

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
Independent Auditor's Report and Financial Statements  
June 30, 2019

**STRIVE Preparatory Schools**  
(A Component Unit of Denver Public Schools)  
June 30, 2019

**Board of Trustees**

Chair	Amber Valdez
Vice Chair	Chris Henderson
Treasurer	Dietz Fry
Secretary	Kayla Tibbals
Member	Keith Trammell
Member	Kristi Pollard
Member	Moira Cullen
Member	Crystal Rountree
Member	Brooke Brown
Member	Leticia Gonzalez
Member	Reed Dixon
Member	Peter Groff
Member	Ulysses Estrada
Member	Helem Aranguti
Ex-Officio Member	Chris Gibbons

**STRIVE Preparatory Schools**  
(A Component Unit of Denver Public Schools)  
June 30, 2019

**Schools Management**

Chris Gibbons, Chief Executive Officer

Joshua Devon, Chief Financial Officer/Chief Operations Officer

Gregory Hatcher, Chief External Affairs Officer

Kristin Levine, Chief Academic Officer

Betsy Peterson, Chief Schools Officer

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**June 30, 2019**

**Contents**

<b>Independent Auditor’s Report .....</b>	<b>1</b>
<b>Management’s Discussion and Analysis (Unaudited) .....</b>	<b>4</b>
<b>Basic Financial Statements</b>	
Statement of Net Position .....	10
Statement of Activities .....	11
Balance Sheet – Governmental Fund .....	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund.....	14
Notes to Financial Statements .....	16
<b>Required Supplementary Information</b>	
Schedule of STRIVE Prep’s Proportionate Share of the Net Pension Liability .....	43
Schedule of STRIVE Prep’s Pension Contributions .....	44
Schedule of STRIVE Prep’s Proportionate Share of the Net OPEB Liability .....	45
Schedule of STRIVE Prep’s OPEB Contributions.....	46
Budgetary Comparison Schedule – General Fund.....	47
Notes to Required Supplementary Information.....	48

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**June 30, 2019**

**Supplementary Information**

Combining Balance Sheet .....	50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	52
Budgetary Comparison Schedule – Green Valley Ranch Campus.....	54
Budgetary Comparison Schedule – Montbello Campus.....	55
Budgetary Comparison Schedule – Excel Campus .....	56
Budgetary Comparison Schedule – Lake Campus .....	57
Budgetary Comparison Schedule – Sunnyside Campus.....	58
Budgetary Comparison Schedule – Federal Campus .....	59
Budgetary Comparison Schedule – Ruby Hill Campus .....	60
Budgetary Comparison Schedule – SMART Campus.....	61
Budgetary Comparison Schedule – Westwood Campus .....	62
Budgetary Comparison Schedule – Kepner Campus.....	63
Budgetary Comparison Schedule – RISE Campus.....	64

<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....</b>	<b>65</b>
--	-----------

## Independent Auditor's Report

Board of Trustees  
STRIVE Preparatory Schools  
Denver, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of STRIVE Preparatory Schools (STRIVE Prep), a component unit of Denver Public Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise STRIVE Prep's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of STRIVE Prep as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary, pension and other postemployment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise STRIVE Prep's basic financial statements. The accompanying supplementary information, including the combining financial statements and budgetary comparison schedules, as 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 such 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Board of Trustees  
STRIVE Preparatory Schools

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019, on our consideration of STRIVE Prep’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STRIVE Prep’s internal control over financial reporting and compliance.

*BKD, LLP*

Denver, Colorado  
October 18, 2019

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

As management of STRIVE Preparatory Schools, we offer readers of the basic financial statements this narrative and analysis of the financial activities of STRIVE Preparatory Schools for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

***Financial Highlights***

- The year ended June 30, 2019, was the 13th year of operations for STRIVE Preparatory Schools. The general fund balance increased from \$5,691,258 to \$6,036,312 in the year ended June 30, 2019.
- The financial results of STRIVE Preparatory Schools under a government-wide accounting presentation are materially impacted by GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Under GASB 68, STRIVE Preparatory Schools must report a liability for its proportionate share of the entire underfunded status of the plan. As of December 31, 2018, the DPS division of the Colorado Public Employee's Retirement Association (PERA) had a net pension liability (NPL) of \$1,022,901,000. STRIVE Preparatory Schools' portion of the NPL, which is based on STRIVE Preparatory Schools' portion of current year contributions to PERA as a percentage of the total current year contributions to the DPS division of PERA, is 2.35%, or \$24,034,523.
- Net pension liability (NPL) is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees and beneficiaries.
- The financial results of STRIVE Preparatory Schools under a government-wide accounting presentation are also materially impacted by the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Prior to the implementation of GASB 75, Postemployment Benefits (OPEB) was only reported in the notes disclosure section. With the implementation of GASB 75, postemployment benefits are reported in both the statement of net position and the statement of activities. As of June 30, 2019, STRIVE Preparatory Schools' net OPEB liability is \$1,611,145.
- The NPL and net OPEB liability are unlike other liabilities on STRIVE Preparatory Schools' statement of net position. STRIVE Preparatory Schools has no ability to pay off the NPL or net OPEB liability under an accelerated schedule as contribution rates are set in statute. As long-term obligations, neither NPL nor net OPEB liability are recorded in the modified accrual basis financial statement of governmental funds. Neither liability impacts the current financial position of STRIVE Preparatory Schools.
- Pursuant to C.R.S. § 24-51-413 of Senate Bill 18-200 enacted on June 4, 2018, PERA is to receive an annual direct distribution from the State in the amount of \$225 million. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes. Strive Prep's portion of the state's contribution is \$664,240 which has been recognized as state revenue and pension expenditures in the general fund financial

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

statements. In accordance with GASB 68, Strive Prep's portion of the collective pension expense (credit) related to the state's contribution is \$1,330,489 which has been recognized as an operating contribution and pension expense (credit) in the statement of activities.

- For the plan year ended December 31, 2018, the Collective Pension Expense of DPS division of Colorado PERA had a negative balance of \$(109,295,000). STRIVE Prep's pension expense is thus impacted and credited \$(3,103,619) as of June 30, 2019 which is net of \$1,330,489 related to the state's contribution discuss above. Similarly, the net OPEB liability of DPS Health Care Trust Fund as of December 31, 2018 decreased \$5,789,000 from the previous year resulting in a credit to STRIVE Prep's OPEB expense of \$(101,012) for the year ended June 30, 2019.
- Excluding the impacts of both GASB 68 and GASB 75, the assets of STRIVE Preparatory Schools exceeded its liabilities at the close of the most recent fiscal year. However, due to GASB 68 and GASB 75, the liabilities and deferred inflows of resources of STRIVE Preparatory Schools exceeded the assets and deferred outflows of resources by \$20,134,899.
- The operations of STRIVE Preparatory Schools for the year ended June 30, 2019, were funded by tax revenue received under the State School Finance Act (the Act), Mill Levy Overrides, federal revenue and private contributions. Tax revenue for the year from per pupil revenue was \$32,301,195, while property tax revenue for the year from mill levy overrides was \$6,831,274. In addition, individual gifts and foundation grants supplemented the tax revenue received in order to finance operations.

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

This discussion and analysis are intended to serve as an introduction to STRIVE Preparatory Schools' 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 STRIVE Preparatory Schools' finances in a manner similar to a private-sector business.

The statement of net position presents information on all of STRIVE Preparatory Schools' assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of STRIVE Preparatory Schools is improving or deteriorating. However, it is important to note the impact that the reporting of the net pension liability of \$24,034,523 and the net OPEB liability of \$1,611,145 has on STRIVE Preparatory Schools' net position.

The statement of activities presents information showing how STRIVE Preparatory Schools' net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

**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. Strive Preparatory Schools 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 may serve over time as a useful indicator of STRIVE Preparatory Schools' financial position. At June 30, 2019, Strive Preparatory Schools' liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$20,134,899. It is important to note that STRIVE Preparatory Schools' assets would have exceeded its liabilities by \$5,510,769 excluding the recognition of both the unfunded pension and OPEB liabilities. Additionally, \$1,285,119 of the net deficit is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

**Condensed Statement of Net Position**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current (noncapital)	\$ 6,928,928	\$ 6,835,876
Total assets	<u>6,928,928</u>	<u>6,835,876</u>
<b>Deferred Outflows of Resources</b>	<u>9,808,833</u>	<u>11,635,742</u>
<b>Liabilities</b>		
Current	892,616	856,012
Noncurrent liabilities		
Loans payable	389,281	385,531
Net pension liability	24,034,523	32,175,257
Net OPEB liability	<u>1,611,145</u>	<u>1,824,012</u>
Total liabilities	<u>26,927,565</u>	<u>35,240,812</u>
<b>Deferred Inflows of Resources</b>	<u>9,945,095</u>	<u>7,953,524</u>
<b>Net Position</b>		
Restricted for emergencies	1,285,119	1,201,979
Unrestricted	<u>(21,420,018)</u>	<u>(25,924,697)</u>
Total net position	<u>\$ (20,134,899)</u>	<u>\$ (24,722,718)</u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

**Condensed Statement of Activities**

	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Per pupil operating revenue	\$ 32,301,195	\$ 29,576,363
Mill levy	6,831,274	6,297,332
Grants and contributions	6,462,496	6,029,506
Investment income	146,918	114,917
Miscellaneous	477,927	525,941
	<b>46,219,810</b>	<b>42,544,059</b>
<b>Expenses</b>		
Instruction		
General	24,902,015	20,787,103
GASB 68 pension expense (credit)	(1,723,878)	2,729,217
GASB 75 OPEB expense (credit)	(57,514)	(32,343)
Support services		
General	19,930,857	22,562,679
GASB 68 pension expense (credit)	(1,379,741)	2,962,338
GASB 75 OPEB expense (credit)	(43,498)	(35,106)
Interest on long-term debt	3,750	3,750
	<b>41,631,991</b>	<b>48,977,638</b>
<b>Change in Net Position</b>	<b>4,587,819</b>	<b>(6,433,579)</b>
<b>Net Position (Deficit) - July 1, as Previously Reported</b>	<b>(24,722,718)</b>	<b>(16,570,039)</b>
Change in accounting principle - GASB 75	-	(1,719,100)
<b>Net Position (Deficit) - July 1, as Restated</b>	<b>(24,722,718)</b>	<b>(18,289,139)</b>
<b>Net Position (Deficit) - Ending</b>	<b>\$ (20,134,899)</b>	<b>\$ (24,722,718)</b>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Management's Discussion and Analysis (Unaudited)**  
**Fiscal Year Ended June 30, 2019**

***Financial Analysis of Strive Preparatory Schools Funds***

**Governmental Funds**

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

As of the end of Strive Preparatory Schools' 13th fiscal year, Strive Preparatory Schools reported a governmental fund balance of \$6,036,312, which represents an increase of \$345,054 over the previous fiscal year.

**General Fund Budgetary Highlights**

Strive Preparatory Schools' budget was \$45,322,174 for the year ended June 30, 2019. Actual budgetary expenditures were \$44,832,872. The difference between budgeted versus actual expenditures in the general fund is primarily due to lower supplies and materials expenses and an unused contingency.

**Economic Factors and Next Year's Budget**

The primary factor driving the budget for Strive Preparatory Schools is student enrollment. The enrollment for the 2018-2019 school year was 3,757 students. The budgeted enrollment for the 2019-2020 school year is 3,729.

**Requests for Information**

The financial report is designed to provide a general overview of Strive Preparatory Schools' finances for all those with an interest in Strive Preparatory Schools. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

STRIVE Preparatory Schools  
2480 West 26<sup>th</sup> Avenue  
Suite 360-B  
Denver, CO 80211

## **Basic Financial Statements**

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Statement of Net Position**  
**June 30, 2019**

	<b><u>Governmental Activities</u></b>
<b>Assets</b>	
Cash and cash equivalents	\$ 715,517
Investments	5,628,212
Accounts receivable	15,577
Grants receivable	280,663
Inventory	106,013
Prepaid expenses	<u>182,946</u>
Total assets	<u>6,928,928</u>
<b>Deferred Outflows of Resources</b>	
Pension related	9,555,685
OPEB related	<u>253,148</u>
Total deferred outflows of resources	9,808,833
<b>Liabilities</b>	
Accounts payable	738,566
Accrued liabilities	139,050
Unearned revenue	15,000
Noncurrent liabilities	
Loans payable	389,281
Net pension liability	24,034,523
Net OPEB liability	<u>1,611,145</u>
Total liabilities	<u>26,927,565</u>
<b>Deferred Inflows of Resources</b>	
Pension related	9,752,455
OPEB related	<u>192,640</u>
Total deferred inflows of resources	9,945,095
<b>Net Position (Deficit)</b>	
Restricted for emergencies	1,285,119
Unrestricted deficit - Note 12	<u>(21,420,018)</u>
Total net position (deficit)	<u><u>\$ (20,134,899)</u></u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Statement of Activities**  
**Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Change in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government				
<b>Governmental Activities</b>				
Instruction				
General	\$ 24,902,015	\$ 2,488,779	\$ 559,708	\$ (21,853,528)
GASB 68 pension expense (credit)	(1,723,878)	739,008	-	2,462,886
GASB 75 OPEB expense (credit)	(57,514)	-	-	57,514
Supporting services				
General	19,930,857	223,647	-	(19,707,210)
GASB 68 pension expense (credit)	(1,379,741)	591,481	-	1,971,222
GASB 75 OPEB expense (credit)	(43,498)	-	-	43,498
Interest on long-term debt	3,750	-	-	(3,750)
Total governmental activities	<u>\$ 41,631,991</u>	<u>\$ 4,042,915</u>	<u>\$ 559,708</u>	<u>(37,029,368)</u>
<b>General Revenues</b>				
Per pupil revenue				32,301,195
District mill levy				6,831,274
Grants and contributions not restricted to specific programs				1,859,873
Investment income				146,918
Miscellaneous				477,927
Total general revenues				<u>41,617,187</u>
<b>Change in Net Position</b>				4,587,819
<b>Net Position (Deficit) - July 1</b>				<u>(24,722,718)</u>
<b>Net Position (Deficit) - Ending</b>				<u>\$ (20,134,899)</u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Balance Sheet – Governmental Fund**  
**June 30, 2019**

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 715,517
Investments	5,628,212
Accounts receivable	15,577
Grants receivable	280,663
Inventory	106,013
Prepaid expenditures	182,946
Total assets	\$ 6,928,928
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 738,566
Accrued liabilities	139,050
Unearned revenue	15,000
Total liabilities	892,616
<b>Fund Balance</b>	
Nonspendable inventory	106,013
Nonspendable prepaid expenditures	182,946
Restricted for emergencies	1,285,119
Unassigned	4,462,234
Total fund balance	6,036,312
Total liabilities, deferred inflows of resources and fund balance	\$ 6,928,928

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Balance Sheet – Governmental Fund (continued)**  
**June 30, 2019**

**Amounts reported for Governmental Activities in the Statement of Net Position are different because:**

Total fund balance - governmental fund	\$ 6,036,312
Deferred inflows of resources are not available in the current period and, therefore, are not recorded in the fund	(9,945,095)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	9,808,833
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds	(389,281)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the fund	(24,034,523)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the fund	<u>(1,611,145)</u>
Net position (deficit) of governmental activities	<u><u>\$ (20,134,899)</u></u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Governmental Fund**  
**Year Ended June 30, 2019**

	<b>General Fund</b>
<b>Revenues</b>	
Local sources	\$ 41,905,794
State sources	1,742,899
Federal sources	2,193,473
Total revenues	45,842,166
<b>Expenditures</b>	
Current	
Instruction	25,270,667
Supporting services	20,226,445
Total expenditures	45,497,112
<b>Excess of Revenues over Expenses</b>	345,054
<b>Net Change in Fund Balance</b>	345,054
<b>Fund Balance, Beginning</b>	5,691,258
<b>Fund Balance, Ending</b>	\$ 6,036,312

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Statement of Revenues, Expenditures and Changes in Fund Balance –**  
**Governmental Fund (continued)**  
**Year Ended June 30, 2019**

**Amounts reported for Governmental Activities in the Statement of Activities are different because:**

Net change in fund balance of the governmental fund	\$ 345,054
Repayment of long-term receivables are revenue in the fund, but do not affect the Statement of Activities	(288,605)
The portion of the State required contribution to PERA recognized in the Statement of Activities	
Operating grants and contributions	(1,330,489)
Pension expense (Instruction: \$739,008; Supporting Services: \$591,481)	1,330,489
Some expenses recorded in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund	
Pension expense (Instruction: \$(2,462,886); Supporting Services: \$(1,971,222))	4,434,108
OPEB expense (Instruction: \$(57,514); Supporting Services: \$(43,498))	101,012
Interest expense	<u>(3,750)</u>
Change in net position of governmental activities	<u><u>\$ 4,587,819</u></u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 1: Summary of Significant Accounting Policies**

The West Denver Preparatory Charter School was formed in November 2005, pursuant to the Colorado Charter Schools Act to form and operate a charter school within Denver Public Schools (the District). In September 2012, the West Denver Preparatory Charter School's name was changed to STRIVE Preparatory Schools (STRIVE Prep). In the year ended June 30, 2019, STRIVE Prep operated eleven schools, and served grades kindergarten through twelve.

***Reporting Entity***

STRIVE Prep is a component unit of Denver Public Schools (the District). The District granted the charter and provides the majority of the funding to STRIVE Prep.

The financial reporting entity consists of STRIVE Prep, organizations for which STRIVE Prep is financially accountable, and organizations that raise and hold economic resources for the direct benefit of STRIVE Prep. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of STRIVE Prep. Legally separate organizations for which STRIVE Prep is financially accountable are considered part of the reporting entity. Financial accountability exists if STRIVE Prep appoints a voting majority of the organization's governing board or if the organization is fiscally dependent on STRIVE Prep and STRIVE Prep is able to impose its will on the organization, or the organization provides benefits to, or imposes financial burdens on, STRIVE Prep. Based on the application of this criteria, the following organization qualifies as a component unit of STRIVE Prep.

In June 2012, the West Denver Preparatory Charter School Building Corporation (the Corporation) was formed to hold title to real and/or personal property for, and to make the same available for use by, STRIVE Prep, and to otherwise provide public buildings and facilities to STRIVE Prep.

The Corporation has no financial balances or transactions outside of those reported by STRIVE Prep, and therefore, is not reported separately in the financial statements. The Corporation does not issue separate financial statements.

***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 STRIVE Prep. 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

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means are collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days.

Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year if they are expected to be received within one year. All other revenues are considered to be measurable and available only when cash is received by STRIVE Prep. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

STRIVE Prep reports the following major governmental fund:

*General Fund* – This fund is the general operating fund of STRIVE Prep. It is currently used to account for all financial activities of STRIVE Prep.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position***

*Cash and Cash Equivalents and Investments* – Investments are reported at fair value.

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

*Inventory* – Materials and supplies inventory is stated at cost, using the first-in, first-out method. Inventory is recorded as an asset when individual items are purchased and as an expense when consumed.

*Prepaid Expenses* – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

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

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported in the government-wide financial statements.

*Long-term Debt* – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenses or expenditures.

*Compensated Absences* – STRIVE Prep’s policy allows employees to use six days of personal leave during each school year. Employees are compensated for any unused personal leave prior to the end of the fiscal year, at the rate of \$96 per day. Therefore, no liability for compensated absences is reported in the financial statements.

*Deferred Outflows/Inflows of Resources* – A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. Both are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the periods(s) to which they relate. Refer to Notes 4 and 7 for information on deferred outflow/inflows or resources related to pensions and OPEB.

*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 Trustees 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.

STRIVE Prep 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, STRIVE Prep uses restricted fund balance first, followed by committed, assigned and unassigned fund balances.

***Risk Management***

STRIVE Prep is exposed various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees; and natural disasters. STRIVE Prep carries commercial insurance for risks of loss, including liability, property, errors and omissions, and workers’ compensation.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

Settled claims resulting from these risks have not exceeded STRIVE Prep's insurance coverage for fiscal years 2019, 2018 or 2017.

***Use of Estimates***

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in fund balance/net position during the reporting period. Actual results could differ from those estimates.

***Budgets and Budgetary Accounting***

Annually, the Board of Trustees adopts a budget for STRIVE Prep, on a basis consistent with generally accepted accounting principles except for revenues and expenditures associated with the state's contributions made to PERA on behalf of STRIVE Prep.

A proposed budget is submitted to the Board of Trustees 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 Trustees. All appropriations lapse at fiscal year-end.

**Note 2: Cash and Investments**

Cash and investments at June 30, 2019 consisted of the following:

***Deposits***

The financial institution holding STRIVE Prep's cash accounts is participating in the FDIC's Transaction Account Guarantee Program. Interest-bearing transaction accounts were subject to the \$250,000 limit on FDIC insurance per covered institution.

STRIVE Prep's investment policy conforms to state statute for governmental entities. All accounts established at financial institutions should, in the aggregate, total less than \$250,000 so as to provide maximum insurance coverage provided by the FDIC. If, however, deposits exceed the \$250,000 insurance coverage level, the excess must be: (1) fully collateralized at face value with government securities, (2) separately segregated in STRIVE Prep's name, and (3) held at a Federal Reserve Bank or another depository.

Under the provisions of GASB 40, *Deposit and Investment Risk Disclosures*, deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions under Colorado Public Deposit Protection Act (PDPA), as discussed

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

below. Custodial credit risk is the risk that in the event of bank failure, STRIVE Prep's deposits may not be returned.

Colorado State statutes govern STRIVE Prep's deposit of cash. The PDPA requires STRIVE Prep to make deposits only 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 pools 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***

STRIVE Prep 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

*Local Government Investment Pool* – At June 30, 2019, STRIVE Prep had \$5,628,212 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes and is registered with the state Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of the pool consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. COLORADO Trust is comprised of two funds: PRIME and PLUS+. Both funds carry an AAAM from Standards and Poor's. The Colorado Division of Securities

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST is rated AAAM by Standard and Poor's. Investments of COLOTRUST are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no limitations or restrictions on withdrawals.

At June 30, 2019, STRIVE Prep had cash on deposit balances consisting of the following:

	<b>Carrying Amount</b>	<b>Bank Balance</b>	<b>Amount Covered Under PDPA</b>
Checking	\$ 715,517	\$ 1,209,917	\$ 959,917

**Note 3: Long-term Debt**

Changes in long-term debt for the year ended June 30, 2019 were as follows:

	<b>Balance at June 30, 2018</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance at June 30, 2019</b>	<b>Due Within One Year</b>
Loan payable	\$ 375,000	\$ -	\$ -	\$ 375,000	\$ -
Interest payable	10,531	3,750	-	14,281	-
	\$ 385,531	\$ 3,750	\$ -	\$ 389,281	\$ -

In July 2015, the STRIVE Prep entered into a loan agreement in the amount of \$375,000 to provide general support for STRIVE Prep in carrying out its charitable tax-exempt purposes. The loan accrues interest at the rate of 1.00% per annum with an initial payment of \$187,500 due on June 30, 2021. All remaining principal and interest payments are due in full on June 30, 2022.

**Note 4: Defined Benefit Pension Plan**

***Summary of Significant Accounting Policies***

STRIVE Prep participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). In accordance with GASB 68, STRIVE Prep accounts for and reports its participation in the plan as if it was a cost sharing employer. The net pension liability,

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

deferred outflows of resources and deferred inflows of resources related to pensions, pension expense (credit), information about the fiduciary net position and additions to/deductions from the fiduciary net position of STRIVE Prep have been determined using the same basis as they are reported by the DPS Division which uses 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the DPS Division are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates for the DPS Division by 0.25% on July 1, 2019.
- Increases employee contribution rates for the DPS Division by a total of 2% (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

**General Information about the Pension Plan**

**Plan Description**

Eligible employees of STRIVE Prep are provided with pensions through the DPS Division – a single-employer defined benefit pension plan administered by PERA. Plan benefits are specified in

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

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 (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Benefits Provided as of December 31, 2018**

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% 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.

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% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% 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% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Pursuant to SB18-200, there are no annual increases (AI) for 2018 and 2019 benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5% 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 1.5% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the DPS Division. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1% based on the parameters specified C.R.S. § 24-51-413.

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 lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**Contribution Provisions as of June 30, 2019**

Eligible employees, STRIVE Prep, and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq* and § 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary period of July 1, 2018 through June 30, 2019. Contribution rates for the DPS Division are summarized in the table below:

	<b>January 1, 2018 Through December 31, 2018</b>	<b>January 1, 2019 Through June 30, 2019</b>
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the DPS Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02%)	(1.02%)
PCOP Offset as specified in C.R.S. § 24-51-412	(14.18%)	(13.48%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	<u>5.50%</u>	<u>5.50%</u>
Total Employer Contribution Rate to the DPS Division <sup>1</sup>	<u><u>4.95%</u></u>	<u><u>5.65%</u></u>

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

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes. STRIVE Prep's portion of the state's contribution is \$664,240 which has been recognized as state revenue and pension expenditure in the general fund financial statements.

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and STRIVE Prep is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from STRIVE Prep were \$1,424,458 for the year ended June 30, 2019.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

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

The net pension liability for the DPS Division was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The STRIVE Prep proportion of the net pension liability was based on STRIVE Prep contributions to the DPS Division for the calendar year 2018 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, STRIVE Prep reported a liability of \$24,034,523 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by STRIVE Prep as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with STRIVE Prep were as follows:

STRIVE Prep's proportionate share of the net pension	\$ 24,034,523
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with STRIVE Prep	12,452,156
Total	\$ 36,486,679

At December 31, 2018, STRIVE Prep's proportion was 2.35%, which was a decrease of 1.24% from its proportion measured as of December 31, 2017 of 3.59%.

For the year ended June 30, 2019, STRIVE Prep recognized a pension credit of \$3,009,650 which was offset by revenue and expense of \$1,330,489 for support from the State as a nonemployer contributing entity. At June 30, 2019, STRIVE Prep reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,474,613	\$ 23,590
Changes of assumptions or other inputs	1,701,071	538,914
Net difference between projected and actual earnings on pension plan investments	3,072,557	-
Changes in proportion	2,532,021	9,189,951
Contributions subsequent to the measurement date	775,423	N/A
Total	\$ 9,555,685	\$ 9,752,455

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

\$775,423 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

<b>Year Ending June 30,</b>	
2020	\$ 1,207,694
2021	(445,141)
2022	(1,904,091)
2023	169,346
2024	-
Thereafter	-
	\$ (972,192)

**Actuarial Assumptions**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS Division, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

(expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30-Year Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

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 7.25%.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate 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 3.50%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including scheduled increases in SB 18-200. Employee

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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. 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 middle of the year.

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 of 7.25% 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, and therefore, the discount rate was 7.25%. There was no change in the discount rate from the prior measurement date.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**Sensitivity of STRIVE Prep’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 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>Discount Rate</b>	<b>8.25%</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Proportionate share of the net pension liability	\$ 35,667,207	\$ 24,034,523	\$ 14,353,312

**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](http://www.copera.org/investments/pera-financial-reports).

**Note 5: 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 4). For the years ended June 30, 2019, 2018, and 2017, STRIVE Prep contributed 9.54%, 10.07%, and 10.03% of covered salaries, respectively, to the District to cover its obligation relating to the PCOPs.

During the years ended June 30, 2019, 2018 and 2017, STRIVE Prep contributed \$2,530,719, \$2,449,051 and \$2,334,206, respectively, to the District for its PCOPs obligation.

**Note 6: Defined Contribution Pension Plan**

***Voluntary Investment Program***

*Plan Description* – Employees of STRIVE Prep that are also members of the DPS Division may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. STRIVE does not offer an employer match and employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2019, program members contributed \$100,130.

**Note 7: Defined Benefit Other Postemployment Benefit (OPEB) Plan**

***Summary of Significant Accounting Policies***

STRIVE Prep participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit OPEB plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

***General Information about the OPEB Plan***

**Plan Description**

Eligible employees of STRIVE Prep are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Benefits Provided**

The DPS HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the Heath Care Trust Fund (HCTF) and the DPS HCTF. The basis for the amount of the premium subsidy funded

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

**PERA Benefit Structure**

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**DPS Benefit Structure**

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

**Contributions**

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the DPS HCTF. PERA reporting agencies of the DPS Division are required to contribute at a rate of 1.02% of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the STRIVE Prep is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from STRIVE Prep were \$270,580 for the year ended June 30, 2019.

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

In accordance with GASB 75, STRIVE Prep, as a component unit of Denver Public Schools participating in DPS's single-employer OPEB plan, reports its participation as if it were a cost-sharing employer.

At June 30, 2019, STRIVE Prep reported a liability of \$1,611,145 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. STRIVE Prep's proportion of the net OPEB liability was based on STRIVE Prep's contributions to the DPS HCTF for the calendar year 2018 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2018, STRIVE Prep's proportion was 3.57%, which was a decrease of 0.01% from its proportion measured as of December 31, 2017 of 3.58%.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

For the year ended June 30, 2019, STRIVE Prep recognized OPEB expense of \$169,562. At June 30, 2019, STRIVE Prep reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 186,974
Changes of assumptions or other inputs	143	-
Net difference between projected and actual earnings on OPEB plan investments	32,601	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	83,565	5,666
Contributions subsequent to the measurement date	136,839	N/A
Total	\$ 253,148	\$ 192,640

\$136,839 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>		
2020	\$	(10,900)
2021		(10,900)
2022		(10,936)
2023		3,046
2024		(15,608)
Thereafter		(31,033)
	\$	(76,331)

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuate date:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

Mortality assumptions for the determination of the total pension liability for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions for the DPS Division were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the DPS HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30-Year Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	<u>100.00%</u>	

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 7.25%.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

**Sensitivity of STRIVE Prep’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$1,610,682	\$1,611,145	\$1,611,680

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- 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 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the DPS HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

**Sensitivity of STRIVE Prep’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Proportionate share of the net OPEB liability	\$ 1,844,560	\$ 1,611,145	\$ 1,411,330

**OPEB Plan Fiduciary Net Position**

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

**Note 8: Commitments, Contingencies and Compliance**

***Claims and Judgments***

STRIVE Prep is subject to other claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a materially adverse effect on the financial statements. In addition, federal and state grants are subject to audit which could result in disallowed costs, the amount of which is undeterminable at June 30, 2019. If any costs are disallowed in the future, management expects them to be insignificant.

***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 STRIVE Prep believes it is in substantial compliance with the Amendment. In accordance with the Amendment, STRIVE Prep has established an emergency reserve representing 3% of spending in accordance with TABOR

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Financial Statements**  
**June 30, 2019**

guidelines/requirements. At June 30, 2019, the reserve reported as restricted net position/fund balance totaled \$1,285,119.

***Facility Use Agreement***

Annually, STRIVE Prep approves facility use agreements with the District to utilize educational facilities owned by the District. The facility use fees for the year ended June 30, 2019, were \$773 for each student enrolled at STRIVE Prep, which totaled \$2,919,774. The agreements require facility use fees of \$770 per student for the year ended June 30, 2020, which for STRIVE Prep is estimated to be \$2,871,330.

**Note 9: Public School Financial Transparency Act**

The Public School Financial Transparency Act requires local education providers to post financial information online, in a downloadable format, for free public access. STRIVE Prep believes it is in compliance with this Act, as it provides a hyperlink from its website to the Denver Public Schools financial data file.

**Note 10: Line of Credit**

STRIVE Prep has a revolving line of credit which provides for borrowings of up to \$2,000,000. Interest is due monthly at the greater of the prime rate set by the lender plus 0.500% or the floor rate of 4.00%. The line of credit is collateralized by substantially all assets of STRIVE Prep. As of June 30, 2019, there was no outstanding balance under the line of credit.

**Note 11: Unrestricted Deficit**

Under GASB 68 and GASB 75 the government-wide financial results of STRIVE Prep are negatively impacted by the financial results of the Denver Public Schools Division Trust Fund (DPS Division) administered by PERA. During the current fiscal year, the DPS Division's net pension liability decreased from \$1,022.9 million to \$896.5 million and OPEB liability decreased from \$51.0 million to \$45.2 million. As a result, STRIVE Prep's share of the net pension liability decreased from \$32.2 million to \$24.0 million and OPEB liability decreased from \$1.8 million to \$1.6 million. These liabilities have no impact of STRIVE Prep's ability to meet its current financial obligations. In addition, STRIVE Prep has no legal obligation to fund any shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by PERA.

## **Required Supplementary Information**

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Schedule of STRIVE Prep's Proportionate Share of the Net Pension Liability**  
**Years Ended December 31,**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
STRIVE Prep's proportion of the net pension liability	2.35%	3.59%	3.37%	2.92%	2.55%
STRIVE Prep's proportionate share of the net pension liability	\$ 24,034,523	\$ 32,175,257	\$ 36,927,125	\$ 23,742,116	\$ 15,933,196
STRIVE Prep's covered payroll	\$ 25,901,433	\$ 25,539,160	\$ 23,277,622	\$ 18,261,478	\$ 14,637,935
STRIVE Prep's proportionate share of the net pension liability as a percentage of its covered payroll	92.79%	125.98%	158.64%	130.01%	108.85%
Plan fiduciary net position as a percentage of the total pension liability	75.69%	79.51%	74.00%	79.30%	83.94%

Note: Information is not available prior to 2014. In future reports, additional years will be added until 10 years of historical data are presented.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Schedule of STRIVE Prep's Pension Contributions**  
**Years Ended June 30,**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,424,458	\$ 1,201,489	\$ 732,156	\$ 387,817	\$ 375,722
Contributions in relation to the contractually required contribution	<u>1,424,458</u>	<u>1,201,489</u>	<u>732,156</u>	<u>387,817</u>	<u>375,722</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
STRIVE Prep's covered payroll	<u>\$ 26,527,428</u>	<u>\$ 24,326,449</u>	<u>\$ 21,557,308</u>	<u>\$ 19,606,172</u>	<u>\$ 16,710,094</u>
Contributions as a percentage of covered-employee payroll	5.37%	4.94%	3.40%	1.98%	2.25%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Schedule of STRIVE Prep's Proportionate Share of the Net OPEB Liability**  
**Years Ended December 31,**

	<u>2018*</u>	<u>2017*</u>
STRIVE Prep's proportion of the net OPEB liability	3.57%	3.58%
STRIVE Prep's proportionate share of the net OPEB liability	\$ 1,611,145	\$ 1,824,012
STRIVE Prep's covered payroll	\$ 25,901,433	\$ 25,539,160
STRIVE Prep's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.22%	7.14%
Plan fiduciary net position as a percentage of the total OPEB liability	34.72%	30.40%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Information is not available prior to 2017. In future reports, additional years will be added until 10 years of historical data are presented.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Schedule of STRIVE's OPEB Contributions**  
**Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 270,580	\$ 260,499
Contributions in relation to the contractually required contribution	<u>270,580</u>	<u>260,499</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
STRIVE Prep's covered payroll	<u>\$ 26,527,428</u>	<u>\$ 24,326,449</u>
Contributions as a percentage of covered payroll	1.02%	1.07%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Budgetary Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 32,379,064	\$ 32,301,195	\$ 32,301,195	\$ -
District mill levy	6,873,438	6,831,273	6,831,274	1
Supporting services	2,514,844	2,158,479	2,148,480	(9,999)
Investment income	100,000	147,842	146,918	(924)
Miscellaneous	279,651	443,059	477,927	34,868
Total local sources	<u>42,146,997</u>	<u>41,881,848</u>	<u>41,905,794</u>	<u>23,946</u>
State sources				
Capital construction	495,867	478,463	559,708	81,245
Grants	444,904	495,740	518,951	23,211
Total State sources	<u>940,771</u>	<u>974,203</u>	<u>1,078,659</u>	<u>104,456</u>
Federal sources				
Grants	1,879,667	2,154,816	2,193,473	38,657
Total federal sources	<u>1,879,667</u>	<u>2,154,816</u>	<u>2,193,473</u>	<u>38,657</u>
Total revenues	<u>44,967,435</u>	<u>45,010,867</u>	<u>45,177,926</u>	<u>167,059</u>
<b>Expenditures</b>				
Salaries	27,591,800	27,198,953	27,161,733	37,220
Employee benefits	7,165,751	6,913,343	6,866,725	46,618
Purchased services	887,491	1,066,842	1,122,059	(55,217)
Supplies and materials	9,340,315	9,281,253	9,099,073	182,180
Property	467,078	473,883	553,316	(79,433)
Other	15,000	27,900	29,966	(2,066)
Contingency	(500,000)	360,000	-	360,000
Total expenditures	<u>44,967,435</u>	<u>45,322,174</u>	<u>44,832,872</u>	<u>489,302</u>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<u>-</u>	<u>(311,307)</u>	<u>345,054</u>	<u>656,361</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (311,307)</u>	<u>345,054</u>	<u>\$ 656,361</u>
<b>Fund Balance, Beginning</b>			<u>5,691,258</u>	
<b>Fund Balance, Ending</b>			<u>\$ 6,036,312</u>	
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Revenues (Budgetary)			\$ 45,177,926	
Plus state contribution to PERA			664,240	
Total revenues (GAAP basis)			<u>\$ 45,842,166</u>	
Expenditures (Budgetary)			\$ 44,832,872	
Plus state contribution to PERA			664,240	
Total expenditures (GAAP basis)			<u>\$ 45,497,112</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Required Supplementary Information**  
**June 30, 2019**

**Note 1: Stewardship, Compliance, and Accountability**

***Budgets and Budgetary Accounting***

A budget is adopted for STRIVE Prep on a basis consistent with generally accepted accounting principles except for revenues and expenditures associated with the state's contributions made to PERA on behalf of STRIVE Prep.

A proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following July 1 for their approval. The budget includes proposed expenditures and the means of financing them.

As stipulated in state statutes, expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

All appropriations lapse at fiscal year-end.

**Note 2: Significant Changes Affecting Trends in Actuarial Information**

***2018 Changes in Assumptions or Other Inputs Since 2017***

**Defined Benefit Pension Plan**

- The following changes were made to the plan provisions as part of Senate Bill (SB) 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
  - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial and DPS Divisions.
  - An annual direct distribution of \$225 million (actual dollars) from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial and DPS Divisions proportionally based on payroll.
  - Annual Increase (AI) cap is lowered from 2% per year to 1.50% per year.
  - Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Notes to Required Supplementary Information**  
**June 30, 2019**

- The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government and DPS Divisions and increases from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 refinanced thereafter.

**Defined Benefit Other Postemployment Benefit**

- There were no changes made to plan provisions.

## **Supplementary Information**

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Combining Balance Sheet**  
**June 30, 2019**

	<b>STRIVE Prep - Green Valley Ranch Campus</b>	<b>STRIVE Prep - Montbello Campus</b>	<b>STRIVE Prep - Excel Campus</b>	<b>STRIVE Prep - Lake Campus</b>	<b>STRIVE Prep - Sunnyside Campus</b>	<b>STRIVE Prep - Federal Campus</b>	<b>STRIVE Prep - Ruby Hill Campus</b>
<b>Assets</b>							
Cash and investments	\$ 1,012,831	\$ 660,773	\$ 402,590	\$ 527,796	\$ 495,110	\$ 1,563,035	\$ 486,601
Accounts receivable	30	-	(19)	-	-	-	569
Grants receivable	24,501	29,157	6,952	25,438	28,003	23,688	39,229
Inventory	8,980	15,883	6,696	6,073	12,394	5,857	26,195
Prepaid expenditures	6,611	5,114	1,030	3,711	3,711	3,711	13,820
<b>Total assets</b>	<b>\$ 1,052,953</b>	<b>\$ 710,927</b>	<b>\$ 417,249</b>	<b>\$ 563,018</b>	<b>\$ 539,218</b>	<b>\$ 1,596,291</b>	<b>\$ 566,414</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>							
<b>Liabilities</b>							
Accounts payable	\$ 48,845	\$ 40,861	\$ 55,540	\$ 51,449	\$ 35,778	\$ 60,531	\$ 80,006
Accrued liabilities	10,095	8,726	8,879	652	20,218	814	5,096
Unearned revenue	-	-	15,000	-	-	-	-
<b>Total liabilities</b>	<b>58,940</b>	<b>49,587</b>	<b>79,419</b>	<b>52,101</b>	<b>55,996</b>	<b>61,345</b>	<b>85,102</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>							
Nonspendable inventory	8,980	15,883	6,696	6,073	12,394	5,857	26,195
Nonspendable prepaid expenditures	6,611	5,114	1,030	3,711	3,711	3,711	13,820
Restricted for emergencies	113,510	81,983	102,185	103,276	79,272	106,376	170,185
Unassigned	864,912	558,360	227,919	397,857	387,845	1,419,002	271,112
<b>Total fund balance</b>	<b>994,013</b>	<b>661,340</b>	<b>337,830</b>	<b>510,917</b>	<b>483,222</b>	<b>1,534,946</b>	<b>481,312</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,052,953</b>	<b>\$ 710,927</b>	<b>\$ 417,249</b>	<b>\$ 563,018</b>	<b>\$ 539,218</b>	<b>\$ 1,596,291</b>	<b>\$ 566,414</b>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Combining Balance Sheet (continued)**  
**June 30, 2019**

	STRIVE Prep - SMART Campus	STRIVE Prep - Westwood Campus	STRIVE Prep - Kepner Campus	STRIVE Prep - Rise Campus	Central Office	Eliminations	Total
<b>Assets</b>							
Cash and investments	\$ 1,153,976	\$ 1,175,457	\$ 122,557	\$ 385,231	\$ (1,642,228)	\$ -	\$ 6,343,729
Accounts receivable	1,400	-	-	397	13,200	-	15,577
Grants receivable	22,285	29,366	20,646	23,139	8,259	-	280,663
Inventory	5,030	3,856	5,352	7,057	2,640	-	106,013
Prepaid expenditures	1,030	3,711	3,711	3,096	133,690	-	182,946
Total assets	<u>\$ 1,183,721</u>	<u>\$ 1,212,390</u>	<u>\$ 152,266</u>	<u>\$ 418,920</u>	<u>\$ (1,484,439)</u>	<u>\$ -</u>	<u>\$ 6,928,928</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>							
<b>Liabilities</b>							
Accounts payable	\$ 83,188	\$ 44,553	\$ 41,046	\$ 71,286	\$ 125,483	\$ -	\$ 738,566
Accrued liabilities	1,193	816	234	5,827	76,500	-	139,050
Unearned revenue	-	-	-	-	-	-	15,000
Total liabilities	<u>84,381</u>	<u>45,369</u>	<u>41,280</u>	<u>77,113</u>	<u>201,983</u>	<u>-</u>	<u>892,616</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>							
Nonspendable inventory	5,030	3,856	5,352	7,057	2,640	-	106,013
Nonspendable prepaid expenditures	1,030	3,711	3,711	3,096	133,690	-	182,946
Restricted for emergencies	162,494	109,583	79,304	131,521	45,430	-	1,285,119
Unassigned	930,786	1,049,871	22,619	200,133	(1,868,182)	-	4,462,234
Total fund balance	<u>1,099,340</u>	<u>1,167,021</u>	<u>110,986</u>	<u>341,807</u>	<u>(1,686,422)</u>	<u>-</u>	<u>6,036,312</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,183,721</u>	<u>\$ 1,212,390</u>	<u>\$ 152,266</u>	<u>\$ 418,920</u>	<u>\$ (1,484,439)</u>	<u>\$ -</u>	<u>\$ 6,928,928</u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended June 30, 2019**

	<b>STRIVE Prep - Green Valley Ranch Campus</b>	<b>STRIVE Prep - Montbello Campus</b>	<b>STRIVE Prep - Excel Campus</b>	<b>STRIVE Prep - Lake Campus</b>	<b>STRIVE Prep - Sunnyside Campus</b>	<b>STRIVE Prep - Federal Campus</b>	<b>STRIVE Prep - Ruby Hill Campus</b>
<b>Revenues</b>							
Local sources	\$ 3,724,454	\$ 2,682,722	\$ 3,352,877	\$ 3,382,972	\$ 2,604,512	\$ 3,477,580	\$ 5,366,091
State sources	116,449	105,258	120,490	127,355	89,054	129,931	393,082
Federal sources	153,124	165,673	185,698	179,008	153,916	185,337	250,108
Total revenues	<u>3,994,027</u>	<u>2,953,653</u>	<u>3,659,065</u>	<u>3,689,335</u>	<u>2,847,482</u>	<u>3,792,848</u>	<u>6,009,281</u>
<b>Expenditures</b>							
Current							
Instruction	2,122,536	1,638,281	2,174,518	2,100,288	1,497,070	2,195,568	3,744,423
Supporting services	1,842,559	1,244,580	1,569,671	1,565,162	1,311,026	1,565,030	2,209,348
Total expenditures	<u>3,965,095</u>	<u>2,882,861</u>	<u>3,744,189</u>	<u>3,665,450</u>	<u>2,808,096</u>	<u>3,760,598</u>	<u>5,953,771</u>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<u>28,932</u>	<u>70,792</u>	<u>(85,124)</u>	<u>23,885</u>	<u>39,386</u>	<u>32,250</u>	<u>55,510</u>
<b>Net Change in Fund Balance</b>	<u>28,932</u>	<u>70,792</u>	<u>(85,124)</u>	<u>23,885</u>	<u>39,386</u>	<u>32,250</u>	<u>55,510</u>
<b>Fund Balance, Beginning</b>	<u>965,081</u>	<u>590,548</u>	<u>422,954</u>	<u>487,032</u>	<u>443,836</u>	<u>1,502,696</u>	<u>425,802</u>
<b>Fund Balance, Ending</b>	<u>\$ 994,013</u>	<u>\$ 661,340</u>	<u>\$ 337,830</u>	<u>\$ 510,917</u>	<u>\$ 483,222</u>	<u>\$ 1,534,946</u>	<u>\$ 481,312</u>
<b>Reconciliation of GAAP Basis to Budgetary Basis</b>							
Revenues (GAAP)	\$ 3,994,027	\$ 2,953,653	\$ 3,659,065	\$ 3,689,335	\$ 2,847,482	\$ 3,792,848	\$ 6,009,281
Less State contribution to PERA	<u>(43,247)</u>	<u>(41,213)</u>	<u>(54,348)</u>	<u>(53,792)</u>	<u>(37,191)</u>	<u>(51,792)</u>	<u>(76,278)</u>
Total revenues (Budgetary basis)	<u>\$ 3,950,780</u>	<u>\$ 2,912,440</u>	<u>\$ 3,604,717</u>	<u>\$ 3,635,543</u>	<u>\$ 2,810,291</u>	<u>\$ 3,741,056</u>	<u>\$ 5,933,003</u>
Expenditures (GAAP)	\$ 3,965,095	\$ 2,882,861	\$ 3,744,189	\$ 3,665,450	\$ 2,808,096	\$ 3,760,598	\$ 5,953,771
Less State contribution to PERA	<u>(43,247)</u>	<u>(41,213)</u>	<u>(54,348)</u>	<u>(53,792)</u>	<u>(37,191)</u>	<u>(51,792)</u>	<u>(76,278)</u>
Total expenditures (Budgetary basis)	<u>\$ 3,921,848</u>	<u>\$ 2,841,648</u>	<u>\$ 3,689,841</u>	<u>\$ 3,611,658</u>	<u>\$ 2,770,905</u>	<u>\$ 3,708,806</u>	<u>\$ 5,877,493</u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances (continued)**  
**Year Ended June 30, 2019**

	<b>STRIVE Prep - SMART Campus</b>	<b>STRIVE Prep - Westwood Campus</b>	<b>STRIVE Prep - Kepner Campus</b>	<b>STRIVE Prep - RISE Campus</b>	<b>Central Office</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenues</b>							
Local sources	\$ 5,332,784	\$ 3,590,803	\$ 2,602,869	\$ 4,310,974	\$ 7,361,245	\$ (5,884,089)	\$ 41,905,794
State sources	166,204	116,887	86,366	137,402	154,421	-	1,742,899
Federal sources	326,454	190,231	209,202	194,722	-	-	2,193,473
Total revenues	<u>5,825,442</u>	<u>3,897,921</u>	<u>2,898,437</u>	<u>4,643,098</u>	<u>7,515,666</u>	<u>(5,884,089)</u>	<u>45,842,166</u>
<b>Expenditures</b>							
Current							
Instruction	3,398,946	2,150,854	1,584,572	2,600,886	62,725	-	25,270,667
Supporting services	2,362,460	1,709,858	1,280,128	1,995,176	7,455,536	(5,884,089)	20,226,445
Total expenditures	<u>5,761,406</u>	<u>3,860,712</u>	<u>2,864,700</u>	<u>4,596,062</u>	<u>7,518,261</u>	<u>(5,884,089)</u>	<u>45,497,112</u>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<u>64,036</u>	<u>37,209</u>	<u>33,737</u>	<u>47,036</u>	<u>(2,595)</u>	<u>-</u>	<u>345,054</u>
<b>Net Change in Fund Balance</b>	64,036	37,209	33,737	47,036	(2,595)	-	345,054
<b>Fund Balance, Beginning</b>	<u>1,035,304</u>	<u>1,129,812</u>	<u>77,249</u>	<u>294,771</u>	<u>(1,683,827)</u>	<u>-</u>	<u>5,691,258</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,099,340</u>	<u>\$ 1,167,021</u>	<u>\$ 110,986</u>	<u>\$ 341,807</u>	<u>\$ (1,686,422)</u>	<u>\$ -</u>	<u>\$ 6,036,312</u>
<b>Reconciliation of GAAP Basis to Budgetary Basis</b>							
Revenues (GAAP)	\$ 5,825,442	\$ 3,897,921	\$ 2,898,437	\$ 4,643,098	\$ 7,515,666	\$ (5,884,089)	\$ 45,842,166
Less State contribution to PERA	(71,042)	(43,069)	(35,856)	(49,727)	(106,685)	-	(664,240)
Total revenues (Budgetary basis)	<u>\$ 5,754,400</u>	<u>\$ 3,854,852</u>	<u>\$ 2,862,581</u>	<u>\$ 4,593,371</u>	<u>\$ 7,408,981</u>	<u>\$ (5,884,089)</u>	<u>\$ 45,177,926</u>
Expenditures (GAAP)	\$ 5,761,406	\$ 3,860,712	\$ 2,864,700	\$ 4,596,062	\$ 7,518,261	\$ (5,884,089)	\$ 45,497,112
Less State contribution to PERA	(71,042)	(43,069)	(35,856)	(49,727)	(106,685)	-	(664,240)
Total expenditures (Budgetary basis)	<u>\$ 5,690,364</u>	<u>\$ 3,817,643</u>	<u>\$ 2,828,844</u>	<u>\$ 4,546,335</u>	<u>\$ 7,411,576</u>	<u>\$ (5,884,089)</u>	<u>\$ 44,832,872</u>

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Green Valley Ranch Campus**  
**Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 3,040,888	\$ 3,095,542	\$ 3,095,542	\$ -
District mill levy	563,879	566,822	566,822	-
Supporting services	24,078	26,740	26,740	-
Investment income	8,333	8,519	8,493	(26)
Miscellaneous	27,645	27,665	26,857	(808)
Total local sources	<u>3,664,823</u>	<u>3,725,288</u>	<u>3,724,454</u>	<u>(834)</u>
State sources				
Capital construction	47,480	46,389	54,276	7,887
Grants	20,953	18,926	18,926	-
Total State sources	<u>68,433</u>	<u>65,315</u>	<u>73,202</u>	<u>7,887</u>
Federal sources				
Grants	150,927	152,257	153,124	867
Total revenues	<u>3,884,183</u>	<u>3,942,860</u>	<u>3,950,780</u>	<u>7,920</u>
<b>Expenditures</b>				
Salaries	1,722,941	1,753,795	1,761,127	(7,332)
Employee benefits	453,989	435,085	435,508	(423)
Purchased services	48,227	24,218	35,393	(11,175)
Supplies and materials	1,171,817	1,579,458	1,626,497	(47,039)
Property	36,753	42,129	63,181	(21,052)
Other	350,000	57,997	142	57,855
Contingency	-	30,000	-	30,000
Total expenditures	<u>3,783,727</u>	<u>3,922,682</u>	<u>3,921,848</u>	<u>834</u>
<b>Net Change in Fund Balance</b>	<u>\$ 100,456</u>	<u>\$ 20,178</u>	<u>\$ 28,932</u>	<u>\$ 8,754</u>
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 3,884,183	\$ 3,942,860	\$ 3,950,780	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 4,391,282</u>	<u>\$ 4,597,469</u>	4,624,324	
Plus State contribution to PERA			<u>43,247</u>	
Total Data Pipeline Revenues			<u>\$ 4,667,571</u>	
Total Budgetary Expenditures	\$ 3,783,727	\$ 3,922,682	\$ 3,921,848	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,303,050</u>	<u>\$ 4,598,642</u>	4,595,628	
Plus State contribution to PERA			<u>43,247</u>	
Total Data Pipeline Expenditures			<u>\$ 4,638,875</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Montbello Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,249,926	\$ 2,207,638	\$ 2,207,638	\$ -
District mill levy	426,714	410,848	410,848	-
Supporting services	21,421	26,149	26,148	(1)
Investment income	8,333	5,928	5,912	(16)
Miscellaneous	24,215	21,114	32,176	11,062
Total local sources	<u>2,730,609</u>	<u>2,671,677</u>	<u>2,682,722</u>	<u>11,045</u>
State sources				
Capital construction	34,555	32,678	38,233	5,555
Grants	23,287	25,812	25,812	-
Total State sources	<u>57,842</u>	<u>58,490</u>	<u>64,045</u>	<u>5,555</u>
Federal sources				
Grants	133,158	162,410	165,673	3,263
Total revenues	<u>2,921,609</u>	<u>2,892,577</u>	<u>2,912,440</u>	<u>19,863</u>
<b>Expenditures</b>				
Salaries	1,525,647	1,305,590	1,315,033	(9,443)
Employee benefits	405,646	350,204	350,930	(726)
Purchased services	45,427	35,712	37,557	(1,845)
Supplies and materials	780,759	1,070,789	1,094,317	(23,528)
Property	29,224	32,072	43,668	(11,596)
Other	75,000	40,785	143	40,642
Contingency	-	30,000	-	30,000
Total expenditures	<u>2,861,703</u>	<u>2,865,152</u>	<u>2,841,648</u>	<u>23,504</u>
<b>Net Change in Fund Balance</b>	<u>\$ 59,906</u>	<u>\$ 27,425</u>	70,792	<u>\$ 43,367</u>
<b>Fund Balance, Beginning</b>			590,548	
<b>Fund Balance, Ending</b>			<u>\$ 661,340</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 2,921,609	\$ 2,892,577	\$ 2,912,440	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 3,428,708</u>	<u>\$ 3,547,186</u>	3,585,984	
Plus State contribution to PERA			<u>41,213</u>	
Total Data Pipeline Revenues			<u>\$ 3,627,197</u>	
Total Budgetary Expenditures	\$ 2,861,703	\$ 2,865,152	\$ 2,841,648	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 3,381,026</u>	<u>\$ 3,541,112</u>	3,515,428	
Plus State contribution to PERA			<u>41,213</u>	
Total Data Pipeline Expenditures			<u>\$ 3,556,641</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Excel Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,567,599	\$ 2,461,057	\$ 2,461,057	\$ -
District mill levy	626,140	605,321	605,321	-
Supporting services	21,685	248,182	240,176	(8,006)
Investment income	8,333	8,555	8,514	(41)
Miscellaneous	25,440	30,488	37,809	7,321
Total local sources	<u>3,249,197</u>	<u>3,353,603</u>	<u>3,352,877</u>	<u>(726)</u>
State sources				
Capital construction	39,171	36,474	42,581	6,107
Grants	37,763	23,561	23,561	-
Total State sources	<u>76,934</u>	<u>60,035</u>	<u>66,142</u>	<u>6,107</u>
Federal sources				
Grants	150,945	172,527	185,698	13,171
Total revenues	<u>3,477,076</u>	<u>3,586,165</u>	<u>3,604,717</u>	<u>18,552</u>
<b>Expenditures</b>				
Salaries	2,137,332	2,121,022	2,143,477	(22,455)
Employee benefits	569,890	567,141	570,384	(3,243)
Purchased services	59,427	90,052	91,603	(1,551)
Supplies and materials	927,887	868,423	875,818	(7,395)
Property	35,094	12,376	8,530	3,846
Other	-	46,249	29	46,220
Contingency	-	30,000	-	30,000
Total expenditures	<u>3,729,630</u>	<u>3,735,263</u>	<u>3,689,841</u>	<u>45,422</u>
<b>Net Change in Fund Balance</b>	<u>\$ (252,554)</u>	<u>\$ (149,098)</u>	(85,124)	<u>\$ 63,974</u>
<b>Fund Balance, Beginning</b>			422,954	
<b>Fund Balance, Ending</b>			<u>\$ 337,830</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 3,477,076	\$ 3,586,165	\$ 3,604,717	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 3,984,175</u>	<u>\$ 4,240,774</u>	4,278,261	
Plus State contribution to PERA			<u>54,348</u>	
Total Data Pipeline Revenues			<u>\$ 4,332,609</u>	
Total Budgetary Expenditures	\$ 3,729,630	\$ 3,735,263	\$ 3,689,841	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,248,953</u>	<u>\$ 4,411,223</u>	4,363,621	
Plus State contribution to PERA			<u>54,348</u>	
Total Data Pipeline Expenditures			<u>\$ 4,417,969</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Lake Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,790,868	\$ 2,712,586	\$ 2,712,586	\$ -
District mill levy	534,985	515,178	515,178	-
Supporting services	21,084	129,195	128,392	(803)
Investment income	8,333	5,968	5,951	(17)
Miscellaneous	26,245	21,282	20,865	(417)
Total local sources	<u>3,381,515</u>	<u>3,384,209</u>	<u>3,382,972</u>	<u>(1,237)</u>
State sources				
Capital construction	42,205	39,982	46,779	6,797
Grants	18,230	24,308	26,784	2,476
Total State sources	<u>60,435</u>	<u>64,290</u>	<u>73,563</u>	<u>9,273</u>
Federal sources				
Grants	176,713	176,089	179,008	2,919
Total revenues	<u>3,618,663</u>	<u>3,624,588</u>	<u>3,635,543</u>	<u>10,955</u>
<b>Expenditures</b>				
Salaries	2,080,449	526,885	2,085,059	(1,558,174)
Employee benefits	555,197	79,716	526,088	(446,372)
Purchased services	58,027	837,295	83,190	754,105
Supplies and materials	886,564	2,109,758	883,606	1,226,152
Property	36,407	51,327	33,633	17,694
Other	-	30,000	82	29,918
Contingency	-	-	-	-
Total expenditures	<u>3,616,644</u>	<u>3,634,981</u>	<u>3,611,658</u>	<u>23,323</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,019</u>	<u>\$ (10,393)</u>	23,885	<u>\$ 34,278</u>
<b>Fund Balance, Beginning</b>			487,032	
<b>Fund Balance, Ending</b>			<u>\$ 510,917</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 3,618,663	\$ 3,624,588	\$ 3,635,543	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 4,125,762</u>	<u>\$ 4,279,197</u>	4,309,087	
Plus State contribution to PERA			<u>53,792</u>	
Total Data Pipeline Revenues			<u>\$ 4,362,879</u>	
Total Budgetary Expenditures	\$ 3,616,644	\$ 3,634,981	\$ 3,611,658	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,135,967</u>	<u>\$ 4,310,941</u>	4,285,438	
Plus State contribution to PERA			<u>53,792</u>	
Total Data Pipeline Expenditures			<u>\$ 4,339,230</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Sunnyside Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,044,713	\$ 2,148,646	\$ 2,148,646	\$ -
District mill levy	389,897	404,825	404,825	-
Supporting services	22,365	21,786	21,786	-
Investment income	8,333	6,256	6,239	(17)
Miscellaneous	23,270	21,892	23,016	1,124
Total local sources	<u>2,488,578</u>	<u>2,603,405</u>	<u>2,604,512</u>	<u>1,107</u>
State sources				
Capital construction	30,994	31,652	37,033	5,381
Grants	15,524	14,830	14,830	-
Total State sources	<u>46,518</u>	<u>46,482</u>	<u>51,863</u>	<u>5,381</u>
Federal sources				
Grants	131,529	152,337	153,916	1,579
Total revenues	<u>2,666,625</u>	<u>2,802,224</u>	<u>2,810,291</u>	<u>8,067</u>
<b>Expenditures</b>				
Salaries	1,502,914	1,345,084	1,353,869	(8,785)
Employee benefits	393,111	331,636	332,475	(839)
Purchased services	42,627	85,899	92,864	(6,965)
Supplies and materials	855,816	932,509	950,973	(18,464)
Property	27,103	33,183	40,701	(7,518)
Other	-	39,549	23	39,526
Contingency	-	30,000	-	30,000
Total expenditures	<u>2,821,571</u>	<u>2,797,860</u>	<u>2,770,905</u>	<u>26,955</u>
<b>Net Change in Fund Balance</b>	<u>\$ (154,946)</u>	<u>\$ 4,364</u>	39,386	<u>\$ 35,022</u>
<b>Fund Balance, Beginning</b>			443,836	
<b>Fund Balance, Ending</b>			<u>\$ 483,222</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 2,666,625	\$ 2,802,224	\$ 2,810,291	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 3,173,724</u>	<u>\$ 3,456,833</u>	3,483,835	
Plus State contribution to PERA			<u>37,919</u>	
Total Data Pipeline Revenues			<u>\$ 3,521,754</u>	
Total Budgetary Expenditures	\$ 2,821,571	\$ 2,797,860	\$ 2,770,905	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 3,340,894</u>	<u>\$ 3,473,820</u>	3,444,685	
Plus State contribution to PERA			<u>37,191</u>	
Total Data Pipeline Expenditures			<u>\$ 3,481,876</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Federal Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,796,207	\$ 2,822,016	\$ 2,822,016	\$ -
District mill levy	533,797	533,084	533,084	-
Supporting services	21,682	87,030	92,030	5,000
Investment income	8,333	6,398	6,381	(17)
Miscellaneous	18,827	20,520	24,069	3,549
Total local sources	<u>3,378,846</u>	<u>3,469,048</u>	<u>3,477,580</u>	<u>8,532</u>
State sources				
Capital construction	42,600	41,520	48,578	7,058
Grants	15,879	29,561	29,561	-
Total State sources	<u>58,479</u>	<u>71,081</u>	<u>78,139</u>	<u>7,058</u>
Federal sources				
Grants	171,309	182,479	185,337	2,858
Total revenues	<u>3,608,634</u>	<u>3,722,608</u>	<u>3,741,056</u>	<u>18,448</u>
<b>Expenditures</b>				
Salaries	2,023,412	2,141,945	2,155,747	(13,802)
Employee benefits	530,200	554,950	559,524	(4,574)
Purchased services	46,827	31,876	38,457	(6,581)
Supplies and materials	815,783	875,907	905,288	(29,381)
Property	35,546	41,369	49,885	(8,516)
Other	100,000	51,704	(95)	51,799
Contingency	-	30,000	-	30,000
Total expenditures	<u>3,551,768</u>	<u>3,727,751</u>	<u>3,708,806</u>	<u>18,945</u>
<b>Net Change in Fund Balance</b>	<u>\$ 56,866</u>	<u>\$ (5,143)</u>	32,250	<u>\$ 37,393</u>
<b>Fund Balance, Beginning</b>			1,502,696	
<b>Fund Balance, Ending</b>			<u>\$ 1,534,946</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 3,608,634	\$ 3,722,608	\$ 3,741,056	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 4,115,733</u>	<u>\$ 4,377,217</u>	4,414,600	
Plus State contribution to PERA			51,792	
Total Data Pipeline Revenues			<u>\$ 4,466,392</u>	
Total Budgetary Expenditures	\$ 3,551,768	\$ 3,727,751	\$ 3,708,806	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,071,091</u>	<u>\$ 4,403,711</u>	4,382,586	
Plus State contribution to PERA			51,792	
Total Data Pipeline Expenditures			<u>\$ 4,434,378</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Ruby Hill Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 4,236,719	\$ 4,265,189	\$ 4,265,189	\$ -
District mill levy	997,932	1,029,415	1,029,415	-
Supporting services	20,343	39,104	44,104	5,000
Investment income	8,333	8,025	7,987	(38)
Miscellaneous	7,522	19,416	19,396	(20)
	<u>5,270,849</u>	<u>5,361,149</u>	<u>5,366,091</u>	<u>4,942</u>
State sources				
Capital construction	65,246	63,184	73,926	10,742
Grants	241,336	242,878	242,878	-
	<u>306,582</u>	<u>306,062</u>	<u>316,804</u>	<u>10,742</u>
Federal sources				
Grants	231,538	255,602	250,108	(5,494)
	<u>5,808,969</u>	<u>5,922,813</u>	<u>5,933,003</u>	<u>10,190</u>
<b>Expenditures</b>				
Salaries	3,238,985	3,304,153	3,270,355	33,798
Employee benefits	852,848	841,306	842,531	(1,225)
Purchased services	83,227	36,523	58,064	(21,541)
Supplies and materials	1,101,882	1,567,356	1,665,490	(98,134)
Property	44,411	38,018	41,016	(2,998)
Other	400,000	82,596	37	82,559
Contingency	-	30,000	-	30,000
	<u>5,721,353</u>	<u>5,899,952</u>	<u>5,877,493</u>	<u>22,459</u>
<b>Net Change in Fund Balance</b>	<u>\$ 87,616</u>	<u>\$ 22,861</u>	55,510	<u>\$ 32,649</u>
<b>Fund Balance, Beginning</b>			<u>425,802</u>	
<b>Fund Balance, Ending</b>			<u>\$ 481,312</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 5,808,969	\$ 5,922,813	\$ 5,933,003	
Allocation of Central Administration required by CDE for Data Pipeline	507,099	654,609	673,544	
Total Data Pipeline Budgetary Revenues Plus State contribution to PERA	<u>\$ 6,316,068</u>	<u>\$ 6,577,422</u>	6,606,547	76,278
Total Data Pipeline Revenues			<u>\$ 6,682,825</u>	
Total Budgetary Expenditures	\$ 5,721,353	\$ 5,899,952	\$ 5,877,493	
Allocation of Central Administration required by CDE for Data Pipeline	519,323	675,960	673,780	
Total Data Pipeline Budgetary Expenditures Plus State contribution to PERA	<u>\$ 6,240,676</u>	<u>\$ 6,575,912</u>	6,551,273	76,278
Total Data Pipeline Expenditures			<u>\$ 6,627,551</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**SMART Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 4,202,805	\$ 4,193,031	\$ 4,193,031	\$ -
District mill levy	1,027,170	1,035,101	1,035,101	-
Supporting services	25,242	21,647	22,476	829
Investment income	8,333	8,584	8,567	(17)
Miscellaneous	24,497	69,914	73,609	3,695
Total local sources	<u>5,288,047</u>	<u>5,328,277</u>	<u>5,332,784</u>	<u>4,507</u>
State sources				
Capital construction	63,967	62,152	72,717	10,565
Grants	30,001	22,445	22,445	-
Total State sources	<u>93,968</u>	<u>84,597</u>	<u>95,162</u>	<u>10,565</u>
Federal sources				
Grants	246,588	325,370	326,454	1,084
Total revenues	<u>5,628,603</u>	<u>5,738,244</u>	<u>5,754,400</u>	<u>16,156</u>
<b>Expenditures</b>				
Salaries	3,102,798	3,047,602	3,073,763	(26,161)
Employee benefits	803,546	752,250	754,500	(2,250)
Purchased services	71,327	80,700	81,013	(313)
Supplies and materials	1,417,605	1,705,573	1,758,716	(53,143)
Property	51,470	16,756	19,565	(2,809)
Other	100,000	78,372	2,807	75,565
Contingency	-	30,000	-	30,000
Total expenditures	<u>5,546,746</u>	<u>5,711,253</u>	<u>5,690,364</u>	<u>20,889</u>
<b>Net Change in Fund Balance</b>	<u>\$ 81,857</u>	<u>\$ 26,991</u>	64,036	<u>\$ 37,045</u>
<b>Fund Balance, Beginning</b>			1,035,304	
<b>Fund Balance, Ending</b>			<u>\$ 1,099,340</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 5,628,603	\$ 5,738,244	\$ 5,754,400	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 6,135,702</u>	<u>\$ 6,392,853</u>	6,427,944	
Plus State contribution to PERA			71,042	
Total Data Pipeline Revenues			<u>\$ 6,498,986</u>	
Total Budgetary Expenditures	\$ 5,546,746	\$ 5,711,253	\$ 5,690,364	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 6,066,069</u>	<u>\$ 6,387,213</u>	6,364,144	
Plus State contribution to PERA			71,042	
Total Data Pipeline Expenditures			<u>\$ 6,435,186</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Westwood Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 3,005,428	\$ 2,967,575	\$ 2,967,575	\$ -
District mill levy	571,868	553,625	553,625	-
Supporting services	23,149	25,000	25,000	-
Investment income	8,333	7,897	7,860	(37)
Miscellaneous	19,597	36,743	36,743	-
Total local sources	<u>3,628,375</u>	<u>3,590,840</u>	<u>3,590,803</u>	<u>(37)</u>
State sources				
Capital construction	45,502	43,968	51,126	7,158
Grants	16,438	22,692	22,692	-
Total State sources	<u>61,940</u>	<u>66,660</u>	<u>73,818</u>	<u>7,158</u>
Federal sources				
Grants	188,402	188,752	190,231	1,479
Total revenues	<u>3,878,717</u>	<u>3,846,252</u>	<u>3,854,852</u>	<u>8,600</u>
<b>Expenditures</b>				
Salaries	1,828,224	1,748,839	1,767,336	(18,497)
Employee benefits	481,888	415,601	418,121	(2,520)
Purchased services	51,027	82,113	82,205	(92)
Supplies and materials	1,048,670	1,444,955	1,489,517	(44,562)
Property	36,257	52,641	60,439	(7,798)
Other	325,000	54,373	25	54,348
Contingency	-	30,000	-	30,000
Total expenditures	<u>3,771,066</u>	<u>3,828,522</u>	<u>3,817,643</u>	<u>10,879</u>
<b>Net Change in Fund Balance</b>	<u>\$ 107,651</u>	<u>\$ 17,730</u>	37,209	<u>\$ 19,479</u>
<b>Fund Balance, Beginning</b>			1,129,812	
<b>Fund Balance, Ending</b>			<u>\$ 1,167,021</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 3,878,717	\$ 3,846,252	\$ 3,854,852	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 4,385,816</u>	<u>\$ 4,500,861</u>	4,528,396	
Plus State contribution to PERA			<u>43,069</u>	
Total Data Pipeline Revenues			<u>\$ 4,571,465</u>	
Total Budgetary Expenditures	\$ 3,771,066	\$ 3,828,522	\$ 3,817,643	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,290,389</u>	<u>\$ 4,504,482</u>	4,491,423	
Plus State contribution to PERA			<u>43,069</u>	
Total Data Pipeline Expenditures			<u>\$ 4,534,492</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**Kepner Campus**  
**Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 2,068,062	\$ 2,091,998	\$ 2,091,998	\$ -
District mill levy	401,731	397,343	397,343	-
Supporting services	8,333	85,102	85,101	(1)
Investment income	8,333	1,243	1,239	(4)
Miscellaneous	21,072	21,731	27,188	5,457
Total local sources	<u>2,507,531</u>	<u>2,597,417</u>	<u>2,602,869</u>	<u>5,452</u>
State sources				
Capital construction	31,654	30,627	35,834	5,207
Grants	11,499	14,676	14,676	-
Total State sources	<u>43,153</u>	<u>45,303</u>	<u>50,510</u>	<u>5,207</u>
Federal sources				
Grants	128,286	188,336	209,202	20,866
Total revenues	<u>2,678,970</u>	<u>2,831,056</u>	<u>2,862,581</u>	<u>31,525</u>
<b>Expenditures</b>				
Salaries	1,550,784	1,612,106	1,613,860	(1,754)
Employee benefits	418,728	390,242	391,896	(1,654)
Purchased services	48,227	112,700	112,876	(176)
Supplies and materials	677,660	655,522	652,388	3,134
Property	24,580	43,529	57,807	(14,278)
Other	-	38,428	17	38,411
Contingency	-	30,000	-	30,000
Total expenditures	<u>2,719,979</u>	<u>2,882,527</u>	<u>2,828,844</u>	<u>53,683</u>
<b>Net Change in Fund Balance</b>	<u>\$ (41,009)</u>	<u>\$ (51,471)</u>	33,737	<u>\$ 85,208</u>
<b>Fund Balance, Beginning</b>			77,249	
<b>Fund Balance, Ending</b>			<u>\$ 110,986</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 2,678,970	\$ 2,831,056	\$ 2,862,581	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 3,186,069</u>	<u>\$ 3,485,665</u>	3,536,125	
Plus State contribution to PERA			<u>35,856</u>	
Total Data Pipeline Revenues			<u>\$ 3,571,981</u>	
Total Budgetary Expenditures	\$ 2,719,979	\$ 2,882,527	\$ 2,828,844	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 3,239,302</u>	<u>\$ 3,558,487</u>	3,502,624	
Plus State contribution to PERA			<u>35,856</u>	
Total Data Pipeline Expenditures			<u>\$ 3,538,480</u>	

**STRIVE Preparatory Schools**  
**(A Component Unit of Denver Public Schools)**  
**Budgetary Comparison Schedule**  
**RISE Campus**  
**Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Local sources				
Per pupil revenue	\$ 3,375,847	\$ 3,335,917	\$ 3,335,917	\$ -
District mill levy	799,325	779,712	779,712	-
Supporting services	8,333	23,166	24,586	1,420
Investment income	8,333	1,016	1,006	(10)
Miscellaneous	26,602	161,669	169,753	8,084
	<u>4,218,440</u>	<u>4,301,480</u>	<u>4,310,974</u>	<u>9,494</u>
State sources				
Capital construction	52,492	50,106	58,624	8,518
Grants	13,994	20,744	29,051	8,307
	<u>66,486</u>	<u>70,850</u>	<u>87,675</u>	<u>16,825</u>
Federal sources				
Grants	170,272	198,658	194,722	(3,936)
	<u>4,455,198</u>	<u>4,570,988</u>	<u>4,593,371</u>	<u>22,383</u>
<b>Expenditures</b>				
Salaries	2,332,824	2,403,817	2,427,856	(24,039)
Employee benefits	612,041	601,024	605,342	(4,318)
Purchased services	58,377	46,032	48,987	(2,955)
Supplies and materials	1,204,251	1,313,890	1,367,203	(53,313)
Property	36,100	91,502	96,780	(5,278)
Other	125,000	64,342	167	64,175
Contingency	-	30,000	-	30,000
	<u>4,368,593</u>	<u>4,550,607</u>	<u>4,546,335</u>	<u>4,272</u>
<b>Net Change in Fund Balance</b>	<u>\$ 86,605</u>	<u>\$ 20,381</u>	47,036	<u>\$ 26,655</u>
<b>Fund Balance, Beginning</b>			294,771	
<b>Fund Balance, Ending</b>			<u>\$ 341,807</u>	
<b>Reconciliation to Data Pipeline for CDE Purposes Only</b>				
Total Budgetary Revenues	\$ 4,455,198	\$ 4,570,988	\$ 4,593,371	
Allocation of Central Administration required by CDE for Data Pipeline	<u>507,099</u>	<u>654,609</u>	<u>673,544</u>	
Total Data Pipeline Budgetary Revenues	<u>\$ 4,962,297</u>	<u>\$ 5,225,597</u>	5,266,915	
Plus State contribution to PERA			<u>49,727</u>	
Total Data Pipeline Revenues			<u>\$ 5,316,642</u>	
Total Budgetary Expenditures	\$ 4,368,593	\$ 4,550,607	\$ 4,546,335	
Allocation of Central Administration required by CDE for Data Pipeline	<u>519,323</u>	<u>675,960</u>	<u>673,780</u>	
Total Data Pipeline Budgetary Expenditures	<u>\$ 4,887,916</u>	<u>\$ 5,226,567</u>	5,220,115	
Plus State contribution to PERA			<u>49,727</u>	
Total Data Pipeline Expenditures			<u>\$ 5,269,842</u>	

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Board of Trustees  
STRIVE Preparatory Schools  
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of STRIVE Preparatory Schools (STRIVE Prep), a component unit of Denver Public Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2019.

***Internal Control Over Financial Reporting***

Management of STRIVE Prep is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered STRIVE Prep's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of STRIVE Prep's internal control. Accordingly, we do not express an opinion on the effectiveness of STRIVE Prep's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of STRIVE Prep's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees  
STRIVE Preparatory Schools

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether STRIVE Prep’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the Colorado Department of Education’s *Financial Policies and Procedures Handbook*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STRIVE Prep’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Denver, Colorado  
October 18, 2019