# UNIVERSITY PREPARATORY SCHOOLS
**(A COMPONENT UNIT OF THE DENVER PUBLIC SCHOOL DISTRICT)**

## DENVER, COLORADO

## FINANCIAL STATEMENTS

## June 30, 2023

**UNIVERSITY PREPARATORY SCHOOLS**
**(A COMPONENT UNIT OF DENVER PUBLIC SCHOOL DISTRICT)**
TABLE OF CONTENTS
June 30, 2023

**FINANCIAL SECTION**

AUDITING AND CONSULTING, LLC
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# INDEPENDENT AUDITORS' REPORT

Board of Directors
University Preparatory Schools
Denver, Colorado

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the of the University Preparatory Schools, a component unit of the Denver Public School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of University Preparatory Schools, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the University Preparatory Schools as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis of 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 the University Preparatory Schools and to meet our other 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 these financial statements in accordance with 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 University Preparatory Schools' 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.

Board of Directors
University Preparatory Schools

**Auditors' 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 auditors' 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 generally accepted auditing standards 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 in 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 on the effectiveness of the University Preparatory Schools' 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University Preparatory Schools' 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 the required supplementary information listed in the table of contents 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
University Preparatory Schools

**Supplementary Information**

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

**Report on Summarized Comparative Information**

The financial statements of University Preparatory Schools as of June 30, 2022, were audited by other auditors whose report dated October 28, 2022, expressed an unmodified opinion on those financial statements. We did not express an opinion on those financial statements.

DMC Auditing and Consulting, LLC

October 26, 2023
Bismarck, ND

**University Preparatory Schools**
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2023

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, 2023. 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 eleventh year of operations for the Arapahoe Street campus and the sixth year of operations for the Steele Street campus. As of June 30, 2023, net position increased by $783,117 to $3,320,038. University Preparatory Schools' governmental fund reported an ending fund balance of $5,152,873, an increase of $352,608 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 $5,794,981.

## 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 University Prep – Arapahoe Street's and University Prep – Steele Street'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, including a campus in development, 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, 2023, UPREP's net position was $3,320,038. This position includes a net pension liability in the amount of $3,043,797, 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 $52,775, 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, $42,134 is invested in capital assets and $287,800 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

## University Preparatory Schools' Net Position

| | 2022-2023 | 2021-2022 |
|---|---|---|
| ASSETS | | |
| Cash and Investments | $ 3,665,637 | $ 4,502,004 |
| Accounts Receivable | 15,392 | 42,985 |
| Grants Receivable | 1,540,951 | 660,332 |
| Inventory | 39,390 | 39,390 |
| Prepaid Expenses | 54,469 | 4,320 |
| Capital Assets, Net of Accumulated Depreciation | 42,134 | 46,486 |
| TOTAL ASSETS | 5,357,973 | 5,295,517 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pensions, Net of Accumulated Amortization | 1,962,684 | 1,355,787 |
| OPEB, Net of Accumulated Amortization | 69,167 | 27,145 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 2,031,851 | 1,382,932 |
| LIABILITIES | | |
| Accounts Payable | 129,303 | 341,153 |
| Accrued Liabilities | 33,663 | 49,280 |
| Unearned Revenues | - | 58,333 |
| Noncurrent Liabilities | | |
| Net Pension Liability | 3,043,797 | 27,089 |
| Net OPEB Liability | 52,775 | 61,202 |
| TOTAL LIABILITIES | 3,259,538 | 537,057 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pensions, Net of Accumulated Amortization | 725,904 | 3,457,904 |
| OPEB, Net of Accumulated Amortization | 84,344 | 146,567 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 810,248 | 3,604,471 |
| NET POSITION | | |
| Net Investment in Capital Assets | 42,134 | 46,486 |
| Restricted for Emergencies | 287,800 | 270,200 |
| Unrestricted | 2,990,104 | 2,220,235 |
| TOTAL NET POSITION | $ 3,320,038 | $ 2,536,921 |

**University Preparatory Schools' Change in Net Position**

| | 2022-2023 | 2021-2022 |
|---|---|---|
| REVENUES | | |
| Per Pupil Revenue | $ 5,794,981 | $ 5,981,148 |
| Mill Levy Funding | 1,792,061 | 1,658,025 |
| Charges for Services | 446,851 | 909,133 |
| Operating Grants and Contributions | 3,526,543 | 3,270,245 |
| Unrestricted State Funding | - | (234,756) |
| Interest | 74,050 | 3,400 |
| Other | - | 84,942 |
| TOTAL REVENUE | 11,634,486 | 11,672,137 |
| EXPENSES | | |
| Instructional | 5,232,825 | 4,980,591 |
| Support Services | 5,618,544 | 5,159,361 |
| TOTAL EXPENSES | 10,851,369 | 10,139,952 |
| CHANGE IN NET POSITION | 783,117 | 1,532,185 |
| NET POSITION, Beginning | 2,536,921 | 1,004,736 |
| NET POSITION, Ending | $ 3,320,038 | $ 2,536,921 |

## Financial Analysis of the Government's Funds

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 $5,152,873, an increase of $352,608 from the prior year. Governmental fund activity by campus and home office may be found on pages 34 and 35 of the financial statements.

## General Fund Budgetary Highlights

UPREP recognized $623,569 less revenue than expected and spent $1,322,744 less than planned, when compared to the final budget. 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. Additional budgetary comparision information may be found on pages 30 and 36-39 of the financial statements.

## Capital Assets & Long-Term Debt

The Network has invested in capital assets for facility improvements. Depreciation expenses for capital assets are booked under the instructional program of the Network's operations. More information regarding capital assets may be found in Note 3 to the financial statements.

The Network has no long-term obligations outside of those related to pensions (GASB 68) and the Other Post Employment Benefit Plan (OPEB) (GASB 75).

## Economic Factors and Next Year's Budget

The primary factor driving the budget for University Preparatory Schools is student enrollment. Enrollment for the 2022-2023 school year was 560 funded students. Enrollment projected for 2023-2024 is 582 funded students. This factor was considered when preparing UPREP's budget for 2023-2024.

## 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
June 30, 2023

| | PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES | |
|---|---|---|
| | 2023 | 2022 |
| ASSETS | | |
| Cash and Investments | $ 3,665,637 | $ 4,502,004 |
| Accounts Receivable | 15,392 | 42,985 |
| Grants Receivable | 1,540,951 | 660,332 |
| Inventories | 39,390 | 39,390 |
| Prepaid Expenses | 54,469 | 4,320 |
| Capital Assets, *Net of Accumulated Depreciation* | 42,134 | 46,486 |
| TOTAL ASSETS | 5,357,973 | 5,295,517 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pensions, *Net of Accumulated Amortization* | 1,962,684 | 1,355,787 |
| OPEB, *Net of Accumulated Amortization* | 69,167 | 27,145 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 2,031,851 | 1,382,932 |
| LIABILITIES | | |
| Accounts Payable | 129,303 | 341,153 |
| Accrued Liabilities | 33,663 | 49,280 |
| Unearned Revenue | - | 58,333 |
| Noncurrent Liabilities | | |
| Net Pension Liability | 3,043,797 | 27,089 |
| Net OPEB Liability | 52,775 | 61,202 |
| TOTAL LIABILITIES | 3,259,538 | 537,057 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pensions, *Net of Accumulated Amortization* | 725,904 | 3,457,904 |
| OPEB, *Net of Accumulated Amortization* | 84,344 | 146,567 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 810,248 | 3,604,471 |
| NET POSITION | | |
| Net Investment in Capital Assets | 42,134 | 46,486 |
| Restricted for Emergencies | 287,800 | 270,200 |
| Unrestricted | 2,990,104 | 2,220,235 |
| TOTAL NET POSITION | $ 3,320,038 | $ 2,536,921 |

**UNIVERSITY PREPARATORY SCHOOLS**
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

| | | PROGRAM REVENUES | | PRIMARY GOVERNMENT NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES | |
|---|---|---|---|---|---|
| FUNCTIONS / PROGRAMS | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | 2023 | 2022 |
| PRIMARY GOVERNMENT | | | | | |
| **Governmental Activities** | | | | | |
| Instruction | $ 5,232,825 | $ 446,851 | $ 2,985,120 | $ (1,800,854) | $ (1,710,348) |
| Supporting Services | 5,618,544 | - | 541,423 | (5,077,121) | (4,250,227) |
| TOTAL GOVERNMENTAL ACTIVITIES | $ 10,851,369 | $ 446,851 | $ 3,526,543 | (6,877,975) | (5,960,575) |
| | GENERAL REVENUES | | | | |
| | Per Pupil Revenue | | | 5,794,981 | 5,981,148 |
| | Mill Levy Override | | | 1,792,061 | 1,658,025 |
| | Unrestricted State Funding | | | - | (234,756) |
| | Investment Income | | | 74,050 | 3,400 |
| | Other | | | - | 84,943 |
| | TOTAL GENERAL REVENUES | | | 7,661,092 | 7,492,760 |
| | CHANGE IN NET POSITION | | | 783,117 | 1,532,185 |
| | NET POSITION, Beginning | | | 2,536,921 | 1,004,736 |
| | NET POSITION, Ending | | | $ 3,320,038 | $ 2,536,921 |

**UNIVERSITY PREPARATORY SCHOOLS**
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

| | | 2023 | | 2022 |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and Investments | $ | 3,665,637 | $ | 4,502,004 |
| Accounts Receivable | | 15,392 | | 42,985 |
| Grants Receivable | | 1,540,951 | | 660,332 |
| Inventories | | 39,390 | | 39,390 |
| Prepaid Expenditures | | 54,469 | | 4,320 |
| TOTAL ASSETS | $ | 5,315,839 | $ | 5,249,031 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | $ | 129,303 | $ | 341,153 |
| Accrued Liabilities | | 33,663 | | 49,280 |
| Unearned Revenue | | - | | 58,333 |
| TOTAL LIABILITIES | | 162,966 | | 448,766 |
| FUND BALANCES | | | | |
| Nonspendable | | 93,859 | | 43,710 |
| Restricted for Emergencies | | 287,800 | | 270,200 |
| Assigned for Capital Projects | | 48,371 | | 195,921 |
| Unassigned | | 4,722,843 | | 4,290,434 |
| TOTAL FUND BALANCES | | 5,152,873 | | 4,800,265 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ | 5,315,839 | $ | 5,249,031 |

**UNIVERSITY PREPARATORY SCHOOLS**

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
June 30, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

| | | |
|---|---|---|
| Total Fund Balances of Governmental Fund | $ | 5,152,873 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. | | 42,134 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| Net Pension Liability | | (3,043,797) |
| Pension-Related Deferred Outflows of Resources | | 1,962,684 |
| Pension-Related Deferred Inflows of Resources | | (725,904) |
| Net OPEB Liability | | (52,775) |
| OPEB-Related Deferred Outflows of Resources | | 69,167 |
| OPEB-Related Deferred Inflows of Resources | | (84,344) |
| Total Net Position of Governmental Activities | $ | 3,320,038 |

*See Notes to the Financial Statements.*

**UNIVERSITY PREPARATORY SCHOOLS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2023

| | 2023 | 2022 |
|---|---|---|
| REVENUES | | |
| Local Sources | $ 8,927,911 | $ 9,336,550 |
| State Sources | 546,404 | 392,627 |
| Federal Sources | 2,160,171 | 2,177,716 |
| TOTAL REVENUES | 11,634,486 | 11,906,893 |
| EXPENDITURES | | |
| Current | | |
| Instruction | 5,491,961 | 5,560,717 |
| Supporting Services | 5,789,917 | 5,783,475 |
| TOTAL EXPENDITURES | 11,281,878 | 11,344,192 |
| CHANGE IN FUND BALANCES | 352,608 | 562,701 |
| FUND BALANCES, Beginning | 4,800,265 | 4,237,564 |
| FUND BALANCES, Ending | $ 5,152,873 | $ 4,800,265 |

**UNIVERSITY PREPARATORY SCHOOLS**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

| | | |
|---|---|---|
| AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE: | | |
| Net Change in Fund Balance of Governmental Fund | $ | 352,608 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | (4,352) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following: | | |
| Net Pension Liability | | (3,016,708) |
| Pension-Related Deferred Outflows of Resources | | 606,897 |
| Pension-Related Deferred Inflows of Resources | | 2,732,000 |
| Net OPEB Liability | | 8,427 |
| OPEB-Related Deferred Outflows of Resources | | 42,022 |
| OPEB-Related Deferred Inflows of Resources | | 62,223 |
| Change in Net Position of Governmental Activities | $ | 783,117 |

## NOTE 1: Summary of Significant Accounting Policies

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 in the State of Colorado. The Network consists of two schools and a third school to open in the upcoming year(s). The Network consists of the Arapahoe Campus and the Steele Street Campus.

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

### Reporting Entity

The financial reporting entity consists of the Network, organizations for which the Network is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Network. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Network. 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 has the potential to provide benefits to, or impose financial burdens on, the Network. The financial statements of the Network do not include any separately administered organizations. 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 activities of the Network. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

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

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

The *General Fund* is the Network's primary operating fund. It accounts for all financial resources of the Network.

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. The Network considers all other revenues to be available if they are collected within 60 days of the end of the current year, except for State and federal grants.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

*Cash and Investments* – For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

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

*Inventories* - Inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis. Purchased inventories are recorded at cost.

*Prepaid Expenditures* – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

*Capital Assets* - Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

| | |
|---|---|
| Leasehold improvements | 10 - 40 years |

**NOTE 1: Summary of Significant Accounting Policies** (Continued)

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

*Deferred Outflows of Resources* – Deferred outflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not recognized as a use of current financial resources.

*Accrued Salaries and Benefits* - Salaries and retirement benefits are paid July to June but are earned during a school year of approximately nine to ten months.

*Compensated Absences* – 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.

*Unearned Revenue* – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

*Pensions* - The Network participates in the Denver Public School Division Trust Fund (DPSDTF), 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, and additions to and deductions from the DPSDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Postemployment Benefits Other Than Pensions (OPEB)* - The Network participates in the Denver Public Schools Denver Public Schools Health Care Trust Fund (DPSHCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the DPSHCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF. For this purpose, the DPSHCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

*Deferred Inflows of Resources* – Deferred inflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not available as current financial resources.

*Net Position/Fund Balances* - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action. The Network has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Network uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

## NOTE 2: Cash and Investments

At June 30, 2023, the Network had the following cash and investments:

| | |
|---|---|
| Petty Cash | $ 408 |
| Deposits | 1,749,343 |
| Investments | 1,915,886 |
| Total | $ 3,665,637 |

### Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2023, the Network had bank deposits of $1,617,137 collateralized with securities held by the financial institution’s agent but not in the Network’s name.

### Investments

The Network is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

*Fair Value Measurements* - At June 30, 2022, the District’s investments in the local government investment pool reported at the net asset value per share.

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission’s Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

*Concentration of Credit Risk* - State statutes do not limit the amount the Network may invest in a single issuer of investment securities, except for corporate securities.

**NOTE 2: Cash and Investments** (Continued)

**Investments** (Continued)

*Local Government Investment Pool* - At June 30, 2023, the Network had $1,915,886 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are reported at net asset value per share, with each share valued at $1. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

## NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2023, is summarized below.

| | Balances 6/30/2022 | Additions | Deletions | Balances 6/30/2023 |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital Assets, Being Depreciated: | | | | |
| Leasehold Improvements | $ 61,854 | $ - | $ - | $ 61,854 |
| Less Accumulated Depreciation: | | | | |
| Leasehold Improvements | (15,368) | (4,352) | - | (19,720) |
| Governmental Activities Capital Assets, Net | $ 46,486 | $ (4,352) | $ - | $ 42,134 |

Depreciation expense of the governmental activities was charged to the instructional programs of the Network.

## NOTE 4: Defined Benefit Pension Plan

### General Information

*Plan Description* - The Network contributes to the Denver Public Schools Division Trust Fund (DPSDTF), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the Network participate in the DPSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report (ACFR) that includes information on the DPSDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

*Benefits Provided as of December 31, 2022* - The DPSDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) $15 times the first 10 years of service credit plus monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

**NOTE 4: Defined Benefit Pension Plan** (Continued)

**General Information** (Continued)

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) 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 cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

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 CRS. Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) described previously, considering a minimum of twenty 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 in place, and the qualified survivor receiving the benefits.

*Contribution provisions as of June 30, 2023* - The Network and eligible employees and the State are required to contribute to the DPSDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements for the DPSDTF are established and may be amended by the State Legislature. The contribution rate for employees was 11% of their PERA-includable salary during the period from July 1, 2022, through June 30, 2023. The Network's contribution rate for the fiscal year was 8.66% of covered salaries from July 1, 2022, through December 31, 2022, and 9.45% from January 1, 2023, through June 30, 2023. However, a portion of the Network's contribution (1.02% of covered salaries) is allocated to the Denver Public Schools Health Care Trust Fund (Note 5). The Network's contributions to the DPSDTF for the year ended June 30, 2023, were $517,733, equal to the required contributions. To conform with this presentation of contribution rates, the 2022 annual Pension Certificates of Participation (PCOP) offset of 11.47% has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements based on Title 24, Article 51, Part 412. Employer contributions are recognized by the DPSDTF in the period in which the compensation becomes payable to the member and the Network is statutorily committed to pay the contributions to the DPSDTF.

**NOTE 4: Defined Benefit Pension Plan** (Continued)

**General Information** (Continued)

A nonemployer contributing entity is legally responsible for making contributions to the DPSDTF and considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State of Colorado is required to contribute a $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 DPSDTF based on the proportionate amount of annual payroll of the DPSDTF to the total annual payroll of the DPSDTF, State Division Trust Fund, Judicial Division Trust Fund, and School Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million, upon enactment. July 1, 2023, payment is reduced by $190 million to $35 million. The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million, for a total of approximately $49.5 million to be contributed July 1, 2023. The State is considered a nonemployer contributing entity.

At June 30, 2023, the Network reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Network. The amount recognized by the Network as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Network were as follows:

| | |
|---|---|
| Network's proportionate share of the net pension liability | $ 3,043,797 |
| State's proportionate share of the net pension liability associated with the District | 2,165,688 |
| Total | $ 5,209,485 |

The net pension liability was measured at December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

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

Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

The Network's proportion of the net pension liability was based on the Network's contributions to the DPSDTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers and the State as a nonemployer contributing entity. At December 31, 2022, the Network's proportion was 0.3507773361%, which was a decrease of 0.1028960254% from its proportion measured at December 31, 2021.

For the year ended June 30, 2023, the Network recognized pension expense of $696,284 and a revenue of ($316,895) representing support from the state as a nonemployer contributing entity. At June 30, 2023, the Network reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 4: Defined Benefit Pension Plan** (Continued)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 107,648 | $ - |
| Changes of assumptions and other inputs | 106,386 | - |
| Net difference between projected and actual earnings on plan investments | 1,152,946 | - |
| Changes in proportion | 329,516 | 725,904 |
| Contributions subsequent to the measurement date | 266,188 | - |
| Total | $ 1,962,684 | $ 725,904 |

Network contributions subsequent to the measurement date of $266,188 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30, | |
|---|---|
| 2024 | $ 51,692 |
| 2025 | (80,634) |
| 2026 | 331,412 |
| 2027 | 668,122 |
| Total | $ 970,592 |

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total pension liability using the following actuarial assumptions and other inputs.

**NOTE 4: Defined Benefit Pension Plan** (Continued)

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

| | |
|---|---|
| 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 plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| Hired prior to 1/1/07 thereafter, compounded annually | 1.00% |
| Hired after 12/31/07 | ad hoc |

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: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) 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, 2021, 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. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

**NOTE 4: Defined Benefit Pension Plan** (Continued)

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

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% | |

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 exptected nominal rate of return of 7.25%.

*Discount Rate* - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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%.
- Network 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 and required adjustments resulting from the 2018 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- Network 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 and 2020 AAP assessments. Network 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 Network contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, Network contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

**NOTE 4: Defined Benefit Pension Plan** (Continued)

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

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including DPSDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.

- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million due to PERA's negative investment return in 2022.

- Network contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan participant growth rate.

- The annual increase reserve balance was excluded from the initial fund net position. Based on state statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the DPSDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate* - The following presents the Network's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the Network's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net pension liability | $ 5,151,383 | $ 3,043,797 | $ 1,306,502 |

**NOTE 4: Defined Benefit Pension Plan** (Continued)

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

*Pension Plan Fiduciary Net Position* - Detailed information about the DPSDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report (ACFR), which may be obtained at www.copera.org/investments/pera-financial-reports.

**NOTE 5: Postemployment Healthcare Benefits**

**General Information**

*Plan Description* - All employees of the Network are eligible to receive postemployment benefits other than pensions (OPEB) through the Denver Public Schools Health Care Trust Fund (DPSHCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report (ACFR) that includes information on the DPSHCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

*Benefits Provided* - The DPSHCTF provides a healthcare premium subsidy to eligible benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is only 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 Division and one or more of the other four divisions, the premium subsidy is allocated between the DPSHCTF 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. All benefit recipients under the PERA 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.

Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents, and surviving spouses, among others. Eligible benefit recipients may enroll in the DPSHCTF 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, and \$115 per month for benefit recipients who are over 65 years of age 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. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

**General Information** (Continued)

An additional subsidy is provided if the benefit recipient has not participated in Social Security and is not otherwise eligible for Medicare Part A. According to C.R.S. § 24-51-1206(4), 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 DPSHCTF 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. 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 DPSHCTF 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* - As established by Title 24, Article 51, Section 208 of the CRS, 1.02% of the Network's contributions to the Denver Public Schools Division Trust Fund (DPSDTF) (Note 4) is apportioned to the DPSHCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The Network's apportionment to the DPSHCTF for the year ended June 30, 2023, was $58,359, equal to the required amount.

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

At June 30, 2023, the Network reported a net OPEB liability of $52,775, representing its proportionate share of the net OPEB liability of the DPSHCTF. The net OPEB liability was measured at December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022.

The Network's proportion of the net OPEB liability was based on the Network's contributions to the DPSHCTF for the calendar year ended December 31, 2022, relative to the contributions of all participating employers. At December 31, 2022, the Network's proportion was 0.6004690708%, which was an increase of 0.0186458544% from its proportion measured at December 31, 2021.

**NOTE 5: Postemployment Healthcare Benefits** (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, 2023, the Network recognized OPEB expense of ($7,217). At June 30, 2023, the Network 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 |
|---|---|---|
| Differences between expected and actual experience | $ 9 | $ 56,595 |
| Changes of assumptions and other inputs | 4 | 25,223 |
| Net difference between projected and actual earnings on plan investments | 29,911 | - |
| Changes in proportion | 10,512 | 2,526 |
| Contributions subsequent to the measurement date | 28,731 | - |
| Total | $ 69,167 | $ 84,344 |

Network contributions subsequent to the measurement date of $28,731 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ended June 30, | |
|---|---|
| 2024 | $ (16,870) |
| 2025 | (13,499) |
| 2026 | (4,728) |
| 2027 | 1,812 |
| 2028 | (6,578) |
| 2029 | (4,045) |
| Total | $ (43,908) |

*Actuarial Assumptions* - The actuarial valuation as of December 31, 2021, determined the total OPEB liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

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

| | |
|---|---|
| Acturial 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 plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Heath care cost trend rates: | |
| Service-based premium subsidy | 0.0% |
| PERACare Medicare plans | |
| 6.5% in 2022, gradually decreasing to 4.5% in 2030 | |
| Medicare Part A premiums: | |
| 3.75% in 2022, gradually increasing to 4.5% in 2029 | |
| DPS Benefit Structure: | |
| Service-based premium subsidy | 0.00% |
| PERACare Medicare plans | N/A |
| Medicare Part A premiums | N/A |

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies to all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

| Participant Age | Annual Increase (Male) | Annual Increase (Female) |
|---|---|---|
| 65-69 | 3.0% | 1.5% |
| 70 | 2.9% | 1.6% |
| 71 | 1.6% | 1.4% |
| 72 | 1.4% | 1.5% |
| 73 | 1.5% | 1.6% |
| 74 | 1.5% | 1.5% |
| 75 | 1.5% | 1.4% |
| 76 | 1.5% | 1.5% |
| 77 | 1.5% | 1.5% |
| 78 | 1.5% | 1.6% |
| 79 | 1.5% | 1.5% |
| 80 | 1.4% | 1.5% |
| 81 and older | 0.0% | 0.0% |

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

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

| Sample Age | MAPD PPO #1 with Medicare Part A for Retiree/Spouse | | MAPD PPO #2 with Medicare Part A for Retiree/Spouse | | MAPD HMO (Kaiser) with Medicare Part A for Retiree/Spouse | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| 65 | $ 1,704 | $ 1,450 | $ 583 | $ 496 | $ 1,923 | $ 1,634 |
| 70 | $ 1,976 | $ 1,561 | $ 676 | $ 534 | $ 2,229 | $ 1,761 |
| 75 | $ 2,128 | $ 1,681 | $ 728 | $ 575 | $ 2,401 | $ 1,896 |

| Sample Age | MAPD PPO #1 without Medicare Part A for Retiree/Spouse | | MAPD PPO #2 without Medicare Part A for Retiree/Spouse | | MAPD HMO (Kaiser) without Medicare Part A for Retiree/Spouse | |
|---|---|---|---|---|---|---|
| | Male | Female | Male | Female | Male | Female |
| 65 | $ 1,704 | $ 1,450 | $ 583 | $ 496 | $ 1,923 | $ 1,634 |
| 70 | $ 1,976 | $ 1,561 | $ 676 | $ 534 | $ 2,229 | $ 1,761 |
| 75 | $ 2,128 | $ 1,681 | $ 728 | $ 575 | $ 2,401 | $ 1,896 |

The 2022 Medicare Part A premium is $499 (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, 2021, 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.

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

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

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

| Year | PERACare Medicare Plans | Medicare Part A Premiums |
|---|---|---|
| 2022 | 6.50% | 3.75% |
| 2023 | 6.25% | 4.00% |
| 2024 | 6.00% | 4.00% |
| 2025 | 5.75% | 4.00% |
| 2026 | 5.50% | 4.25% |
| 2027 | 5.25% | 4.25% |
| 2028 | 5.00% | 4.25% |
| 2029 | 4.75% | 4.50% |
| 2030+ | 4.50% | 4.50% |

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the DPSHCTF, but developed using a headcount-weighted basis. DPSDTF participates in the DPSHCTF (Note 5).

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

Post-retirement non-disabled mortality assumptions for the DPSDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) 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 and 2) 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: 1) males: 97% of the rates for all ages, with generational projection using scale MP-2019 and 2) females: 105% of the rates for all ages, with generational projection using scale MP-2019. Disabled mortality assumptions for DPSDTF members 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 health care costs assumptions were updated and used in the roll-forward calculation for the DPSHCTF. Per capita health care costs as of the December 31, 2021, valuation date 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 costs for the 2022 plan year. The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

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

The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the result of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuations 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 at least every five years for PERA. 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. These ranges were combined to produce the long-term expected rate of return by weighing 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 5: Postemployment Healthcare Benefits** (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, 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.
- 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 DPSHCTF 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 DPSHCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Network's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates*. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

| | 1% Decrease (6.25%) | Current Trend Rates (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| 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 | $ 51,436 | $ 52,775 | $ 53,874 |

**NOTE 5: Postemployment Healthcare Benefits** (Continued)

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

*Sensitivity of the Network's proportionate share of the net OPEB liability to changes in the discount rate.*

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net OPEB liability | $ 89,314 | $ 52,775 | $ 21,647 |

*OPEB Plan Fiduciary Net Position* - Detailed information about the DPSHCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report (ACFR), which may be obtained at www.copera.org/investments/pera-financial-reports.

**NOTE 6: Commitments and Contingencies**

**Claims and Judgments**

The Network participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. 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 Network may be required to reimburse the grantor government. At June 30, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Network.

**Facilities Use Agreement**

On July 1, 2020, the Network entered into facilities use agreements with the Denver Public School District (the District) for the Arapahoe Campus facility and the Steele Street Campus facility for the duration of the charter contract. The Network will pay a variable monthly per pupil facility rate times the number of enrolled pupils without a minimum payment. During fiscal year 2023, the Network paid $481,207 for the use of these facilities.

**Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The Network is subject to the Amendment.

The Amendment is subject to many interpretations, but the Network believes it is in substantial compliance with the Amendment. The Amendment requires the Network to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2023, the Network's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $287,800.

# REQUIRED SUPPLEMENTARY INFORMATION

**UNIVERSITY PREPARATORY SCHOOLS**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2023

| | BUDGET ORIGINAL | BUDGET FINAL | ACTUAL | VARIANCE Positive (Negative) |
|---|---|---|---|---|
| REVENUES | | | | |
| Local Sources | | | | |
| Per Pupil Revenue | $ 6,150,099 | $ 5,794,922 | $ 5,794,981 | $ 59 |
| Mill Levy Override | 1,703,340 | 1,792,061 | 1,792,061 | - |
| Grants and Donations | 1,677,515 | 1,843,210 | 819,968 | (1,023,242) |
| Charges for Services | - | 6,500 | 223,973 | 217,473 |
| Interest | - | 4,410 | 74,050 | 69,640 |
| Other | 158,108 | 185,445 | 222,878 | 37,433 |
| State Grants | | | | |
| Grants and Donations | 229,778 | 424,782 | 546,404 | 121,622 |
| Federal Grants | | | | |
| Grants and Donations | 1,474,402 | 2,206,725 | 2,160,171 | (46,554) |
| TOTAL REVENUES | 11,393,242 | 12,258,055 | 11,634,486 | (623,569) |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Salaries | 4,065,814 | 3,336,133 | 3,490,934 | (154,801) |
| Benefits | 1,205,456 | 1,088,530 | 1,140,892 | (52,362) |
| Purchased Services | 423,064 | 566,500 | 393,726 | 172,774 |
| Supplies and Materials | 397,372 | 637,529 | 407,126 | 230,403 |
| Property | 201,128 | 50,910 | 15,279 | 35,631 |
| Other | - | - | 44,004 | (44,004) |
| Total Instruction | 6,292,834 | 5,679,602 | 5,491,961 | 187,641 |
| Supporting Services | | | | |
| Salaries | 1,656,499 | 2,428,496 | 2,367,267 | 61,229 |
| Benefits | 552,641 | 784,265 | 752,277 | 31,988 |
| Purchased Services | 3,269,573 | 3,299,784 | 2,328,622 | 971,162 |
| Supplies and Materials | 167,393 | 206,543 | 293,495 | (86,952) |
| Property | 119,366 | 23,325 | 11,354 | 11,971 |
| Other | 8,160 | 182,607 | 36,902 | 145,705 |
| Total Supporting Services | 5,773,633 | 6,925,020 | 5,789,917 | 1,135,103 |
| TOTAL EXPENDITURES | 12,066,467 | 12,604,622 | 11,281,878 | 1,322,744 |
| CHANGE IN FUND BALANCE | (673,225) | (346,567) | 352,608 | 699,175 |
| FUND BALANCE, Beginning | 4,943,653 | 4,800,265 | 4,800,265 | - |
| FUND BALANCE, Ending | $ 4,270,428 | $ 4,453,698 | $ 5,152,873 | $ 699,175 |

**UNIVERSITY PREPARATORY SCHOOLS**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO DENVER PUBLIC SCHOOLS DIVISION TRUST FUND
June 30, 2023

| | 12/31/22 | 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 | 12/31/15 | 12/31/14 | 12/31/13 |
|---|---|---|---|---|---|---|---|---|---|---|
| PROPORTIONATE SHARE OF THE NET PENSION LIABILITY | | | | | | | | | | |
| Network's Proportion of the Net Pension Liability | 0.3507773361% | 0.4537000000% | 0.5600000000% | 0.3896000000% | 0.3690000000% | 0.5734000000% | 0.5885000000% | 0.3250000000% | 0.2329000000% | 0.1875000000% |
| Network's Proportionate Share of the Net Pension Liability | $ 3,043,797 | $ 27,089 | $ 2,519,502 | $ 2,567,096 | $ 3,774,472 | $ 5,140,122 | $ 6,447,369 | $ 2,705,031 | $ 1,454,407 | $ 974,994 |
| State's Proportionate Share of the Net Pension Liability Associated with the Network | 2,165,688 | 7,953 | - | 1,137,689 | 1,955,554 | - | - | - | - | - |
| Total Proportionate Share of the Net Pension Liability | 5,209,485 | 35,042 | 2,519,502 | 3,704,785 | 5,730,026 | 5,140,122 | 6,447,369 | 2,705,031 | 1,454,407 | 974,994 |
| Network's Covered Payroll | $ 4,915,359 | $ 4,915,359 | $ 4,793,006 | $ 4,177,103 | $ 4,085,294 | $ 3,886,252 | $ 2,940,143 | $ 2,450,254 | $ 1,243,182 | $ 1,022,370 |
| Network's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | 62% | 1% | 53% | 61% | 92% | 132% | 219% | 110% | 117% | 95% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82% | 75% | 67% | 65% | 57% | 44% | 43% | 59% | 63% | 64% |
| | 6/30/23 | 6/30/22 | 6/30/21 | 06/30/20 | 06/30/19 | 06/30/18 | 06/30/17 | 06/30/16 | 06/30/15 | 06/30/14 |
| **Network Contributions** | | | | | | | | | | |
| Statutorily Required Contribution | $ 517,733 | $ 397,220 | $ 350,356 | $ 268,613 | $ 183,626 | $ 184,200 | $ 153,284 | $ 72,890 | $ 71,507 | $ 56,153 |
| Contributions in Relation to the Statutorily Required Contribution | (517,733) | (397,220) | $ (350,356) | $ (268,613) | $ (183,626) | $ (184,200) | $ (153,284) | $ (72,890) | $ (71,507) | $ (56,153) |
| Contribution Deficiency (Excess) | $ - | $ - | - | - | - | - | - | - | - | - |
| Network's Covered Payroll | $ 5,721,483 | $ 4,849,126 | $ 4,701,052 | $ 4,177,104 | $ 4,085,294 | $ 4,098,045 | $ 3,521,844 | $ 2,450,254 | $ 1,481,803 | $ 1,146,934 |
| Contributions as a Percentage of Covered Payroll | 9.05% | 8.19% | 7.45% | 6.43% | 4.49% | 4.49% | 4.35% | 2.97% | 4.83% | 4.90% |

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

**UNIVERSITY PREPARATORY SCHOOLS**
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2023

| | 12/31/22 | 12/31/21 | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 |
|---|---|---|---|---|---|---|---|
| PROPORTIONATE SHARE OF THE NET OPEB LIABILITY | | | | | | | |
| Network's Proportion of the Net OPEB Liability | 0.6004690708% | 0.5818000000% | 0.5600000000% | 0.5623000000% | 0.5602000000% | 0.5718000000% | 0.5886000000% |
| Network's Proportionate Share of the Net OPEB Liability | $ 52,775 | $ 61,202 | $ 128,198 | $ 207,131 | $ 253,022 | $ 291,393 | $ 320,819 |
| Network's Covered Payroll | $ 4,915,359 | $ 4,915,359 | $ 4,793,006 | $ 4,177,103 | $ 4,085,294 | $ 3,886,252 | $ 2,940,143 |
| Network's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll | 1% | 1% | 3% | 5% | 6% | 7% | 11% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 86% | 84% | 65% | 47% | 35% | 30% | 25% |

| | 6/30/23 | 6/30/22 | 6/30/21 | 6/30/20 | 6/30/19 | 6/30/18 | 6/30/17 |
|---|---|---|---|---|---|---|---|
| **Network's Contributions** | | | | | | | |
| Statutorily Required Contribution | $ 58,359 | $ 49,462 | $ 47,951 | $ 42,607 | $ 41,670 | $ 41,800 | $ 35,923 |
| Contributions in Relation to the Statutorily Required Contribution | (58,359) | (49,462) | (47,951) | (42,607) | (41,670) | (41,800) | (35,923) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Network's Covered Payroll | $ 5,721,483 | $ 4,849,126 | $ 4,701,052 | $ 4,177,104 | $ 4,085,294 | $ 4,098,045 | $ 3,521,844 |
| Contributions as a Percentage of Covered Payroll | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

## NOTE 1: Stewardship, Compliance, and Accountability

### Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The Network adheres to the following procedures to establish the budgetary information reflected in the financial statements.

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

## NOTE 2: Schedule of Proportionate Share of the Net OPEB Liability and Contributions

### Changes in Assumptions and Other Inputs

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the total OPEB liability, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

# SUPPLEMENTARY INFORMATION

**UNIVERSITY PREPARATORY SCHOOLS**
COMBINING BALANCE SHEET BY SCHOOL CAMPUS
June 30, 2023

| | GENERAL FUND | | | | TOTAL | |
|---|---|---|---|---|---|---|
| | HOME OFFICE | ARAPAHOE ST. CAMPUS | STEELE ST. CAMPUS | COMMERCE CITY | 2023 | 2022 |
| ASSETS | | | | | | |
| Cash and Investments | $ 141,790 | $ 1,484,788 | $ 2,039,059 | $ - | $ 3,665,637 | $ 4,502,004 |
| Accounts Receivable | 60 | 15,332 | - | - | 15,392 | 42,985 |
| Grants Receivable | - | 632,000 | 794,526 | 114,425 | 1,540,951 | 660,332 |
| Receivable from Schools/Home Office | 36,121 | - | 216,853 | - | 252,974 | - |
| Inventories | - | 17,180 | 22,210 | - | 39,390 | 39,390 |
| Prepaid Expenditures | 7,044 | 27,458 | 19,967 | - | 54,469 | 4,320 |
| TOTAL ASSETS | $ 185,015 | $ 2,176,758 | $ 3,092,615 | $ 114,425 | $ 5,568,813 | $ 5,249,031 |
| LIABLITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | $ 129,303 | $ - | $ - | $ - | $ 129,303 | $ 341,153 |
| Accrued Liabilities | 33,663 | - | - | - | 33,663 | 49,280 |
| Payable to Schools/Home Office | - | 164,771 | - | 88,203 | 252,974 | - |
| Unearned Revenue | - | - | - | - | - | 58,333 |
| TOTAL LIABILITIES | 162,966 | 164,771 | - | 88,203 | 415,940 | 448,766 |
| FUND BALANCES | | | | | | |
| Nonspendable | 7,044 | 44,638 | 42,177 | - | 93,859 | 43,710 |
| Restricted for Emergencies | 40,300 | 121,000 | 126,500 | - | 287,800 | 270,200 |
| Assigned for Capital Projects | - | 22,188 | 26,183 | - | 48,371 | 195,921 |
| Unassigned | (25,295) | 1,824,161 | 2,897,755 | 26,222 | 4,722,843 | 4,290,434 |
| TOTAL FUND BALANCES | 22,049 | 2,011,987 | 3,092,615 | 26,222 | 5,152,873 | 4,800,265 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 185,015 | $ 2,176,758 | $ 3,092,615 | $ 114,425 | $ 5,568,813 | $ 5,249,031 |

**UNIVERSITY PREPARATORY SCHOOLS**
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL CAMPUS
Year Ended June 30, 2023

| | GENERAL FUND | | | | TOTAL | |
|---|---|---|---|---|---|---|
| | HOME OFFICE | ARAPAHOE ST. CAMPUS | STEELE ST. CAMPUS | COMMERCE CITY | 2023 | 2022 |
| REVENUES | | | | | | |
| Local Sources | $ 1,336,882 | $ 3,934,423 | $ 4,078,618 | $ 463,500 | $ 9,813,423 | $ 9,336,550 |
| State Sources | 48,198 | 233,443 | 264,763 | - | 546,404 | 392,627 |
| Federal Sources | - | 798,769 | 836,165 | 525,237 | 2,160,171 | 2,177,716 |
| TOTAL REVENUES | 1,385,080 | 4,966,635 | 5,179,546 | 988,737 | 12,519,998 | 11,906,893 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | 99,271 | 2,533,803 | 2,710,330 | 148,557 | 5,491,961 | 5,560,717 |
| Supporting Services | 1,229,527 | 2,399,188 | 2,232,756 | 813,958 | 6,675,429 | 5,783,475 |
| TOTAL EXPENDITURES | 1,328,798 | 4,932,991 | 4,943,086 | 962,515 | 12,167,390 | 11,344,192 |
| CHANGE IN FUND BALANCES | 56,282 | 33,644 | 236,460 | 26,222 | 352,608 | 562,701 |
| FUND BALANCES, Beginning | (34,233) | 1,978,343 | 2,856,155 | - | 4,800,265 | 4,237,564 |
| FUND BALANCES, Ending | $ 22,049 | $ 2,011,987 | $ 3,092,615 | $ 26,222 | $ 5,152,873 | $ 4,800,265 |

**UNIVERSITY PREPARATORY SCHOOLS**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARAPAHOE CAMPUS
Year Ended June 30, 2023

| | BUDGET ORIGINAL | BUDGET FINAL | ACTUAL | VARIANCE Positive (Negative) |
|---|---|---|---|---|
| REVENUES | | | | |
| Local Sources | | | | |
| Per Pupil Revenue | $ 3,035,298 | $ 2,827,085 | $ 2,827,114 | $ 29 |
| Mill Levy Override | 851,670 | 849,461 | 849,461 | - |
| Grants and Donations | 25,000 | 25,000 | 15,135 | (9,865) |
| Charges for Services | - | 6,500 | 53,121 | 46,621 |
| Interest | - | 4,410 | 31,523 | 27,113 |
| Other | 143,621 | 172,678 | 158,069 | (14,609) |
| State Grants | | | | |
| Grants and Donations | 85,954 | 161,988 | 233,443 | 71,455 |
| Federal Grants | | | | |
| Grants and Donations | 579,395 | 693,772 | 798,769 | 104,997 |
| TOTAL REVENUES | 4,720,938 | 4,740,894 | 4,966,635 | 225,741 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Salaries | 1,917,655 | 1,503,772 | 1,630,759 | (126,987) |
| Benefits | 560,558 | 522,860 | 550,587 | (27,727) |
| Purchased Services | 161,934 | 232,212 | 127,980 | 104,232 |
| Supplies and Materials | 188,746 | 240,596 | 200,324 | 40,272 |
| Property | 35,000 | 28,910 | 24,153 | 4,757 |
| Total Instruction | 2,863,893 | 2,528,350 | 2,533,803 | (5,453) |
| Supporting Services | | | | |
| Salaries | 262,500 | 691,282 | 649,196 | 42,086 |
| Benefits | 103,299 | 240,359 | 221,724 | 18,635 |
| Purchased Services | 1,406,629 | 1,310,228 | 1,356,443 | (46,215) |
| Supplies and Materials | 57,850 | 90,000 | 151,300 | (61,300) |
| Property | 8,910 | - | 1,070 | (1,070) |
| Other | 3,580 | 88,392 | 19,455 | 68,937 |
| Total Supporting Services | 1,842,768 | 2,420,261 | 2,399,188 | 21,073 |
| TOTAL EXPENDITURES | 4,706,661 | 4,948,611 | 4,932,991 | 15,620 |
| CHANGE IN FUND BALANCE | 14,277 | (207,717) | 33,644 | 241,361 |
| FUND BALANCE, Beginning | 2,012,835 | 1,978,343 | 1,978,343 | - |
| FUND BALANCE, Ending | $ 2,027,112 | $ 1,770,626 | $ 2,011,987 | $ 241,361 |

**UNIVERSITY PREPARATORY SCHOOLS**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - STEELE CAMPUS
Year Ended June 30, 2023

| | BUDGET | | | VARIANCE Positive |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (Negative) |
| REVENUES | | | | |
| Local Sources | | | | |
| Per Pupil Revenue | $ 3,114,801 | $ 2,967,837 | $ 2,967,867 | $ 30 |
| Mill Levy Override | 851,670 | 942,600 | 942,600 | - |
| Grants and Donations | 25,000 | 73,203 | 52,500 | (20,703) |
| Charges for Services | - | - | 8,325 | 8,325 |
| Interest | - | - | 42,527 | 42,527 |
| Other | 14,487 | 12,767 | 64,799 | 52,032 |
| State Grants | | | | |
| Grants and Donations | 143,824 | 224,880 | 264,763 | 39,883 |
| Federal Grants | | | | |
| Grants and Donations | 588,243 | 756,189 | 836,165 | 79,976 |
| TOTAL REVENUES | 4,738,025 | 4,977,476 | 5,179,546 | 202,070 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Salaries | 1,889,481 | 1,587,025 | 1,735,281 | (148,256) |
| Benefits | 566,321 | 527,586 | 569,101 | (41,515) |
| Purchased Services | 261,130 | 322,288 | 227,212 | 95,076 |
| Supplies and Materials | 171,597 | 146,596 | 187,606 | (41,010) |
| Property | 35,000 | 22,000 | (8,870) | 30,870 |
| Total Instruction | 2,923,529 | 2,605,495 | 2,710,330 | (104,835) |
| Supporting Services | | | | |
| Salaries | 319,506 | 718,760 | 631,115 | 87,645 |
| Benefits | 106,316 | 238,943 | 207,206 | 31,737 |
| Purchased Services | 1,319,445 | 1,242,612 | 1,284,805 | (42,193) |
| Supplies and Materials | 55,000 | 71,500 | 92,819 | (21,319) |
| Property | 8,910 | - | 5,284 | (5,284) |
| Other | 3,580 | 93,215 | 11,527 | 81,688 |
| Total Supporting Services | 1,812,757 | 2,365,030 | 2,232,756 | 132,274 |
| TOTAL EXPENDITURES | 4,736,286 | 4,970,525 | 4,943,086 | 27,439 |
| CHANGE IN FUND BALANCE | 1,739 | 6,951 | 236,460 | 229,509 |
| FUND BALANCE, Beginning | 2,838,267 | 2,856,155 | 2,856,155 | - |
| FUND BALANCE, Ending | $ 2,840,006 | $ 2,863,106 | $ 3,092,615 | $ 229,509 |

**UNIVERSITY PREPARATORY SCHOOLS**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - COMMERCE CITY CAMPUS
Year Ended June 30, 2023

| | BUDGET ORIGINAL | BUDGET FINAL | ACTUAL | VARIANCE Positive (Negative) |
|---|---|---|---|---|
| REVENUES | | | | |
| Local Sources | | | | |
| Grants and Donations | $ 450,000 | $ 529,182 | $ 463,500 | $ (65,682) |
| State Grants | | | | |
| Grants and Donations | - | 19,182 | - | (19,182) |
| Federal Grants | | | | |
| Grants and Donations | 306,764 | 756,764 | 525,237 | (231,527) |
| TOTAL REVENUES | 756,764 | 1,305,128 | 988,737 | (316,391) |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Salaries | 258,678 | 245,336 | 124,894 | 120,442 |
| Benefits | 78,577 | 38,084 | 20,205 | 17,879 |
| Purchased Services | - | 12,000 | - | 12,000 |
| Supplies and Materials | 37,029 | 245,337 | 3,458 | 241,879 |
| Property | 131,128 | - | - | - |
| Total Instruction | 505,412 | 540,757 | 148,557 | 392,200 |
| Supporting Services | | | | |
| Salaries | 247,750 | 394,067 | 461,192 | (67,125) |
| Benefits | 80,791 | 61,172 | 71,423 | (10,251) |
| Purchased Services | 283,196 | 402,229 | 263,658 | 138,571 |
| Supplies and Materials | 28,543 | 16,543 | 12,685 | 3,858 |
| Property | 97,721 | 20,000 | 5,000 | 15,000 |
| Total Supporting Services | 738,001 | 894,011 | 813,958 | 80,053 |
| TOTAL EXPENDITURES | 1,243,413 | 1,434,768 | 962,515 | 472,253 |
| CHANGE IN FUND BALANCE | (486,649) | (129,640) | 26,222 | 155,862 |
| FUND BALANCE, Beginning | - | - | - | - |
| FUND BALANCE, Ending | $ (486,649) | $ (129,640) | $ 26,222 | $ 155,862 |

**UNIVERSITY PREPARATORY SCHOOLS**
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - HOME OFFICE
Year Ended June 30, 2023

| | BUDGET | | | VARIANCE Positive |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (Negative) |
| REVENUES | | | | |
| Local Sources | | | | |
| Grants and Donations | $ 1,177,515 | $ 1,235,007 | $ 288,833 | $ (946,174) |
| Charges for Services | - | - | 1,048,039 | 1,048,039 |
| Other | - | - | 10 | 10 |
| State Grants | | | | |
| Grants and Donations | - | 18,732 | 48,198 | 29,466 |
| TOTAL REVENUES | 1,177,515 | 1,253,739 | 1,385,080 | 131,341 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | | | | |
| Benefits | - | - | 999 | (999) |
| Purchased Services | - | - | 38,534 | (38,534) |
| Supplies and Materials | - | 5,000 | 15,738 | (10,738) |
| Other | - | - | 44,000 | (44,000) |
| Total Instruction | - | 5,000 | 99,271 | (94,271) |
| Supporting Services | | | | |
| Salaries | 826,743 | 624,387 | 625,764 | (1,377) |
| Benefits | 262,235 | 243,791 | 251,924 | (8,133) |
| Purchased Services | 260,303 | 344,715 | 309,228 | 35,487 |
| Supplies and Materials | 26,000 | 28,500 | 36,691 | (8,191) |
| Property | 3,825 | 3,325 | - | 3,325 |
| Other | 1,000 | 1,000 | 5,920 | (4,920) |
| Total Supporting Services | 1,380,107 | 1,245,718 | 1,229,527 | 16,191 |
| TOTAL EXPENDITURES | 1,380,107 | 1,250,718 | 1,328,798 | (78,080) |
| CHANGE IN FUND BALANCE | (202,592) | 3,021 | 56,282 | 53,261 |
| FUND BALANCE, Beginning | 92,551 | (34,233) | (34,233) | - |
| FUND BALANCE, Ending | $ (110,041) | $ (31,212) | $ 22,049 | $ 53,261 |

**UNIVERSITY PREPARATORY SCHOOLS**

STATEMENT OF NET POSITION BY CHARTER SCHOOL AUTHORIZER (FULL ACCRUAL BASIS)

June 30, 2023

| | DPS SCHOOLS | CSI SCHOOLS | TOTAL |
|---|---|---|---|
| ASSETS | | | |
| Cash and Investments | $ 3,665,637 | $ - | $ 3,665,637 |
| Accounts Receivable | 15,392 | - | 15,392 |
| Grants Receivable | 1,426,526 | 114,425 | 1,540,951 |
| Inventories | 39,390 | - | 39,390 |
| Prepaid Expenses | 54,469 | - | 54,469 |
| Due From (To) Home Office | 88,203 | (88,203) | - |
| Capital Assets, *Net of Accumulated Depreciation* | 42,134 | - | 42,134 |
| TOTAL ASSETS | 5,331,751 | 26,222 | 5,357,973 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pensions, *Net of Accumulated Amortization* | 1,962,684 | - | 1,962,684 |
| OPEB, *Net of Accumulated Amortization* | 69,167 | - | 69,167 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 2,031,851 | - | 2,031,851 |
| LIABILITIES | | | |
| Accounts Payable | 129,303 | - | 129,303 |
| Accrued Liabilities | 33,663 | - | 33,663 |
| Noncurrent Liabilities | | | |
| Net Pension Liability | 3,043,797 | - | 3,043,797 |
| Net OPEB Liability | 52,775 | - | 52,775 |
| TOTAL LIABILITIES | 3,259,538 | - | 3,259,538 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pensions, *Net of Accumulated Amortization* | 725,904 | - | 725,904 |
| OPEB, *Net of Accumulated Amortization* | 84,344 | - | 84,344 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 810,248 | - | 810,248 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 42,134 | - | 42,134 |
| Restricted for Emergencies | 287,800 | - | 287,800 |
| Unrestricted | 2,963,882 | 26,222 | 2,990,104 |
| TOTAL NET POSITION | $ 3,293,816 | $ 26,222 | $ 3,320,038 |

*See Notes to the Financial Statements.*

**UNIVERSITY PREPARATORY SCHOOLS**
STATEMENT OF CHANGES IN NET POSITION BY CHARTER SCHOOL AUTHORIZER (FULL ACCRUAL BASIS)
June 30, 2023

| | DPS SCHOOLS | CSI SCHOOL | TOTAL |
|---|---|---|---|
| REVENUES | | | |
| Per Pupil Revenue | $ 5,794,981 | $ - | $ 5,794,981 |
| Mill Levy Override | 1,792,061 | - | 1,792,061 |
| Charges for Services | 446,851 | - | 446,851 |
| Operating Grants and Contributions | 2,537,806 | 988,737 | 3,526,543 |
| Interest | 74,050 | - | 74,050 |
| TOTAL REVENUES | 10,645,749 | 988,737 | 11,634,486 |
| EXPENSES | | | |
| Instructional | 5,084,268 | 148,557 | 5,232,825 |
| Supporting Services | 4,804,586 | 813,958 | 5,618,544 |
| TOTAL EXPENSES | 9,888,854 | 962,515 | 10,851,369 |
| CHANGE IN NET POSITION | 756,895 | 26,222 | 783,117 |
| NET POSITION, Beginning | 2,536,921 | - | 2,536,921 |
| NET POSITION, Ending | $ 3,293,816 | $ 26,222 | $ 3,320,038 |