UNIVERSITY PREPARATORY SCHOOLS

BASIC FINANCIAL STATEMENTS

June 30, 2022

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FINANCIAL SECTION

JOHN CUTLER
& ASSOCIATES

Board of Directors
University Preparatory Schools
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of University Preparatory Schools (the "School") as of and for the year ended June 30, 2022, a component unit of Denver Public School District, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of University Preparatory Schools as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of University Preparatory Schools and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 37-41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information 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 supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

October 28, 2022

University Preparatory Schools
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2022

As management of University Preparatory Schools (UPREP or the Network), we offer readers of University Preparatory Schools' basic financial statements this narrative overview and analysis of the financial activities of the Network for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The Network operates two campuses, University Prep – Arapahoe Street and University Prep – Steele Street. The year ended June 30, 2022 is the tenth year of operations for the Arapahoe Street campus and the fifth year of operations for the Steele Street campus. As of June 30, 2022, net position increased by $1,532,185 to $2,536,921. University Preparatory Schools' governmental fund reported an ending fund balance of $4,800,265, an increase of $562,701 from the prior year.

The operations of the Network are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue (PPR). Tax revenue for the year from PPR was $5,981,148.

Overview of Financial Statements

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

Government-Wide Financial Statements

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

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

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

The government-wide statement of activities distinguishes functions/programs of the Network supported primarily by Per Pupil Revenue or other revenues passed through from the Network's authorizer (Denver Public Schools). The governmental activities of UPREP include instruction and supporting services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Network keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Network's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Network maintains one governmental fund, which consists of activity from each campus and a home office, and adopts an annually appropriated budgets for the fund.

Notes to the 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 the Network's financial position. For the fiscal year ended June 30, 2022, UPREP's net position was $2,536,921. This position includes a net pension liability in the amount of $27,089, representing the Network's proportionate share of the Denver Public Schools Division pension liability, administered by the Public Employees' Retirement Association of Colorado (PERA). The Network reports this net pension liability, and associated deferred inflows and outflows of resources, as required by GASB (Governmental Accounting Standards Board) 68. The Network's net position also includes a net OPEB (Other Post-Employment Benefits) liability in the amount of $61,202, representing the Network's proportionate share of the defined benefit Health Care Trust Fund, administered by PERA. The Network reports this net OPEB liability, and associated deferred inflows and outflows of resources, as requirement by GASB 75. More information regarding the net pension and OPEB liabilities may be found in the notes to the financial statements.

Of the Network's total net position, $46,486 is invested in capital assets and $270,200 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

University Preparatory Schools' Net Position

	2021-2022	2020-2021
ASSETS		
Cash	$ 4,502,004	$ 4,058,018
Restricted Cash	-	-
Accounts Receivable	42,985	81,001
Grants Receivable	660,332	313,691
Inventory	39,390	39,390
Prepaid Expenses	4,320	31,493
Capital Assets, Net of Accumulated Depreciation	46,486	50,838
TOTAL ASSETS	5,295,517	4,574,431
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	1,355,787	1,931,864
OPEB, Net of Accumulated Amortization	27,145	23,517
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,382,932	1,955,381
LIABILITIES		
Accounts Payable	341,153	104,689
Accrued Liabilities	49,280	5,884
Unearned Revenues	58,333	175,456
Noncurrent Liabilities		
Net Pension Liability	27,089	2,519,504
Net OPEB Liability	61,202	128,201
TOTAL LIABILITIES	537,057	2,933,734
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	3,457,904	2,506,680
OPEB, Net of Accumulated Amortization	146,567	84,662
TOTAL DEFERRED INFLOWS OF RESOURCES	3,604,471	2,591,342
NET POSITION		
Investment in Capital Assets	46,486	50,838
Restricted for Emergencies	270,200	270,200
Unrestricted	2,220,235	683,698
TOTAL NET POSITION	$ 2,536,921	$ 1,004,736

University Preparatory Schools' Change in Net Position

	2021-2022	2020-2021
REVENUES		
Per Pupil Revenue	$ 5,981,148	$ 6,235,679
Mill Levy Funding	1,658,025	1,823,559
Charges for Services	909,133	945,100
Operating Grants and Contributions	3,270,245	1,927,730
Capital Grants and Contributions	-	-
Unrestricted State Funding	(234,756)	-
Interest	3,400	1,456
Other	84,942	13,518
SPECIAL ITEM: Forgiveness of Short-Term Debt	-	1,012,149
TOTAL REVENUE	11,672,137	11,959,191
EXPENSES		
Instructional	4,980,591	5,005,525
Support Services	5,159,361	5,738,252
TOTAL EXPENSES	10,139,952	10,743,777
CHANGE IN NET POSITION	1,532,185	1,215,414
NET POSITION, Beginning	1,004,736	(210,678)
NET POSITION, Ending	$ 2,536,921	$ 1,004,736

Financial Analysis of the Government's Fund

As noted earlier, the Network uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of the end of the current fiscal year, the Network's General Fund reported an ending fund balance of $4,800,265, an increase of $562,701 from the prior year. Schedule providing the governmental fund activity of the home office and each campus separately are provided on pages 42 and 43 of the audit.

General Fund Budgetary Highlights

UPREP recognized $340,311 more revenue than expected and spent $1,500,137 more than planned, when compared to the final budget. Schedules providing the budget versus actual activity of the home office and each campus separately are provided on pages 44 through 46 of the audit. There were budget amendments during the year, which reflected changes in revenues and expenditures. Overall, revenue and expenses were fine-tuned to account for changes to student enrollment and funding assumptions.

Capital Assets & Long-Term Debt

The Network has invested in capital assets for facility improvements. Depreciation expenses for capital assets are booked under the Supporting Services program of the Network's operations. More information regarding capital assets may be found in Note 4 to the financial statements.

The Network has no long-term obligations.

Economic Factors and Next Year's Budget

The primary factor driving the budget for University Preparatory Schools is student enrollment. Enrollment for the 2021-2022 school year was 614.00 funded students. Enrollment projected for 2022-2023 is 600.00 funded students. This factor was considered when preparing UPREP's budget for 2022-2023.

Requests for Information

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

University Prep – Arapahoe Street
2409 Arapahoe Street
Denver, CO 80205

University Prep – Steele Street
3230 East 38th Avenue
Denver, CO 80205

BASIC FINANCIAL STATEMENTS

UNIVERSITY PREPARATORY SCHOOLS

STATEMENT OF NET POSITION
As of June 30, 2022

	Governmental Activities	
	2022	2021
ASSETS		
Cash	$ 4,502,004	$ 4,058,018
Accounts Receivable	42,985	81,001
Grants Receivable	660,332	313,691
Inventory	39,390	39,390
Prepaid Expenses	4,320	31,493
Capital Assets, Depreciated, Net of Accumulated Depreciation	46,486	50,838
TOTAL ASSETS	5,295,517	4,574,431
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	1,355,787	1,931,864
Related to OPEB	27,145	23,517
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,382,932	1,955,381
LIABILITIES		
Accounts Payable	341,153	104,689
Accrued Expenses	49,280	5,884
Unearned Revenues	58,333	175,456
Noncurrent Liabilities		
Net Pension Liability	27,089	2,519,504
Net OPEB Liability	61,202	128,201
TOTAL LIABILITIES	537,057	2,933,734
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	3,457,904	2,506,680
Related to OPEB	146,567	84,662
TOTAL DEFERRED INFLOWS OF RESOURCES	3,604,471	2,591,342
NET POSITION		
Net Investment in Capital Assets	46,486	50,838
Restricted for Emergencies	270,200	270,200
Unrestricted, Unreserved	2,220,235	683,698
TOTAL NET POSITION	$ 2,536,921	$ 1,004,736

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

UNIVERSITY PREPARATORY SCHOOLS

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

		PROGRAM REVENUES			Net (Expense) Revenue and Change in Net Position	
			Operating	Capital	Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	2022	2021
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	$ 4,980,592	$ -	$ 3,270,244	$ -	$ (1,710,348)	$ (3,077,795)
Supporting Services	5,159,360	909,133	-	-	(4,250,227)	(4,793,152)
Total Governmental Activities	$ 10,139,952	$ 909,133	$ 3,270,244	$ -	(5,960,575)	(7,870,947)
GENERAL REVENUES						
Per Pupil Revenue					5,981,148	6,235,679
Mill Levy Override					1,658,025	1,823,559
Interest					3,400	1,456
Unrestricted State Funding					(234,756)	-
Miscellaneous					84,943	13,518
SPECIAL ITEM						
Forgiveness of Short Term Debt					-	1,012,149
TOTAL GENERAL REVENUES					7,492,760	9,086,361
CHANGE IN NET POSITION					1,532,185	1,215,414
NET POSITION, Beginning, as restated					1,004,736	(210,678)
NET POSTION, Ending					$ 2,536,921	$ 1,004,736

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

UNIVERSITY PREPARATORY SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	
	2022	2021
ASSETS		
Cash	$ 4,502,004	$ 4,058,018
Accounts Receivable	42,985	81,001
Grants Receivable	660,332	313,691
Inventory	39,390	39,390
Prepaid Expenditures	4,320	31,493
TOTAL ASSETS	$ 5,249,031	$ 4,523,593
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 341,153	$ 104,689
Accrued Expenses	49,280	5,884
Unearned Revenues	58,333	175,456
TOTAL LIABILITIES	448,766	286,029
FUND BALANCES		
Nonspendable	4,320	31,493
Restricted for Emergencies	270,200	270,200
Restricted for Capital Projects	-	195,921
Unassigned	4,525,745	3,739,950
TOTAL FUND BALANCES	4,800,265	4,237,564
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	46,486	50,838
Long-term liabilities and related assets are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability ($27,089), net OPEB liability ($61,202), deferred outflows related to pensions and OPEB $1,382,932, and deferred inflows related to pensions and OPEB ($3,604,471).	(2,309,830)	(3,283,666)
Net position of governmental activities	$ 2,536,921	$ 1,004,736

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

UNIVERSITY PREPARATORY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	GENERAL FUND	
	2022	2021
REVENUES		
Local Sources	$ 9,336,550	$ 9,448,482
State and Federal Sources	2,570,343	1,498,560
TOTAL REVENUES	11,906,893	10,947,042
EXPENDITURES		
Current		
Instruction	5,560,717	4,991,715
Supporting Services	5,783,475	5,728,407
TOTAL EXPENDITURES	11,344,192	10,720,122
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	562,701	226,920
NET CHANGE IN FUND BALANCES	562,701	226,920
FUND BALANCES, Beginning	4,237,564	4,010,644
FUND BALANCES, Ending	$ 4,800,265	$ 4,237,564

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

UNIVERSITY PREPARATORY SCHOOLS

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

Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	$ 562,701
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This depreciation for the year.	(4,352)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	973,836
Change in net position of governmental activities	$ 1,532,185

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

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

The University Preparatory Schools (the "Network") was organized pursuant to the Colorado Charter Networks Act to form and operate a charter school within the Denver Public School District (the "District") in the State of Colorado. The Network consists of two schools. The Arapahoe Street School began classes in the 2011-2012 school year. The Steele Street School began classes in the 2016-2017 school year.

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

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

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

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

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The Network reports the following major governmental fund:

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

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

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are reported at fair value.

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

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

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

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

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

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures. The Network has no long-term debt as of June 30, 2022.

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

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

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

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

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

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

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

Fund Balance Classification

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Network classifies prepaid expenses as nonspendable resources as of June 30, 2022.

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Network did not have any committed resources as of June 30, 2022.

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

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

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

Compensated Absences

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

Risk Management

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

Comparative Data

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

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

Budgets and Budgetary Accounting

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

Network management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year-end.

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

Deposits

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Petty Cash	$ 3298
Deposits	2,659,840
Investments	1,841,836
Total Cash and Investments	**$ 4,502,004**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the Network are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group.

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

At June 30, 2022, the Network had deposits with financial institutions with a carrying amount of $2,659,840. The bank balances with the financial institutions were $3,199,313. Of this amount, $250,000 was covered by federal depository insurance and $2,414,284 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk Policies

The Network does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, or a formal policy to limit credit risk. However, they follow state statutes regarding investments.

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

Investments (Continued)

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The Network had invested $1,841,836 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

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

NOTE 4: ***CAPITAL ASSETS***

Capital Assets activity for the year ended June 30, 2022 is summarized below.

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities				
Capital Assets, Depreciated				
Improvements	$ 61,854	$ -	$ -	$ 61,854
Accumulated Depreciation				
Improvements	(11,016)	(4,352)		(15,368)
Net Capital Assets	**$ 50,838**	**$ (4,352)**	**$ -**	**$ 46,486**

Depreciation expense is charged to the supporting services program of the Network.

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

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

General Information about the Pension Plan (Continued)

Benefits provided as of December 31, 2021. 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 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S.

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

General Information about the Pension Plan (Continued)

Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients of the DPS benefit structure, and eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in 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.

Contributions provisions as of June 30, 2022: Eligible employees of, the School 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 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

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

General Information about the Pension Plan (Continued)

	July 1, 2021 Through December 31, 2021	January 1, 2022 Through June 30, 2022
Employer contribution rate	10.90%	10.90%
Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP offset as specified in C.R.S. § 24-51-412[1]	(12.09%)	(11.47%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the DPS Division	**7.79%**	**8.41%**

**Contribution rates for the DPS Division are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the School were $397,220 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution 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. In addition to the $225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of $380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

Pension Liabilities, Pension Expense, and 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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The School proportion of the net pension liability was based on the School contributions to DPS Division for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the School reported a liability of $27,089 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 the School 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 the School were as follows:

The School’s proportionate share of the net pension liability	$27,089
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	7,953
Total	$35,042

At December 31, 2021, the the School proportion was 0.4536734%, which was a decrease of 0.10632% from its proportion measured as of December 31, 2020.

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

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

For the year ended June 30, 2022, the School recognized pension expense of $799,636 and expense of $234.756 for support from the State as a nonemployer contributing entity. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$231,301	N/A
Changes of assumptions or other inputs	$282,430	N/A
Net difference between projected and actual earnings on pension plan investments	N/A	$2,646,839
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$647,673	$811,065
Contributions subsequent to the measurement date	$193,837	N/A
Total	$1,355,787	$3,457,904

$193,837 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	($372,062)
2024	($800,041)
2025	($805,148)
2026	($319,250)

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

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

Actuarial assumptions. The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.80%-11.50%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.

- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.

- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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.

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

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

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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

Note: 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 nominal rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the TPL 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 3.00%.

NOTE 8: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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 reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions for 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 and refinanced thereafter.

- As specified in law, the State, as a nonemployer contributing entity, 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 to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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

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

- The AIR balance was excluded from the initial FNP, 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 FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS Division's FNP 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 TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the the School 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	$2,611,802	$27,089	($2,107,045)

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

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN***

Summary of Significant Accounting Policies

OPEB. The School participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit OPEB fund 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 (FNP) and additions to/deductions from the FNP 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 the School 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, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at 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 DPS HCTF and the Health Care Trust Fund (HCTF). The basis for the amount of the premium subsidy funded 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.

NOTE 6: ***<u>DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN</u>*** (Continued)

General Information about the OPEB Plan (Continued)

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 health benefits program 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 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 DPS HCTF or the HCTF on behalf of benefit recipients not covered by Medicare Part A.

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.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

General Information about the OPEB Plan (Continued)

The maximum service-based 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 DPS HCTF or the 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 School is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the School were $49,462 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported a liability of $61,202 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The School proportion of the net OPEB liability was based on the School contributions to the DPS HCTF for the calendar year 2021 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2021, the School proportion was 0,58182%, which was an increase of 0.02181% from its proportion measured as of December 31, 2020.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

For the year ended June 30, 2022, the School recognized OPEB income of $8,838. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	N/A	$55,535
Changes of assumptions or other inputs	$6	$7,436
Net difference between projected and actual earnings on OPEB plan investments	N/A	$33,141
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$4,307	$50,455
Contributions subsequent to the measurement date	22,832	N/A
Total	$27,145	$146,567

$22,832 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	($32,000)
2024	($35,037)
2025	($31,494)
2026	($24,064)
2027	($17,293)
Thereafter	($2,366)

NOTE 6: ***<u>DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN</u>*** (Continued)

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

Actuarial assumptions. The TOL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80%-11.50%
Long-term investment rate of return, net of OPEB	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing
DPS benefit structure:	
Service-based premium subsidy	0.00%
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.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

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 in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	**Monthly Cost**	**Monthly Premium**	**Monthly Cost Adjusted to Age 65**
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

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 industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for the DPS Division as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the DPS HCTF, but developed using a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

NOTE 6: *DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN* (Continued)

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97% of the rates for all ages, with generational projection using scale MP-2019.

- **Females:** 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 plan year.

- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

Note: 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 nominal rate of return assumption of 7.25%.

NOTE 6: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN*** (Continued)

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

Sensitivity of the School 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$61,196	$61,202	$61,272

Discount rate. The discount rate used to measure the TOL 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, 2021, 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 3.00%.
- 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.

NOTE 6: *DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB)PLAN* (Continued)

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

- 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.

- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS HCTF's FNP 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the the School 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$97,991	$61,202	$29,830

OPEB plan fiduciary net position. Detailed information about the DPS HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 7: ***COMMITMENTS AND CONTINGENCIES***

Facilities Use Agreement

The Network entered into a Facilities Use Agreement with the District for their buildings. The Network and the District amended the Facilities Use Agreement beginning July 7, 2013. The amended agreement calculates the annual Facilities Use Fee based on number of enrolled students. The new agreement's expiration date is concurrent with the Academy's charter agreement. Total rent expense for the year ended June 30, 2022 for this lease was $507,131.

Claims and Judgments

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited, but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

Tabor Amendment

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

As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2022, the reserve of $258,900 was recorded as a reservation of fund balance in the General Fund. The Academy has designated their deposits and prepaids as assets to cover this reserve.

NOTE 8: ***SUBSEQUENT EVENTS***

Potential subsequent events were considered through October 28, 2022. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2022

	2022			
	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Local Sources				
Per Pupil Revenue	$ 6,353,324	$ 5,981,148	$ (372,176)	$ 6,235,679
Mill Levy Override	1,437,075	1,658,025	220,950	1,823,559
Management Fees	945,100	909,133	(35,967)	945,100
Grants and Donations	476,653	699,901	223,248	429,170
Interest	-	3,400		1,456
Other	26,153	84,942	58,789	13,518
State Sources				
Grants and Donations	243,857	392,627	148,770	-
Federal Sources				
Grants and Donations	2,081,020	2,177,717	96,697	1,498,560
TOTAL REVENUES	11,563,182	11,906,893	340,311	10,947,042
EXPENDITURES				
Instruction				
Salaries	2,754,232	3,102,430	(348,198)	2,895,922
Employee Benefits	784,141	913,949	(129,808)	816,784
Purchased Services	321,239	925,959	(604,720)	671,624
Supplies and Materials	190,882	518,810	(327,928)	385,890
Property	1,939	99,568	(97,629)	221,495
Total Instruction	4,052,433	5,560,716	(1,508,283)	4,991,715
Supporting Services				
Salaries	1,777,509	1,797,429	(19,920)	1,866,282
Employee Benefits	491,052	504,237	(13,185)	463,806
Purchased Services	3,028,933	2,990,660	38,273	2,856,672
Supplies and Materials	348,480	463,017	(114,537)	400,514
Property	61,924	-	61,924	135,257
Other	83,724	28,133	55,591	5,876
Total Supporting Services	5,791,622	5,783,476	8,146	5,728,407
TOTAL EXPENDITURES	9,844,055	11,344,192	(1,500,137)	10,720,122
CHANGE IN FUND BALANCES	1,719,127	562,701	(1,156,426)	226,920
FUND BALANCE, Beginning	4,234,259	4,237,564	3,305	4,010,644
FUND BALANCE, Ending	$ 5,953,386	$ 4,800,265	$ (1,153,121)	$ 4,237,564

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Schools' proportionate share of the Net Pension Liability	0.1875%	0.2329%	0.3250%	0.5885%	0.5734%	0.3690%	0.3896%	0.5600%	0.4537%
Schools' proportionate share of the Net Pension Liability	$ 974,994	$ 1,454,407	$ 2,705,031	$ 6,447,369	$ 5,140,122	$ 3,774,472	$ 2,567,096	$ 2,519,502	$ 27,089
Schools' covered-employee payroll	$ 1,022,370	$ 1,243,182	$ 2,450,254	$ 2,940,143	$ 3,886,252	$ 4,085,294	$ 4,177,103	$ 4,793,006	$ 4,915,359
Schools' proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	95.4%	117.0%	110.4%	219.3%	132.3%	92.4%	61.5%	52.6%	0.6%
Plan fiduciary net position as a percentage of the total pension liability	86.3%	83.9%	79.3%	74.1%	79.5%	75.7%	84.7%	90.1%	99.9%

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

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

Years Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contributions	$ 56,153	$ 71,507	$ 72,890	$ 153,284	$ 184,200	$ 183,626	$ 268,613	$ 350,356	$ 397,220
Contributions in relation to the Statutorily required contributions	56,153	71,507	72,890	153,284	184,200	183,626	268,613	350,356	397,220
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Schools' covered payroll	$ 1,146,934	$ 1,481,803	$ 2,450,254	$ 3,521,844	$ 4,098,045	$ 3,886,252	$ 4,177,104	$ 4,701,052	$ 4,849,126
Contributions as a percentage of covered-employee payroll	4.90%	4.83%	2.97%	4.35%	4.49%	4.73%	6.43%	7.45%	8.19%

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

SCHEDULE OF THE SCHOOLS' PROPORTIONATE SHARE
DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND

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

	2016	2017	2018	2019	2020	2021
Schools' proportionate share of the Net OPEB Liability	0.5886%	0.5718%	0.5602%	0.5623%	0.5600%	0.5818%
Schools' proportionate share of the Net OPEB Liability	$ 320,819	$ 291,393	$ 253,022	$ 207,131	$ 128,198	$ 61,202
Schools' covered-employee payroll	$ 2,940,143	$ 3,886,252	$ 4,085,294	$ 4,085,294	$ 4,177,103	$ 4,793,006
Schools' proportionate share of the Net OPEB Liability as a percentage of its covered-employee payroll	10.9%	7.5%	6.2%	5.1%	3.1%	1.3%
Plan fiduciary net position as a percentage of the total OPEB liability	25.2%	30.5%	34.7%	47.0%	65.4%	83.9%

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

SCHEDULE OF THE SCHOOLS' CONTRIBUTIONS
DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND

Years Ended June 30,

	2017	2018	2019	2020	2021	2022
Statutorily required contributions	$ 35,923	$ 41,800	$ 41,670	$ 42,607	$ 47,951	$ 49,462
Contributions in relation to the Statutorily required contributions	35,923	41,800	41,670	42,607	47,951	49,462
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Schools' covered payroll	$ 3,521,844	$ 4,098,045	$ 4,085,294	$ 4,177,104	$ 4,701,052	$ 4,849,126
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS

COMBINING BALANCE SHEET
June 30, 2022

	HOME OFFICE	ARAPAHOE ST. SCHOOL	STEELE ST. SCHOOL	TOTAL 2022	TOTAL 2021
ASSETS					
Cash	$ 55,865	$ 1,778,502	$ 2,667,637	$ 4,502,004	$ 4,058,018
Accounts Receivable	40,095	-	2,890	42,985	81,001
Grants Receivable	-	342,982	317,350	660,332	313,691
Inventory	-	17,180	22,210	39,390	39,390
Prepaid Expenditures	-	4,320	-	4,320	31,493
TOTAL ASSETS	$ 95,960	$ 2,142,984	$ 3,010,087	$ 5,249,031	$ 4,523,593
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 63,512	$ 141,232	$ 136,409	$ 341,153	$ 104,689
Accrued Expenses	8,348	23,409	17,523	49,280	5,884
Unearned Revenues	58,333	-	-	58,333	175,456
TOTAL LIABILITIES	130,193	164,641	153,932	448,766	286,029
FUND BALANCES					
Nonspendable	-	4,320	-	4,320	31,493
Restricted for Emergencies	28,000	120,000	122,200	270,200	270,200
Restricted for Capital Projects	-	-	-	-	195,921
Unassigned	(62,233)	1,854,023	2,733,955	4,525,745	3,739,950
TOTAL FUND BALANCES	(34,233)	1,978,343	2,856,155	4,800,265	4,237,564
TOTAL LIABILITIES AND FUND BALANCES	$ 95,960	$ 2,142,984	$ 3,010,087	$ 5,249,031	$ 4,523,593

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2022

	HOME OFFICE	ARAPAHOE ST. SCHOOL	STEELE ST. SCHOOL	TOTAL 2022	TOTAL 2021
REVENUES					
Local Sources	$ 1,260,661	$ 4,043,888	$ 4,032,001	$ 9,336,550	$ 9,448,482
State Sources	-	168,190	224,437	392,627	-
Federal Sources	-	1,089,620	1,088,096	2,177,716	1,498,560
TOTAL REVENUES	1,260,661	5,301,698	5,344,534	11,906,893	10,947,042
EXPENDITURES					
Current					
Instruction	-	2,691,185	2,869,532	5,560,717	4,991,715
Supporting Services	1,371,582	2,488,957	1,922,936	5,783,475	5,728,407
TOTAL EXPENDITURES	1,371,582	5,180,142	4,792,468	11,344,192	10,720,122
NET CHANGE IN FUND BALANCES	(110,921)	121,556	552,066	562,701	226,920
FUND BALANCES, Beginning	76,688	1,856,787	2,304,089	4,237,564	4,010,644
FUND BALANCES, Ending	$ (34,233)	$ 1,978,343	$ 2,856,155	$ 4,800,265	$ 4,237,564

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

HOME OFFICE
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2022			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Local Sources				
Management Fees	$ 945,100	$ 909,133	$ (35,967)	$ 945,100
Grants and Donations	346,900	309,069	(37,831)	169,864
Interest	-	11	11	22
Other	-	42,448	42,448	986
TOTAL REVENUES	1,292,000	1,260,661	(31,339)	1,115,972
EXPENDITURES				
Supporting Services				
Salaries	801,978	744,240	57,738	790,196
Employee Benefits	237,466	184,439	53,027	191,964
Purchased Services	284,956	274,525	10,431	289,155
Supplies and Materials	10,999	165,412	(154,413)	50,106
Property	1,325	368	957	-
Other	971	2,598	(1,627)	-
TOTAL EXPENDITURES	1,337,695	1,371,582	(33,887)	1,321,421
NET CHANGE IN FUND BALANCES	(45,695)	(110,921)	(65,226)	(205,449)
FUND BALANCE, Beginning	137,289	76,688	(60,601)	282,137
FUND BALANCE, Ending	$ 91,594	$ (34,233)	$ (125,827)	$ 76,688

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

ARAPAHOE STREET SCHOOL
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2022

	2022				
	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 3,165,740	$ 2,903,516	$ 2,903,516	$ -	$ 3,107,723
Mill Levy Override	718,536	718,536	807,429	88,893	883,309
Grants and Donations	42,000	395,682	322,057	(73,625)	190,480
Interest	-	-	1,473	1,473	616
Other	26,153	26,153	9,413	(16,740)	8,088
State Sources					
Grants and Donations	101,173	230,680	168,190	(62,490)	-
State and Federal Sources					
Grants and Donations	1,024,803	1,122,561	1,089,620	(32,941)	758,023
TOTAL REVENUES	5,078,405	5,397,128	5,301,698	(95,430)	4,948,239
EXPENDITURES					
Instruction					
Salaries	1,592,902	1,628,434	1,494,048	134,386	1,404,489
Employee Benefits	440,997	522,419	466,140	56,279	409,763
Purchased Services	148,294	148,294	431,653	(283,359)	253,746
Supplies and Materials	86,899	171,070	244,515	(73,445)	152,425
Property	-	19,040	54,829	(35,789)	92,012
Total Instruction	2,269,092	2,489,257	2,691,185	(201,928)	2,312,435
Supporting Services					
Salaries	605,447	605,447	658,585	(53,138)	590,259
Employee Benefits	196,629	558,637	196,783	361,854	142,567
Purchased Services	1,776,368	1,444,632	1,447,800	(3,168)	1,400,192
Supplies and Materials	194,895	144,303	183,044	(38,741)	232,282
Property	17,185	26,567	-	26,567	84,025
Other	18,789	18,788	2,745	16,043	2,924
Total Supporting Services	2,809,313	2,798,374	2,488,957	309,417	2,452,249
TOTAL EXPENDITURES	5,078,405	5,287,631	5,180,142	107,489	4,764,684
CHANGE IN FUND BALANCES	-	109,497	121,556	12,059	183,555
FUND BALANCE, Beginning	2,007,194	2,007,194	1,856,787	(150,407)	1,673,232
FUND BALANCE, Ending	$ 2,007,194	$ 2,116,691	$ 1,978,343	$ (138,348)	$ 1,856,787

See the accompanying independent auditors' report.

UNIVERSITY PREPARATORY SCHOOLS

STEELE STREET SCHOOL
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2022

	2022 ORIGINAL AND FINAL BUDGET	2022 ACTUAL	2022 VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Local Sources				
Per Pupil Revenue	$ 3,187,584	$ 3,077,632	$ (109,952)	$ 3,127,956
Mill Levy Override	718,539	850,596	132,057	940,250
Grants and Donations	68,153	68,775	622	68,826
Interest	-	1,916	1,916	818
Other	-	33,082	33,082	4,444
State Sources				
Grants and Donations	142,684	224,437	81,753	-
Federal Sources				
Grants and Donations	1,056,217	1,088,096	31,879	740,537
TOTAL REVENUES	5,173,177	5,344,534	171,357	4,882,831
EXPENDITURES				
Instruction				
Salaries	1,698,574	1,608,382	90,192	1,491,433
Employee Benefits	478,270	481,960	(3,690)	407,021
Purchased Services	147,251	460,156	(312,905)	417,878
Supplies and Materials	101,318	274,295	(172,977)	233,465
Property	19,040	44,739	(25,699)	129,483
Total Instruction	2,444,453	2,869,532	(425,079)	2,679,280
Supporting Services				
Salaries	519,337	394,604	124,733	485,827
Employee Benefits	178,453	123,015	55,438	129,275
Purchased Services	1,772,573	1,286,339	486,234	1,167,325
Supplies and Materials	158,893	116,215	42,678	118,126
Property	38,493	-	38,493	51,232
Other	60,972	2,763	58,209	2,952
Total Supporting Services	2,728,721	1,922,936	805,785	1,954,737
TOTAL EXPENDITURES	5,173,174	4,792,468	380,706	4,634,017
CHANGE IN FUND BALANCES	3	552,066	552,063	248,814
FUND BALANCE, Beginning	2,089,776	2,304,089	214,313	2,055,275
FUND BALANCE, Ending	$ 2,089,779	$ 2,856,155	$ 766,376	$ 2,304,089

See the accompanying independent auditors' report.