Odyssey School of Denver

(A Component Unit of Denver Public Schools)

Denver, Colorado

Financial Statements

June 30, 2018

HINKLE & COMPANY PC

Strategic Business Advisors

Odyssey School of Denver

(A Component Unit of Denver Public Schools)

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June 30, 2018

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditors' Report

Board of Directors
Odyssey School of Denver
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of Odyssey School of Denver, component unit of Denver Public Schools, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of Odyssey School of Denver, 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.

Auditors' 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 auditors' 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 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 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.

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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 the major fund of Odyssey School of Denver as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 8 to the financial statements, in the year ended June 30, 2018, Odyssey School of Denver adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 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.

Hinkle & Company, PC

Greenwood Village, Colorado
September 17, 2018

Odyssey School of Denver
Management Discussion and Analysis
Fiscal Year Ended June 30, 2018

As management of Odyssey School of Denver (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, 2018. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

Fiscal year ending June 30, 2018 is the fourth year reporting net pension liability and deferred inflows and outflows following Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* As such, the School included the Net Pension Liability per GASB Statement No. 68 in the amount of $1,522,774 for FY 2018 and $1,846,416 for FY 2017 as a noncurrent liability on the Statement of Net Position. The School also participates in a Postemployment Healthcare Benefit Plan and as a result of GASB statement No. 75 has recorded a Net OPEB Liability as of June 30, 2018 of $86,326. For FY 2018 and FY 2017, the liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows by $681,519 and $517,827 (net position), respectively.

At the close of the fiscal year the School's governmental funds reported an ending fund balance of $935,218, an increase of $100,291. The operations of the School are funded primarily by tax revenue received under the State School Finance Act allocated as Per Pupil Revenue (PPR). The School received $1,771,716 in PPR. The School also received $291,710 in Mill Levy Override revenue.

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.

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.

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 3-4 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 differences in reporting. 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 School maintains one individual governmental fund. Information is presented 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 general fund. Budgetary comparison statements have been provided for the general fund 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 8-23.

Government-wide Financial Analysis

The School's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $681,519 at the close of the most recent fiscal year. The negative balance is due to the adoption of GASB Statement Nos. 68 and 75, resulting in a net pension liability of $1,522,774, and Net OPEB liability of $86,326, representing the School's proportionate share of the PERA 's net pension and OPEB liabilities.

Approximately $70,000 of these funds is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. In addition, $87,377 of these funds represents investments in capital assets (net of accumulated depreciation).

The Odyssey School's Net Position
Governmental Activities

	June 30, 2018	June 30, 2017
Cash	$ 931,294	$ 807,309
Other Assets	6,103	52,368
Capital Assets, Net of Accumulated Depreciation	87,377	112,951
Total Assets	1,024,774	972,628
Deferred Outflows of Resources		
Pensions, Net of Accumulated Amortization	332,614	591,747
OBEB	6,555	Not Reported
Accounts Payable	1,362	24,512
Accrued Liabilities	817	238
Noncurrent Liabilities		
Net Pension Liability	1,522,774	1,846,416
Net OPEB Liability	86,326	Not Reported
Total Liabilities	1,611,279	1,871,166
Deferred Inflows of Resources		
Pensions, Net of Accumulated Amortization	431,488	211,036
OBEB	2,695	Not Reported
Net Position		
Net Investment in Capital Assets	87,377	112,951
Restricted for Emergencies - TABOR	70,000	67,000
Unrestricted	(838,896)	(697,778)
Total Net Position	$ (681,519)	$ (517,827)

The largest portion of the Schools' assets is in cash: 91% in FY 2018 and 83% in FY 2017. Capital assets, less accumulated depreciation, were 9% in FY 2018 and 12% in FY 2017.

The School's net position decreased by $77,639 and $104,817 in FY 2018 and 2017, respectively. Information presented as of and for the year ended June 30, 2017, has not been restated because comparable information is not available.

The Odyssey School's Statement of Activities
For the Years Ended June 30, 2018 and June 30, 2017
Governmental Activities

	June 30, 2018	June 30, 2017
Program Revenues:		
Charges for Services	$ 100,655	$ 90,865
Operating Grants and Contributions	43,433	35,625
Total Program Revenues	144,088	126,490
General Revenues:		
Per Pupil Revenues	1,771,716	1,714,680
Mill Levy Override	291,710	274,009
Other	136,536	185,295
Total General Revenues	2,199,962	2,173,984
Total Revenues	2,344,050	2,300,474
Expenses:		
Current:		
Instruction	1,408,855	1,507,274
Supporting Services	1,012,834	898,017
Total Expenses	2,421,689	2,405,291
Increase (Decrease) in Net position	(77,639)	(104,817)
Beginning Net Position, June 30	(413,010)	(413,010)
Ending Net Position, June 30	$ (681,519)	$ (517,827)

The largest portion of the School's revenues come from per pupil funding – 76% in FY 2018 and 75% in FY 2017. In FY 2018 and FY 2017, 12% and 13%, respectively, of revenues came from program and other revenues. Mill levy overrides comprised 12% of the School's total revenue in FY 2018 and FY 2017. The School's revenue increased by $43,576 and expenses increased by $16,398 in FY 2018.

Financial Analysis of the Government's Funds

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 $935,218, an increase of $100,291. The fund balance increase targeted budget was $57,685. The difference is a result of delayed capital and network projects and managing expenses. The Governmental Fund revenues exceeded prior year by $43,576 driven primarily by increases in Per Pupil Revenue, with some offset in fundraising activities. Expenses exceeded prior year by $34,993.

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 variances between its budgeted and actual activities. Revenues were about $12,000 better than budget and expenses about $31,000 less than plan, resulting in a net budget variance to the change in fund balance of $42,606 better than plan.

Capital Asset and Debt Administration.

Capital assets. The School's investment in capital assets consisting of vehicles at June 30, 2018 was $251,011. Accumulated depreciation was $163,634 resulting in net capital assets of $87,377. At June 30, 2018, the School owned 6 vehicles for transporting students to activities.

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

Economic Factors and Next Year's Budget

The economic outlook for FY 2019 is positive at an expected increase of $445 per funded FTE or 5.3% in PPR funding. This percentage increase compares to a 3% increase received in FY 2018. The Capital Construction funding per pupil allocation is estimated to increase for FY 2019 to $291.79 per funded FTE compared to $263.77 per funded FTE in FY 2018.

During FY 2018, the School had a funded pupil count of 223.66, comparable to 223.08 in FY 2017. The School is not budgeting for a significant change in the funded pupil count for FY 2019.

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

Basic Financial Statements

Odyssey School of Denver

(A Component Unit of Denver Public Schools)

Statement of Net Position

June 30, 2018

		Governmental Activities
Assets		
Cash and Investments	$	931,294
Accounts Receivable		2,521
Grants Receivable		2,587
Inventory		995
Capital Assets, *Net of Accumulated Depreciation*		87,377
Total Assets		1,024,774
Deferred Outflows of Resources		
Pensions, *Net of Accumulated Amortization*		332,614
OPEB, *Net of Accumulated Amortization*		6,555
Total Deferred Outflows of Resources		339,169
Liabilities		
Accounts Payable		1,362
Accrued Liabilities		817
Noncurrent Liabilities		
Net Pension Liability		1,522,774
Net OPEB Liability		86,326
Total Liabilities		1,611,279
Deferred Inflows of Resources		
Pensions, *Net of Accumulated Amortization*		431,488
OPEB, *Net of Accumulated Amortization*		2,695
Total Deferred Inflows of Resources		434,183
Net Position		
Net Investment in Capital Assets		87,377
Restricted for Emergencies		70,000
Unrestricted		(838,896)
Total Net Position	$	(681,519)

See Notes to Financial Statements.

Odyssey School of Denver

(A Component Unit of Denver Public Schools)

Statement of Activities

For the Year Ended June 30, 2018

		Program Revenues		Net (Expense) Revenue and Change in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 1,408,855	$ 86,905	$ 26,160	$ (1,295,790)
Supporting Services	1,012,834	13,750	17,273	(981,811)
Total Governmental Activities	$ 2,421,689	$ 100,655	$ 43,433	(2,277,601)
	General Revenues			
	Per Pupil Revenue			1,771,716
	Additional At-Risk Funding			804
	District Mill Levy			291,710
	Capital Construction			29,497
	Grants and Contributions Not Restricted to Sepcific Programs			91,429
	Investment Income			9,414
	Other			5,392
	Total General Revenues			2,199,962
	Change in Net Position			(77,639)
	Net Position, *Beginning of year*			(603,880)
	Net Position, *End of year*			$ (681,519)

See Notes to Financial Statements.

Odyssey School of Denver

(A Component Unit of Denver Public Schools)
Balance Sheet
Governmental Fund
June 30, 2018

		General
Assets		
Cash and Investments	$	931,294
Accounts Receivable		2,521
Grants Receivable		2,587
Inventory		995
Total Assets	$	937,397
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$	1,362
Accrued Liabilities		817
Total Liabilities		2,179
Fund Balance		
Nonspendable Inventory		995
Restricted for Emergencies		70,000
Unrestricted, Unassigned		864,223
Total Fund Balance		935,218
Total Liabilities and Fund Balance	$	937,397

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of the Governmental Fund	$	935,218
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		87,377
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Net pension liability		(1,522,774)
Pension-related deferred outflows of resources		332,614
Pension-related deferred inflows of resources		(431,488)
Net OPEB liability		(86,326)
OPEB-related deferred outflows of resources		6,555
OPEB-related deferred inflows of resources		(2,695)
Total Net Position of Governmental Activities	$	(681,519)

See Notes to Financial Statements.

Odyssey School of Denver
(A Component Unit of Denver Public Schools)
Statement of Revenues, Expenditures and Changes in Fund Balance
Govermental Fund
For the Year Ended June 30, 2018

	General
Revenues	
Local Sources	$ 2,270,316
State Sources	64,812
Federal Sources	8,922
Total Revenues	2,344,050
Expenditures	
Instruction	1,353,539
Supporting Services	890,220
Total Expenditures	2,243,759
Net Change in Fund Balance	100,291
Fund Balance, *Beginning of year*	834,927
Fund Balance, *End of year*	$ 935,218

See Notes to Financial Statements.

Odyssey School of Denver

(A Component Unit of Denver Public Schools)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2018

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of the Governmental Fund	$	100,291
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense		(25,574)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Net pension liability		323,642
Pension-related deferred outflows of resources		(259,133)
Pension-related deferred inflows of resources		(220,452)
Net OPEB liability		5,550
OPEB-related deferred outflows of resources		6,555
OPEB-related deferred inflows of resources		(8,518)
Change in Net Position of Governmental Activities	$	(77,639)

See Notes to Financial Statements.

Note 1: Summary of Significant Accounting Policies

The Odyssey School d.b.a. Odyssey School of Denver (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within Denver Public Schools (the District).

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. 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 has the potential to provide benefits to, or impose financial burdens on, the School. Based on the application of this criteria, the School does not include additional organizations within its reporting entity.

The School is a component unit of the District. The School's charter was authorized by the District and the majority of the School's funding is provided by the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the School. Governmental activities, which normally are supported by taxes and 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 revenues not properly included among program revenues are reported instead as general revenues.

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

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 year or soon enough thereafter to pay liabilities of the current year. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current year. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School. 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, are recorded only when payment is due.

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

In the fund financial statements, the School reports the following major governmental fund:

> *General Fund* - This fund is the general operating fund of the School. It is currently used to account for all financial activities of the School.

Assets, Liabilities and Net Position/Fund Balance

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

Inventory - Inventories are valued using the first-in first-out method. Inventory is recorded as an asset when individual items are purchased and as an expense when consumed.

Capital Assets - Capital assets are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of $5,000 or more 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 the acquisition value on the date of donation.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Capital assets are depreciated using the straight-line method over the estimated useful lives, as follows:

Vehicles	8 years

Compensated Absences - Employees of the School are allowed to accumulate unused personal leave to a maximum of 10 days. The School does not reimburse or otherwise compensate terminated employees for any unused personal leave. Therefore, no liability is reported in the financial statements for these compensated absences.

Pensions - The School participates in the Denver Public Schools Division Trust Fund (DPSD), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the DPSD's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSD. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

Postemployment Benefits Other Than Pensions (OPEB) - The School participates in the Denver Public Schools Health Care Trust Fund (HCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees.

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution, and may assign fund balances to a specific purpose through an informal action.

The School has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the School uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

Note 1: Summary of Significant Accounting Policies (Continued)

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 insurance for these risks of loss.

Note 2: Cash and Investments

Cash and investments at June 30, 2018, consisted of the following:

Deposits	$	237,880
Investments		693,414
Total	$	931,294

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Investments

The School is required to comply with State statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue 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
- Guaranteed investment contracts\
- Local government investment pools

Note 2: Cash and Investments (Continued)

Investments (Continued)

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the School may invest in a single issuer, except for corporate securities.

Local Government Investment Pool - At June 30, 2018, the School had $693,414 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. CSAFE operates in conformity with the Securities and Exchange Commission's Rule 2a-7. CSAFE is reported at the net asset value per share, with each share valued at $1. CSAFE is rated AAAm by Standard and Poor's. Investments of CSAFE are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Capital Assets

Capital assets activity for the year ended June 30, 2018, is summarized below.

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Governmental Activities				
Capital Assets, *Being Depreciated*				
Vehicles	$ 251,011	$ -	$ -	$ 251,011
Accumulated Depreciation	(138,060)	(25,574)	-	(163,634)
Governmental Activities Capital Assets, *Net*	$ 112,951	$ (25,574)	$ -	$ 87,377

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

Note 4: Defined Benefit Pension Plan

General Information

Plan Description - The School contributes to the Denver Public Schools Division Trust Fund (DPSD), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the School participate in the DPSD. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the DPSD. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The DPSD provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over three years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees may elect to withdraw their contributions upon termination of employment, and may be eligible to receive a matching amount if five years of service credit is earned and certain other criteria is met. Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Note 4: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Contributions - The School and eligible employees are required to contribute to the DPSD at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The School's contribution rate for calendar years 2018 and 2017 was 20.15% and 19.65% of covered salaries, respectively. However, the State Legislature allowed the School to offset its contribution rates by an amount equal to the obligations of the District with respect to its outstanding PCOPs (See Note 5). As a result, the School's contribution rates for calendar years 2018 and 2017 were 5.97% and 5.09% of covered salaries, respectively. In addition, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). The School's contributions to the DPSD for the year ended June 30, 2018, were $65,204, equal to the required contributions.

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

At June 30, 2018, the School reported a net pension liability of $1,522,774, representing its proportionate share of the net pension liability of the DPSD. The net pension liability was measured at December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

The School's proportion of the net pension liability was based on the School's contributions to the DPSD for the calendar year ended December 31, 2017, relative to the contributions of all participating employers. At December 31, 2017, the School's proportion was 0.1698557918%, which was an increase of 0.0013059770% from its proportion measured at December 31, 2016.

During the 2018 legislative session, the State Legislature passed Senate Bill (SB) 18-200 with the goal of eliminating the unfunded pension liability of the DPSD within the next 30 years. The significant provisions of the legislation include increased age and service requirements to receive full retirement benefits, highest average salary calculated over five years rather than three years, changes to includable employee salaries, increased contributions from employees and employers, and an annual direct distribution from the State of Colorado. The School's estimated net pension liability at June 30, 2018, had the provisions of SB 18-200 been effective was $1,103,252.

For the year ended June 30, 2018, the School recognized pension expense of $204,742. At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 4: Defined Benefit Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 93,240	$ 2,802
Changes of assumptions and other inputs	198,414	77,531
Net difference between projected and actual earnings on plan investments	-	293,390
Changes in proportion	11,092	57,765
Contributions subsequent to the measurement date	29,868	-
Total	$ 332,614	$ 431,488

School contributions subsequent to the measurement date of $29,868 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2019	$ 16,916
2020	6,771
2021	(50,177)
2022	(102,252)
Total	$ (128,742)

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total pension liability using the following actuarial assumptions and other inputs.

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	2.0%
Hired after 12/31/2006	ad hoc

Note 4: Defined Benefit Pension Plan (Continued)

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

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table. 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 were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

On November 18, 2016, PERA's governing board adopted revised economic and demographic assumptions based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, which were effective on December 31, 2016. The significant changes affecting the plan included decreasing the investment rate of return assumption from 7.5% per year, compounded annually, net of investment expenses, to 7.25%, and updating mortality assumptions based on RP-2014 mortality tables.

The long-term expected rate of return on 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.

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

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%	

Note 4: 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 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.5% each year, to a minimum of 10.15%.

Based on those assumptions, the DPSD's fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.25%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the School's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 2,396,286	$ 1,522,774	$ 799,771

Pension Plan Fiduciary Net Position - Detailed information about the DPSD's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Note 5: Pension Certificates of Participation

Beginning in 2008, the District issued Taxable Pension Certificates of Participation (PCOPs) to fund the liabilities of the DPSD (See Note 4). For the year ended June 30, 2018, the School contributed 9.6% of covered salaries, totaling $113,061, to the District to cover its obligation relating to the PCOPs.

Note 6: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the School are eligible to receive postemployment benefits other than pensions (OPEB) through the Denver Public Schools Health Care Trust Fund (HCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll. Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit.

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

Contributions - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the School's contributions to the Denver Public Schools Division Trust Fund (DPSD) (See Note 4) is apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The School's apportionment to the HCTF for the year ended June 30, 2018, was $12,013, equal to the required amount.

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

At June 30, 2018, the School reported a net OPEB liability of $86,326, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017.

Note 6: Postemployment Healthcare Benefits (Continued)

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

The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2017, relative to the contributions of all participating employers. At December 31, 2017, the School's proportion was 0.1694029371%, which was an increase of 0.0008470348% from its proportion measured at December 31, 2016.

For the year ended June 30, 2018, the School recognized OPEB expense of $8,488. At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 51
Net difference between projected and actual earnings on plan investments	-	2,644
Changes in proportion	401	-
Contributions subsequent to the measurement date	6,154	-
Total	$ 6,555	$ 2,695

School contributions subsequent to the measurement date of $6,154 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2019	$ (608)
2020	(608)
2021	(608)
2022	(608)
2023	53
Thereafter	85
Total	$ (2,294)

Actuarial Assumptions - The actuarial valuation as of December 31, 2016, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Note 6: Postemployment Healthcare Benefits (Continued)

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

Price inflation	2.4%
Real wage growth	1.1%
Wage inflation	3.5%
Salary increases, including wage inflation	3.5%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
Service-based premium subsidy	0.0%
Medicare plans	5.0%
Medicare Part A premiums:	
3% for 2017, gradually rising to 4.25% in 2023	

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table. 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 were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, with certain adjustments. For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Health care cost trend rates are based on published annual health care inflation surveys in conjunction with actual plan experience, building block models and heuristics developed by actuaries and administrators, and other projected trends.

The actuarial assumptions used in the December 31, 2016, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, and were adopted by PERA's governing board on November 18, 2016. In addition, certain actuarial assumptions pertaining to per capita health care costs and the related trends are analyzed by PERA's actuary as needed.

The long-term expected rate of return on the HCTF 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.

Note 6: Postemployment Healthcare Benefits (Continued)

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

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as presented previously in Note 4.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current contribution rate. Based on this assumption, the HCTF's fiduciary net position was projected to be available to make all projected future OPEB payments to current active and inactive employees. Therefore, the long-term expected rate of return on HCTF investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the School's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the School's proportionate share of the net OPEB liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 98,377	$ 86,326	$ 76,025

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the School's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3% to 5%, as well as the School's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	$ 86,221	$ 86,326	$ 86,467

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Note 7: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2018, significant amounts of related expenditures have not been audited but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2018, the reserve was reported as restricted fund balance in the General Fund, in the amount of $70,000.

Facility Use Agreement

The School has approved a facility use agreement with the District to utilize educational facilities owned by the District. For the year ended June 30, 2018, the School paid facility use fees of $636 per student, which totaled $142,244. The agreement requires facility use fees of $651 per student for the year ended June 30, 2019.

Note 8: Change in Accounting Principle

For the year ended June 30, 2018, the School adopted the standards of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, net position of the governmental activities at June 30, 2017, was restated to reflect the cumulative effect of adopting the standards.

Note 8: Change in Accounting Principle (Continued)

Certain balances of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2017, were not available and have not been reported in the financial statements.

	Governmental Activities
Net Position, June 30, 2017, *as Originally Stated*	$ (517,827)
Deferred Outflows of Resources	5,823
Net OPEB Liability	(91,876)
Net Position, June 30, 2017, *as Restated*	$ (603,880)

Required Supplementary Information

Odyssey School of Denver

(A Component Unit of Denver Public Schools)
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado
Denver Public Schools Division Trust Fund
June 30, 2018

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.1698557918%	0.1685498148%	0.1763152072%	0.1810841430%	0.1901308091%
School's Proportionate Share of the Net Pension Liability	$ 1,522,774	$ 1,846,416	$ 1,434,386	$ 1,130,997	$ 988,878
School's Covered Payroll	$ 1,151,312	$ 1,113,714	$ 1,103,267	$ 1,067,228	$ 1,036,926
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	132%	166%	130%	106%	95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80%	74%	79%	84%	86%

	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14
School Contributions					
Statutorily Required Contribution	$ 53,191	$ 37,094	$ 22,177	$ 24,789	$ 39,957
Contributions in Relation to the Statutorily Required Contribution	(53,191)	(37,094)	(22,177)	(24,789)	(39,957)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,177,720	$ 1,109,965	$ 1,115,067	$ 1,104,496	$ 1,030,970
Contributions as a Percentage of Covered Payroll	4.52%	3.34%	1.99%	2.24%	3.88%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Odyssey School of Denver

(A Component Unit of Denver Public Schools)
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado
Denver Public Schools Health Care Trust Fund
June 30, 2018

	12/31/17
Proportionate Share of the Net OPEB Liability	
School's Proportion of the Net OPEB Liability	0.1694029371%
School's Proportionate Share of the Net OPEB Liability	$ 86,326
School's Covered-Employee Payroll	$ 1,206,956
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	7%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30%

	6/30/18
School Contributions	
Statutorily Required Contribution	$ 12,013
Contributions in Relation to the Statutorily Required Contribution	(12,013)
Contribution Deficiency (Excess)	$ -
School's Covered-Employee Payroll	$ 1,231,573
Contributions as a Percentage of Covered-Employee Payroll	0.98%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Odyssey School of Denver

(A Component Unit of Denver Public Schools)

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Local Sources				
Per Pupil Revenue	$ 1,765,701	$ 1,770,291	$ 1,771,716	$ 1,425
District Mill Levy	288,541	291,024	291,710	686
Tuition	46,749	46,749	49,414	2,665
Student Activities	-	-	37,491	37,491
Seminar Fees	11,750	11,750	13,750	2,000
Grants and Contributions	118,400	122,664	91,429	(31,235)
Investment Income	3,000	7,000	9,414	2,414
Other	18,653	6,166	5,392	(774)
Total Local Sources	2,252,794	2,255,644	2,270,316	14,672
State Sources				
Additional At-Risk Funding	-	-	804	804
Capital Construction	30,782	30,782	29,497	(1,285)
Grants	25,833	36,878	34,511	(2,367)
Total State Sources	56,615	67,660	64,812	(2,848)
Federal Sources				
Grants	9,147	8,922	8,922	-
Total Revenues	2,318,556	2,332,226	2,344,050	11,824
Expenditures				
Salaries	1,219,487	1,246,157	1,236,559	9,598
Benefits	318,341	303,732	295,952	7,780
Purchased Services	564,291	585,931	553,590	32,341
Supplies and Materials	120,572	116,526	121,894	(5,368)
Property	24,227	13,142	34,036	(20,894)
Other	9,053	9,053	1,728	7,325
Reserves	892,719	892,612	-	892,612
Total Expenditures	3,148,690	3,167,153	2,243,759	923,394
Net Change in Fund Balance	(830,134)	(834,927)	100,291	935,218
Fund Balance, *Beginning of year*	830,134	834,927	834,927	-
Fund Balance, *End of year*	$ -	$ -	$ 935,218	$ 935,218

See accompanying Independent Auditors' Report.

Note 1: Schedule of Proportionate Share of the Net Pension Liability and Contributions

The Public Employees' Retirement Association of Colorado (PERA) Denver Public Schools Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The School's contributions and related ratios represent cash contributions and any related accruals that coincide with the School's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2018, the total pension liability was determined by an actuarial valuation as of December 31, 2016. The following revised economic and demographic assumptions were effective as of December 31, 2016.

- Investment rate of return assumption decreased from 7.5% per year, compounded annually, net of investment expenses, to 7.25%.
- Price inflation assumption decreased from 2.8% per year to 2.4%.
- Real rate of investment return assumption increased from 4.7% per year, net of investment expenses, to 4.85%.
- Wage inflation assumption decreased from 3.9% per year to 3.5%.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables, updated from the RP-2000 Mortality Tables.

Note 2: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

A budget is adopted for the School on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

All appropriations lapse at fiscal year end.