

KIPP MONTBELLO COLLEGE PREP
Denver, Colorado

FINANCIAL STATEMENTS

June 30, 2014

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Board of Directors
KIPP Colorado Schools
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and the major fund of KIPP Montbello College Prep as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of KIPP Montbello College Prep, 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' judgement, 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 and the major fund of KIPP Montbello College Prep as of June 30, 2014, the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which indicates that the accompanying financial statements were prepared for the purpose of complying with a requirement of the Colorado Department of Education, present only KIPP Montbello College Prep, and are not intended to be a complete presentation of the financial position of KIPP Colorado Schools as of June 30, 2014, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the complete financial statements of KIPP Colorado Schools as of and for the year ended June 30, 2014, and we expressed unmodified opinions on those financial statements in our report dated September 10, 2014.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise KIPP Montbello College Prep's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of KIPP Colorado Schools, Denver School District, and the Colorado Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.



September 10, 2014

KIPP Montbello College Prep

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

As management of KIPP Montbello College Prep, a KIPP Colorado School, we offer readers of the School's basic financial statements this narrative and analysis of the financial activities of KIPP Montbello College Prep for the period from July 1, 2013 to June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements and footnotes.

Financial Highlights

The period from July 1, 2013 through June 30, 2014 covers the second year of operation for the School. The net position at the end of the year is \$663,642. The operations of the School 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 \$2,088,620 compared to \$1,246,305 the prior year.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the School'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 School's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the School's assets and liabilities, with the difference between the two being reported as total net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the period. 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.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School 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.

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 over time may serve as a useful indicator of the School's financial position. For the year ended June 30, 2014, the School's assets exceeded liabilities by \$663,642. Of these funds, \$83,586 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 School. The remaining \$580,056 is unrestricted and available to meet the School's ongoing financial obligations.

			6/30/14	6/30/13
Assets				
		Cash and Investments	\$392,923	\$141,893
		Grants Receivable	\$276,920	\$286,670
		Cash held by DPS	<u>\$60,584</u>	<u>\$33,611</u>
	Total Assets		\$730,427	\$462,174
Liabilities				
		Accounts Payable	\$30,163	\$38,373
		Accrued Liabilities	<u>\$36,622</u>	<u>\$19,400</u>
	Total Liabilities		\$66,785	\$57,773
	Net Position			
		Restricted (TABOR)	\$83,586	\$50,884
		Restricted (Secondary Arts)	\$0	\$25,447
		Unrestricted	<u>\$580,056</u>	<u>\$328,070</u>
		TOTAL NET POSITION	\$663,642	\$404,401

Change in Net Position

			6/30/14	6/30/13
Revenues				
		Charges for Services	\$8,703	\$2,251
		Grants and Contributions	\$655,818	\$650,438
		Per Pupil Revenue	\$2,088,620	\$1,246,305
		Mill Levy	\$250,524	\$110,126
		Capital Construction	\$13,761	\$7,759
		Investment Earnings	<u>\$68</u>	<u>\$45</u>
	Total Revenue		\$3,017,494	\$2,016,924
Expenses				

		Instruction	(\$1,726,538)	(\$1,314,890)
		Support Services	(\$1,031,715)	(\$538,329)
	Total Expenses		(\$2,758,253)	(\$1,853,219)
		Change in Net Position	\$259,241	\$163,705
		Net Position, Beginning	\$404,401	\$240,696
		Net Position, Ending	\$663,642	\$404,401

The School's total enrollment for the year was 290 students. The increase in Per Pupil Revenue is due to the addition of the 7th grade (the School will be a 5-8 program, growing one grade per year). The School also received new Mill Levy revenue from the 2012 Mill Levy and a one-time payment to charter schools from district Mill Levy reserves.

The FYE 2014 increase in expense for Support Services is due to a few factors. Denver Public Schools reclassified the Special Education fee KIPP pays to the district (approximately \$142,000) from the Instruction expense category to Support Services. Other increases are the result of district fees tied to the increase in enrollment (facility lease fee and district administration fees) as well as the addition of one administrative position.

Financial Analysis of the School's Funds

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

As of June 30, 2014, the School's governmental fund reported a fund balance of \$663,642. This amount represents an increase of \$259,241 from the previous year.

General Fund Budgetary Highlights

KIPP Colorado Schools presents a consolidated budget comprised of three schools (KIPP Sunshine Peak Academy, KIPP Denver Collegiate, and KIPP Montbello College Prep) and the central management office to the board for monitoring and approval. Although the budget is approved at the consolidated level, the board does receive, review, and approve financial information at the school level.

Capital Asset and Debt Administration

Capital assets

The School had no capital assets.

Long-term debt

As of June 30, 2014, the School had no long-term debt.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the School is student enrollment. Enrollment for the 2013-2014 school year was 290. Enrollment for the 2014-2015 school year is anticipated to be 405, given the addition of the 8th grade. The School is aware of projected funding levels for fiscal 2014-2015 and budgets according to the current estimates provided by the Colorado Department of Education and Denver Public Schools.

BASIC FINANCIAL STATEMENTS

KIPP MONTBELLO COLLEGE PREP

STATEMENT OF NET POSITION

June 30, 2014

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash	\$ 392,923
Grants Receivable	276,920
Emergency Reserve Held by Denver School District	<u>60,584</u>
TOTAL ASSETS	<u>730,427</u>
LIABILITIES	
Accounts Payable	30,163
Accrued Liabilities	<u>36,622</u>
TOTAL LIABILITIES	<u>66,785</u>
NET POSITION	
Restricted for Emergencies	83,586
Unrestricted	<u>580,056</u>
TOTAL NET POSITION	<u>\$ 663,642</u>

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

KIPP MONTBELLO COLLEGE PREP

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 1,726,538	\$ 8,703	\$ 301,056	\$ 13,710	\$ (1,403,069)
Supporting Services	<u>1,031,715</u>	<u>-</u>	<u>45,968</u>	<u>-</u>	<u>(985,747)</u>
Total Governmental Activities	\$ <u>2,758,253</u>	\$ <u>8,703</u>	\$ <u>347,024</u>	\$ <u>13,710</u>	<u>(2,388,816)</u>
GENERAL REVENUES					
					2,088,620
					250,524
					13,761
					295,084
					<u>68</u>
					<u>2,648,057</u>
					259,241
					<u>404,401</u>
					<u>\$ 663,642</u>

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

KIPP MONTBELLO COLLEGE PREP

BALANCE SHEET
GOVERNMENTAL FUND

June 30, 2014

	<u>GENERAL</u>
ASSETS	
Cash	\$ 392,923
Grants Receivable	276,920
Emergency Reserve Held by Denver School District	<u>60,584</u>
TOTAL ASSETS	<u>\$ 730,427</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 30,163
Accrued Liabilities	<u>36,622</u>
TOTAL LIABILITIES	<u>66,785</u>
FUND BALANCE	
Restricted for Emergencies	83,586
Unrestricted, Unassigned	<u>580,056</u>
TOTAL FUND BALANCE	<u>663,642</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 730,427</u>

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

KIPP MONTBELLO COLLEGE PREP

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
 Year Ended June 30, 2014

	<u>GENERAL</u>
REVENUES	
Local Sources	\$ 2,729,970
State Sources	30,799
Federal Sources	<u>256,725</u>
TOTAL REVENUES	<u>3,017,494</u>
EXPENDITURES	
Instruction	1,726,538
Supporting Services	<u>1,031,715</u>
TOTAL EXPENDITURES	<u>2,758,253</u>
NET CHANGE IN FUND BALANCE	259,241
FUND BALANCE, Beginning	<u>404,401</u>
FUND BALANCE, Ending	<u>\$ 663,642</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

KIPP Colorado Schools was formed to operate charter schools as provided in the Colorado Charter Schools Act. KIPP Colorado Schools is a non-profit organization as defined by Section 501(c)(3) of the Internal Revenue Code. KIPP Montbello College Prep (the “School”) is a middle school within KIPP Colorado Schools that began operations in the Fall of 2011.

The financial statements present only the School, which is a requirement of the Colorado Department of Education. However, this is not intended to be a complete presentation of the financial statements of KIPP Colorado Schools in conformity with accounting principles generally accepted in the United States of America.

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

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. Legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on, the School. Based on the application of this criteria, the School does not include additional organizations within its reporting entity.

KIPP Colorado Schools is a component unit of the Denver School District (the “District”). The District granted the charter and provides the majority of the funding to KIPP Colorado Schools.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the School. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current year. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

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

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

Assets, Liabilities and Net Position/Fund Balance

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Annually, the Board of Directors adopts a budget for KIPP Colorado Schools as a whole, on a basis consistent with generally accepted accounting principles.

A proposed budget is submitted to the Board of Directors for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them. Revisions that alter the total expenditures must be approved by the Board of Directors. All appropriations lapse at fiscal year end.

Budgetary information for the School is prepared as a management control device, but is not legally adopted. Budgetary information for the School is presented as supplementary information in the financial statements.

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.

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 generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. 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

At June 30, 2014, the School had no investments.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 3: PENSION PLAN

Defined Benefit Pension Plan

Plan Description - The School contributes to the Denver Public Schools Division (DPSD), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The DPSD provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the School are members of the DPSD. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by contacting PERA at 1301 Pennsylvania Street, Denver, Colorado 80203, or by calling PERA at 303-832-9550 or 1-800-759-7372.

Funding Policy - The contribution requirements of the DPSD plan members and the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8% of covered salaries for the past three years. Title 24, Article 51, Part 4 of the CRS, as amended, allowed the School to offset its contribution rates of 19.25%, 20.15% and 21.05% for calendar years 2012, 2013 and 2014, respectively, by an amount equal to the obligations of the District with respect to its outstanding PCOPs (See Note 4). As a result, the School's contribution rates for calendar years 2012, 2013 and 2014 were 3.88%, 5.64% and 4.16%, respectively. Also, a portion of the School's contribution (1.02% of covered salaries) was allocated to the Denver Public Schools Health Care Trust Fund (See Note 5). The School's contributions to the DPSD for the years ended June 30, 2014, 2013 and 2012 were \$58,880, \$41,241 and \$20,686, respectively, equal to the required contributions for each year.

NOTE 4: PENSION CERTIFICATES OF PARTICIPATION

The District issued Taxable Pension Certificates of Participation (PCOPs) to fully fund the unfunded actuarial accrued liability of its pension plan (See Note 3). For the years ended June 30, 2014, 2013 and 2012, the School contributed 10.80%, 11.36% and 12.21% of covered salaries, respectively, to the District to cover its obligation relating to the PCOPs.

During the years ended June 30, 2014, 2013 and 2012, the School contributed \$129,815, \$99,876 and \$67,297, respectively, to the District for its PCOPs obligation.

NOTE 5: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The School contributes to the Denver Public Schools Division 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 DPSD 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE 5: POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funding Policy - The School is required to contribute at a rate of 1.02% of covered salaries for all DPSD members. No member contributions are required. 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 years ended June 30, 2014, 2013 and 2012, was \$12,055, \$8,815 and \$5,478, respectively, equal to the required amounts for each year.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Claims and Judgements

The School participates in a number of federal, state, and local 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, 2014, 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 approved the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2014, the District held \$60,584 on behalf of the School for this reserve. In addition, the reserve was reported as restricted fund balance in the General Fund, in the amount of \$83,586.

Facility Use Agreements

KIPP Colorado Schools has approved facility use agreements with the District to utilize educational facilities owned by the District. For the year ended June 30, 2014, the School paid facility use fees of \$710 per student, which totaled \$205,900. The agreements require facility use fees of \$742 per student for the year ended June 30, 2015.

SUPPLEMENTARY INFORMATION

KIPP MONTBELLO COLLEGE PREP

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2014

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	\$ 1,937,104	\$ 2,084,810	\$ 2,088,620	\$ 3,810
District Mill Levy	230,645	297,959	250,524	(47,435)
Student Activities	7,500	7,500	8,703	1,203
Grants and Contributions	360,744	358,056	382,055	23,999
Investment Income	45	45	68	23
State Sources				
Capital Construction	11,718	11,718	13,761	2,043
Grants	7,500	7,500	17,038	9,538
Federal Sources				
Grants	163,167	263,347	256,725	(6,622)
TOTAL REVENUES	2,718,423	3,030,935	3,017,494	(13,441)
EXPENDITURES				
Salaries	1,248,502	1,257,103	1,236,017	21,086
Employee Benefits	363,199	339,184	292,216	46,968
Purchased Professional Services	81,900	93,500	66,987	26,513
Purchased Property Services	210,280	20,000	9,725	10,275
Other Purchased Services	559,812	837,288	811,234	26,054
Supplies and Materials	136,960	223,760	214,777	8,983
Property and Equipment	23,000	129,325	106,923	22,402
Miscellaneous	18,112	19,370	20,374	(1,004)
TOTAL EXPENDITURES	2,641,765	2,919,530	2,758,253	161,277
NET CHANGE IN FUND BALANCE	76,658	111,405	259,241	147,836
FUND BALANCE, Beginning	350,028	404,401	404,401	-
FUND BALANCE, Ending	\$ <u>426,686</u>	\$ <u>515,806</u>	\$ <u>663,642</u>	\$ <u>147,836</u>

See the accompanying Independent Auditors' Report.