)
Governmental funds report debt principal payments as expenditures; however, in the statement of net position the debt principal payments reduce the liability.	52,764
Governmental funds do not report accrued interest as part of expenditures. However, they are reported as expenses in the statement of activities. This is the amount accrued interest decreased in the Statement of Net Position from the prior year.	259
Change in net position of governmental activities	$ (1,518,447)

The accompanying notes are an integral part of the statements.

Juniper Ridge Community School

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GENERAL FUND - BUDGET AND ACTUAL

Year ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 109,486	$ 131,300	$ 81,921	$ (49,379)
State sources	2,033,205	2,169,788	2,126,819	(42,969)
Total revenues	2,142,691	2,301,088	2,208,740	(92,348)
Expenditures				
Current				
Instructional services	1,327,937	1,400,584	1,443,572	(42,988)
Student support	133,391	299,530	262,695	36,835
Business support	47,915	47,915	51,496	(3,581)
School administration	94,096	94,096	101,293	(7,197)
Operation and maintenance	152,939	134,189	161,631	(27,442)
Contingency	173,733	181,185	-	181,185
Debt service principal	47,690	47,690	52,764	(5,074)
Debt service interest	27,833	27,833	22,759	5,074
Capital outlay	38,739	38,739	163,741	(125,002)
Total expenditures	2,044,273	2,271,761	2,259,951	11,810
Revenues in excess (deficiency) of expenditures	98,418	29,327	(51,211)	(80,538)
Fund balance beginning of year	-	-	551,434	551,434
Fund balance end of year	$ 98,418	$ 29,327	$ 500,223	$ 470,896

The accompanying notes are an integral part of the statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Juniper Ridge Community School (the School) have been prepared in accordance with generally accepted accounting principles (GAAP) applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

The following is a summary of the School's significant accounting policies:

1. The Reporting Entity

Juniper Ridge Community School consists of a school established under the Charter Schools Act serving kindergarten through ninth grade students. It is governed by an independently elected Board of Directors. The School is considered a component unit of Mesa County Valley School District, and is reported discretely in a separate column on their financial statements to emphasize that it is legally separate from the District.

In evaluating how to define the School, for financial reporting purposes, management has considered all aspects of where financial responsibility rests. The School's financial reporting entity includes organizations for which the School is financially accountable and other organizations for which the nature and significance of their relationships with the School are such that exclusion would cause the School's financial statements to be misleading or incomplete. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by GASB in its Statement 61, "*The Financial Reporting Entity: Omnibus and Amendment of GASB Statements 14 and 34*".

The Juniper Ridge Building Corporation has been created to allow for financing the School's modular classrooms and new building and is included in the School's reporting entity as a blended component unit under GASB 61 because of significant operational or financial relationships.

2. 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. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Juniper Ridge Community School presently has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 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 revenue and other items not properly included among program revenues are reported instead as general revenues.

3. <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and net pension liability are recorded only when payment is due.

Intergovernmental revenue, 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. 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 fund:

The *General Fund* is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Assets, Liabilities and Net Position or Equity

Cash and Investments

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the School are reported at fair value.

State statutes authorize the School to invest in obligations of the U.S. Treasury, obligations unconditionally guaranteed by U.S. agencies, certain international agency securities, certain types of bonds of U.S. local government entities, bankers' acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and guaranteed investment contracts.

Inventory

Inventory consists of school supplies and is recorded at cost using the first-in first-out method.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported 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. The School has no reportable infrastructure.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Modular classrooms	20
Leasehold improvements	2

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Stewardship, compliance and accountability

Budgetary Information

Prior to May 15, management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes expenditures and the means of financing them. Public board meetings are conducted to obtain comments. Prior to June 30, the budget is adopted by the Board.

During the budget year, the Board of Directors has the option of changing and finalizing the budget for the fiscal year. No supplemental budget amendments were adopted during the fiscal year ended June 30, 2017.

Budgeted level of expenditures

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Directors. At year-end, all appropriations lapse in accordance with Colorado statutes.

Budgetary basis of accounting

Appropriated budgets are adopted by the Board of Directors for the General Fund on a basis consistent with generally accepted accounting principles (GAAP).

6. 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.

NOTE B – CASH AND INVESTMENTS

Cash and investment deposits in banking institutions as of June 30, 2017 consist of the following:

Demand accounts	$ 674,869
Petty cash	351
Certificate of deposit	22,332
Total cash and investments	$ 697,552

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government including component units 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 102% of the aggregate uninsured deposits. As of June 30, 2017, the School had deposits of $702,391, of which $282,694 was covered by federal depository insurance and $419,697 was collateralized.

Investments

Interest rate risk – The School does not have a formal policy limiting investment maturities other than that established by state statute of five years that would help manage its exposure to fair value losses from increasing interest rates.

NOTE C – CAPITAL ASSETS

The following is a summary of activity in the capital assets for the year ended June 30, 2017:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Modular Classrooms	$ 478,480	$ –	$ –	$ 478,480
Leasehold Improvements	19,358	34,882	–	54,240
Construction in Progress	12,475	118,537	–	131,012
Total Depreciable Assets	510,313	153,419	–	663,732
Accumulated Depreciation	(73,476)	(51,044)	–	(124,520)
Net Depreciable Assets	$ 436,837	$ 102,375	$ –	$ 539,212

NOTE C – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged for functions/programs of the School as follows:

Governmental activities:	
Instructional services	$51,044

NOTE D – LONG-TERM DEBT

During fiscal year 2014, the Juniper Ridge Building Corporation, which is a blended component unit of the School, borrowed $532,359 with an interest rate of 7% per annum from a bank to fund construction of its modular classrooms and other start up costs. The loan requires monthly payments of $6,294 through July 2017, subsequently extended through November 2017, when the remaining balance on the loan becomes due. The modular classrooms and a certificate of deposit for $22,332 held with the bank are pledged as collateral on this loan. The loan was also collateralized by $250,000 paid to the bank by Charter Schools Development Corporation under a credit enhancement agreement. Under the terms of the agreement, the credit enhancement is reduced and paid back to Charter Schools Development Corporation on each anniversary of the loan closing date such that it equals no more than 46% of the outstanding principal balance of the loan.

The following is a summary of loan principal and interest requirements:

Year	Principal	Interest	Total
2018	$ 374,735	$ 8,744	$ 383,479

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Beginning Balance	Increases	Reductions	Ending Balance
Governmental Activities:				
Net pension liability	$ 2,893,389	$ 4,393,855	$ –	$ 7,287,244
Note payable	427,499	–	52,764	374,735
	$ 3,320,888	$ 4,393,855	$ 52,764	$ 7,661,979

NOTE E – FUND BALANCES

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a School's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

NOTE E – FUND BALANCES – CONTINUED

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The School will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is School policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

NOTE F – DEFINED BENEFIT PENSION PLAN

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.

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

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- $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.

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

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. 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 (AIR) 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. The employer contribution requirements are summarized in the table below:

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

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

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

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 from the School were $222,764 for the year ended June 30, 2017.

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

At June 30, 2017, the School reported a liability of $7,287,244 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The School proportion of the net pension liability was based on the School contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the School proportion was .025 percent, which was an increase of .006 percent from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the School recognized pension expense of $1,845,399. At June 30, 2017, the School 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	$ 91,102	$ 64
Changes of assumptions or other inputs	2,364,559	32,862
Net difference between projected and actual earnings on pension plan investments	243,670	–
Changes in proportion and differences between contributions recognized and proportionate share of contributions	893,523	–
Contributions subsequent to the measurement date	115,544	–
Total	$ 3,708,398	$ 32,926

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

$115,544 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017:	
2018	1,512,359
2019	1,410,566
2020	634,571
2021	2,432
Thereafter	–

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 - 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

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

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

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

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

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

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

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

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

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

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

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

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

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

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

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.

NOTE F – DEFINED BENEFIT PENSION PLAN – 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 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- 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). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current 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 5.26% as of the measurement date, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	$9,163,476	$7,287,244	$5,759,122

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

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

NOTE G – OTHER POST-EMPLOYMENT BENEFITS – HEALTH CARE TRUST FUND – CONTINUED

Funding Policy. The School is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016, and 2015, the School contributions to the HCTF were $12,358, $9,884, and $6,971, respectively, equal to their required contributions for each year.

NOTE H – RISK MANAGEMENT

The School insures against loss or damage to property; pays premiums on loss insurances; and pays judgments, administrative and legal claims. This activity occurs in the General Fund.

The School is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. The School uses workers compensation and other liability insurance to help mitigate these risks. During the year ended June 30, 2017, the School paid $22,052 in related insurance premiums to insurers.

NOTE I – TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The School believes it is in compliance with the requirements of the Amendment. However, the School has made certain interpretations of the Amendment's language in order to determine its compliance.

Juniper Ridge Community School

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2017

Measurement date:	Employer proportion of NPL	Employer proportionate share of NPL	Employer covered payroll	Employer proportionate share of NPL as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of total pension liability
December 31, 2014	0.0139443452%	$ 1,889,927	$ 584,167	324%	63%
December 31, 2015	0.0189180971%	2,893,389	819,320	353%	59%
December 31, 2016	0.0244753041%	7,287,244	1,098,494	663%	43%

Juniper Ridge Community School

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2017

	Required employer contribution	Employer contributions recognized by the plan	Difference	Employer covered payroll	Contributions as a percentage of employer covered payroll
June 30, 2015	$ 115,504	$ 115,504	$ -	$ 683,428	17%
June 30, 2016	172,933	172,933	-	969,045	18%
June 30, 2017	222,764	222,764	-	1,211,601	18%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

For the measurement period ended December 31, 2016, the discount rate changed from 7.5% to 5.26% based on the municipal bond index rate. This change significantly affected the total plan net pension liability and the employer share of the net pension liability. There were no other changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.