

**GLOBAL VILLAGE ACADEMY-COLORADO SPRINGS**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2015**

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**JOHN CUTLER  
& ASSOCIATES**

Board of Directors  
Global Village Academy – Colorado Springs  
Colorado Springs, Colorado

**INDEPENDENT AUDITORS' REPORT**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Global Village Academy –Colorado Springs (the “Academy”) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Academy’s basic financial statements as listed in the table of contents.

**Management’s Responsibility for the Financial Statements**

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

**Auditor’s Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Global Village Academy –Colorado Springs as of and for the year ended June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of the school's proportionate share, and schedule of the school's contributions on pages 22-24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*John Luttrell & Associates, LLC*

September 22, 2015

# **Global Village Academy Charter School-Colorado Springs**

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

### **Fiscal Year Ending June 30, 2015**

#### **Introduction**

As management of Global Village Academy – Colorado Springs (the “Academy”), we offer readers of the Academy’s basic financial statements this narrative and analysis of the financial activities of the Academy as of and for the year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information provided in the basic financial statements.

#### **Financial Highlights**

The year ended June 30, 2015, is the third year of operating a School for the Academy. As of June 30, 2015, net position decreased to (\$833,794) based on the implementation of new regulations under the Governmental Accounting Standards Board Statement (GASB) Number 68. Based on the timing of implementing the regulation in 2014, the Beginning Net Position of the Government Type Activities was restated. Further information about GASB 68 is provided in Note 6 of the financial statements.

The operations of the Academy are funded primarily by tax revenue received under the State School Finance Act (the “Act”). State categorical revenue for the year was \$2,018,843.

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

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

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

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

The statement of net position presents information on all the Academy’s assets and liabilities, with the difference between the two 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 of the Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy’s net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

# **Global Village Academy Charter School-Colorado Springs**

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

### **Fiscal Year Ending June 30, 2015**

#### ***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 Academy, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Academy maintains one governmental fund, its General Fund.

The Academy adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

#### ***Notes to Basic Financial Statements***

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

#### **Government-wide Financial Analysis**

As noted previously, net position may serve over time as a useful indicator of the Academy's financial position. As of June 30, 2015, the Academy's liabilities exceeded assets resulting in a total net position of (\$833,794). Of the net position, \$73,000 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. Accordingly, these funds are not available to satisfy general operating expenses of the Academy. The unrestricted net position is (\$915,398). The net position is directly impacted by the GASB 68 regulation as it relates to future pension liabilities.

**Global Village Academy Charter School-Colorado Springs**  
**Management's Discussion and Analysis**  
**Fiscal Year Ending June 30, 2015**

Net position as of June 30, 2015:

	<b>June 30, 2015</b>
<b>Assets</b>	
Cash and Investments	\$ 141,249
Receivables & Due From GVA network	154,486
Prepaid Items	54
Capital Assets, Net of Accumulated Depreciation	8,604
<b>Total Assets</b>	<b>304,393</b>
Deferred Outflows of Resources-Pension	393,014
<b>Liabilities</b>	
Accrued Expenses	16,293
Accrued Salaries and Benefits	61,233
Unearned Revenue	7,696
Grant Loan	100,000
Noncurrent Liability - Net Pension Liability	1,345,904
<b>Total Liabilities</b>	<b>1,531,126</b>
Deferred Inflows of Resources-Pension	75
<b>Net Position</b>	
Net Investment in Capital Assets	8,064
Restricted for TABOR	73,000
Unrestricted	(915,398)
<b>Total Net Position</b>	<b>\$ (833,794)</b>

**Global Village Academy Charter School-Colorado Springs  
Management's Discussion and Analysis  
Fiscal Year Ending June 30, 2015**

Change in net position for the years ended June 30, 2015:

	<b>Year Ended June 30, 2015</b>
Revenues	
Program Revenues	
Operating Grants and Contributions	\$ 337,432
Capital Grants and Contributions	49,637
Charges for Services	356,732
General Revenues	
State Per Pupil Revenue	2,018,843
Other	-
Total revenues	2,762,644
Expenditures/expenses	
Current	
Instruction	962,165
Support Services	1,750,074
Total Expenses	2,712,239
Increase in Net Position	50,405
Net Position, Beginning of Year-RESTATED	(884,199)
Net Position, End of Year	\$ (833,794)

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

The Academy has one governmental fund, the General Fund. The General Fund is considered a major fund and is used to account for the Academy's general operations. During 2014-2015, The Academy was able to increase its Fund Balance to \$110,567 at year-end. Of the General Fund balance, a Tabor balance in the amount of \$73,000 has been reserved which is supported by the current assets at June 30.

**General Fund Budgetary Highlights**

The Academy budgeted General Fund expenditures of \$2,752,158, for the year ended June 30, 2015. Actual expenditures were \$2,685,641, with no transfers out. There were three budgets approved for the year.

**Global Village Academy Charter School-Colorado Springs**  
**Management's Discussion and Analysis**  
**Fiscal Year Ending June 30, 2015**

**Capital Assets and Debt Administration**

The Academy is party to a facilities operating lease. The lease is with GVA CS Project Development, LLC. Monthly payments on the lease range from \$60,715 to \$97,063. The final payment is due June 30, 2034. Additional information regarding the lease can be found in Note 8.

The asset capitalization threshold is \$5,000. During FY 2014-15, the School had \$12,291 in capital asset and total depreciation expense of \$2,458 was recognized on all assets.

Additional information regarding capital assets can be found in Note 4.

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

The primary factor driving the budget for the Academy is student enrollment. Historical Funded Pupil Count (FPC) for the School is as follows:

<b>Fiscal Year</b>	<b>FPC</b>
2014 / 2015	125.80

The FPC projected for the 2015-16 school year is expected to be 377.70. This factor was considered in preparing the Academy's budget for fiscal year 2015-16. Enrollment will continue to grow as the growth plan is executed. The economic outlook for FY16 is improving with the increase of approximately \$228 per funded FTE in PPR funding. The Capital Construction funding per pupil allocation also increased for FY16 by approximately \$93 over FY15.

**Requests for Information**

The financial report is designed to provide a general overview of the Academy's finances for all those with an interest in the Academy. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Global Village Academy Colorado Springs, 10701 Melody Drive, Suite 610 Northglenn, CO 80234.

## **BASIC FINANCIAL STATEMENTS**

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	
	2015	2014
ASSETS		
Cash and Investments	\$ 141,249	38,479
Grants Receivable	-	99,378
Due from CSI	154,486	12,443
Prepaid Items	54	1,745
Capital Assets, Depreciated, Net of Accumulated Depreciation	8,604	11,062
	<u>304,393</u>	<u>163,107</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	393,014	-
	<u>393,014</u>	<u>-</u>
LIABILITIES		
Accounts Payable	-	52,498
Accrued Expenses	16,293	3,668
Accrued Salaries and Benefits	61,233	17,544
Unearned Revenue	7,696	-
Grant Loan	100,000	-
Due to GVCC	-	41,279
Due to GVA - Fort Collins	-	213
Due to GVA - Northglenn	-	3,279
Noncurrent Liability - Net Pension Liability	1,345,904	-
	<u>1,531,126</u>	<u>118,481</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	75	-
	<u>75</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	8,604	11,062
Restricted for Emergencies	73,000	29,400
Unrestricted	(915,398)	4,164
	<u>(833,794)</u>	<u>44,626</u>
TOTAL NET POSITION	<u>\$ (833,794)</u>	<u>\$ 44,626</u>

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

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2015	2014
PRIMARY GOVERNMENT						
Governmental Activities						
Instruction	\$ 962,165	\$ 1,873	\$ -	\$ -	\$ (960,292)	\$ (710,179)
Supporting Services	1,750,074	354,859	337,432	49,637	(1,008,146)	(59,381)
Total Governmental Activities	<u>\$ 2,712,239</u>	<u>\$ 356,732</u>	<u>\$ 337,432</u>	<u>\$ 49,637</u>	<u>(1,968,438)</u>	<u>(769,560)</u>
GENERAL REVENUES						
Per Pupil Revenue					2,018,843	818,997
Other					-	10,206
TOTAL GENERAL REVENUES					<u>2,018,843</u>	<u>829,203</u>
CHANGE IN NET POSITION					50,405	59,643
NET POSITION, Beginning, As Restated					<u>(884,199)</u>	<u>(15,017)</u>
NET POSITION, Ending					<u>\$ (833,794)</u>	<u>\$ 44,626</u>

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

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

BALANCE SHEET  
GENERAL FUND  
June 30, 2015

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and Investments	\$ 141,249	\$ 38,479
Grants Receivable	-	99,378
Due from CSI	154,486	12,443
Prepaid Expenses	<u>54</u>	<u>1,745</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 295,789</u></b>	<b><u>\$ 152,045</u></b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 52,498
Accrued Expenses	16,293	3,668
Accrued Salaries and Benefits	61,233	17,544
Unearned Revenue	7,696	-
Grant Loan	100,000	-
Due to GVCC	-	41,279
Due to GVA - Fort Collins	-	213
Due to GVA - Northglenn	<u>-</u>	<u>3,279</u>
<b>TOTAL LIABILITIES</b>	<b><u>185,222</u></b>	<b><u>118,481</u></b>
<b>FUND BALANCES</b>		
Nonspendable	54	1,745
Restricted for Emergencies	73,000	29,400
Unassigned	<u>37,513</u>	<u>2,419</u>
<b>TOTAL FUND BALANCES</b>	<b>110,567</b>	<b>33,564</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	8,604	11,062
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes net pension liability of (\$1,345,904), deferred outflows related to pensions of \$393,014, and deferred inflows related to pensions of (\$75).	<u>(952,965)</u>	<u>-</u>
Net position of governmental activities	<b><u>\$ (833,794)</u></b>	<b><u>\$ 44,626</u></b>

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

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Local Sources	\$ 2,379,932	\$ 912,227
State and Federal Sources	<u>382,712</u>	<u>405,082</u>
TOTAL REVENUES	<u>2,762,644</u>	<u>1,317,309</u>
EXPENDITURES		
Instruction	943,293	714,820
Supporting Services	<u>1,742,348</u>	<u>553,908</u>
TOTAL EXPENDITURES	<u>2,685,641</u>	<u>1,268,728</u>
NET CHANGE IN FUND BALANCES	77,003	48,581
FUND BALANCES, Beginning	<u>33,564</u>	<u>(15,017)</u>
FUND BALANCES, Ending	<u><u>\$ 110,567</u></u>	<u><u>\$ 33,564</u></u>

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

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

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

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

Net change in fund balances - total governmental funds	\$ 77,003
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount that capital outlay \$0 exceeded depreciation expense (\$2,458) for the year.	(2,458)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>(24,140)</u>
Change in net position of governmental activities	<u>\$ 50,405</u>

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

Global Village Academy (the “Academy”) was formed in 2013 pursuant to the Colorado Charter Schools Act to form and operate a charter school. The Academy receives their primary funding from the Charter School Institute (the “Institute”).

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

**Reporting Entity**

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

Based upon the application of these criteria, the following organization is included in the Academy’s reporting entity.

Global Village Building Corporation

The Global Village Academy-Colorado Springs Building Corporation (the “Corporation”) is considered to be financially accountable to the Academy. The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the Academy. The Corporation is considered to be part of the Academy for financial reporting purposes because its resources are entirely for the direct benefit of the Academy and is blended into the Academy’s General Fund financial statements. Separate financial statements are not available for the Building Corporation.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

**Government-Wide and Fund Financial Statements** (Continued)

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

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

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

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

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

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

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

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

The Academy reports the following major governmental funds:

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

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

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

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method; equipment – 5 years.

*Unearned Revenues* –The unearned revenues includes deposits for fees received but not yet available for expenditure until the following year.

*Long-term Debt* – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

The Academy did not report any long term debt for the year ended June 30, 2015.

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

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

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The Academy has reported its prepaid items as nonspendable as of June 30, 2015.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2014.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Academy would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

**Risk Management**

The Academy 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 Academy carries commercial insurance for these risks of loss. Settled claims have not exceeded coverage in the last year.

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

**Budgets and Budgetary Accounting**

A budget is adopted for the General Fund 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. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year-end.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

**NOTE 3: CASH AND INVESTMENTS**

Cash at June 30, 2015 consisted of the following:

Deposits	\$ <u>141,249</u>
Total	\$ <u>141,249</u>

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2015, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2015, the Academy had deposits with financial institutions with a carrying amount of \$141,249. The bank balances with the financial institutions were \$172,796. The entire balance is covered by federal depository insurance.

**Investments**

At June 30, 2015 the Academy had no investments to report.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

**NOTE 4: CAPITAL ASSETS**

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

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
<b>Governmental Activities</b>				
Capital Assets, Depreciated				
Machinery and Equipment	\$ 12,291	\$ -	\$ -	\$ 12,291
Total Capital Assets, Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,291</u>
Accumulated Depreciation				
Machinery and Equipment	<u>1,229</u>	<u>2,458</u>	<u>-</u>	<u>3,687</u>
Total Accumulated Depreciation	<u>1,229</u>	<u>2,458</u>	<u>-</u>	<u>3,687</u>
Net Capital Assets	<u>\$ 11,062</u>	<u>\$ (2,458)</u>	<u>\$ -</u>	<u>\$ 8,604</u>

Depreciation was charged to the Supporting Services activity of the Academy.

**NOTE 5: 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 an Academy year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2015, were \$61,233 in the General Fund.

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

**General Information about the Pension Plan**

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

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

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

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

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

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

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

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

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	16.43%	17.33%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF School were \$117,691 for the year ended June 30, 2015.

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

At June 30, 2015 the School reported a liability of \$1,345,904 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

At December 31, 2014, the School's proportion was 0.00993%, which was a decrease of 0.00252% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015 the School recognized pension expense of \$141,831. At June 30, 2015, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$ 75
Net difference between projected and actual earnings on pension plan investments	\$ 23,213	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 300,152	N/A
Contributions subsequent to the measurement date	\$ 69,649	N/A
Total	\$ 393,014	\$ 75

\$69,649 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30, 2015</b>	
2016	\$107,764
2017	\$107,764
2018	\$107,764

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

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

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

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

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

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

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

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

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

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$1,774,698	\$1,345,904	\$986,997

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

**Other Post-Employment Benefits**

Health Care Trust Fund

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

*Funding Policy* – The Academy is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Academy are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2015, and 2014, the Academy's contributions to the HCTF were \$6,679, and \$2,257, respectively, equal to their required contributions for each year.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**Operating Lease**

On June 27, 2013 the Academy has entered into a non-cancellable operating lease for its building with GVA CS Project Development, LLC. This agreement requires monthly payments ranging from \$60,715 to \$97,063. The final payment is due June 30, 2034. The future minimum lease payments are as follows:

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

**Operating Lease** (Continued)

Year Ended

June 30

2016	\$ 746,800
2017	765,470
2018	784,606
2019	804,222
2020-2024	4,332,934
2025-2029	4,902,319
2030-2034	<u>5,546,521</u>
Total	<b><u>\$ 17,882,872</u></b>

The original rent payments required under the lease were deferred until the lessor completed construction. The annual lease payments are based on the total development costs of \$8,095,390, including a 9% lease factor. Annual lease payments increase by 2.5% annually beginning July 1, 2014. Total rent expense for the year ended June 30, 2015 for the lease was \$746,800. The lease agreement also includes a purchase option beginning July 1, 2018. The purchase option price ranges from 122% to 110% of the original development costs, depending on the time the purchase option is exercised.

Development Cost Reserve

The Academy is required to regularly set aside funds to build a development cost reserve by the end of the third year of the lease. The development cost reserve must be equal to the base rent for one full lease year and must be maintained for the remainder of the lease term. As of June 30, 2015 the Academy has not set aside any funds to build the development cost reserve.

**Charter Collaborative Contract**

The Academy has entered into an agreement with Global Village Collaborative (the “Collaborative”). The purpose of this agreement is to advance and carry out the common educational mission of participating Global Village schools. The Collaborative serves as a central office to administer, manage, and support the implementation of the schools’ educational programs. The Collaborative is financed by the schools through fees and assessments calculated on a per student basis. For the years ended June 30, 2015 and 2014, the Academy paid the Collaborative \$160,179 and \$30,000 respectively under the terms of this contract. The Academy owed the Collaborative \$41,279 at June 30, 2014.

GLOBAL VILLAGE ACADEMY – COLORADO SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015

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

**Claims and Judgments**

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited, but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

**Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Academy believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2015, the reserve of \$73,000 was recorded as a reservation of fund balance in the General Fund.

**NOTE 8: RESTATEMENT OF NET POSITION**

The Beginning Net Position of the Government Type Activities was decreased by \$928,825 to (\$884,199) as the School implemented Governmental Accounting Standards Board Statement (GASB) No. 68.

**NOTE 9: DEFICIT NET POSITION**

The Net Position of the government type activities is in a deficit position of \$833,794 due to the School including the Net Pension Liability per GASB No. 68.

**REQUIRED SUPPLEMENTARY INFORMATION**

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Year Ended June 30, 2015

	2015			VARIANCE	2014 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
<b>REVENUES</b>					
Local Sources					
Per Pupil Operating Revenue	\$ 2,047,350	\$ 2,005,573	\$ 2,018,843	\$ 13,270	\$ 818,997
Pupil Activities	6,000	1,500	1,873	373	4,641
Charges for Services	325,527	347,907	354,859	6,952	77,955
Grants and Donations	20,000	4,300	4,357	57	428
Other Revenue				-	10,206
State and Federal Sources					
Grants and Donations	318,863	392,878	382,712	(10,166)	405,082
<b>TOTAL REVENUES</b>	<u>2,717,740</u>	<u>2,752,158</u>	<u>2,762,644</u>	<u>10,486</u>	<u>1,317,309</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	690,838	636,235	609,965	26,270	349,140
Employee Benefits	199,758	124,856	130,975	(6,119)	37,331
Purchased Services	19,000	25,519	24,803	716	30,230
Supplies and Materials	112,960	105,119	97,531	7,588	253,337
Property	65,000	80,021	80,019	2	44,782
<b>Total Instruction</b>	<u>1,087,556</u>	<u>971,750</u>	<u>943,293</u>	<u>28,457</u>	<u>714,820</u>
Supporting Services					
Salaries	98,006	175,171	196,380	(21,209)	71,398
Employee Benefits	19,215	36,747	20,184	16,563	10,687
Purchased Services	1,296,440	1,249,308	1,358,272	(108,964)	403,749
Supplies and Materials	154,575	201,400	94,367	107,033	67,824
Other	3,648	117,782	73,145	44,637	250
<b>Total Supporting Services</b>	<u>1,571,884</u>	<u>1,780,408</u>	<u>1,742,348</u>	<u>38,060</u>	<u>553,908</u>
<b>TOTAL EXPENDITURES</b>	<u>2,659,440</u>	<u>2,752,158</u>	<u>2,685,641</u>	<u>66,517</u>	<u>1,268,728</u>
<b>NET CHANGE IN FUND BALANCE</b>	58,300	-	77,003	77,003	48,581
FUND BALANCE, Beginning	-	32,491	33,564	1,073	(15,017)
FUND BALANCE, Ending	<u>\$ 58,300</u>	<u>\$ 32,491</u>	<u>\$ 110,567</u>	<u>\$ 78,076</u>	<u>\$ 33,564</u>

See the accompanying independent auditors' report.

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE  
 SCHOOL DISTRICT TRUST FUND

Years Ended December 31,

	2013	2014
School's proportionate share of the Net Pension Liability	0.007%	0.010%
School's proportionate share of the Net Pension Liability	\$ 945,701	\$ 1,345,904
School's covered-employee payroll	\$ 124,539	\$ 372,026
School's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	759.4%	361.8%
Plan fiduciary net position as a percentage of the total pension liability	64.1%	62.8%

See the accompanying independent auditors' report.

GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS  
SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>
Statutorily required contributions	\$ 37,486	\$ 117,692
Contributions in relation to the Statutorily required contributions	<u>37,486</u>	<u>117,692</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 221,251	\$ 654,871
Contributions as a percentage of covered-employee payroll	16.94%	17.97%

See the accompanying independent auditors' report.