

THE ODYSSEY SCHOOL
BASIC FINANCIAL STATEMENTS
June 30, 2015

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FINANCIAL SECTION



JOHN CUTLER
& ASSOCIATES

Board of Directors
The Odyssey School
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Odyssey School, component unit of the Denver Public School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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 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 the Odyssey School, as of and for the year ended June 30, 2015, 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 22-24 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

September 10, 2015

The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015

As management of The Odyssey School (the “School”), we offer readers of the School’s financial statements our narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The School implemented Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* for the fiscal year ending June 30, 2015. As such, the School included the Net Pension Liability per GASB Statement No. 68 in the amount \$1,130,997 as noncurrent liability on the Statement of Net Position. The liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$285,184 (net position).

At the close of the fiscal year the School’s governmental funds reported an ending fund balance of \$679,070, an increase of \$64,123. This was due an increase in Per Pupil Revenue (PPR), increase in the unrestricted grants and donations from local sources and a decrease in the employer PERA contribution rate. The increase in unrestricted grants and donations provided resources to cover educational expenditures and allowed the School to set aside funds to cover required and operating reserves.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial 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 of the School’s assets, deferred outflows of resources, liabilities, deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015

The statement of activities presents information showing how the School'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. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the School supported primarily by PPR or other revenues passed through from Denver Public Schools (the "District"). The governmental activities of the School include instruction and supporting services expenses.

The government-wide financial statements can be found on pages 1-2 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 governmental units or schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School are categorized as 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 the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015**

The School maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund because it is considered to be a major fund.

The School adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided for the funds to demonstrate compliance with the budget.

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. This information is provided in pages 6-21.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$149,726 at the close of the most recent fiscal year. The negative balance is due primarily to the adoption of GASB Statement No. 68, resulting in a net pension liability of \$1,130,997, representing its proportionate share of the plan's net pension liability. FY 2014 information has not been restated because comparable information is not available.

Approximately \$56,000 of these funds is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. In addition, \$111,240 of these funds represents investments in fixed assets (net of depreciation).

**The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015**

**The Odyssey School's Net Position
Governmental Activities**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Cash	\$ 584,036	\$ 518,542
Cash held by the District	45,833	44,733
Other Assets	52,443	55,600
Capital Assets, Net of Depreciation	<u>111,240</u>	<u>94,212</u>
Total Assets	<u>793,552</u>	<u>713,087</u>
Deferred Outflows of Resources		
Related to Pensions	<u>93,529</u>	<u>-</u>
Accounts Payable	2,204	563
Accrued Liabilities	1,038	3,365
Noncurrent Liabilities		
Net Pension Liability	<u>1,130,997</u>	<u>-</u>
Total Liabilities	<u>1,134,239</u>	<u>3,928</u>
Deferred Inflows of Resources		
Related to Pensions	<u>38,026</u>	<u>-</u>
Net Position		
Invested in Capital Assets	111,240	94,212
Restricted for Emergencies - TABOR	56,000	62,000
Unrestricted	(452,424)	552,947
Total Net Position	<u>\$ (285,184)</u>	<u>\$ 709,159</u>

The largest portion of the Schools' assets is in cash and cash held by the District; 79.4% in FY 2015 and 79.0% in FY 2014. Capital assets, less accumulated depreciation, were 14.0% in FY 2015 and 13.2% in FY 2014.

With the implementation of GASB Statement No. 68, the restated beginning net position was (\$258,114). The School's net position decreased in FY 2015 by (\$27,070) and increased by \$84,632 in FY 2014, respectively.

**The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015**

**The Odyssey School's Change in Net Position
For the Years Ended June 30, 2015 and June 30, 2014
Governmental Activities**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Program Revenue:		
Charges for Services	\$ 109,189	\$ 44,935
Operating Grants and Contributions	238,647	156,580
Capital Grants and Contributions	<u>18,969</u>	<u>10,539</u>
Total Program Revenue	<u>366,805</u>	<u>212,054</u>
 General Revenue:		
Per Pupil Revenue	1,648,129	1,557,556
Mill Levy Override	176,657	223,223
Other	<u>21,553</u>	<u>77,100</u>
Total General Revenue	<u>1,846,339</u>	<u>1,857,879</u>
 Total Revenue	<u>2,213,144</u>	<u>2,069,933</u>
 Expenses:		
Current:		
Instruction	1,330,126	1,276,531
Supporting Services	<u>910,088</u>	<u>708,770</u>
Total Expenses	<u>2,240,214</u>	<u>1,985,301</u>
 Increase in Net position	(27,070)	84,632
 Beginning Net Position, June 30 Restated	<u>(258,114)</u>	<u>624,527</u>
 Ending Net Position, June 30	<u>\$ (285,184)</u>	<u>\$ 709,159</u>

The largest portion of the School's revenues come from per pupil funding – 74.5% in FY 2015 and 75.2% in FY 2014. In FY 2015 and FY 2014, 17.5% and 14.0%, respectively, of revenues came from program and other revenues. Mill levy overrides comprised 8.0% and 10.8% of the School's total revenue in FY 2015 and FY 2014, respectively. The School's revenue increased by \$143,211 and expenses increased by \$254,913 in FY 2015.

Financial Analysis of the Government's Funds

**The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of the end of the current fiscal year, the School's General Fund reported an ending fund balance of \$679,070, an increase of \$64,123. The increase was a result of an increase in grants awarded to the School during FY 2015 from the Gates Foundation, Compact Blue and Janus Foundation.

General Fund Budgetary Highlights.

The School approves a budget in May based on enrollment projections for the following school year. In October, after enrollment stabilizes, adjustments are made to the budget. At year-end, the School had small variances between its budgeted and actual activities. On the revenue side, the School recognized approximately \$4,296 in additional revenues in the General Fund due to increases in grant awards from federal, state and private grants. Additionally, expenses remained \$55,308 under budget due to budgeting for a conservative contingency and in an effort to remain compliant with Statute.

Capital Asset and Debt Administration.

Capital assets. The School's investment in capital assets consisting of vehicles at June 30, 2015 was \$198,037. Accumulated depreciation was \$86,817 resulting in net capital assets of \$111,220. The School sold a bus and purchased a bus during FY 2015. At June 30, 2015, the School owned 5 vehicles for transporting students.

Long-Term Debt. The School has no long-term debt obligations.

Economic Factors and Next Year's Budget

The economic outlook for FY 2016 is improving with the increase of \$278.33 per funded FTE or 3.8% in PPR funding. This percentage increase is lower than the 5.5% increase received in FY 2015. The Capital Construction funding per pupil allocation increased for FY 2016 to \$254.34 per funded FTE compared to \$167.36 per funded FTE in FY 2015.

**The Odyssey School
Management Discussion and Analysis
Fiscal Year Ending June 30, 2015**

During FY 2015, the School had a funded pupil count of 224.08, an increase of 1.0 FTE from the FY 2014 count. The School is not budgeting for a significant change in their funded pupil count for FY 2016.

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 The Odyssey School - CFO, 6550 East 21st Avenue, Denver, CO 80207.

BASIC FINANCIAL STATEMENTS

THE ODYSSEY SCHOOL
STATEMENT OF NET POSITION
As of June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 584,036
Cash Held by the District	45,833
Grant Receivable	29,624
Prepaid Expenses	22,819
Capital Assets, Depreciated, Net of Accumulated Depreciation	<u>111,240</u>
TOTAL ASSETS	<u>793,552</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	<u>93,529</u>
LIABILITIES	
Accounts Payable	2,204
Accrued Liabilities	1,038
Noncurrent Liabilities	
Net Pension Liability	<u>1,130,997</u>
TOTAL LIABILITIES	<u>1,134,239</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	<u>38,026</u>
NET POSITION	
Invested in Capital Assets	111,240
Restricted for Emergencies	56,000
Unrestricted	<u>(452,424)</u>
TOTAL NET POSITION	<u><u>\$ (285,184)</u></u>

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

THE ODYSSEY SCHOOL

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	REVENUE AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT					Governmental Activities
Governmental Activities					
Instructional	\$ 1,330,126	\$ 109,189	\$ 15,485	\$ 18,969	\$ (1,186,483)
Supporting Services	910,088	-	223,162	-	(686,926)
Total Governmental Activities	<u>\$ 2,240,214</u>	<u>\$ 109,189</u>	<u>\$ 238,647</u>	<u>\$ 18,969</u>	<u>(1,873,409)</u>
		GENERAL REVENUES			
					1,648,129
					176,657
					1,553
					20,000
					<u>1,846,339</u>
					CHANGE IN NET POSITION (27,070)
					NET ASSETS, Beginning, As Restated (258,114)
					<u>NET ASSETS, Ending \$ (285,184)</u>

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

THE ODYSSEY SCHOOL

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL FUND
	<u> </u>
ASSETS	
Cash	\$ 584,036
Cash Held by District	45,833
Accounts Receivable, net of allowance of \$560	-
Grants Receivable	29,624
Prepaid Expenses	<u>22,819</u>
TOTAL ASSETS	<u><u>\$ 682,312</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 2,204
Payroll Liabilities	<u>1,038</u>
TOTAL LIABILITIES	<u>3,242</u>
FUND EQUITY	
Fund Balance	
Nonspendable	22,819
Restricted for Emergencies	56,000
Assigned	37,667
Unassigned	<u>562,584</u>
TOTAL FUND BALANCES	679,070
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	111,240
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 (\$1,130,997), deferred outflows related to pensions of \$93,529, and deferred inflows related to pensions of (\$38,026).	<u>(1,075,494)</u>
Net position of governmental activities	<u><u>\$ (285,184)</u></u>

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

THE ODYSSEY SCHOOL

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>GENERAL FUND</u>
REVENUES	
Local Sources	\$ 2,178,690
State and Federal Sources	<u>34,454</u>
TOTAL REVENUES	<u>2,213,144</u>
EXPENDITURES	
Current	
Instruction	1,247,984
Supporting Services	<u>901,037</u>
TOTAL EXPENDITURES	<u>2,149,021</u>
NET CHANGE IN FUND BALANCES	64,123
FUND BALANCES, Beginning	<u>614,947</u>
FUND BALANCES, Ending	<u><u>\$ 679,070</u></u>

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

THE ODYSSEY 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, 2015

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

Net change in fund balances - total governmental funds	\$ 64,123
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 position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay (\$49,657) exceeded depreciation (\$24,582) and less the value of a bus sold (\$8,047).	17,028
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>(108,221)</u>
Change in net position of governmental activities	<u>\$ (27,070)</u>

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

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Odyssey School (the “School”) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Denver Public School District (the “District”) in the State of Colorado. The School is a non-profit organization as defined in Section 501(c)(3) of the Internal Revenue Code.

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 on the application of these criteria, the School does not include additional organizations within its reporting entity. However, the School is a component unit of the Denver Public School 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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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 fund:

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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Assets, Liabilities and Fund Balance/Net Position

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses – Payments made to vendors for services that will benefit future periods are recorded as prepaid expense. An expenditure is reported in the year in which the services are consumed.

Capital Assets – Capital assets, which include transportation 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 position 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: Equipment over 8 years.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

- Investment in Capital Assets - This classification is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital assets related debt.
- Restricted Net Position – This classification represent liquid assets, which have third party limitations on their use. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Unrestricted Net Position - This classification represent assets that do not have any third party limitation on their use. While the school’s management may have categorized and segmented portions for various purposes, the Board 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:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported at June 30, 2015, by the School are nonspendable in form as Prepaid Expenses.
- 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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- 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, 2015.
- Assigned – This classification includes amounts that are constrained by the School's intent to be used for specific purposes, but is neither restricted nor committed. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The School had assigned fund balances for Technology (\$18,000), Van Acquisitions (\$14,667), and Executive Director Transition (\$5,000) at June 30, 2015.
- 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 fund balances.

Compensated Absences

The School's policy allows employees to accumulate vacation and sick leave. Employees are not compensated for any unused leave. Therefore, no liability for accumulated vacation or sick leave is reported in the financial statements.

Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School carries commercial coverage for these risks of loss. The School has not had claims that exceeded insurable amounts in the last three years.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for all funds 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 by June 1. 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

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, 2015, 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.

At June 30, 2015, the School had deposits with financial institutions with a carrying amount of \$584,036. The bank balances with the financial institutions were \$607,977. Of these balances, \$250,000 was covered by federal depository insurance and \$357,977 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Pooled Cash with the District

Cash deposits are pooled with the District cash and investments which were held by several banking institutions. Pooled investments represent investments in local government investment pools or in money market funds. At June 30, 2015 the School's balance in equity in pooled cash of the District totaled \$45,833.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 3: CASH AND INVESTMENTS (Continued)

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
- Certain money market funds
- Guaranteed investment contracts

The School had no investments at June 30, 2015.

The School has no policy for managing credit risk or interest rate risk.

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2015 is summarized below.

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Governmental Activities				
Capital Assets, Depreciated				
Equipment	\$ 191,316	\$ 49,657	\$ (42,916)	\$ 198,057
Accumulated Depreciation				
Equipment	<u>97,104</u>	<u>24,582</u>	<u>(34,869)</u>	<u>86,817</u>
Total Capital Assets, Depreciated	<u>\$ 94,212</u>	<u>\$ 25,075</u>	<u>\$ (8,047)</u>	<u>\$ 111,240</u>

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

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The School participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-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 DPS Division have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the School are provided with pensions through the Denver Public Schools Division Trust Fund (DPS Division)—a single-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 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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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.

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 DPS Division.

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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 DPS Division at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate	13.75%	10.15%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP Offset as specified in C.R.S. § 24-51-412	(16.89%)	(15.97%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	3.50%	4.00%
Total Employer Contribution Rate to the DPS Division	3.14%	1.36%

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from School were \$36,053 for the year ended June 30, 2015

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2015, the School reported a liability of \$1,130,997 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The School's proportion of the net pension liability was based on School's contributions to the DPS Division for the calendar year 2014 relative to the total contributions of participating employers to the DPS Division.

At December 31, 2014, the School's proportion was 0.18108%, which was a decrease of 0.00905% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the School recognized pension expense of \$144,273. At June 30, 2015, 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	N/A	\$ 254
Net difference between projected and actual earnings on pension plan investments	\$ 80,300	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$ 37,772
Contributions subsequent to the measurement date	\$ 13,229	N/A
Total	\$ 93,529	\$ 38,026

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$13,229 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2015:	
2016	\$ 6,508
2017	\$ 6,508
2018	\$ 6,508
2019	\$ 5,856
2020	\$ 16,894

Actuarial assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

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, 2013 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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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%.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

NOTE 5: 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 assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the DPS Division’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 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 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	\$1,926,719	\$1,130,997	\$463,938

Pension plan fiduciary net position. Detailed information about the DPS Division’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.

Other Post-Employment Benefits

Denver Public Schools Health Care Trust Fund

Plan Description – The School contributes to the Denver Public Schools Health Care Trust Fund ("DPS HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The DPS HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

Other Post-Employment Benefits (Continued)

Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the DPS 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 DPS HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

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 DPS HCTF is established under Title 24, Article 51, Section 208(1)(f.5) of the C.R.S., as amended. For the years ending June 30, 2015, the School contributions to the DPS HCTF were \$11,266, equal to their required contributions for the year.

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOPs) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the Plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the Plan's Board and approval of the District's Board of Education. The School contributed 9.84%, 10.8%, and 11.36% of covered payroll for the fiscal years ended June 30, 2015, 2014 and 2013 respectively, to the District to cover its obligation relating to the PCOPs. During the fiscal years ended June 30, 2015, 2014 and 2013, the School made contributions totaling \$108,682, \$111,345, and \$116,411, respectively, to the District towards its PCOPs obligation.

NOTE 6: COMMITMENTS AND CONTINGENCIES

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.

THE ODYSSEY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

NOTE 6: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments (Continued)

As of June 30, 2015, 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.

Facility Rent

The School entered into an operating lease agreement with the District for their building. Monthly lease payments of \$11,173 are due through June 30, 2016. The rate can be adjusted annually as long as the District gives the School seven months' notice.

Future minimum lease payments for the year ended June 30, 2016 are \$134,078. Total rent expense for the year ended June 30, 2015 was \$130,173.

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, 2015, the reserve of \$56,000 was recorded as a reservation of fund balance in the General Fund. The District also holds \$45,833 in pooled cash on behalf of the School for this reserve.

NOTE 7: RESTATEMENT OF NET POSITION

The Beginning Net Position of the Government Type Activities was decreased by \$967,273 to (\$258,114) as the School implemented Governmental Accounting Standards Board Statement (GASB) No. 68.

NOTE 8: DEFICIT NET POSITION

The Net Position of the government type activities is in a deficit position of \$285,184 due to the School including the Net Pension Liability per GASB No. 68.

REQUIRED SUPPLEMENTARY INFORMATION

THE ODYSSEY SCHOOL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	\$ 1,650,562	\$ 1,648,129	\$ 1,648,129	\$ -
Mill Levy Override	174,562	176,657	176,657	-
Tuition and Fees	95,425	111,060	109,189	(1,871)
Grants and Donations	161,595	219,266	223,162	3,896
Interest	1,187	1,400	1,553	153
Other	20,000	20,000	20,000	-
State and Federal Sources				
Grants and Donations	38,239	32,336	34,454	2,118
TOTAL REVENUES	<u>2,141,570</u>	<u>2,208,848</u>	<u>2,213,144</u>	<u>4,296</u>
EXPENDITURES				
Salaries	1,141,669	1,150,185	1,145,694	4,491
Employee Benefits	297,725	285,774	244,985	40,789
Purchased Services	443,834	494,959	490,634	4,325
Supplies and Materials	127,632	149,876	136,267	13,609
Property	91,855	113,755	124,097	(10,342)
Other	9,180	9,780	7,344	2,436
Appropriated Reserves		619,466	-	619,466
TOTAL EXPENDITURES	<u>2,111,895</u>	<u>2,823,795</u>	<u>2,149,021</u>	<u>674,774</u>
CHANGE IN FUND BALANCES	29,675	(614,947)	64,123	679,070
FUND BALANCE, Beginning	<u>593,469</u>	<u>614,947</u>	<u>614,947</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 623,144</u>	<u>\$ -</u>	<u>\$ 679,070</u>	<u>\$ 679,070</u>

See the accompanying independent auditors' report.

THE ODYSSEY SCHOOL

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>
School's proportionate share of the Net Pension Liability	0.190%	0.181%
School's proportionate share of the Net Pension Liability	\$ 988,878	\$ 1,130,997
School's covered-employee payroll	\$ 1,036,366	\$ 1,067,785
School's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	95.4%	105.9%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

THE ODYSSEY SCHOOL

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>
Statutorily required contributions	\$ 50,471	\$ 36,053
Contributions in relation to the Statutorily required contributions	<u>50,471</u>	<u>36,053</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 1,030,970	\$ 1,104,495
Contributions as a percentage of covered-employee payroll	4.90%	3.26%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.