UNIVERSITY PREPARATORY SCHOOL – ARAPAHOE STREET

BASIC FINANCIAL STATEMENTS

June 30, 2016

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FINANCIAL SECTION

JOHN CUTLER
& ASSOCIATES

Board of Directors
University Preparatory School – Arapahoe Street
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the University Preparatory School – Arapahoe Street (the "School"), component unit of Denver Public School District, 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 the School, 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 expression an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the University Preparatory School – Arapahoe Street, as of June 30, 2016, 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 25 - 28 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 Cutler & Associates, LLC

October 21, 2016

University Preparatory School – Arapahoe Street
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2016

As management of University Preparatory School – Arapahoe Street (the School), we offer readers of the School's basic financial statements this narrative and analysis of the financial activities of the School as of and for the year ended June 30, 2016. 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, 2016, was the fifth year of operations for the School. As of June 30, 2016, the net position was ($827,959) down from $92,741 in the prior year due to the implementation of GASB 68, pension disclosures. The operations of the School are funded primarily by tax revenue received under the State School Finance Act (the Act). State categorical revenue for the year was $2,551,923. The General Fund ending fund balance increased $567,504 to $741,362.

Overview of Basic Financial Statements

This discussion and analysis is 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, deferred outflows, liabilities, and deferred inflows, with the difference between the assets/deferred outflows and liabilities/deferred inflows being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial condition of the School is improving or deteriorating.

The statement of activities presents information showing how the School'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).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other 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 School maintains two governmental funds, its General Fund, and Grants Fund.

The School adopts annual budgets for its funds. Budgetary comparisons have been provided for each governmental fund in the basic financial statements to demonstrate compliance with these budgets.

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. The notes are disclosed on pages 6 through 24.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial condition. As of June 30, 2016, the School's liabilities and deferred inflows exceeded assets and deferred outflows by ($827,959). $85,000 of this total 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 unrestricted net position balance of ($935,736) decreased from the prior fiscal year by $88,529, principally because the School experienced a surplus in its General Fund.

Net position as of June 30, 2016 is as follows:

	June 30, 2016
Assets	
Cash and Investments	$ 734,159
Accounts Receivable	24,950
Grants Receivable	15,684
Inventory	15,919
Prepaid Expenses	2,265
Capital Assets (Net)	22,777
Total Assets	815,754
Deferred Outflows – Pensions	1,416,072
Liabilities	
Accounts Payable	1,615
Unearned Revenue	50,000
Noncurrent Liability – Net Pension Liability	2,705,031
Total Liabilities	2,756,646
Deferred Inflows – Pensions	303,139
Net Position	
Investment in Capital Assets	22,777
Restricted for Emergencies	85,000
Unrestricted	(935,736)
Total Net Position	$ (827,959)

Change in net position for the year ended June 30, 2016 is as follows:

	June 30,2016
Revenues	
Program Revenues	
Operating Grants and Contributions	$ 2,065,405
Charges for Services	14,921
Capital Grants and Contributions	36,012
Total Program Revenues	2,116,338
General Revenues	
State Categorical Revenue	2,551,923
Mill Levy Override	409,850
Earnings on Investments	69
Other	41,742
Total General Revenues	3,003,584
Total Revenues	5,119,922
Expenditures/Expenses	
Current	
Instruction	2,886,080
Administrative Support	2,141,101
Total Expenses	5,027,181
Increase in Net Position	92,741
Net Position, Beginning of Year	(920,700)
Net Position, End of Year	$ (827,959)

Financial Analysis of the School's Funds

The School has two governmental funds, the General Fund, and Grants Fund. The General Fund is considered a major fund and is used to account for the School's general operations. The General Fund began the year with a positive fund balance of $173,858. As a result of increased grant awards and consulting receipts, the General Fund ending fund balance increased to $741,362 at year-end. Eighty six percent of the General Fund ending fund balance is unassigned. The Grants Fund ended the year with no fund balance as it began the year.

University Preparatory School – Arapahoe Street

Management's Discussion and Analysis

As of and for the Year Ended June 30, 2016

General Fund and Grant Fund Budgetary Highlights

The School budgeted General Fund expenditures of $4,966,347 for the year ended June 30, 2016. Actual expenditures were $4,368,931. The Grants Fund had budgetary expenditures of $250,000 with actual expenditures of $183,487, resulting in positive variances of $597,416 and $66,513 respectively.

A budget amendment was approved for both funds during the year to address unanticipated revenue received.

Capital Assets and Debt Administration

The School leases its school facility and land under an operating lease with the District that is renewed annually. Construction on the expanded facility is now complete and was paid for by Denver Public Schools. The School had net capital assets (LHI) of $22,777 for the period ending June 30, 2016.

The School had no outstanding debt at June 30, 2016.

Economic Factors, Next Year's Budget, Student Counts

The primary factor driving the budget for the School is student enrollment. Funded Pupil Count (FPC) was 88.2, 160.1, 218.2, 270.88 and 334.02 for FY12, FY13, FY14, FY15 and FY16 respectively. The FPC projected for the FY17 school year is expected to remain approximately the same as the School has reached capacity. This factor was considered in preparing the School's budget for FY17. The School has been approved to replicate and begin a new K-5 program in North East Denver. The first year of operations has begun for the new sister School without any significant challenges.

The State of Colorado continues to chip away at the large negative factor (shortfall in the School Finance Act). The Per Pupil Revenue (PPR) for FY17 will grow an approximately 1.8%. Additional support in the form of Capital Construction Funding, grants and private contributions will continue and allow the School to drive more resources into the classroom.

Requests for Information

The financial report is designed to provide a general overview of the School's finances for those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to University Preparatory Schools, 3230 E. 38th Ave., Denver, Colorado 80205.

BASIC FINANCIAL STATEMENTS

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	
	2016	2015
ASSETS		
Cash and Investments	$ 734,159	$ 100,033
Cash Held at District	-	57,622
Accounts Receivable	24,950	24,375
Grants Receivable	15,684	31,219
Inventory	15,919	24,661
Prepaid Expenses	2,265	7,064
Capital Assets, Net of Accumulated Depreciation	22,777	23,565
TOTAL ASSETS	815,754	268,539
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,416,072	336,610
LIABILITIES		
Accounts Payable	1,615	2,214
Unearned Revenue	50,000	68,902
Noncurrent Liability - Net Pension Liability	2,705,031	1,454,407
TOTAL LIABILITIES	2,756,646	1,525,523
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	303,139	326
NET POSITION		
Investment in Capital Assets	22,777	23,565
Restricted for Emergencies	85,000	80,000
Unrestricted	(935,736)	(1,024,265)
TOTAL NET POSITION	$ (827,959)	$ (920,700)

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

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
					Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2016	2015
Governmental Activities						
Instruction	$ 2,886,080	$ -	$ 345,559	$ -	$ (2,540,521)	$ (1,634,826)
Supporting Services	2,141,101	14,921	1,719,846	36,012	(370,322)	(1,009,741)
Total Governmental Activities	$ 5,027,181	$ 14,921	$ 2,065,405	$ 36,012	(2,910,843)	(2,644,567)
		GENERAL REVENUES				
		Per Pupil Revenue			2,551,923	2,000,535
		Mill Levy Override			409,850	290,839
		Investment Earnings			69	53
		Other Revenues			41,742	178,794
		TOTAL GENERAL REVENUES			3,003,584	2,470,221
		CHANGE IN NET POSITION			92,741	(174,346)
		NET POSITION, Beginning			(920,700)	(746,354)
		NET POSITION, Ending			$ (827,959)	$ (920,700)

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

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	GENERAL	GRANT FUND	TOTALS 2016	TOTALS 2015
ASSETS				
Cash and Investments	$ 734,159	$ -	$ 734,159	$ 100,033
Cash Held at District	-	-	-	57,622
Accounts Receivable	24,950	-	24,950	24,375
Grants Receivable	15,684	-	15,684	31,219
Inventory	15,919	-	15,919	24,661
Prepaid Expenditures	2,265	-	2,265	7,064
TOTAL ASSETS	$ 792,977	$ -	$ 792,977	$ 244,974
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 1,615	$ -	$ 1,615	$ 2,214
Unearned Revenues	50,000	-	50,000	68,902
TOTAL LIABILITIES	51,615	-	51,615	71,116
FUND BALANCES				
Nonspendable	18,184	-	18,184	31,725
Restricted for Emergencies	85,000	-	85,000	80,000
Unassigned	638,178	-	638,178	62,133
TOTAL FUND BALANCES	741,362	-	741,362	173,858
TOTAL LIABILITIES AND FUND BALANCES	$ 792,977	$ -		
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.			22,777	23,565
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 ($2,705,031), deferred outflows related to pensions of $1,416,072, and deferred inflows related to pensions of ($303,139).			(1,592,098)	(1,118,123)
Net position of governmental activities			$ (827,959)	$ (920,700)

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

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

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

	GENERAL	GRANT FUND	TOTALS 2016	TOTALS 2015
REVENUES				
Local Sources	$ 4,854,159	$ 11,250	$ 4,865,409	$ 2,905,391
State and Federal Sources	82,276	172,237	254,513	182,395
TOTAL REVENUES	4,936,435	183,487	5,119,922	3,087,786
EXPENDITURES				
Current				
Instruction	2,434,875	161,394	2,596,269	1,847,636
Supporting Services	1,934,056	22,093	1,956,149	1,270,944
TOTAL EXPENDITURES	4,368,931	183,487	4,552,418	3,118,580
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	567,504	-	567,504	(30,794)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	611,393
Transfers Out	-	-	-	(611,393)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	567,504	-	567,504	(30,794)
FUND BALANCES, Beginning	173,858	-	173,858	204,652
FUND BALANCES, Ending	$ 741,362	$ -	$ 741,362	$ 173,858

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	$ 567,504
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 assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the depreciation expense in the current period.	(788)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	(473,975)
Change in net assets of governmental activities	$ 92,741

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

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

The University Preparatory School – Arapahoe Street (the "School") was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Denver Public School District (the "District") in the State of Colorado. The School began classes in the fall of 2011.

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

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

Government-Wide and Fund Financial Statements (Continued)

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 the principal payment is due.

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

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

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

The School reports the following major governmental fund:

> *General Fund* – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.
>
> *Grant Fund* – This fund accounts for activity of local, state, and federal grants received by the School.

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

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are reported at fair value.

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

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

Unearned Revenues – Unearned revenues include grant funds that have been collected but the corresponding expense has not been incurred.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized in the current period. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

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 School has no long-term debt as of June 30, 2016.

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

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

Investment in Capital Assets includes the School's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Capital assets are shown in Note 4.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The School typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

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

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported at June 30, 2016, by the School are nonspendable in form as inventory and prepaid expenditures.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School did not have any committed resources as of June 30, 2016.

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

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

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

Compensated Absences

The School's policy allows employees to accumulate sick leave and personal leave. However, employees are not paid for unused sick or personal leave upon termination of employment with the School. Therefore, no amounts have been accrued for this leave in the financial statements.

Risk Management

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

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the School's financial position and operations. However, comparative data has not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified to be consistent with current year's presentation.

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

Budgets and Budgetary Accounting

A budget is adopted for the General Fund and the Grants Fund on a basis consistent with generally accepted accounting principles.

School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors 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.

NOTE 3: ***CASH AND INVESTMENTS***

Cash and Investments at June 30, 2016 consisted of the following:

Deposits	$ 734,059
Petty Cash	100
Total	**$ 734,159**

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, 2016, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group.

The market value of the collateral must be at least equal to 102% of the uninsured deposits. The School has no policy regarding custodial credit risk for deposits.

At June 30, 2016, the School had deposits with financial institutions with a carrying amount of $734,059. The bank balances with the financial institutions were $777,298. Of this amount, $250,000 was covered by federal depository insurance and $527,298 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3: ***CASH AND INVESTMENTS*** (Continued)

Investments (Continued)

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

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

The School has no investments as of June 30, 2016.

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2016 is summarized below.

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Governmental Activities				
Capital Assets, Depreciated				
Improvements	$ 23,631	$ -	$ -	$ 23,631
Accumulated Depreciation				
Improvements	66	788		854
Net Capital Assets	**$ 23,565**	**$ (788)**	**$ -**	**$ 22,777**

Depreciation has been charged to supporting services program of the School.

NOTE 5: ***DEFINED BENEFIT PENSION PLAN***

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

General Information about the Pension Plan (Continued)

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

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

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

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the DPS Division.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

General Information about the Pension Plan (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016
Employer Contribution Rate	10.15%	10.15%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP Offset as specified in C.R.S. § 24-51-412	(15.97%)	(15.54%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.20%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	4.00%	4.50%
Total Employer Contribution Rate to the DPS Division	1.36%	2.59%

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from Academy were $72,890 for the year ended June 30, 2016.

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

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

At June 30, 2016, the Academy reported a liability of $2,705,031 for its proportionate share of the net pension liability. The net pension liability was measured as of 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. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Academy proportion of the net pension liability was based on the Academy's contributions to the DPS Division for the calendar year 2015 relative to the total contributions of participating employers to the DPS Division.

At December 31, 2015, the Academy's proportion was 0.33250%, which was an increase of 0.09964% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the Academy recognized pension expense of $546,866. At June 30, 2016, the Academy 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	$ 121,803	$ 352
Changes of assumptions or other inputs	N/A	$ 302,787
Net difference between projected and actual earnings on pension plan investments	$ 610,406	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$ 641,089	N/A
Contributions subsequent to the measurement date	$ 42,774	N/A
Total	$ 1,416,072	$ 303,139

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

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

$42,774 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	$ 287,359
2018	$ 287,359
2019	$ 290,621
2020	$ 204,024
2021	$ 796

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

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

The actuarial assumptions used in the December 31, 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 Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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

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

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
  - 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.

- The following methodology changes were made:
  - 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.

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

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

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

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

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 applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the DPS Division's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	$4,234,339	$2,705,031	$1,436,225

Pension plan fiduciary net position. Detailed information about the DPS Division's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The School 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.

Funding Policy – The School is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the 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, 2016, 2015 and 2014, the School contributions to the HCTF were $24,993, $14,831 and $19,426, respectively, equal to their required contributions for each year.

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

Taxable Pension Certificates of Participation (PCOPs)

The District issued Taxable Pension Certificates of Participation (PCOPs) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the Plan. Full funding of the UAAL reduced the employer contribution rate from the full funding rate of 15.75% to the normal cost rate of 4.98%. This rate is based upon actuarially determined contribution requirements, the approval and recommendation of the Plan's Board and approval of the District's Board of Education. The School contributed 9.95%, 9.84%, and 10.80% of covered payroll for the fiscal years ended June 30, 2016, 2015 and 2014 respectively, to the District to cover its obligation relating to the PCOPs. During the fiscal years ended June 30, 2016, 2015 and 2014, the School made contributions totaling $243,800, $205,764, and $122,488, respectively, to the District towards its PCOPs obligation.

NOTE 6: ***COMMITMENTS AND CONTINGENCIES***

Facilities Use Agreement

In August 2015, the School entered into a facility use agreement with the District. Under the terms of the agreement, the School is required to pay an annual use fee of $775 per student. The facility use fee is payable in three installments, 25% in July and October and 50% in January of each fiscal year. As long as the School is not in default under the terms of the agreement it will remain in force concurrent with the School's charter contract.

For the year ended June 30, 2016, the School paid $281,336 to the District under the terms of the agreement.

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

NOTE 6: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment.

As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2016, the reserve of $85,000 was recorded as a reservation of fund balance in the General Fund.

NOTE 7: ***DEFICIT NET POSITION***

The Net Position of the government type activities is in a deficit position of $827,959 due to the School including the Net Pension Liability per GASB No. 68.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2016

	2016 ORIGINAL BUDGET	2016 FINAL BUDGET	2016 ACTUAL	2016 VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 2,536,466	$ 2,536,466	$ 2,551,923	$ 15,457	$ 2,000,535
Mill Levy Override	371,959	371,959	409,850	37,891	290,839
Grants and Donations	1,915,314	1,929,215	1,850,575	(78,640)	362,599
Interest	65	65	69	4	53
Other	55,656	55,655	41,742	(13,913)	178,794
State and Federal Sources					
Grants and Donations	41,297	72,987	82,276	9,289	23,735
TOTAL REVENUES	4,920,757	4,966,347	4,936,435	(29,912)	2,856,555
EXPENDITURES					
Instruction					
Salaries	1,437,420	1,437,420	1,621,645	(184,225)	1,098,089
Employee Benefits	445,622	445,622	390,948	54,674	261,928
Purchased Services	113,600	156,000	195,373	(39,373)	142,027
Supplies and Materials	156,676	156,676	152,085	4,591	80,213
Property	86,768	86,768	74,824	11,944	34,148
Total Instruction	2,240,086	2,282,486	2,434,875	(152,389)	1,616,405
Supporting Services					
School Administration					
Salaries	1,049,000	1,049,000	697,083	351,917	342,721
Employee Benefits	233,504	233,504	157,796	75,708	81,514
Purchased Services	992,109	959,709	961,082	(1,373)	718,372
Supplies and Materials	140,900	149,700	106,624	43,076	101,951
Property	41,298	9,000	7,805	1,195	23,631
Other	5,650	5,650	3,666	1,984	2,755
Appropriated Reserves	218,210	277,298	-	277,298	-
Total Supporting Services	2,680,671	2,683,861	1,934,056	749,805	1,270,944
TOTAL EXPENDITURES	4,920,757	4,966,347	4,368,931	597,416	2,887,349
NET CHANGE IN FUND BALANCE	-	-	567,504	567,504	(30,794)
FUND BALANCE, Beginning	182,386	182,386	173,858	(8,528)	204,652
FUND BALANCE, Ending	$ 182,386	$ 182,386	$ 741,362	$ 558,976	$ 173,858

See the accompanying independent auditors' report.

GRANT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2016

	2016 ORIGINAL BUDGET	2016 FINAL BUDGET	2016 ACTUAL	2016 VARIANCE Positive (Negative)	2015 ACTUAL
REVENUES					
Local Sources					
Grants	$ 11,200	$ 73,191	$ 11,250	$ (61,941)	$ 72,571
State Source					
Grants	46,385	41,703	41,590	(113)	72,347
Federal Sources					
Grants	105,860	135,106	130,647	(4,459)	86,313
TOTAL REVENUES	163,445	250,000	183,487	(66,513)	231,231
EXPENDITURES					
Instruction					
Salaries	131,580	141,453	140,553	900	180,337
Benefits	-	8,000	7,520	480	14,847
Purchased Services	-	-	-	-	11,096
Supplies	1,600	2,250	2,071	179	1,576
Property	11,200	11,250	11,250	-	23,375
Other	-	61,941	-	61,941	-
Total Instruction	144,380	224,894	161,394	63,500	231,231
Supporting Services					
School Administration					
Purchased Services	19,065	25,106	22,093	3,013	-
Total Supporting Services	19,065	25,106	22,093	3,013	-
TOTAL EXPENDITURES	163,445	250,000	183,487	66,513	231,231
CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-	-
FUND BALANCE, Ending	$ -	$ -	$ -	$ -	$ -

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

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

Years Ended December 31,
(School Division Trust Fund Measurement Date)

	2013	2014	2015
School's proportionate share of the Net Pension Liability	0.1875%	0.2329%	0.3325%
School's proportionate share of the Net Pension Liability	$ 974,994	$ 1,454,407	$ 2,705,031
School's covered-employee payroll	$ 1,022,370	$ 1,243,182	$ 2,450,254
School's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	95.4%	117.0%	110.4%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%	79.3%

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOL - ARAPAHOE STREET

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

Years Ended June 30,

	2014	2015	2016
Statutorily required contributions	$ 56,153	$ 71,507	$ 72,890
Contributions in relation to the Statutorily required contributions	56,153	71,507	72,890
Contribution deficiency (excess)	$ -	$ -	$ -
School's covered-employee payroll	$ 1,146,934	$ 1,481,803	$ 2,450,254
Contributions as a percentage of covered-employee payroll	4.90%	4.83%	2.97%

See the accompanying independent auditors' report.