GOLDEN VIEW CLASSICAL ACADEMY

FINANCIAL STATEMENTS

June 30, 2016

GOLDEN VIEW CLASSICAL ACADEMY

Board of Directors

June 30, 2016

Derec Schuler, Chairman

Kim Gilmartin, Vice-Chairman

Paige Rodriguez, Secretary

Pam Shepherd, Treasurer

Heidi Ganahl, Director

School Management

Robert Garrow, Principal

Kim Miller, Business Manager

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Board of Directors
Golden View Classical Academy
Golden, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the major fund of Golden View Classical Academy, component unit of Jefferson County School District No. R-1, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of Golden View Classical Academy, 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.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of Golden View Classical Academy as of June 30, 2016, 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.

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.

Swanhunt & Company LLC

November 9, 2016

Golden View Classical Academy

Management's Discussion and Analysis
Fiscal Year Ending June 30, 2016

As management of Golden View Classical Academy (GVCA), we offer readers of GVCA's basic financial statements this narrative and analysis of the financial activities of GVCA for the year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The year ended June 30, 2016 was the first full year of operation for GVCA and the first year in which students were served. As of June 30, 2016, the net position for governmental activities was $758,994 and the general fund balance was $677,502. The net position for the Golden View Classical Academy Foundation (Foundation) was $379,339, a decrease of $749,379 from the prior year.

The operations of GVCA are funded primarily by tax revenue received under the State School Finance Act (the Act). Tax revenue for the year from Per Pupil Revenue was $3,405,643. GVCA also received $664,239 in local mill levy override revenue.

During the year ended June 30, 2016, the Foundation contributed $1,294,712 in capital assets to GVCA in the form of leasehold improvements.

Overview of Financial Statements

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

Government-Wide Financial Statements

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

The statement of net position presents information on all GVCA's and the Foundation's assets and liabilities, and deferred inflows and outflows, with the difference being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The statement of activities presents information showing how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year end).

The government-wide statement of activities includes functions/programs of GVCA that are primarily supported by the Per Pupil Revenue passed from the Jefferson County School District and activity conducted by the Foundation as a Component Unit.

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. GVCA keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, except that the focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Both the balance sheet and the statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and the governmental activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of GVCA's financial position. For the year ended June 30, 2016, GVCA's total net position was $758,994. This position includes a net pension liability in the amount of $4,622,862, representing GVCA's proportionate share of the net pension liability of the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). GVCA reports this net pension liability, and associated deferred inflows and outflows of resources as required by GASB (Governmental Accounting Standards Board) 68. More information regarding the net pension liability may be found in note 4 to the financial statements.

The Foundation's total net position was $379,339, a $749,379 decrease from the prior year as the result of a capital contribution to GVCA.

Of GVCA's total net position, $1,294,712 is invested in capital assets, ($643,868) is unrestricted, and $108,150 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Statement of Net Position	2015-2016 Primary Government	Component Unit
Assets		
Cash and Investments	$ 842,354	$ 492,416
Capital Assets, Net of Accumulated Depreciation	1,294,712	-
Total Assets	**2,137,066**	**492,416**
Deferred Outflows of Resources		
Pensions, Net of Accumulated Amortization	3,474,972	-
Liabilities		
Accounts Payable	23,274	113,077
Accrued Salaries and Benefits	141,578	-
Noncurrent Liabilities		
Net Pension Liability	4,622,862	-
Total Liabilities	**4,787,714**	**113,077**
Deferred Inflows of Resources		
Pensions, Net of Accumulated Amortization	65,330	-
Net Position		
Net Investment in Capital Assets	1,294,712	-
Restricted for Emergencies	108,150	-
Unrestricted	(643,868)	379,339
Total Net Position	**$ 758,994**	**$ 379,339**

	2015-2016	
Change in Net Position	**Primary Government**	**Component Unit**
Revenues		
Per Pupil Revenue	$ 3,405,643	$ -
Charges for Services	37,722	63,198
Operating Grants and Contributions	25,000	-
Capital Grants and Contributions	1,294,712	-
Additional At-Risk Funding	244	-
District Mill Levy	664,239	
Capital Construction	123,533	-
Contributions not Restricted to Specific Programs	2,293	775,780
Investment Income	-	(1,039)
Other	12,870	-
Total Revenue	**5,566,256**	**837,939**
Expenses		
Instruction and Supporting Activities	4,807,262	-
Foundation	-	1,587,318
Total Expenses	**4,807,262**	**1,587,318**
Increase (decrease) in net position	758,994	(749,379)
Net Position, Beginning	-	1,128,718
Net Position, Ending	**$ 758,994**	**$ 379,339**

Financial Analysis of GVCA's Funds

Governmental Fund

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

As of the end of fiscal year 2015-2016, the first full year of operation, GVCA's general fund reported an ending fund balance of $677,502.

General Fund Budgetary Highlights

In fiscal year 2015-2016 GVCA budgeted for general fund revenue of $4,185,218. Actual revenue was $4,271,544, or $86,326 more than expected. GVCA budgeted for general fund expenditures of $3,829,324.

Actual expenditures were $3,594,042, or $235,282 less than appropriated. There were budget amendments during the year, which reflected overall decreases in revenues and expenditures.

Capital Assets, Debt Administration, and Operating Lease

Capital Assets

GVCA's investment in capital assets as of June 30, 2016, amounts to $1,294,712 in leasehold improvements. This capital was contributed to GVCA from the Foundation during the year ended June 30, 2016. More information regarding capital assets can be found in Note 3 to the financial statements.

Debt Administration

As of June 30, 2016, neither GVCA nor the Foundation has outstanding debt.

Operating Lease

In March 2015 GVCA entered into an agreement to lease its facility through June 2020 with one five-year renewal term. GVCA paid $412,611 during the 2015-2016 fiscal year under the lease agreement. Additional information regarding commitments and contingencies can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budget

The primary factor driving the budget for GVCA is student enrollment. Full time enrollment for the 2015-2016 school year was 477.9. The enrollment projected for the 2016-2017 school year is expected to be 567. This factor was considered in preparing GVCA's budget for 2016-2017.

Requests for Information

This financial report is designed to provide a general overview of GVCA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the school:

Golden View Classical Academy
601 Corporate Circle
Golden, CO 80401

BASIC FINANCIAL STATEMENTS

GOLDEN VIEW CLASSICAL ACADEMY

STATEMENT OF NET POSITION
June 30, 2016

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FOUNDATION
ASSETS		
Cash and Investments	$ 842,354	$ 492,416
Capital Assets, Net of Accumulated Depreciation	1,294,712	-
TOTAL ASSETS	2,137,066	492,416
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	3,474,972	-
LIABILITIES		
Accounts Payable	23,274	113,077
Accrued Salaries and Benefits	141,578	-
Noncurrent Liabilities		
Net Pension Liability	4,622,862	-
TOTAL LIABILITIES	4,787,714	113,077
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	65,330	-
NET POSITION		
Net Investment in Capital Assets	1,294,712	-
Restricted for Emergencies	108,150	-
Unrestricted	(643,868)	379,339
TOTAL NET POSITION	$ 758,994	$ 379,339

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

GOLDEN VIEW CLASSICAL ACADEMY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction and Supporting Services	$ 4,807,262	$ 37,722	$ 25,000	$ 1,294,712
Total Governmental Activities	$ 4,807,262	$ 37,722	$ 25,000	$ 1,294,712
COMPONENT UNIT				
Foundation	$ 1,587,318	$ 63,198	$ -	$ -

GENERAL REVENUES
Per Pupil Revenue
Additional At-Risk Funding
District Mill Levy
Capital Construction
Contributions not Restricted to Specific Programs
Investment Income
Other

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNIT FOUNDATION
$ (3,449,828)	$ -
(3,449,828)	-
-	(1,524,120)
3,405,643	-
244	-
664,239	-
123,533	-
2,293	775,780
-	(1,039)
12,870	-
4,208,822	774,741
758,994	(749,379)
-	1,128,718
$ 758,994	$ 379,339

GOLDEN VIEW CLASSICAL ACADEMY

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2016

		GENERAL
ASSETS		
Cash and Investments	$	842,354
TOTAL ASSETS	$	842,354
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$	23,274
Accrued Salaries and Benefits		141,578
TOTAL LIABILITIES		164,852
FUND BALANCE		
Restricted for Emergencies		108,150
Unrestricted, Unassigned		569,352
TOTAL FUND BALANCE		677,502
TOTAL LIABILITIES AND FUND BALANCE	$	842,354

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

Total Fund Balance of the Governmental Fund	$	677,502
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		1,294,712
Long-term liabilities and related items, including net pension liability ($4,622,862), pension-related deferred outflows of resources $3,474,972, and pension-related deferred inflows of resources ($65,330), are not due and payable in the current year and, therefore, are not reported in governmental funds.		(1,213,220)
Total Net Position of Governmental Activities	$	758,994

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

GOLDEN VIEW CLASSICAL ACADEMY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
Year Ended June 30, 2016

	GENERAL
REVENUES	
Local Sources	$ 4,122,767
State Sources	148,777
TOTAL REVENUES	4,271,544
EXPENDITURES	
Instruction and Supporting Services	3,594,042
TOTAL EXPENDITURES	3,594,042
NET CHANGE IN FUND BALANCE	677,502
FUND BALANCE, Beginning	-
FUND BALANCE, Ending	$ 677,502

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

Net Change in Fund Balance of the Governmental Fund	$ 677,502
Certain capital asset transactions of the governmental activities do not affect governmental funds. This amount represents capital assets contributed by the Foundation in the current year.	1,294,712
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 amount represents the change in the net pension liability ($4,622,862), pension-related deferred outflows of resources $3,474,972, and pension-related deferred inflows of resources ($65,330) in the current year.	(1,213,220)
Change in Net Position of Governmental Activities	$ 758,994

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Golden View Classical Academy (the "School") was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Jefferson County School District No. R-1 (the "District") in the State of Colorado. The School began operations in the Fall of 2015.

The accounting policies of the School conform to generally accepted accounting principles (GAAP) 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 School's 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.

The School includes the Golden View Classical Academy Foundation, Inc. (the "Foundation") within its reporting entity. The Foundation is a non-profit organization formed exclusively for the benefit of, to perform the functions of, and to carry out the purposes of, the School. The Foundation is discretely presented in the School's financial statements, and does not issue separate financial statements.

The School is a component unit of the District. The School's charter is 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 and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit* for which the School is financially accountable.

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. Available means collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. 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 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.

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

Cash and Investments - The School's cash is held by the District as part of its pooled cash and investments.

Capital Assets - Capital assets are reported in the government-wide financial statements. Capital assets are defined 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.

Leasehold improvements are amortized or depreciated using the straight-line method over the life of the related lease agreement or the estimated useful lives, as applicable.

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability of the General Fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences - The School's policy allows employees to use eight days of paid time off during each school year. Employees are compensated at $75 per day for any unused paid time off each year in June. Employees may choose to carry over eight days of unused paid time off per year, to a maximum of twenty days. However, employees will not be compensated for accumulated unused paid time off at separation of employment. Therefore, no liability is reported in the financial statements for these compensated absences.

Pensions - The School participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the SDTF'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 SDTF. 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.

Net Position/Fund Balances - 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 balances first, followed by committed, assigned and unassigned balances.

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

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all 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.

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

At June 30, 2016, the Foundation had uninsured bank deposits of $226,347.

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

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase, 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 one issuer of investment securities, except for corporate securities.

NOTE 3: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2016, are summarized below.

	Balances 6/30/15	Additions	Deletions	Balances 6/30/16
Governmental Activities				
Capital Assets, Being Depreciated				
Leasehold Improvements	$ -	$ 1,294,712	$ -	$ 1,294,712
Governmental Activities Capital Assets, Net	**$ -**	**$ 1,294,712**	**$ -**	**$ 1,294,712**

NOTE 4: DEFINED BENEFIT PENSION PLAN

General Information

Plan Description - The School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the School participate in the SDTF. 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 SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The SDTF 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 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 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.

Contributions - The School and eligible employees are required to contribute to the SDTF 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 2015 and 2016 were 18.35% and 19.15% of covered salaries, respectively. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 5). The School's contributions to the SDTF for the year ended June 30, 2016, were $277,164, equal to the required contributions.

NOTE 4: 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, 2016, the School reported a net pension liability of $4,622,862, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Changes in assumptions and other inputs since the prior measurement date did not significantly affect the total pension liability. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The School's proportion of the net pension liability was based on the School's contributions to the SDTF for the calendar year ended December 31, 2015, relative to the contributions of all participating employers. At December 31, 2015, the School's proportion was 0.0302938059%. The School began participating in the SDTF on July 1, 2015, and therefore, had no measurable proportion of the net pension liability at December 31, 2014.

For the year ended June 30, 2016, the School recognized pension expense of $1,640,916. At June 30, 2016, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 61,046	$ -
Changes in assumptions and other inputs	-	65,330
Net difference between projected and actual earnings on plan investments	322,416	-
Change in proportion	2,971,194	-
Contributions subsequent to the measurement date	120,316	-
Total	**$ 3,474,972**	**$ 65,330**

School contributions subsequent to the measurement date of $120,316 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,	
2017	$ 1,204,434
2018	1,204,434
2019	799,856
2020	80,602
Total	**$ 3,289,326**

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)

Actuarial Assumptions - The actuarial valuation as of December 31, 2014, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Price inflation	2.8%
Real wage growth	1.1%
Wage inflation	3.9%
Salary increases, including wage inflation	3.9% - 10.1%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.5%
Future post-retirement benefit increases:	
Hired prior to 1/1/07	2%
Hired after 12/31/06	ad hoc

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

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

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 presented to the PERA governing board on November 15, 2013, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

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)

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 Government/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%**	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. 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 SDTF'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. In addition, the discount rate did not change from the prior measurement date.

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 7.5%, as well as the School's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	**$ 6,006,012**	**$ 4,622,862**	**$ 3,491,320**

Pension Plan Fiduciary Net Position - Detailed information about the SDTF'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: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

Funding Policy - The School is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The School's apportionment to the HCTF for the year ended June 30, 2016, was $15,040, equal to the required amount.

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 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, 2016, significant amounts of related expenditures have not been audited but management 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 interpretation, but management believes the School 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, 2016, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $108,150.

Operating Lease

On March 26, 2015, the School entered into an agreement to lease a building for use as an educational facility. The agreement requires monthly lease payments of $34,384 beginning on July 1, 2015. The monthly payment amounts increase each July 1 thereafter, ranging from $38,535 to $50,932, through June 30, 2020. In addition, the agreement allows for one renewal term of five years. During the year ended June 30, 2016, the School paid $412,611 under this agreement.

NOTE 6: COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease (Continued)

Following is a schedule of future minimum lease payments required by the agreement through the initial maturity of June 30, 2020.

Year Ended June 30,	
2017	$ 462,419
2018	526,566
2019	568,145
2020	611,182
Total	**$ 2,168,312**

REQUIRED SUPPLEMENTARY INFORMATION

GOLDEN VIEW CLASSICAL ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2016

		12/31/15
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
School's Proportion of the Net Pension Liability		0.0302938059%
School's Proportionate Share of the Net Pension Liability	$	4,622,862
School's Covered-Employee Payroll	$	659,698
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll		701%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		59%

		6/30/16
SCHOOL CONTRIBUTIONS		
Statutorily Required Contribution	$	262,124
Contributions in Relation to the Statutorily Required Contribution		(262,124)
Contribution Deficiency (Excess)	$	-
School's Covered-Employee Payroll	$	1,474,527
Contributions as a Percentage of Covered-Employee Payroll		17.78%

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.

See the accompanying Independent Auditors' Report.

GOLDEN VIEW CLASSICAL ACADEMY

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 3,554,500	$ 3,373,221	$ 3,405,643	$ 32,422
District Mill Levy	487,000	661,795	664,239	2,444
Student Activities	66,000	2,400	2,523	123
Student Fees	26,400	25,365	35,199	9,834
Contributions and Donations	-	1,438	2,293	855
Other	-	-	12,870	12,870
Total Local Sources	4,133,900	4,064,219	4,122,767	58,548
State Sources				
Additional At-Risk Funding	-	-	244	244
Capital Construction	134,640	120,999	123,533	2,534
Grants	-	-	25,000	25,000
Total State Sources	134,640	120,999	148,777	27,778
TOTAL REVENUES	4,268,540	4,185,218	4,271,544	86,326
EXPENDITURES				
Salaries	1,738,075	1,440,066	1,640,395	(200,329)
Employee Benefits	568,469	490,337	420,143	70,194
Purchased Services	1,258,137	1,193,028	1,347,192	(154,164)
Supplies and Materials	183,080	168,572	186,312	(17,740)
Property	75,000	70,236	-	70,236
Other	228,340	181,249	-	181,249
Reserves	121,533	285,836	-	285,836
TOTAL EXPENDITURES	4,172,634	3,829,324	3,594,042	235,282
NET CHANGE IN FUND BALANCE	95,906	355,894	677,502	321,608
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	$ 95,906	$ 355,894	$ 677,502	$ 321,608

See the accompanying Independent Auditors' Report.

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

The Public Employees' Retirement Association of Colorado School 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, 2016, the total pension liability was determined by an actuarial valuation as of December 31, 2014. The following programming and methodology changes were made since the prior actuarial valuation as of December 31, 2013.

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18 month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles.

The School adheres to the following procedures to establish the budgetary information reflected in the financial statements.

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

- Prior to June 30, the budget is adopted by the Board of Directors.

- 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.