




DSST Public Schools

Independent Auditor's Report and Financial Statements

June 30, 2023



DSST Public Schools
June 30, 2023

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Independent Auditor's Report

Board of Directors
DSST Public Schools
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the DSST Public Schools' basic financial statements as listed in the table of contents. We have also audited the financial statements of the governmental activities and the general funds of DSST-Denver (a component unit of School District Number 1 in the City and County of Denver, Colorado [Denver Public Schools or DPS]) and DSST-Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado [Aurora Public Schools or APS]), as of and for the year ended June 30, 2023, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, as well as the respective financial position of the governmental activities and general funds of DSST-Denver and DSST-Aurora, 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 DSST Public 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in 2023, DSST Public Schools adopted Governmental Accounting Standards Board, Statement Number 96, *Subscription-Based Information Technology Arrangements* (GASB 96). Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the DSST Public Schools' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures 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 DSST Public 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 DSST Public Schools' ability to continue as a going concern for a reasonable period of time.

Board of Directors
DSST Public Schools

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 required supplementary information, such as management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information 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 required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Board of Directors
DSST Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, on our consideration of DSST Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DSST Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DSST Public Schools' internal control over financial reporting and compliance.

FORVIS,LLP

Denver, Colorado
October 27, 2023

DSST Public Schools

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Our discussion and analysis of the Denver School of Science and Technology, Inc., (DSST or DSST Public Schools) financial performance provides an overview of DSST's financial activities for the twelve months ended June 30, 2023. It should be read in conjunction with the financial statements.

Financial Highlights

As stated in the Government-wide Financial Statements, the assets and deferred outflows or resources of DSST exceeded liabilities and deferred inflows of resources at June 30, 2023 by \$62,730,852. Of this amount, \$43,168,390 is unrestricted. The \$62,730,852 of DSST's total net position represents an increase of \$2,814,778 over the prior year.

DSST's Governmental Fund Financial Statements reported an ending fund balance in fiscal year 2023 of \$50,194,737. The total fund balance in the General Fund decreased \$1,720,427 from the prior year, largely due to renovations at the DSST Elevate Campus that are being paid for from previous year revenues.

Effective July 1, 2022, DSST adopted GASB 96, *Subscription-Based Information Technology Arrangements*. Prior year comparative information contained herein has not been adjusted for the adoption of GASB 96.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to DSST's Basic Financial Statements. The Basic Financial Statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information and other supplementary information in addition to the Basic Financial Statements themselves.

Government-wide Financial Statements

All of DSST's services are reported in the Government-wide Financial Statements, including instruction, instructional supporting services, school administration, business services, and operation and maintenance of plant services. Per pupil revenue, mill levy override, federal aid and private contributions finance most of the activities. Additionally, any long-term capital assets and debt are reported in these statements.

Government-wide Financial Statements are designed to provide readers a broad overview of DSST's finances in a manner similar to a private-sector business.

Statement of Net Position presents information on all of DSST's assets, liabilities, and deferred outflows or inflows of resources, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of DSST is improving or deteriorating.

DSST Public Schools

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Statement of Activities presents information showing changes in DSST's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (*e.g.*, unconditional contributions receivable).

The Government-wide statement of activities distinguish functions of DSST that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges. Government-wide Financial Statements can be found on pages 14-15.

The Government-wide financial statements also include the DSST Public Schools Foundation as a discretely presented component unit of DSST.

Fund Financial Statements

DSST uses fund accounting to record specific sources of funding for particular purposes. A fund is an accounting device used to maintain control over resources that have been segregated for specific activities or objectives. DSST uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds are used to account for essentially the same functions reported as government activities in the Government-wide Financial Statements. All of DSST's activities are included in one governmental fund which focuses on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out and 2) the balances that are available for spending at year-end. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps determine whether more or fewer financial resources can be spent in the near future to finance DSST's programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, additional information is provided in Figure A-1 to explain the relationship between them.

DSST maintains one governmental fund, the General Fund. The DSST Building Corporation is a blended component unit of DSST and is reported in the General Fund of the fund financial statements. General Fund financial information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The basic Governmental Fund Financial Statements can be found on pages 16-18 of this report. DSST adopted an annual budget and one amendment for the General Fund and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

DSST Public Schools
Management’s Discussion and Analysis (Unaudited)
June 30, 2023

Figure A-1. Major Features of DSST’s Government-wide and Fund Financial Statements

		Fund Statement
Types of Statements	Government-wide	Governmental Fund
Scope	Entire organization	The activities of DSST that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities Reconciliation statements	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used and liabilities that come due during the year, or soon thereafter; no capital assets or long-term liabilities included
Types of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Notes to the Financial Statements

The notes provide additional information essential to a complete understanding of the data provided in the Government-wide and Fund Financial Statements. The notes can be found on pages 20-50 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparisons of the original adopted budget, the final amended budget, and the actual expenditures for the fiscal year. Required supplementary information can be found on pages 51-56 of this report.

The remainder of this overview section of Management’s Discussion and Analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of DSST’s financial statements, including the portion of the operations covered and the types of information presented.

DSST Public Schools
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Government-wide Financial Analysis

As noted earlier, net position can serve as a useful indicator of DSST's financial position. DSST's total net position was \$62,730,852 at June 30, 2023.

\$42,057,867 or 67.0 percent of DSST's net position is unrestricted and are resources available to fund DSST's programs in the following year.

The remaining balance of net position represents resources subject to external restrictions on how they may be used. A condensed and comparative Statement of Net Position is illustrated below.

	2023	2022	\$ Change	% Change
Assets				
Current assets	\$ 61,449,606	\$ 61,013,226	\$ 436,380	0.72%
Capital assets, net	<u>36,290,164</u>	<u>29,424,052</u>	<u>6,866,112</u>	<u>23.34%</u>
Total assets	<u>97,739,770</u>	<u>90,437,278</u>	<u>7,302,492</u>	<u>8.07%</u>
Deferred Outflows of Resources	<u>3,841,969</u>	<u>3,883,436</u>	<u>(41,467)</u>	<u>-1.07%</u>
Total assets and deferred outflows of resources	<u>\$ 101,581,739</u>	<u>\$ 94,320,714</u>	<u>\$ 7,261,025</u>	<u>7.70%</u>
Liabilities				
Current liabilities	\$ 11,319,793	\$ 9,198,062	\$ 2,121,731	23.07%
Noncurrent liabilities	<u>27,440,492</u>	<u>23,621,447</u>	<u>3,819,045</u>	<u>16.17%</u>
Total liabilities	<u>38,760,285</u>	<u>32,819,509</u>	<u>5,940,776</u>	<u>18.10%</u>
Deferred Inflows of Resources	<u>90,602</u>	<u>1,585,131</u>	<u>(1,494,529)</u>	<u>-94.28%</u>
Net Position				
Net investment in capital assets	16,014,666	15,113,023	901,643	5.97%
Restricted	3,547,796	5,426,327	(1,878,531)	-34.62%
Unrestricted	<u>43,168,390</u>	<u>39,376,724</u>	<u>3,791,666</u>	<u>9.63%</u>
Total net position	<u>62,730,852</u>	<u>59,916,074</u>	<u>2,814,778</u>	<u>4.70%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 101,581,739</u>	<u>\$ 94,320,714</u>	<u>\$ 7,261,025</u>	<u>7.70%</u>

DSST Public Schools
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Governmental Activities

The net position of DSST's Governmental Activities increased by \$2,814,778 to \$62,730,852 in the 2022-2023 school year. This was due to a number of factors including larger than anticipated Mill Levy funding from DPS, salary vacancy savings, and ESSER funding in the 2022-2023 fiscal year. The difference in change of net position was \$7,794,223 less in the 2022-2023 school year than the 2021-2022 school year. This was due to a drop in ESSER revenue in 2022-2023 of \$4,800,000 and a larger investment in compensation increases, and funding key initiatives. A comparative statement of activities follows.

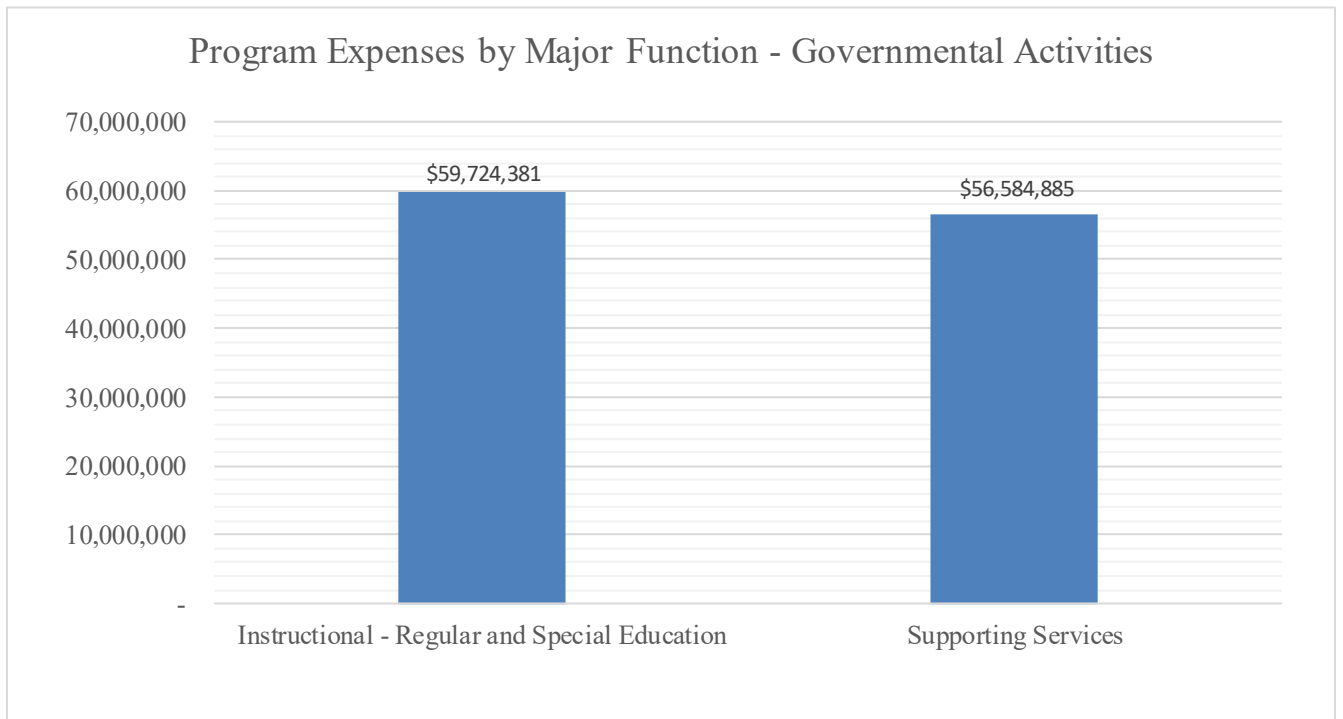
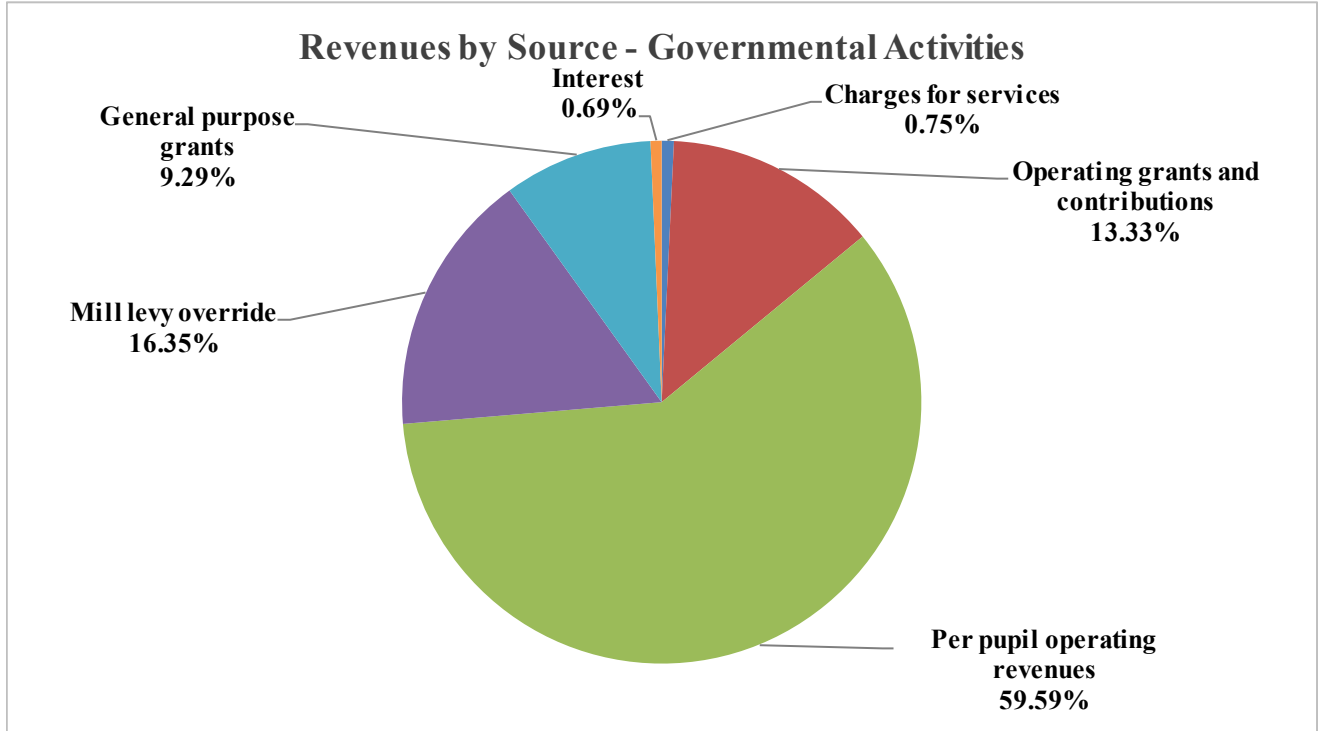
	2023	2022	\$ Change	% Change
Revenues				
Program revenues				
Charges for services	\$ 890,655	\$ 768,378	\$ 122,277	15.91%
Operating grants and contributions	15,883,095	11,065,662	4,817,433	43.53%
General revenues				
Per pupil operating revenues	70,987,301	64,467,441	6,519,860	10.11%
Mill levy override	19,478,479	17,208,610	2,269,869	13.19%
General purpose grants	11,062,031	14,440,124	(3,378,093)	-23.39%
Interest	822,483	371,709	450,774	121.27%
Total revenues	<u>119,124,044</u>	<u>108,321,924</u>	<u>10,802,120</u>	<u>9.97%</u>
Expenses				
Instructional				
Regular education	59,150,043	53,679,636	5,470,407	10.19%
Special education	574,338	83,060	491,278	591.47%
Supporting services				
Pupil supporting services	9,200,962	7,151,676	2,049,286	28.65%
Instructional support	6,086,934	4,798,400	1,288,534	26.85%
General administration	649,771	642,511	7,260	100.00%
School administration	23,446,222	19,710,787	3,735,435	18.95%
Business services	1,537,454	2,326,916	(789,462)	-33.93%
Operations and maintenance	9,946,854	5,295,326	4,651,528	87.84%
Pupil transportation	1,409,229	902,025	507,204	56.23%
Central services	2,540,862	2,677,144	(136,282)	-5.09%
Property	23,238	6,101	17,137	100.00%
Other support services	1,743,359	439,341	1,304,018	296.81%
Total expenses	<u>116,309,266</u>	<u>97,712,923</u>	<u>18,596,343</u>	<u>19.03%</u>
Increase in Net Position	2,814,778	10,609,001	(7,794,223)	-73.47%
Beginning Net Position	<u>59,916,074</u>	<u>49,307,073</u>	<u>10,609,001</u>	<u>21.52%</u>
Ending Net Position	<u>\$ 62,730,852</u>	<u>\$ 59,916,074</u>	<u>\$ 2,814,778</u>	<u>4.70%</u>

DSST Public Schools
Management's Discussion and Analysis (Unaudited)
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The total cost of all Governmental Activities for the fiscal year ended June 30, 2023 was \$116,309,266. Funding for these Governmental Activities is by specific program revenue or through general revenues such as per pupil revenues and mill levy overrides. The following is a summary of the governmental activities:

- The total general revenues of all governmental activities was \$102,350,294. The amount paid through Per Pupil Revenue (PPR), which is based on 7,093 students and a rate set by the Colorado State Legislature was \$70,987,301 and represents 69.4 percent of the total of general revenues.
- An additional \$19,478,479 or 19.0 percent was received through mill levy overrides which are property taxes approved by the voters in Denver Public Schools and Aurora Public Schools.
- Revenues from program specific operating grants were \$11,062,031. This includes \$8,419,769 in support from the DSST Public Schools Foundation.
- Revenues from charges for services were \$890,655 and include voluntarily paid student fees which help pay for school technology, field trips, athletics, and other school specific expenses.
- The cost of all governmental activities was \$116,309,266 which is an increase of \$18,596,343 from fiscal year 2022. The increase is due to increases in salaries, stipends, benefit costs, enrollment growth, and increased per pupil expenditures.
- The largest expense is personnel, including teachers, administrators, coaches and substitute teachers totaling \$82,161,867 or 70.6 percent of total expense. Salaries, stipends, and related payroll taxes and benefits are all included in the personnel category.
- Payments to Denver Public Schools and Aurora Public Schools for rent, special education services, administrative services, accounting and general operations total \$12,436,327 or 10.7 percent of total expenses.
- The remaining \$21,711,072 of expenses are for instructional and non-instructional supplies, student activities, printing, copying, facility, and miscellaneous expenses.

DSST Public Schools
Management's Discussion and Analysis (Unaudited)
June 30, 2023



DSST Public Schools
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Financial Analysis of DSST's Funds

Governmental Funds

DSST's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. The general governmental operations include a General Fund.

Revenues from the Governmental Funds totaled \$118,481,779 for the fiscal year ended June 30, 2023. State revenues, including Per Pupil Revenue, continued to be the largest source of revenue received by DSST and equaled \$72,954,158.

Expenditures for governmental operations totaled \$120,202,206 during fiscal year 2023, an increase of \$6,363,426, or 5.6% percent, from fiscal year 2022. \$5,977,997 of this expense was directly related to the renovations on DSST: Elevate High School, a building purchased in Northeast Denver in February of 2021. Renovations for the 6-12 campus are largely completed as of June 20, 2023, but final touches will continue through the fall of 2023 .

The General Fund reported a fund balance of \$50,194,737, a decrease of \$1,720,427 from 2022. The decrease in fund balance is largely due to the use of bond funding received in the previous fiscal year to renovate the DSST: Elevate Campus. Out of the total fund balance, \$15,067,137 constitutes unassigned fund balance. Of the remainder of the fund balance, \$1,443,115 is non-spendable, \$3,547,796 is restricted by TABOR, \$1,110,523 is restricted for various uses at the schools, \$965,916 is restricted for debt service, and \$28,060,250 is assigned by the DSST Board of Directors as a three month reserve of total operating expenditures.

DSST Public Schools
Management’s Discussion and Analysis (Unaudited)
June 30, 2023

Capital Assets

DSST has invested \$35,174,433, net of depreciation, in capital assets. This amount represents a net increase (including additions, deductions and depreciation) of \$5,750,381 from the prior year which is almost entirely due to the renovation of the DSST: Elevate High School building.

Capital Assets (net of depreciation)				
Governmental Activities				
	June 30, 2023	June 30, 2022	\$ Change	% Change
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 15,619,264	\$ (15,619,264)	100.00%
Capital assets being depreciated				
Building	9,617,883	9,882,219	(264,336)	100.00%
Building improvements	25,286,930	3,667,734	21,619,196	589.44%
Vehicles	10,049	21,997	(11,948)	-54.32%
Equipment	259,571	232,838	26,733	11.48%
	<u>\$ 35,174,433</u>	<u>\$ 29,424,052</u>	<u>\$ 5,750,381</u>	<u>19.54%</u>

Economic Factors and Next Year’s Budget

As part of the budget development process, DSST’s management has taken into consideration all the factors that drive charter school’s budgets: enrollment, per pupil funding rates, mill levy overrides, personnel costs, facility costs and the local economy.

All of these factors were considered when adopting the 2023-2024 budget. A 10% increase in PPR funding is budgeted for the 2023-2024 school year as set by the Colorado State Legislature. DSST is winding down the ESSER funds, reducing expected amounts from \$7.5M to receiving all remaining allocations of \$3.2M in the 2023-2024 fiscal year. This is the first year of a new strategic plan of DSST’s and a one time expense allocation of \$850K is budgeted for the 2023-2024 school year for support of this strategic plan. In addition, a \$4.3M increase in expenses is budgeted for increased compensation and benefit costs.

DSST Public Schools
Statement of Net Position
June 30, 2023

	Governmental Activities	DSST Foundation
Assets		
Cash and cash equivalents	\$ 25,880,077	\$ -
Cash held by fiscal agent	997,171	-
Investments	-	41,072,867
Restricted permanent endowment	220,234	-
Accounts receivable, net	842,527	-
Receivable from Foundation	31,480,334	-
Promises to give, net	571,000	3,002,400
PCOPS credits	1,208,446	-
Prepaid expenses	249,817	-
Capital assets, net of accumulated depreciation	35,174,433	-
Subscription assets, net of amortization	1,115,731	-
Total assets	97,739,770	44,075,267
Deferred Outflows of Resources		
Deferred outflows - pension	3,581,828	-
Deferred outflows - OPEB	260,141	-
Total deferred outflows of resources	3,841,969	-
Current Liabilities		
Accounts payable and accrued expenses	4,641,066	-
Accrued salaries and benefits	6,042,803	-
Payable to schools	-	31,480,334
Current portion of long-term debt	365,000	-
Current portion of subscription liabilities	270,924	-
Long-term Liabilities		
Noncurrent portion of long-term debt	18,926,290	-
Noncurrent portion of subscription liabilities	693,429	-
Net pension liability	7,563,531	-
Net OPEB liability	257,242	-
Total liabilities	38,760,285	31,480,334
Deferred Inflows of Resources		
Deferred inflows - pension	-	-
Deferred inflows - OPEB	90,602	-
Total deferred inflows of resources	90,602	-
Net Position		
Net investment in capital assets	16,014,666	-
Restricted for		
Emergencies	3,547,796	-
Donations with a specific purpose	-	3,399,243
Unrestricted	43,168,390	9,195,690
Total net position	\$ 62,730,852	\$ 12,594,933

DSST Public Schools
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	DSST Foundation Activities
Primary Government:						
Governmental activities						
Instruction						
Regular education	\$ 59,150,043	\$ 890,655	\$ 14,201,587	\$ -	\$ (44,057,801)	\$ -
Special education	574,338	-	-	-	(574,338)	-
Total instructional	<u>59,724,381</u>	<u>890,655</u>	<u>14,201,587</u>	<u>-</u>	<u>(44,632,139)</u>	<u>-</u>
Supporting services						
Pupil supporting services	9,200,962	-	188,155	-	(9,012,807)	-
Instructional support	6,086,934	-	194,193	-	(5,892,741)	-
General administration	649,771	-	-	-	(649,771)	-
School administration	23,446,222	-	249,160	-	(23,197,062)	-
Business services	1,537,454	-	-	-	(1,537,454)	-
Operations and maintenance	9,946,854	-	-	-	(9,946,854)	-
Pupil transportation	1,409,229	-	-	-	(1,409,229)	-
Central services	2,540,862	-	-	-	(2,540,862)	-
Property	23,238	-	1,050,000	-	1,026,762	-
Other support services	1,743,359	-	-	-	(1,743,359)	-
Total supporting services	<u>56,584,885</u>	<u>-</u>	<u>1,681,508</u>	<u>-</u>	<u>(54,903,377)</u>	<u>-</u>
Total primary government	<u>\$ 116,309,266</u>	<u>\$ 890,655</u>	<u>\$ 15,883,095</u>	<u>\$ -</u>	<u>\$ (99,535,516)</u>	<u>\$ -</u>
Component Unit:						
DSST Foundation	\$ 8,431,816	\$ -	\$ 3,212,816	\$ -		\$ (5,219,000)
Total component unit	<u>\$ 8,431,816</u>	<u>\$ -</u>	<u>\$ 3,212,816</u>	<u>\$ -</u>		<u>\$ (5,219,000)</u>
General Revenues						
Per pupil revenue					\$ 70,987,301	\$ -
Mill levy override					19,478,479	-
General purpose grants					11,062,031	-
Interest income					822,483	1,637,043
Total general revenues and transfers					<u>102,350,294</u>	<u>1,637,043</u>
Change in net position					<u>2,814,778</u>	<u>(3,581,957)</u>
Net position, beginning of year					<u>59,916,074</u>	<u>16,176,890</u>
Net position, end of year					<u>\$ 62,730,852</u>	<u>\$ 12,594,933</u>

DSST Public Schools
Balance Sheet – Governmental Fund
June 30, 2023

	General Fund
Assets	
Cash and equivalents	\$ 25,880,077
Cash held by fiscal agent	997,171
Restricted permanent endowment	220,234
Accounts receivable, net	842,527
Receivable from Foundation	31,480,334
Promises to give, net	571,000
PCOPS credits	1,208,446
Prepaid expenses	<u>249,817</u>
Total assets	<u><u>\$ 61,449,606</u></u>
Liabilities, Deferred Inflows, and Fund Balance	
Liabilities	
Accounts payable	\$ 4,641,066
Accrued salaries and benefits	<u>6,042,803</u>
Total liabilities	<u>10,683,869</u>
Deferred Inflows of Resources	
Unavailable revenue - grants	<u>571,000</u>
Total liabilities and deferred inflows of resources	<u>11,254,869</u>
Fund Balance	
Nonspendable	1,443,115
Restricted for emergencies	3,547,796
Restricted for debt service	965,916
Restricted for capital projects	1,110,523
Assigned	28,060,250
Unassigned	<u>15,067,137</u>
Total fund balance	<u>50,194,737</u>
Total liabilities and fund balance	<u><u>\$ 61,449,606</u></u>

DSST Public Schools
Reconciliation of the Balance Sheet of the Governmental
Fund to the Statement of Net Position
June 30, 2023

Total fund balance of the governmental fund	\$ 50,194,737
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. This amount is net of accumulated depreciation of \$5,594,016.	35,174,433
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. This is net of accumulated amortization of \$275,600.	1,115,731
Other receivables are not available to pay for current-period expenditures are, therefore, are reported as a deferred inflows of resources in the funds	571,000
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(19,291,290)
Pension and OPEB-related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the fund	(90,602)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	3,841,969
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	(7,563,531)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	(257,242)
Long-term subscription liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(964,353)</u>
Total net position of governmental activities	<u>\$ 62,730,852</u>

DSST Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Fund
Year Ended June 30, 2023

	General Fund
Revenues	
Local sources	\$ 34,465,590
State sources	72,954,158
Federal sources	11,062,031
	118,481,779
Expenditures	
Current	
Instructional	
Regular education	58,933,938
Special education	-
Supporting services	
Pupil supporting services	9,127,887
Instructional support	6,010,517
General administration	632,169
School administration	22,341,940
Business services	1,537,454
Operations and maintenance	9,946,854
Pupil transportation	1,409,229
Central services	2,540,862
Property	5,977,997
Other support services	892,418
Debt service	
Principal	526,948
Interest	323,993
	120,202,206
Excess (deficiency) of revenues over (under) expenditures	(1,720,427)
Net Change in Fund Balance	(1,720,427)
Fund Balance, Beginning of Year	51,915,164
Fund Balance, End of Year	\$ 50,194,737

DSST Public Schools

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities

Year Ended June 30, 2023

Net change in fund balance - governmental funds	\$ (1,720,427)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is total capital outlay (\$6,864,730) less depreciation expense (\$1,114,349) for the year.	5,750,381
Subscription asset amortization expense not included in the fund	(275,600)
Repayment of subscription liabilities which were capitalized reported as an expenditure in the funds statement but not as an expense in the statement of activities	426,948
The issuance of long-term debt provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net position. Additionally, governmental funds report the effects of premiums as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.	
Principal payments	100,000
Amortization of premium	104,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	571,030
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 the governmental funds	
Pension expense	(2,119,437)
OPEB expense	(22,495)
Change in net position of governmental activities	<u>\$ 2,814,778</u>

DSST Public Schools

Notes to Financial Statements

June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The accounting policies of DSST Public Schools (DSST) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Following is a summary of the more significant accounting policies.

Nature of Operations and Reporting Entity

DSST was formed in 2001, for the purpose of entering into a charter school contract with School District No. 1 in the City and County of Denver (Denver Public Schools). In fiscal year 2019, DSST expanded their charter school network by entering into a charter school contract with Aurora Public Schools. The focus of DSST is science, math and technology. DSST transforms public education by eliminating educational inequity and preparing all students for success in college and the 21st century. DSST is dedicated to providing an outstanding liberal arts education, with a focus on science and technology, to a diverse student population. DSST Public Schools includes eight charter school campuses under one contract with Denver Public Schools (DPS): DSST – Montview, DSST – Green Valley Ranch, DSST – College View, DSST – Cole, DSST – Byers, DSST – Conservatory Green, DSST – Noel, and DSST – Elevate. DSST expanded operations into Aurora Public Schools (APS) with one charter school campus: DSST – Aurora Science and Tech.

After a comprehensive year-long process involving input from families, students, staff, leadership, and communities, DSST -- Byers will now be known as DSST -- Cedar starting from the upcoming 2023-24 school year.

Based on current GASB pronouncements, DSST Schools are component units of either Denver Public Schools or Aurora Public Schools. As such, the respective collective Schools' financial results are included in both the Denver Public Schools' and Aurora Public Schools' Annual Comprehensive Financial Report with respect to their related charter school campuses. It is the administrative position of the Colorado Department of Education that a charter school has the same relationship to a public school district as does any other school program or school building within a district. A charter school is part of a local school district that is a political subdivision of the State of Colorado. In accordance with Colorado State Statute, Denver Public Schools and Aurora Public Schools have approved the respective charters of DSST for various periods, depending on the Charter Agreement. At the end of the charter period, DSST intends to seek renewal of its charter in accordance with procedures set forth in the state law and school district policy/regulations.

DSST is economically dependent on funding received from Denver Public Schools.

Blended Component Unit

DSST Building Corporation (Building Corp) – In fiscal year 2021, DSST Public Schools created the Building Corp as a legally separate tax-exempt organization to hold a building purchased in February 2021 for use by DSST Public Schools. The Building Corp provides services entirely to DSST Public Schools and is therefore blended into the General Fund. The Building Corp is governed by a Board of Directors, which consists of current members or employees of DSST Public Schools.

DSST Public Schools

Notes to Financial Statements

June 30, 2023

Discretely Presented Component Unit

DSST Public Schools Foundation (Foundation) – The Foundation is reported in a separate column as a discretely presented component unit to emphasize that it is legally separate from DSST Public Schools.

The Foundation was formed in 2011 to provide philanthropic support to DSST Public Schools. The Foundation is a legally separate, tax-exempt entity and DSST Public Schools does not appoint the voting majority of the Foundation’s board. DSST Public Schools will primarily benefit from the Foundation’s activities as the Foundation receives and holds economic resources entirely for the direct benefit of DSST Public Schools. DSST Public Schools is entitled to or has the ability to access a majority of the economic resources received or held by the Foundation, and the economic resources held by the Foundation are significant to DSST Public Schools. Based on these factors and current GASB standards, it has been determined that the Foundation should be discretely presented in the financial statements. Separately issued financial statements are not available for the Foundation.

Government-wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of DSST’s financial activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues properly not included among program revenues are reported instead as general revenues.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, the operating statement presents increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. This means only current liabilities are generally included on the governmental fund balance sheet.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined; available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end, except grant revenues are recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred and expected to be paid with current available resources.

DSST Public Schools
Notes to Financial Statements
June 30, 2023

Major Fund

DSST Public Schools reports one major fund, the general fund, which is the general operating fund of DSST Public Schools. It is used to account for all financial resources except those requirements to be accounted for in other funds.

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

Cash and cash equivalents – DSST considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts receivable – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management has determined all accounts to be fully collectible, thus no allowance was considered necessary.

Investments and investment income – Investments are reported at fair value in accordance with GASB statement No. 72, *Fair Value Measurements and Application*, except for specific investments held in a federal money market fund or local government investment pool, which are reported at net asset value (NAV). See the investments footnote for more information.

Capital assets – Capital assets are reported in the government-wide financial statements. Capital additions over \$5,000 are recorded at cost or, if donated, at acquisition value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

DSST reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2023.

Lease assets – Right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service, in accordance with GASB statement No. 87, *Leases*. DSST has elected to capitalize leases above \$25,000.

Subscription assets – Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at the commencement of the subscription term, less any incentives received from the vendor at or before the commencement of the subscription term, plus capitalizable initial implementation costs. Payments before the commencement of the subscription terms are reported as prepayments and reclassified as an addition to the initial measurement of the subscription asset at commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the shorter of the subscription

DSST Public Schools

Notes to Financial Statements

June 30, 2023

term or the useful life of the underlying subscription asset. DSST has elected to capitalize subscription assets above \$25,000.

Subscription liability – Subscription liabilities are recorded in accordance with GASB Statement No 96, *Subscription-Based Information Technology Arrangements*, in the government-wide financial statements. The subscription liability is calculated as the present value of subscription payments expected to be made during the subscription term. DSST recognizes subscription liabilities with an initial individual value of \$25,000 or more.

Beneficial interest in assets held by community foundation – At the direction of a donor, DSST established a permanent endowment fund (the Fund) at a community foundation for the purpose of supporting educational technology. DSST granted variance power to the community foundation, which allows the community foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the community foundation’s board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the community foundation for the benefit of DSST Public Schools and is reported at fair value.

Intrafund activity – The effects of intra-entity activity between the home office and individual schools has been eliminated.

Donated services and in-kind contributions – Volunteers contribute significant amounts of time to DSST’s program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant donated professional services or materials were received during fiscal year 2023.

Income taxes – DSST Public Schools is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been classified as an organization other than a private foundation under Section 509(a)(1). DSST is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, DSST is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. DSST did not have any of this type of activity during the current fiscal year.

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and has been classified as an organization other than a private foundation under Section 509(a)(3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Income from activities not directly related to Foundation’s tax-exempt purpose is subject to taxation as unrelated business income. The Foundation did not have any of this type of activity during the current fiscal year.

In fiscal year 2021, DSST Public Schools created a third entity, which is blended in the general fund for financial statement purposes – DSST Building Corporation. DSST Building Corporation is a non-profit organization as defined by Section 501(c)(3) of the Internal Revenue Code, and

DSST Public Schools

Notes to Financial Statements

June 30, 2023

qualifies for the charitable contribution deduction and is classified as a supporting organization of DSST Public Schools under 509(a)(3). DSST Building Corporation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Income from activities not directly related to DSST Building Corporation's tax-exempt purpose is subject to taxation as unrelated business income. DSST Building Corporation did not have any of this type of activity during the current fiscal year.

Deferred outflows/inflows of resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. DSST has two items that qualify for reporting in this category. These are shown as pension and OPEB related amounts that include items related to DSST's portion of the Colorado Public Employees Retirement Association (PERA) and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the change in employer allocation percentage, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position and government fund balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. DSST reports two items on the statement of net position that qualify for reporting in this category – pension and OPEB-related amounts. The pension and OPEB-related amounts include items related to DSST's portion of the Colorado Public Employees Retirement Association (PERA), and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date.

Net position/fund balance – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is DSST's policy to use restricted resources first and the unrestricted resources as they are needed.

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

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. DSST considers prepaid expenses, including PCOPS credits, as nonspendable, which total \$1,443,115 as of June 30, 2023.

DSST Public Schools

Notes to Financial Statements

June 30, 2023

Restricted – This classification, including restricted for debt service and restricted for capital projects, includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Emergency Reserves of \$3,547,796 are restricted because their use is restricted by State Statute for declared emergencies. Capital construction of \$1,110,523 is restricted because their use is restricted by State Statute for capital construction. The Foundation has donations and promises to give with purpose restrictions of \$3,399,243.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. DSST did not have any committed resources as of June 30, 2023.

Assigned – This classification includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Directors, COO, Director of Finance or for specific purposes through the budget process. The assigned designation may be reversed by the Board of Directors. DSST had assigned fund balance as of June 30, 2023 of \$28,060,250 related to board designated operating reserves.

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

Risk Management

DSST is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. DSST purchases commercial insurance for these risks of loss, including liability, property, errors and omissions, and workers' compensation. Settled claims did not exceed coverage for the past three years.

Use of Estimates

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

Budgets and Budgetary Accounting

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

DSST Public Schools
Notes to Financial Statements
June 30, 2023

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

Note 2: Cash and Equivalents

Cash and equivalents as of June 30, 2023, consisted of the following:

Deposits

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

Under the provisions of GASB 40, *Deposit and Investment Risk Disclosures*, deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions under the Colorado Public Deposit Protection Act (PDPA), as discussed below. Custodial credit risk is the risk that in the event of bank failure, DSST’s deposits may not be returned.

Colorado state statutes govern DSST’s deposit of cash. The PDPA requires DSST to make deposits only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral 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 percent of the uninsured deposits.

DSST has no policy regarding custodial credit risk for deposits. Cash deposits are held by DSST in a pooled account, the first \$250,000 of which is covered by federal deposit insurance per entity. The amounts in excess of federally insured limits are collateralized with securities held by the financial institution’s agent, but not in DSST’s name except for amounts related to the Building Corp and Foundation which are considered uninsured, if any.

At June 30, 2023, DSST had cash on deposit balances consisting of the following:

	Carrying Amount	Bank Balance	Amount Covered by FDIC	Amount Covered under PDPA	Uninsured Deposits
Governmental Activities	\$ 10,815,687	\$ 12,640,853	\$ 250,000	\$ 12,390,853	\$ -
DSST Foundation	\$ -	\$ 11,948	\$ 250,000	\$ -	\$ -

DSST Public Schools

Notes to Financial Statements

June 30, 2023

Note 3: Investments

DSST 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.

- 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' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years. State statutes do not address custodial risk.

Local Government Investment Pool – at June 30, 2023, DSST had \$15,064,390 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle valued at NAV established for local government entities in Colorado to pool surplus funds for investment purposes and is registered with the state Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of the pool consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. COLORADO Trust is comprised of two funds: PRIME and PLUS+. Both funds carry an AAAM from Standards and Poor's. The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST is rated AAAM by Standard and Poor's. Investments of COLOTRUST are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no limitations or restrictions on withdrawals. The investment in COLOTRUST is considered a cash equivalent on the statement of net position.

Certain assets and liabilities held by DSST Public Schools and the Foundation are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs

DSST Public Schools

Notes to Financial Statements

June 30, 2023

are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that DSST Public Schools or the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, DSST Public Schools or the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of an input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to DSST Public Schools' or the Foundation's assessment of the quality, risk or liquidity profile of the asset.

All of the Foundation's investments measured at fair value are comprised of mutual funds, treasury securities, or exchange-traded funds with a readily determinable market price. As such, these investments are classified as Level 1. The fair value of DSST Public Schools' beneficial interest in assets held by community foundation is based on the fair value of fund investments as reported by the community foundation. These are Level 3 measurements.

DSST's deposits and investments, like those of other governments, are subject to various risks:

- 1) **Interest Rate Risk** – State statutes limit investments in U.S. Treasury Agency securities to an original maturity of five years and corporate securities to an original maturity of three years.
- 2) **Custodial Credit Risk** – The custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, DSST would not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that in the event of the failure of a counterparty to the transaction, DSST would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.
- 3) **Concentration Credit Risk** – Colorado statutes specify in which instruments units of local government may invest, which are listed above.

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DSST did not have any investments requiring categorization of credit risk as of June 30, 2023. DSST's investment policy follows State statutes. When made, all investments shall be in instruments which mature in less than five years (governmental and/or agency securities) or three years (corporate and bank securities).

The following table presents assets measured at fair value on a recurring basis, except those measured at NAV as identified below, at June 30, 2023:

	Fair Value Measurements Using				Investments Measured at NAV^(A)
	Total Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
DSST investments measured at fair value					
Permanent endowment - beneficial interest in assets held by community foundation	\$ 220,234	\$ -	\$ -	\$ 220,234	\$ -
DSST investments measured at NAV					
Local government investment pool - COLOTRUST	15,064,390	-	-	-	15,064,390
Total DSST investments	\$ 15,284,624	\$ -	\$ -	\$ 220,234	\$ 15,064,390
Foundation investments measured at fair value					
Mutual funds - unrated	\$ 35,917,261	\$ 35,917,261	\$ -	\$ -	\$ -
Treasury securities	5,052,840	5,052,840	-	-	-
Exchange-traded funds	102,766	102,766	-	-	-
Total DSST Foundation investments	\$ 41,072,867	\$ 41,072,867	\$ -	\$ -	\$ -

^(A)Certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position.

Note 4: Foundation Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2023:

DSST promises to give	
Within one year	\$ 260,000
In one to five years	<u>311,000</u>
	<u>\$ 571,000</u>
Foundation promises to give	
Within one year	\$ 2,718,200
In one to five years	<u>284,200</u>
	<u>\$ 3,002,400</u>

At June 30, 2023, one donor accounted for 60 percent of total promises to give.

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Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2023, is summarized below:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Construction in progress	\$ 15,619,264	\$ 6,628,737	\$ -	\$ (22,248,001)	\$ -
Capital assets being depreciated					
Building	10,309,111	-	-	-	10,309,111
Building improvements	4,313,347	14,895	-	22,248,001	26,576,243
Vehicles	397,486	-	-	-	397,486
Equipment	2,478,444	221,098	-	-	2,699,542
Software	786,067	-	-	-	786,067
Total capital assets	33,903,719	6,864,730	-	-	40,768,449
Less accumulated depreciation					
Building	426,892	264,336	-	-	691,228
Building improvements	645,613	643,700	-	-	1,289,313
Vehicles	375,489	11,948	-	-	387,437
Equipment	2,245,606	194,365	-	-	2,439,971
Software	786,067	-	-	-	786,067
Total accumulated depreciation	4,479,667	1,114,349	-	-	5,594,016
Capital assets, net	\$ 29,424,052	\$ 5,750,381	\$ -	\$ -	\$ 35,174,433

All depreciation expense is related to instruction and has been allocated accordingly in the Statement of Activities.

DSST has subscription assets for the year ended June 30, 2023. These assets are long-term software license agreements, and are discussed in the subscription liabilities disclosure. The subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. As a result of the implementation of GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, \$1,213,965 in subscription assets has been added to the beginning balance presented below. Subscription asset activity for DSST for the year ended June 30, 2023, was as follows:

	Beginning Balance (As Restated)	Additions	Disposals	Transfers	Ending Balance
Subscription assets	\$ 1,213,965	\$ 177,336	\$ -	\$ -	\$ 1,391,301
Less accumulated amortization					
Subscription assets	-	275,600	-	-	275,600
Subscription assets, net	\$ 1,213,965	\$ (98,264)	\$ -	\$ -	\$ 1,115,701

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Note 6: Long-term Debt

Changes in Long-term Liabilities

	Beginning Balance (As Restated)	Additions	Deductions	Ending Balance	Current Portion
Revenue bonds	\$ 17,930,000	\$ -	\$ (100,000)	\$ 17,830,000	\$ 365,000
Premium	1,565,668	-	(104,378)	1,461,290	N/A
Subscription liability	<u>1,213,965</u>	<u>177,336</u>	<u>(426,948)</u>	<u>964,353</u>	<u>270,924</u>
	<u>\$ 20,709,633</u>	<u>\$ 177,336</u>	<u>\$ (631,326)</u>	<u>\$ 20,255,643</u>	<u>\$ 635,924</u>

Charter School Revenue Bonds, Series 2021A dated June 15, 2021 in the amount of \$17,930,000 were issued by the Colorado Educational and Cultural Facilities Authority (CECFA) for the purpose of financing the renovations and construction costs associated with the opening of a new school. The building for the new school – Elevate High School – was purchased in February 2021. The bonds are secured by the building purchased as well as pledged revenues. Interest is payable semiannually on August 1 and February 1 at an interest rate of 4 percent through fiscal year 2032 and 3 percent thereafter. Bond principal is payable annually on August 1. Final maturity is August 1, 2052. In the event of default, the Trustee may declare the principal and accrued interest thereon to be immediately due and payable. No debt service payments were made during the fiscal year. The debt service to maturity is as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 365,000	\$ 566,200	\$ 931,200
2025	380,000	551,300	931,300
2026	395,000	535,800	930,800
2027	410,000	519,700	929,700
2028	425,000	503,000	928,000
2029-2033	2,405,000	2,242,200	4,647,200
2034-2038	2,840,000	1,809,450	4,649,450
2039-2043	3,300,000	1,350,000	4,650,000
2044-2048	3,820,000	816,750	4,636,750
2049-2052	<u>3,490,000</u>	<u>213,150</u>	<u>3,703,150</u>
Total	<u>\$ 17,830,000</u>	<u>\$ 9,107,550</u>	<u>\$ 26,937,550</u>

Subscription liability. As a result of implementation of GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, \$1,213,965 of subscription liabilities for software subscriptions have been added to the beginning balance presented above. Long-term liability activity for the year ended June 30, 2023, is shown in the table above.

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Note 7: Subscription Liabilities

DSST has various subscription-based information technology arrangements, the terms of which expire in various years through 2027. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

During the year ended June 30, 2023, DSST recognized \$463,191 of subscription expense for variable payments not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2023:

Year Ending June 30	Total to Be Paid	Principal	Interest
2024	\$ 295,091	\$ 270,924	\$ 24,167
2025	321,932	307,440	14,492
2026	353,281	348,096	5,185
2027	38,298	37,893	405
	<u>\$ 1,008,602</u>	<u>\$ 964,353</u>	<u>\$ 44,249</u>

Note 8: Employee Retirement Plans

Defined Benefit Pension Plan

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

General Information about the Pension Plan

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

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Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- \$15 times the first ten years of service credit plus \$20 times service credit over ten years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 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 C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00 percent 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 percent 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 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2023: Eligible employees of DSST and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer Contribution Rate	11.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF**	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and DSST is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from DSST were \$786,611 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute 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 SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools 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 (actual dollars), upon

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enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). 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 (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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

The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The DSST proportion of the net pension liability was based on DSST contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the DSST reported a liability of \$7,563,531 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the DSST as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with DSST were as follows:

DSST proportionate share of the net pension liability	\$ 7,563,531
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the DSST	2,204,089
Total	\$ 9,767,620

At December 31, 2022, the DSST proportion was .042 percent, which was an increase .007 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the DSST recognized pension expense of \$2,906,048 and revenue of \$259,187 for support from the State as a nonemployer contributing entity. At June 30, 2023, the DSST reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 71,581	\$ -
Changes of assumptions or other inputs	133,975	-
Net difference between projected and actual earnings on pension plan investments	1,016,061	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,956,023	-
Contributions subsequent to the measurement date	404,188	-
Total	<u>\$ 3,581,828</u>	<u>\$ -</u>

\$404,188 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2024	\$	1,460,543
2025		647,813
2026		478,286
2027		590,998
2028		-
	<u>\$</u>	<u>3,177,640</u>

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40 - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Postretirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

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

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

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

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

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

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent 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 percent 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

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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 weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent 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	<u>100.00%</u>	

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 percent.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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 (actual dollars) due to PERA's negative investment return in 2022.
- 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.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

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	1% Decrease Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase Rate (8.25%)
Proportionate share of the net pension liability	\$ 9,898,060	\$ 7,563,531	\$ 5,613,960

Pension plan fiduciary net position. Detailed information about the SCHDTF’s FNP is available in PERA’s Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Benefit Other Postemployment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the DSST are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

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

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

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 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State,

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School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the DSST is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from DSST were \$39,369 for the year ended June 30, 2023.

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

At June 30, 2023, the DSST reported a liability of \$257,242 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) 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 TOL to December 31, 2022. The DSST proportion of the net OPEB liability was based on DSST contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the DSST proportion was .032 percent, which was an increase of .009 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the DSST recognized OPEB expense of \$64,271. At June 30, 2023, the DSST reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 33	\$ 62,210
Changes of assumptions or other inputs	4,135	28,392
Net difference between projected and actual earnings on pension plan investments	15,712	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	220,032	-
Contributions subsequent to the measurement date	20,229	-
Total	\$ 260,141	\$ 90,602

\$20,229 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ending June 30	
2024	\$ 37,913
2025	25,143
2026	38,031
2027	32,975
2028	12,829
Thereafter	2,419
	\$ 149,310

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022 measurement date.

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 for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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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%

Sample Age	MAPD PPO #1 with Medicare Part A Retiree/Spouse		MAPD PPO #2 with Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) with Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$ 1,704	\$ 1,450	\$ 563	\$ 496	\$ 1,923
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 Retiree/Spouse		MAPD PPO #2 without Medicare Part A Retiree/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$ 6,514	\$ 5,542	\$ 4,227	\$ 3,596	\$ 6,752

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

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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 TOL are summarized in the table below:

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 for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect 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.
- 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 Board's actuary, as discussed above.

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 TOL, 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.

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 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 weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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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	<u>100.00%</u>	

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 percent.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 249,961	\$ 257,242	\$ 265,164
Net OPEB Liability - Collective	\$ 793,369,000	\$ 816,479,000	\$ 841,625,000

¹ For the January 1, 2023, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.

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- 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 percent.
- 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 HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the DSST 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 percent, 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 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase Rate (8.25%)
Proportionate share of the net OPEB liability	\$ 249,961	\$ 257,242	\$ 265,164

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

Defined Contribution Plan

With the exception of all employees at the Aurora Public Schools campus, who are members of the PERA, all eligible employees, participate in a DSST sponsored defined contribution plan. The Plan is qualified under section 401(k) of the Internal Revenue Code covering substantially all full-time permanent employees having attained one year of service. Plan participants may contribute a portion of their total compensation to the Plan up to limits prescribed by the Internal Revenue Service. DSST may but is not required to contribute to the Plan. During the year ended June 30, 2023 DSST contributed \$2,462,783 to the Plan for employees. Plan assets are held by an independent Trustee and are participant directed.

DSST Public Schools
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Note 9: Claims Payable

Effective July 1, 2021, DSST established a self-funded medical insurance program for employees who choose to participate. DSST utilizes a third-party provider to administer the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. These payables are included with accrued liabilities in the financial statements. Changes to the balance of unpaid claims, related to medical insurance during the past year are as follows:

Unpaid Claims July 1, 2022	\$ 1,016,842
Incurred Claims	9,517,351
Claim Payments	<u>(9,080,632)</u>
Unpaid Claims June 30, 2023	<u>\$ 1,453,561</u>

Note 10: Commitments and Contingencies

Pension certificates of participation – Denver Public Schools issued Taxable Pension Certificates of Participation (the PCOPs) in order to fully fund, over time, the unfunded actuarial accrued liability of its pension plan. None of the employees of DSST Public Schools participate in the Denver Public Schools pension plan. As part of the DPS charter agreements with each school except Montview, DSST Public Schools has agreed to pay fees to Denver Public Schools. The payment is calculated based upon a percentage of covered salary. DSST satisfies substantially all of this obligation through the use of prepaid PCOPs credits totaling \$13,018,140 resulting from a land and building sale, related to Montview, from DSST to DPS on June 28, 2013. Approximately \$10,982,000 of the credits have been utilized to pay outstanding PCOPs liabilities through the year ended June 30, 2023. The remaining credits are expected to be utilized over the next 16 years in accordance with an agreed-upon schedule. The PCOP credit balance as of June 30, 2023 is \$1,208,446. Any expense in excess of available credits is paid in cash. DSST Public Schools expensed \$3,047,523 during the year ended June 30, 2023, which represents approximately 8.20 percent of covered salaries, for its obligation relating to the PCOPs.

Claims and judgments – DSST participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, DSST may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited, but DSST believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of DSST.

TABOR Amendment – Colorado voters approved an amendment to the State Constitution, Article X, Section 20 (commonly known as “TABOR”), which limits state and local government taxing authority and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. DSST believes it has complied with the Amendment. As required by the Amendment, DSST has established a reserve for emergencies, representing 3 percent of 2023 budgeted expenditures.

DSST Public Schools
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Facility use fees – DSST annually enters into a facility use agreement with Denver Public Schools and Aurora Public Schools. The Facility use fee is based on a per-student use fee schedule and anticipated costs of operating the facility. Facility use fees for the year ended June 30, 2023 were \$4,884,211 for DPS and \$715,895 for APS. There are no future minimum commitments under this arrangement.

Note 11: Adoption of New Accounting Standard

Effective July 1, 2022, DSST adopted GASB 96, *Subscription-Based Information Technology Arrangements* (Statement No. 96). Statement No. 96 requires governments to report a subscription asset and subscription liability and to disclose essential information about subscription-based contracts to use vendor-provided information technology (subscription-based information technology arrangements). There is no effect on beginning fund balance or net position as a result of the implementation of this standard. Refer to Note 5 for information on subscription assets and Notes 6 and 7 for information on subscription liabilities.

Note 12: Memorandum of Understanding

On May 19, 2022, DSST entered into a memorandum of understanding (MOU) with Aurora Public Schools regarding the construction of a certain district school facility to be utilized by DSST. APS anticipates that the construction project will require additional funding and DSST has agreed to contribute \$2,200,000 to assist in the completion of the project. The payment to APS was made in July 2023, and the amount owed was recorded as a payable in the financial statements. The MOU contains contingency language requiring a prorated return of funds should the DSST charter be revoked at any time over the next 20 years.

Other Audited Financial Statements

DSST Public Schools
Combining Statement of Net Position
Year Ended June 30, 2023

	Denver Public Schools	Aurora Public Schools	Governmental Activities
Assets			
Cash and cash equivalents	\$ 22,886,224	\$ 2,993,853	\$ 25,880,077
Cash held by fiscal agent	997,171	-	997,171
Restricted permanent endowment	201,201	19,033	220,234
Accounts receivable, net	801,506	41,021	842,527
Receivable from Foundation	29,350,631	2,129,703	31,480,334
PCOPS credits	1,208,446	-	1,208,446
Promises to give, net	521,652	49,348	571,000
Prepaid expenses	209,156	40,661	249,817
Capital assets, net of accumulated depreciation	35,099,771	74,662	35,174,433
Subscription assets	1,019,781	95,950	1,115,731
Total assets	<u>92,295,539</u>	<u>5,444,231</u>	<u>97,739,770</u>
Deferred Outflows of Resources			
Deferred outflows - pension	-	3,581,828	3,581,828
Deferred outflows - OPEB	-	260,141	260,141
Total deferred outflows of resources	<u>-</u>	<u>3,841,969</u>	<u>3,841,969</u>
Total assets and deferred outflows of resources	<u>92,295,539</u>	<u>9,286,200</u>	<u>101,581,739</u>
Current Liabilities			
Accounts payable and accrued expenses	2,378,530	2,262,536	4,641,066
Accrued salaries and benefits	5,865,953	176,850	6,042,803
Current portion of long-term debt	365,000	-	365,000
Current portion of subscription liabilities	247,625	23,299	270,924
Long-term Liabilities			
Noncurrent portion of long-term debt	18,926,290	-	18,926,290
Noncurrent portion of subscription liabilities	633,794	59,635	693,429
Net pension liability	-	7,563,531	7,563,531
Net OPEB liability	-	257,242	257,242
Total liabilities	<u>28,417,192</u>	<u>10,343,093</u>	<u>38,760,285</u>
Deferred Inflows of Resources			
Deferred inflows - pension	-	-	-
Deferred inflows - OPEB	-	90,602	90,602
Total deferred inflows of resources	<u>-</u>	<u>90,602</u>	<u>90,602</u>
Net Position			
Net invested in capital assets	15,926,988	87,678	16,014,666
Restricted for			
Emergencies	3,190,789	357,007	3,547,796
Unrestricted	44,760,570	(1,592,180)	43,168,390
Total net position	<u>\$ 63,878,347</u>	<u>\$ (1,147,495)</u>	<u>\$ 62,730,852</u>

DSST Public Schools
Combining Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		Total Charter Schools
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Denver Public Schools	Aurora Public Schools	
Charter Schools							
Denver Public Schools	\$ 101,684,639	\$ 852,322	\$ 14,393,253	\$ -	\$ (86,439,064)	\$ -	\$ (86,439,064)
Aurora Public Schools	14,624,627	38,333	1,489,842	-	-	(13,096,452)	(13,096,452)
Total Charter Schools	\$ 116,309,266	\$ 890,655	\$ 15,883,095	\$ -	\$ (86,439,064)	\$ (13,096,452)	\$ (99,535,516)
General Revenues							
					\$ 64,640,649	\$ 6,346,652	\$ 70,987,301
Per pupil revenue					17,834,131	1,644,348	19,478,479
Mill levy override					10,406,402	655,629	11,062,031
General purpose grants					781,244	41,239	822,483
Interest					(2,513,500)	2,513,500	-
Transfers in (out)					91,148,926	11,201,368	102,350,294
Total general revenues and transfers							
Change in Net Position					4,709,862	(1,895,084)	2,814,778
Net Position, Beginning of Year					59,168,485	747,589	59,916,074
Net Position, End of Year					<u>\$ 63,878,347</u>	<u>\$ (1,147,495)</u>	<u>\$ 62,730,852</u>

DSST Public Schools
Combining General Fund Balance Sheet
June 30, 2023

	Total DPS	Total APS	Total General Fund
Assets			
Cash and equivalents	\$ 22,886,224	\$ 2,993,853	\$ 25,880,077
Cash held by fiscal agent	997,171	-	997,171
Restricted permanent endowment	201,201	19,033	220,234
Accounts receivable	801,506	41,021	842,527
Receivable from Foundation	29,350,631	2,129,703	31,480,334
Promises to give, net	521,652	49,348	571,000
PCOPS credits	1,208,446	-	1,208,446
Prepaid expenses	209,156	40,661	249,817
	<u>\$ 56,175,987</u>	<u>\$ 5,273,619</u>	<u>\$ 61,449,606</u>
Liabilities, Deferred Inflows, and Fund Balance			
Liabilities			
Accounts payable	\$ 2,378,530	\$ 2,262,536	\$ 4,641,066
Accrued salaries and benefits	5,865,953	176,850	6,042,803
Total liabilities	<u>8,244,483</u>	<u>2,439,386</u>	<u>10,683,869</u>
Deferred Inflows of Resources			
Unavailable revenue - grants	521,652	49,348	571,000
Total liabilities and deferred inflows of resources	<u>8,766,135</u>	<u>2,488,734</u>	<u>11,254,869</u>
Fund Balance			
Nonspendable	1,403,763	39,352	1,443,115
Restricted for emergencies	3,190,789	357,007	3,547,796
Restricted for debt service	965,916	-	965,916
Restricted for capital projects	1,011,081	99,442	1,110,523
Assigned	26,610,642	1,449,608	28,060,250
Unassigned	14,227,661	839,476	15,067,137
Total fund balance	<u>47,409,852</u>	<u>2,784,885</u>	<u>50,194,737</u>
Total liabilities and fund balance	<u>\$ 56,175,987</u>	<u>\$ 5,273,619</u>	<u>\$ 61,449,606</u>

DSST Public Schools
Combining General Fund Balance Sheet – Reconciliation
Year Ended June 30, 2023

	<u>DPS</u>	<u>APS</u>	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balance of the governmental fund	\$ 47,409,852	\$ 2,784,885	\$ 50,194,737
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	35,099,771	74,662	35,174,433
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	1,019,781	95,950	1,115,731
Other receivables are not available to pay for current-period expenditures and, therefore, are reported as a deferred inflow of resources in the fund	521,652	49,348	571,000
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(19,291,290)	-	(19,291,290)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the fund	-	(90,602)	(90,602)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	-	3,841,969	3,841,969
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(7,563,531)	(7,563,531)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(257,242)	(257,242)
Long-term subscription liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(881,419)</u>	<u>(82,934)</u>	<u>(964,353)</u>
Total net position of governmental activities	<u>\$ 63,878,347</u>	<u>\$ (1,147,495)</u>	<u>\$ 62,730,852</u>

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in General Fund Balance
Year Ended June 30, 2023

	Total DPS	Total APS	Total General Fund
Revenues			
Local sources			
Contributions and grants	\$ 8,409,709	\$ 431,608	\$ 8,841,317
Investment income	781,244	41,239	822,483
Mill levy	17,834,131	1,644,348	19,478,479
Supporting services	4,740,647	582,664	5,323,311
States sources			
Per pupil revenue	64,640,649	6,346,652	70,987,301
Supporting services	1,573,535	393,322	1,966,857
Federal sources			
Title fund from School District	10,406,402	655,629	11,062,031
Direct federal start-up grant	-	-	-
Total revenues	108,386,317	10,095,462	118,481,779
Expenditures			
Instructional			
Regular education	54,271,575	4,662,363	58,933,938
Supporting services			
Pupil supporting services	7,788,570	1,339,317	9,127,887
Instructional support	5,682,236	328,281	6,010,517
General administration	545,266	86,903	632,169
School administration	19,973,465	2,368,475	22,341,940
Business services	1,476,396	61,058	1,537,454
Operations and maintenance	6,870,062	3,076,792	9,946,854
Pupil transportation	1,408,682	547	1,409,229
Central services	2,305,455	235,407	2,540,862
Property	5,830,296	147,701	5,977,997
Other support services	838,457	53,961	892,418
Debt service			
Principal	481,409	45,539	526,948
Interest	295,993	28,000	323,993
Total expenditures	107,767,862	12,434,344	120,202,206
Excess (deficiency) of revenues over (under) expenditures	618,455	(2,338,882)	(1,720,427)
Other financing sources (uses)			
Transfers in	5,100,000	2,513,500	7,613,500
Transfers out	(7,613,500)	-	(7,613,500)
Total other financing sources (uses)	(2,513,500)	2,513,500	-
Net change in fund balance	(1,895,045)	174,618	(1,720,427)
Fund balance, beginning of year	49,304,897	2,610,267	51,915,164
Fund balance, end of year	\$ 47,409,852	\$ 2,784,885	\$ 50,194,737

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in General Fund Balance – Reconciliation
Year Ended June 30, 2023

	DPS	APS	Total
Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balance - governmental funds	\$ (1,895,045)	\$ 174,618	\$ (1,720,427)
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is total capital outlay (\$6,818,533 - DPS; \$46,197 - APS) less depreciation expense (\$1,078,019 - DPS; \$36,330 - APS) for the year.	5,740,514	9,867	5,750,381
Subscription asset amortization expense not included in the fund	(251,899)	(23,701)	(275,600)
Repayment of subscription liabilities which were capitalized	390,230	36,718	426,948
The issuance of long-term debt provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net position. Additionally, governmental funds report the effects of premiums as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.			
Principal payments	100,000	-	100,000
Amortization of premium	104,378	-	104,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	521,684	49,346	571,030
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 the governmental funds			
Pension expense	-	(2,119,437)	(2,119,437)
OPEB expense	-	(22,495)	(22,495)
Change in net position of governmental activities	\$ 4,709,862	\$ (1,895,084)	\$ 2,814,778

Required Supplementary Information

DSST Public Schools
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Contributions and grants	\$ -	\$ -	\$ 8,841,317	\$ 8,841,317
Investment income	90,184	90,184	822,483	732,299
Mill levy	17,875,540	17,875,540	19,478,479	1,602,939
Miscellaneous	-	-	-	-
Supporting services	26,575,152	26,575,152	32,895,194	6,320,042
State sources				
Per pupil revenue	69,811,263	69,811,263	70,987,301	1,176,038
Supporting services	1,418,970	1,418,970	1,966,857	547,887
Federal sources				
Federal grants from Denver Public Schools	10,762,243	10,762,243	11,062,031	299,788
Direct federal start-up grant	-	-	-	-
Total revenues	<u>126,533,352</u>	<u>126,533,352</u>	<u>146,053,662</u>	<u>19,520,310</u>
Expenditures				
Instructional				
Regular education	68,778,379	68,778,379	69,014,014	(235,635)
Supporting services				
Pupil supporting services	498,302	498,302	9,127,887	(8,629,585)
Instructional support	2,838,120	2,838,120	6,010,517	(3,172,397)
General administration	18,525	18,525	632,169	(613,644)
School administration	30,250,366	30,250,366	22,341,940	7,908,426
Business services	19,445,249	19,445,249	14,779,261	4,665,988
Operations and maintenance	10,666,481	10,666,481	9,946,854	719,627
Pupil transportation	865,929	865,929	1,409,229	(543,300)
Central services	2,809,487	2,809,487	2,540,862	268,625
Property	4,800,000	4,800,000	5,977,997	(1,177,997)
Other support services	2,598,105	2,598,105	5,142,418	(2,544,313)
Debt service				
Principal	-	-	526,948	(526,948)
Interest	-	-	323,993	(323,993)
Total expenditures	<u>143,568,943</u>	<u>143,568,943</u>	<u>147,774,089</u>	<u>(4,205,146)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,035,591)</u>	<u>(17,035,591)</u>	<u>(1,720,427)</u>	<u>15,315,164</u>
Other financing sources (uses)				
Transfers in	-	-	7,613,500	7,613,500
Transfers out	-	-	(7,613,500)	(7,613,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(17,035,591)	(17,035,591)	(1,720,427)	15,315,164
Fund balances, beginning of year	<u>51,973,996</u>	<u>51,973,996</u>	<u>51,915,164</u>	<u>(58,832)</u>
Fund balances, end of year	<u>\$ 34,938,405</u>	<u>\$ 34,938,405</u>	<u>\$ 50,194,737</u>	<u>\$ 15,256,332</u>
Total revenues	\$ 146,053,662			
Home office elimination	<u>(27,571,883)</u>			
Total revenues, GAAP basis	<u>\$ 118,481,779</u>			
Total expenditures	\$ 147,774,089			
Home office elimination	<u>(27,571,883)</u>			
Total expenditures, GAAP basis	<u>\$ 120,202,206</u>			

DSST Public Schools
Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2023

	2018	2019	2020	2021	2022
DSST-APS's proportion of net pension liability/(asset)	0.00213%	0.02449%	0.02449%	0.03464%	0.04154%
DSST-APS's proportionate of net pension liability/(asset)	\$ 377,321	\$ 1,592,427	\$ 3,703,035	\$ 4,030,769	\$ 7,563,531
DSST-APS's covered payroll	\$ 48,775	\$ 625,537	\$ 1,305,032	\$ 2,164,672	\$ 3,197,141
DSST-APS's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	773.6%	254.6%	283.8%	186.2%	237.6%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	57.0%	64.5%	67.0%	74.9%	61.8%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

(2) The amounts presented for each year were determined as of December 31, the measurement date used by the plan.

DSST Public Schools
Schedule of Contributions – Pension
Year Ended June 30, 2023

	2019	2020	2021	2022	2023
Contractually required contributions	\$ 22,410	\$ 120,124	\$ 339,607	\$ 521,676	\$ 786,611
Contributions in relation to the contractually required contribution	<u>22,410</u>	<u>120,124</u>	<u>339,607</u>	<u>521,676</u>	<u>786,611</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DSST-APS's covered payroll	\$ 625,537	\$ 1,014,206	\$ 1,708,297	\$ 2,629,875	\$ 3,859,712
Contributions as a percentage of covered payroll	3.6%	11.8%	19.9%	19.8%	20.4%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

DSST Public Schools
Schedule of Proportionate Share of Net OPEB Liability
Year Ended June 30, 2023

	2019	2020	2021	2022
DSST-APS's proportion of net OPEB liability/(asset)	0.00691%	0.01411%	0.02262%	0.03151%
DSST-APS's proportionate of net OPEB liability/(asset)	\$ 77,638	\$ 134,099	\$ 195,010	\$ 257,242
DSST-APS/s covered payroll	\$ 625,537	\$ 1,305,032	\$ 2,164,672	\$ 3,197,141
DSST-APS/s proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	12.4%	10.3%	9.0%	8.0%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	64.5%	32.8%	39.4%	38.6%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

(2) The amounts presented for each year were determined as of December 31, the measurement date used by the plan.

DSST Public Schools
Schedule of Contributions – OPEB
Year Ended June 30, 2023

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contributions	\$ 6,335	\$ 17,425	\$ 26,766	\$ 39,369
Contributions in relation to the contractually required contribution	<u>6,335</u>	<u>17,425</u>	<u>26,766</u>	<u>39,369</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DSST-APS's covered payroll	\$ 1,014,206	\$ 1,708,297	\$ 2,629,875	\$ 3,859,712
Contributions as a percentage of covered payroll	0.6%	1.0%	1.0%	1.0%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

DSST Public Schools
Notes to Required Supplementary Information
Year Ended June 30, 2023

Note 1: Stewardship, Compliance and Accountability

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. The General Fund budget to actual statement eliminates internal activity between the home office and individual schools with the exception of charges for supporting services.

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

Note 2: Pension and OPEB Related Disclosures

GASB 68 and GASB 75 require disclosure of DSST – APS’s proportionate share of the net pension liability at the measurement date and contributions to the pension plan for the previous 10-year period. Until a full 10-year trend is compiled, DSST is presenting information for those years for which information is available.

Note 3: Significant Changes Affecting Trends in Actuarial Information

2022 Changes in Plan Provisions and Assumptions or Other Inputs Since 2021

Defined Benefit Pension Plan

- House Bill (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) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.
- There were no changes made to the actuarial methods or assumptions.

Defined Benefit Other Postemployment Benefit Plan

- There were no changes in plan provisions.
- The timing of the retirement decrement was adjusted to middle-of-year.

Supplementary Information

DSST Public Schools
Combining DPS Balance Sheet
June 30, 2023

	Home Office	Montview Middle School	Montview High School
Assets			
Cash and cash equivalents	\$ (18,590,714)	\$ 3,999,361	\$ 3,800,205
Cash held by fiscal agent	835,493	-	-
Restricted permanent endowment	201,201	-	-
Accounts receivable	90,681	10,582	29,414
Receivable from Foundation	26,610,479	411,859	303,629
Promises to give, net	521,652	-	-
PCOPs credits	1,208,446	-	-
Prepaid expenses	203,797	-	-
Total assets	<u>11,081,035</u>	<u>4,421,802</u>	<u>4,133,248</u>
Liabilities, deferred inflows, and fund balance			
Accounts payable	1,182,276	64,459	100,001
Accrued salaries and benefits	1,885,529	126,582	195,900
Total liabilities	<u>3,067,805</u>	<u>191,041</u>	<u>295,901</u>
Deferred inflows of resources			
Unavailable revenue - grants	521,652	-	-
Total liabilities and deferred inflows of resources	<u>3,589,457</u>	<u>191,041</u>	<u>295,901</u>
Fund balance			
Nonspendable	1,398,404	-	-
Restricted for emergencies	632,166	166,894	221,554
Restricted for debt service	965,916	-	-
Restricted for capital projects	-	98,758	77,387
Assigned	2,412,397	2,710,458	2,373,761
Unassigned	2,082,695	1,254,651	1,164,645
Total fund balance	<u>7,491,578</u>	<u>4,230,761</u>	<u>3,837,347</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 11,081,035</u>	<u>\$ 4,421,802</u>	<u>\$ 4,133,248</u>

DSST Public Schools
Combining DPS Balance Sheet (continued)
June 30, 2023

Green Valley Ranch Middle School	Green Valley Ranch High School	Cole Middle School	Cole High School	College View Middle School	College View High School
\$ 4,228,793	\$ 3,913,077	\$ 2,199,714	\$ 1,932,058	\$ 3,402,679	\$ 3,555,651
-	-	-	-	-	-
-	-	-	-	-	-
13,525	9,671	8,269	6,377	18,010	45,095
170,594	231,934	402,490	192,888	110,093	207,222
-	-	-	-	-	-
-	-	-	-	-	-
5,359	-	-	-	-	-
<u>4,418,271</u>	<u>4,154,682</u>	<u>2,610,473</u>	<u>2,131,323</u>	<u>3,530,782</u>	<u>3,807,968</u>
37,161	122,486	45,188	67,461	60,849	51,531
328,954	330,765	228,529	278,917	298,850	392,413
<u>366,115</u>	<u>453,251</u>	<u>273,717</u>	<u>346,378</u>	<u>359,699</u>	<u>443,944</u>
-	-	-	-	-	-
<u>366,115</u>	<u>453,251</u>	<u>273,717</u>	<u>346,378</u>	<u>359,699</u>	<u>443,944</u>
5,359	-	-	-	-	-
179,680	217,677	110,124	144,596	168,830	208,997
-	-	-	-	-	-
90,066	82,026	41,867	41,900	94,348	99,094
2,585,862	2,242,823	1,505,780	1,108,454	1,921,514	2,046,469
1,191,189	1,158,905	678,985	489,995	986,391	1,009,464
<u>4,052,156</u>	<u>3,701,431</u>	<u>2,336,756</u>	<u>1,784,945</u>	<u>3,171,083</u>	<u>3,364,024</u>
<u>\$ 4,418,271</u>	<u>\$ 4,154,682</u>	<u>\$ 2,610,473</u>	<u>\$ 2,131,323</u>	<u>\$ 3,530,782</u>	<u>\$ 3,807,968</u>

DSST Public Schools
Combining DPS Balance Sheet (continued)
June 30, 2023

Byers Middle School	Byers High School	Conservatory Green Middle School	Conservatory Green High School	Noel Middle School	Elevate High School	Total DPS
\$ 3,708,029	\$ 2,016,310	\$ 3,396,590	\$ 2,359,002	\$ 2,616,704	\$ 348,765	\$ 22,886,224
-	-	-	-	-	161,678	997,171
-	-	-	-	-	-	201,201
6,938	16,120	10,862	8,341	12,648	514,973	801,506
171,294	232,970	201,115	30,942	63,122	10,000	29,350,631
-	-	-	-	-	-	521,652
-	-	-	-	-	-	1,208,446
-	-	-	-	-	-	209,156
<u>3,886,261</u>	<u>2,265,400</u>	<u>3,608,567</u>	<u>2,398,285</u>	<u>2,692,474</u>	<u>1,035,416</u>	<u>56,175,987</u>
35,793	303,991	33,985	83,104	52,117	138,128	2,378,530
254,044	378,568	304,348	419,147	236,990	206,417	5,865,953
<u>289,837</u>	<u>682,559</u>	<u>338,333</u>	<u>502,251</u>	<u>289,107</u>	<u>344,545</u>	<u>8,244,483</u>
-	-	-	-	-	-	521,652
<u>289,837</u>	<u>682,559</u>	<u>338,333</u>	<u>502,251</u>	<u>289,107</u>	<u>344,545</u>	<u>8,766,135</u>
-	-	-	-	-	-	1,403,763
163,216	199,521	177,812	224,086	151,298	224,338	3,190,789
-	-	-	-	-	-	965,916
84,373	82,140	68,846	85,448	64,828	-	1,011,081
2,311,011	909,355	1,972,195	1,015,150	1,329,632	165,781	26,610,642
1,037,824	391,825	1,051,381	571,350	857,609	300,752	14,227,661
<u>3,596,424</u>	<u>1,582,841</u>	<u>3,270,234</u>	<u>1,896,034</u>	<u>2,403,367</u>	<u>690,871</u>	<u>47,409,852</u>
<u>\$ 3,886,261</u>	<u>\$ 2,265,400</u>	<u>\$ 3,608,567</u>	<u>\$ 2,398,285</u>	<u>\$ 2,692,474</u>	<u>\$ 1,035,416</u>	<u>\$ 56,175,987</u>

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance
Year Ended June 30, 2023

	Home Office	Montview Middle School	Montview High School	Green Valley Ranch Middle School
Revenues				
Local sources				
Contributions and grants	\$ 6,588,010	\$ 451,102	\$ 64,459	\$ 114,834
Investment income	781,244	-	-	-
Mill levy	-	1,172,571	1,622,828	1,210,569
Miscellaneous	-	-	-	-
Supporting services	21,150,250	374,574	631,779	431,235
State sources				
Per pupil revenue	-	4,620,314	5,643,739	4,804,810
Supporting services	-	103,597	166,111	101,765
Federal sources				
Federal grants from Denver Public Schools	-	693,454	838,458	811,947
Direct federal start-up grant	-	-	-	-
Total revenues	<u>28,519,504</u>	<u>7,415,612</u>	<u>8,967,374</u>	<u>7,475,160</u>
Expenditures				
Instructional				
Regular education	4,738,441	4,356,082	5,543,117	4,292,677
Special education	-	-	-	-
Supporting services				
Pupil supporting services	498,653	419,757	575,332	388,466
Instructional support	2,553,155	131,657	216,295	349,642
General administration	-	64,345	-	86,533
School administration	12,459,773	674,117	591,444	552,811
Business services	1,383,292	849,838	1,069,912	887,402
Operations and maintenance	256,238	395,582	490,470	443,257
Pupil transportation	-	119,984	50,953	93,273
Central services	-	165,438	202,083	170,774
Property	5,765,212	9,775	-	-
Other support services	2,128,297	20,095	14,713	14,251
Debt service				
Principal	481,409	-	-	-
Interest	295,993	-	-	-
Total expenditures	<u>30,560,463</u>	<u>7,206,670</u>	<u>8,754,319</u>	<u>7,279,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,040,959)</u>	<u>208,942</u>	<u>213,055</u>	<u>196,074</u>
Other financing sources (uses)				
Transfers in	5,100,000	-	-	-
Transfers out	<u>(7,613,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,513,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,554,459)	208,942	213,055	196,074
Fund balances, beginning of year	<u>12,046,037</u>	<u>4,021,819</u>	<u>3,624,292</u>	<u>3,856,082</u>
Fund balances, end of year	<u>\$ 7,491,578</u>	<u>\$ 4,230,761</u>	<u>\$ 3,837,347</u>	<u>\$ 4,052,156</u>

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance (continued)
Year Ended June 30, 2023

Green Valley Ranch High School	Cole Middle School	Cole High School	College View Middle School	College View High School	Byers Middle School	Byers High School
\$ 118,380	\$ 107,225	\$ 50,252	\$ 158,775	\$ 117,003	\$ 92,682	\$ 95,594
-	-	-	-	-	-	-
1,651,086	790,717	959,339	1,275,993	1,718,190	1,076,008	1,473,245
-	-	-	-	-	-	-
440,954	293,597	382,057	180,280	214,627	466,256	530,925
5,646,278	2,804,475	3,090,036	4,683,569	5,616,767	4,546,476	5,343,065
142,511	107,845	75,586	108,104	159,229	105,450	132,810
1,008,951	671,827	700,290	953,127	1,046,464	413,262	378,341
-	-	-	-	-	-	-
<u>9,008,160</u>	<u>4,775,686</u>	<u>5,257,560</u>	<u>7,359,848</u>	<u>8,872,280</u>	<u>6,700,134</u>	<u>7,953,980</u>
5,252,581	2,395,001	3,031,560	4,210,640	5,215,749	4,258,286	4,591,062
-	-	-	-	-	-	-
596,591	539,708	507,006	519,718	686,610	431,868	558,057
344,881	17,050	222,353	142,197	364,076	128,531	456,570
-	72,715	-	-	89,295	-	75,679
484,056	699,493	306,102	675,607	539,379	295,288	545,864
1,067,222	540,035	623,318	906,990	1,093,548	854,923	1,000,433
541,773	232,541	261,925	400,280	473,569	398,036	473,569
216,580	73,160	96,690	105,565	7,397	15,593	21,895
200,838	97,484	108,513	162,591	197,102	166,861	197,458
-	-	43,237	-	7,952	-	-
10,311	21,909	-	9,638	8,471	13,778	617
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,714,833</u>	<u>4,689,096</u>	<u>5,200,704</u>	<u>7,133,226</u>	<u>8,683,148</u>	<u>6,563,164</u>	<u>7,921,204</u>
293,327	86,590	56,856	226,622	189,132	136,970	32,776
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
293,327	86,590	56,856	226,622	189,132	136,970	32,776
3,408,104	2,250,166	1,728,089	2,944,461	3,174,892	3,459,454	1,550,065
<u>\$ 3,701,431</u>	<u>\$ 2,336,756</u>	<u>\$ 1,784,945</u>	<u>\$ 3,171,083</u>	<u>\$ 3,364,024</u>	<u>\$ 3,596,424</u>	<u>\$ 1,582,841</u>

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance (continued)
Year Ended June 30, 2023

Conservatory Green Middle School	Conservatory Green High School	Noel Middle School	Elevate High School	Eliminations	Total DPS
\$ 152,779	\$ 170,458	\$ 77,819	\$ 50,337	\$ -	\$ 8,409,709
-	-	-	-	-	781,244
1,198,511	1,618,897	1,147,968	918,209	-	17,834,131
-	-	-	-	-	-
601,141	648,364	107,818	1,628,027	(23,341,237)	4,740,647
4,728,283	5,617,438	4,431,594	3,063,805	-	64,640,649
93,444	116,843	100,821	59,419	-	1,573,535
723,071	778,481	785,544	603,185	-	10,406,402
-	-	-	-	-	-
<u>7,497,229</u>	<u>8,950,481</u>	<u>6,651,564</u>	<u>6,322,982</u>	<u>(23,341,237)</u>	<u>108,386,317</u>
4,416,316	5,271,886	4,043,060	2,388,720	(9,733,603)	54,271,575
-	-	-	-	-	-
510,600	699,757	479,080	377,367	-	7,788,570
148,864	242,664	208,128	156,173	-	5,682,236
-	80,476	-	76,223	-	545,266
503,632	643,289	450,064	552,546	-	19,973,465
860,718	1,059,656	828,773	557,970	(12,107,634)	1,476,396
412,506	535,908	13,903	1,540,505	-	6,870,062
184,973	66,184	152,806	203,629	-	1,408,682
168,284	202,973	156,543	108,513	-	2,305,455
1,905	-	-	2,215	-	5,830,296
14,090	13,332	473	68,482	(1,500,000)	838,457
-	-	-	-	-	481,409
-	-	-	-	-	295,993
<u>7,221,888</u>	<u>8,816,125</u>	<u>6,332,830</u>	<u>6,032,343</u>	<u>(23,341,237)</u>	<u>107,767,862</u>
<u>275,341</u>	<u>134,356</u>	<u>318,734</u>	<u>290,639</u>	<u>-</u>	<u>618,455</u>
-	-	-	-	-	5,100,000
-	-	-	-	-	(7,613,500)
-	-	-	-	-	(2,513,500)
275,341	134,356	318,734	290,639	-	(1,895,045)
2,994,893	1,761,678	2,084,633	400,232	-	49,304,897
<u>\$ 3,270,234</u>	<u>\$ 1,896,034</u>	<u>\$ 2,403,367</u>	<u>\$ 690,871</u>	<u>\$ -</u>	<u>\$ 47,409,852</u>

DSST Public Schools
Combining APS Balance Sheet
June 30, 2023

	Home Office	AST Middle School	AST High School	Total APS
Assets				
Cash and cash equivalents	\$ (1,420,851)	\$ 2,008,480	\$ 2,406,224	\$ 2,993,853
Restricted permanent endowment	19,033	-	-	19,033
Accounts receivable	862	19,666	20,493	41,021
Receivable from Foundation	2,018,415	111,288	-	2,129,703
Promises to give, net	49,348	-	-	49,348
PCOPs credits	-	-	-	-
Prepaid expenses	19,279	-	21,382	40,661
Total assets	<u>686,086</u>	<u>2,139,434</u>	<u>2,448,099</u>	<u>5,273,619</u>
Liabilities, deferred inflows, and fund balance				
Accounts payable	25,655	28,197	2,208,684	2,262,536
Accrued salaries and benefits	176,876	944	(970)	176,850
Total liabilities	<u>202,531</u>	<u>29,141</u>	<u>2,207,714</u>	<u>2,439,386</u>
Deferred inflows of resources				
Unavailable revenue - grants	49,348	-	-	49,348
Total liabilities and deferred inflows of resources	<u>251,879</u>	<u>29,141</u>	<u>2,207,714</u>	<u>2,488,734</u>
Fund Balance				
Nonspendable	17,970	-	21,382	39,352
Restricted for emergencies	59,802	163,333	133,872	357,007
Restricted for capital projects	-	99,442	-	99,442
Assigned	228,210	1,221,398	-	1,449,608
Unassigned	128,225	626,120	85,131	839,476
Total fund balance	<u>434,207</u>	<u>2,110,293</u>	<u>240,385</u>	<u>2,784,885</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 686,086</u>	<u>\$ 2,139,434</u>	<u>\$ 2,448,099</u>	<u>\$ 5,273,619</u>

DSST Public Schools
Combining Statement of Revenues, Expenditures,
and Changes in APS Fund Balance
Year Ended June 30, 2023

	Home Office	AST Middle School	AST High School	Eliminations	Total APS
Revenues					
Local sources					
Contributions and grants	\$ 33,407	\$ 284,521	\$ 113,680	\$ -	\$ 431,608
Investment income	41,239	-	-	-	41,239
Mill levy	-	1,213,406	430,942	-	1,644,348
Miscellaneous	-	-	-	-	-
Supporting services	2,015,553	23,651	2,774,106	(4,230,646)	582,664
State sources					
Per pupil revenue	-	4,683,335	1,663,317	-	6,346,652
Supporting services	-	274,404	118,918	-	393,322
Federal sources					
Federal grants from Aurora Public Schools	-	360,914	294,715	-	655,629
Direct federal start-up grant	-	-	-	-	-
Total revenues	<u>2,090,199</u>	<u>6,840,231</u>	<u>5,395,678</u>	<u>(4,230,646)</u>	<u>10,095,462</u>
Expenditures					
Instructional					
Regular education	438,183	3,229,873	1,340,780	(346,473)	4,662,363
Special education	-	-	-	-	-
Supporting services					
Pupil supporting services	128,409	882,883	328,025	-	1,339,317
Instructional support	125,250	61,128	141,903	-	328,281
General administration	-	86,903	-	-	86,903
School administration	1,226,787	766,358	375,330	-	2,368,475
Business services	46,047	836,041	313,143	(1,134,173)	61,058
Operations and maintenance	25,497	569,071	2,482,224	-	3,076,792
Pupil transportation	-	311	236	-	547
Central services	-	173,619	61,788	-	235,407
Property	-	-	147,701	-	147,701
Other support services	2,716,738	64,228	22,995	(2,750,000)	53,961
Debt service					
Principal	45,539	-	-	-	45,539
Interest	28,000	-	-	-	28,000
Total expenditures	<u>4,780,450</u>	<u>-</u>	<u>5,214,125</u>	<u>(4,230,646)</u>	<u>12,434,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,690,251)</u>	<u>169,816</u>	<u>181,553</u>	<u>-</u>	<u>(2,338,882)</u>
Other financing sources (uses)					
Transfers in	2,513,500	-	-	-	2,513,500
Transfers out	-	-	-	-	-
Total other financing sources	<u>2,513,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,513,500</u>
Net change in fund balances	(176,751)	169,816	181,553	-	174,618
Fund balances, beginning of year	<u>610,958</u>	<u>1,940,477</u>	<u>58,832</u>	<u>-</u>	<u>2,610,267</u>
Fund balances, end of year	<u>\$ 434,207</u>	<u>\$ 2,110,293</u>	<u>\$ 240,385</u>	<u>\$ -</u>	<u>\$ 2,784,885</u>

DSST Public Schools
Budgetary Comparison Schedule – Home Office (combined)
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 6,621,417	\$ 6,621,417
Investment income	90,184	822,483	732,299
Mill levy	-	-	-
Miscellaneous	-	-	-
Supporting services	16,944,379	23,165,803	6,221,424
State sources			
Per pupil revenue	-	-	-
Supporting services	-	-	-
Federal sources			
Federal grants from Denver Public Schools	-	-	-
Direct federal start-up grant	-	-	-
Total revenues	<u>17,034,563</u>	<u>30,609,703</u>	<u>13,575,140</u>
Expenditures			
Instructional			
Regular education	6,570,085	5,176,624	1,393,461
Supporting services			
Pupil supporting services	150,000	627,062	(477,062)
Instructional support	2,000,000	2,678,405	(678,405)
General administration	-	-	-
School administration	15,095,831	13,686,560	1,409,271
Business services	2,000,000	1,429,339	570,661
Operations and maintenance	-	281,735	(281,735)
Pupil transportation	-	-	-
Central services	-	-	-
Property	4,800,000	5,765,212	(965,212)
Other support services	2,507,741	4,845,035	(2,337,294)
Debt service			
Principal	-	526,948	(526,948)
Interest	-	323,993	(323,993)
Total expenditures	<u>33,123,657</u>	<u>34,489,972</u>	<u>(1,366,315)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,089,094)</u>	<u>(3,880,269)</u>	<u>12,208,825</u>
Other financing sources (uses)			
Transfers in	-	7,613,500	7,613,500
Transfers out	-	(7,613,500)	(7,613,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(16,089,094)	(3,880,269)	12,208,825
Fund balances, beginning of year	<u>12,715,827</u>	<u>12,715,827</u>	<u>-</u>
Fund balances, end of year	<u>\$ (3,373,267)</u>	<u>\$ 8,835,558</u>	<u>\$ 12,208,825</u>

DSST Public Schools
Budgetary Comparison Schedule – Montview Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 451,102	\$ 451,102
Investment income	-	-	-
Mill levy	1,038,631	1,172,571	133,940
Miscellaneous	-	-	-
Supporting services	427,826	374,574	(53,252)
State sources			
Per pupil revenue	4,463,500	4,620,314	156,814
Supporting services	84,392	103,597	19,205
Federal sources			
Federal grants from Denver Public Schools	683,686	693,454	9,768
Direct federal start-up grant	-	-	-
Total revenues	<u>6,698,035</u>	<u>7,415,612</u>	<u>717,577</u>
Expenditures			
Instructional			
Regular education	3,651,910	4,356,082	(704,172)
Supporting services			
Pupil supporting services	18,743	419,757	(401,014)
Instructional support	29,700	131,657	(101,957)
General administration	1,410	64,345	(62,935)
School administration	909,691	674,117	235,574
Business services	1,269,463	849,838	419,625
Operations and maintenance	411,258	395,582	15,676
Pupil transportation	94,314	119,984	(25,670)
Central services	180,408	165,438	14,970
Property	-	9,775	(9,775)
Other support services	3,872	20,095	(16,223)
Total expenditures	<u>6,570,769</u>	<u>7,206,670</u>	<u>(635,901)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,266</u>	<u>208,942</u>	<u>81,676</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	127,266	208,942	81,676
Fund balances, beginning of year	<u>4,021,819</u>	<u>4,021,819</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,149,085</u>	<u>\$ 4,230,761</u>	<u>\$ 81,676</u>

DSST Public Schools
Budgetary Comparison Schedule – Montview High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 64,459	\$ 64,459
Investment income	-	-	-
Mill levy	1,485,645	1,622,828	137,183
Miscellaneous	-	-	-
Supporting services	623,527	631,779	8,252
State sources			
Per pupil revenue	5,579,375	5,643,739	64,364
Supporting services	107,985	166,111	58,126
Federal sources			
Federal grants from Denver Public Schools	857,914	838,458	(19,456)
Direct federal start-up grant	-	-	-
Total revenues	<u>8,654,446</u>	<u>8,967,374</u>	<u>312,928</u>
Expenditures			
Instructional			
Regular education	5,141,213	5,543,117	(401,904)
Supporting services			
Pupil supporting services	30,743	575,332	(544,589)
Instructional support	27,800	216,295	(188,495)
General administration	1,698	-	1,698
School administration	1,234,400	591,444	642,956
Business services	1,364,567	1,069,912	294,655
Operations and maintenance	511,480	490,470	21,010
Pupil transportation	20,539	50,953	(30,414)
Central services	219,327	202,083	17,244
Property	-	-	-
Other support services	20,515	14,713	5,802
Total expenditures	<u>8,572,282</u>	<u>8,754,319</u>	<u>(182,037)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,164</u>	<u>213,055</u>	<u>130,891</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	82,164	213,055	130,891
Fund balances, beginning of year	<u>3,624,292</u>	<u>3,624,292</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,706,456</u>	<u>\$ 3,837,347</u>	<u>\$ 130,891</u>

DSST Public Schools
Budgetary Comparison Schedule – Green Valley Ranch Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 114,834	\$ 114,834
Investment income	-	-	-
Mill levy	1,117,812	1,210,569	92,757
Miscellaneous	-	-	-
Supporting services	685,628	431,235	(254,393)
State sources			
Per pupil revenue	4,757,121	4,804,810	47,689
Supporting services	89,161	101,765	12,604
Federal sources			
Federal grants from Denver Public Schools	804,226	811,947	7,721
Direct federal start-up grant	-	-	-
Total revenues	<u>7,453,948</u>	<u>7,475,160</u>	<u>21,212</u>
Expenditures			
Instructional			
Regular education	4,143,596	4,292,677	(149,081)
Supporting services			
Pupil supporting services	18,743	388,466	(369,723)
Instructional support	27,000	349,642	(322,642)
General administration	1,428	86,533	(85,105)
School administration	993,487	552,811	440,676
Business services	1,367,338	887,402	479,936
Operations and maintenance	467,340	443,257	24,083
Pupil transportation	99,886	93,273	6,613
Central services	184,178	170,774	13,404
Property	-	-	-
Other support services	4,108	14,251	(10,143)
Total expenditures	<u>7,307,104</u>	<u>7,279,086</u>	<u>28,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>146,844</u>	<u>196,074</u>	<u>49,230</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	146,844	196,074	49,230
Fund balances, beginning of year	<u>3,856,082</u>	<u>3,856,082</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,002,926</u>	<u>\$ 4,052,156</u>	<u>\$ 49,230</u>

DSST Public Schools
Budgetary Comparison Schedule – Green Valley Ranch High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 118,380	\$ 118,380
Investment income	-	-	-
Mill levy	1,471,441	1,651,086	179,645
Miscellaneous	-	-	-
Supporting services	525,198	440,954	(84,244)
State sources			
Per pupil revenue	5,607,063	5,646,278	39,215
Supporting services	103,571	142,511	38,940
Federal sources			
Federal grants from Denver Public Schools	891,241	1,008,951	117,710
Direct federal start-up grant	-	-	-
Total revenues	<u>8,598,514</u>	<u>9,008,160</u>	<u>409,646</u>
Expenditures			
Instructional			
Regular education	4,891,451	5,252,581	(361,130)
Supporting services			
Pupil supporting services	23,943	596,591	(572,648)
Instructional support	27,500	344,881	(317,381)
General administration	1,617	-	1,617
School administration	1,188,993	484,056	704,937
Business services	1,460,792	1,067,222	393,570
Operations and maintenance	557,974	541,773	16,201
Pupil transportation	112,055	216,580	(104,525)
Central services	214,168	200,838	13,330
Property	-	-	-
Other support services	4,907	10,311	(5,404)
Total expenditures	<u>8,483,400</u>	<u>8,714,833</u>	<u>(231,433)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>115,114</u>	<u>293,327</u>	<u>178,213</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	115,114	293,327	178,213
Fund balances, beginning of year	<u>3,408,104</u>	<u>3,408,104</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,523,218</u>	<u>\$ 3,701,431</u>	<u>\$ 178,213</u>

DSST Public Schools
Budgetary Comparison Schedule – Cole Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 107,225	\$ 107,225
Investment income	-	-	-
Mill levy	697,330	790,717	93,387
Miscellaneous	-	-	-
Supporting services	306,362	293,597	(12,765)
State sources			
Per pupil revenue	2,654,080	2,804,475	150,395
Supporting services	51,012	107,845	56,833
Federal sources			
Federal grants from Denver Public Schools	619,598	671,827	52,229
Direct federal start-up grant	-	-	-
Total revenues	<u>4,328,382</u>	<u>4,775,686</u>	<u>447,304</u>
Expenditures			
Instructional			
Regular education	2,519,128	2,395,001	124,127
Supporting services			
Pupil supporting services	18,743	539,708	(520,965)
Instructional support	17,500	17,050	450
General administration	810	72,715	(71,905)
School administration	786,699	699,493	87,206
Business services	567,627	540,035	27,592
Operations and maintenance	238,309	232,541	5,768
Pupil transportation	63,125	73,160	(10,035)
Central services	107,332	97,484	9,848
Property	-	-	-
Other support services	2,272	21,909	(19,637)
Total expenditures	<u>4,321,545</u>	<u>4,689,096</u>	<u>(367,551)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,837</u>	<u>86,590</u>	<u>79,753</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,837	86,590	79,753
Fund balances, beginning of year	<u>2,250,166</u>	<u>2,250,166</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,257,003</u>	<u>\$ 2,336,756</u>	<u>\$ 79,753</u>

DSST Public Schools
Budgetary Comparison Schedule – Cole High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 50,252	\$ 50,252
Investment income	-	-	-
Mill levy	975,017	959,339	(15,678)
Miscellaneous	-	-	-
Supporting services	701,437	382,057	(319,380)
State sources			
Per pupil revenue	3,430,024	3,090,036	(339,988)
Supporting services	62,583	75,586	13,003
Federal sources			
Federal grants from Denver Public Schools	668,645	700,290	31,645
Direct federal start-up grant	-	-	-
Total revenues	<u>5,837,706</u>	<u>5,257,560</u>	<u>(580,146)</u>
Expenditures			
Instructional			
Regular education	3,456,986	3,031,560	425,426
Supporting services			
Pupil supporting services	26,943	507,006	(480,063)
Instructional support	23,700	222,353	(198,653)
General administration	1,014	-	1,014
School administration	850,404	306,102	544,302
Business services	894,367	623,318	271,049
Operations and maintenance	310,797	261,925	48,872
Pupil transportation	74,675	96,690	(22,015)
Central services	134,336	108,513	25,823
Property	-	43,237	(43,237)
Other support services	2,932	-	2,932
Total expenditures	<u>5,776,154</u>	<u>5,200,704</u>	<u>575,450</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,552</u>	<u>56,856</u>	<u>(4,696)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	61,552	56,856	(4,696)
Fund balances, beginning of year	<u>1,728,089</u>	<u>1,728,089</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,789,641</u>	<u>\$ 1,784,945</u>	<u>\$ (4,696)</u>

DSST Public Schools
Budgetary Comparison Schedule – College View Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 158,775	\$ 158,775
Investment income	-	-	-
Mill levy	1,180,428	1,275,993	95,565
Miscellaneous	-	-	-
Supporting services	302,013	180,280	(121,733)
State sources			
Per pupil revenue	4,607,785	4,683,569	75,784
Supporting services	85,508	108,104	22,596
Federal sources			
Federal grants from Denver Public Schools	924,769	953,127	28,358
Direct federal start-up grant	-	-	-
Total revenues	<u>7,100,503</u>	<u>7,359,848</u>	<u>259,345</u>
Expenditures			
Instructional			
Regular education	3,885,568	4,210,640	(325,072)
Supporting services			
Pupil supporting services	18,743	519,718	(500,975)
Instructional support	66,420	142,197	(75,777)
General administration	1,455	-	1,455
School administration	1,072,386	675,607	396,779
Business services	1,253,123	906,990	346,133
Operations and maintenance	413,479	400,280	13,199
Pupil transportation	96,275	105,565	(9,290)
Central services	186,481	162,591	23,890
Property	-	-	-
Other support services	3,977	9,638	(5,661)
Total expenditures	<u>6,997,907</u>	<u>7,133,226</u>	<u>(135,319)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,596</u>	<u>226,622</u>	<u>124,026</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	102,596	226,622	124,026
Fund balances, beginning of year	<u>2,944,461</u>	<u>2,944,461</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,047,057</u>	<u>\$ 3,171,083</u>	<u>\$ 124,026</u>

DSST Public Schools
Budgetary Comparison Schedule – College View High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 117,003	\$ 117,003
Investment income	-	-	-
Mill levy	1,576,799	1,718,190	141,391
Miscellaneous	-	-	-
Supporting services	401,131	214,627	(186,504)
State sources			
Per pupil revenue	5,522,391	5,616,767	94,376
Supporting services	106,711	159,229	52,518
Federal sources			
Federal grants from Denver Public Schools	1,062,041	1,046,464	(15,577)
Direct federal start-up grant	-	-	-
Total revenues	<u>8,669,073</u>	<u>8,872,280</u>	<u>203,207</u>
Expenditures			
Instructional			
Regular education	5,030,153	5,215,749	(185,596)
Supporting services			
Pupil supporting services	29,743	686,610	(656,867)
Instructional support	27,500	364,076	(336,576)
General administration	1,695	89,295	(87,600)
School administration	1,210,367	539,379	670,988
Business services	1,506,849	1,093,548	413,301
Operations and maintenance	496,856	473,569	23,287
Pupil transportation	20,225	7,397	12,828
Central services	216,681	197,102	19,579
Property	-	7,952	(7,952)
Other support services	4,798	8,471	(3,673)
Total expenditures	<u>8,544,867</u>	<u>8,683,148</u>	<u>(138,281)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>124,206</u>	<u>189,132</u>	<u>64,926</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	124,206	189,132	64,926
Fund balances, beginning of year	<u>3,174,892</u>	<u>3,174,892</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,299,098</u>	<u>\$ 3,364,024</u>	<u>\$ 64,926</u>

DSST Public Schools
Budgetary Comparison Schedule – Byers Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 92,682	\$ 92,682
Investment income	-	-	-
Mill levy	979,998	1,076,008	96,010
Miscellaneous	-	-	-
Supporting services	627,610	466,256	(161,354)
State sources			
Per pupil revenue	4,526,788	4,546,476	19,688
Supporting services	91,930	105,450	13,520
Federal sources			
Federal grants from Denver Public Schools	459,985	413,262	(46,723)
Direct federal start-up grant	-	-	-
Total revenues	6,686,311	6,700,134	13,823
Expenditures			
Instructional			
Regular education	3,965,040	4,258,286	(293,246)
Supporting services			
Pupil supporting services	18,743	431,868	(413,125)
Instructional support	36,900	128,531	(91,631)
General administration	1,431	-	1,431
School administration	696,345	295,288	401,057
Business services	1,224,404	854,923	369,481
Operations and maintenance	426,501	398,036	28,465
Pupil transportation	2,835	15,593	(12,758)
Central services	183,582	166,861	16,721
Property	-	-	-
Other support services	14,239	13,778	461
Total expenditures	6,570,020	6,563,164	6,856
Excess (deficiency) of revenues over (under) expenditures	116,291	136,970	20,679
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	116,291	136,970	20,679
Fund balances, beginning of year	3,459,454	3,459,454	-
Fund balances, end of year	\$ 3,575,745	\$ 3,596,424	\$ 20,679

DSST Public Schools
Budgetary Comparison Schedule – Byers High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 95,594	\$ 95,594
Investment income	-	-	-
Mill levy	1,317,654	1,473,245	155,591
Miscellaneous	-	-	-
Supporting services	684,428	530,925	(153,503)
State sources			
Per pupil revenue	5,261,300	5,343,065	81,765
Supporting services	112,179	132,810	20,631
Federal sources			
Federal grants from Denver Public Schools	457,742	378,341	(79,401)
Direct federal start-up grant	-	-	-
Total revenues	<u>7,833,303</u>	<u>7,953,980</u>	<u>120,677</u>
Expenditures			
Instructional			
Regular education	4,918,783	4,591,062	327,721
Supporting services			
Pupil supporting services	28,743	558,057	(529,314)
Instructional support	36,000	456,570	(420,570)
General administration	1,632	75,679	(74,047)
School administration	1,127,158	545,864	581,294
Business services	1,007,877	1,000,433	7,444
Operations and maintenance	497,530	473,569	23,961
Pupil transportation	2,800	21,895	(19,095)
Central services	211,755	197,458	14,297
Property	-	-	-
Other support services	10,455	617	9,838
Total expenditures	<u>7,842,733</u>	<u>7,921,204</u>	<u>(78,471)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,430)</u>	<u>32,776</u>	<u>42,206</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,430)	32,776	42,206
Fund balances, beginning of year	<u>1,550,065</u>	<u>1,550,065</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,540,635</u>	<u>\$ 1,582,841</u>	<u>\$ 42,206</u>

DSST Public Schools
Budgetary Comparison Schedule – Conservatory Green Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 152,779	\$ 152,779
Investment income	-	-	-
Mill levy	1,021,679	1,198,511	176,832
Miscellaneous	-	-	-
Supporting services	630,211	601,141	(29,070)
State sources			
Per pupil revenue	4,409,808	4,728,283	318,475
Supporting services	82,240	93,444	11,204
Federal sources			
Federal grants from Denver Public Schools	718,543	723,071	4,528
Direct federal start-up grant	-	-	-
Total revenues	<u>6,862,481</u>	<u>7,497,229</u>	<u>634,748</u>
Expenditures			
Instructional			
Regular education	3,783,893	4,416,316	(632,423)
Supporting services			
Pupil supporting services	32,743	510,600	(477,857)
Instructional support	148,200	148,864	(664)
General administration	1,323	-	1,323
School administration	936,334	503,632	432,702
Business services	1,181,262	860,718	320,544
Operations and maintenance	403,388	412,506	(9,118)
Pupil transportation	92,175	184,973	(92,798)
Central services	173,652	168,284	5,368
Property	-	1,905	(1,905)
Other support services	3,811	14,090	(10,279)
Total expenditures	<u>6,756,781</u>	<u>7,221,888</u>	<u>(465,107)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,700</u>	<u>275,341</u>	<u>169,641</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	105,700	275,341	169,641
Fund balances, beginning of year	<u>2,994,893</u>	<u>2,994,893</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,100,593</u>	<u>\$ 3,270,234</u>	<u>\$ 169,641</u>

DSST Public Schools
Budgetary Comparison Schedule – Conservatory Green High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 170,458	\$ 170,458
Investment income	-	-	-
Mill levy	1,448,796	1,618,897	170,101
Miscellaneous	-	-	-
Supporting services	680,761	648,364	(32,397)
State sources			
Per pupil revenue	5,491,360	5,617,438	126,078
Supporting services	104,710	116,843	12,133
Federal sources			
Federal grants from Denver Public Schools	770,803	778,481	7,678
Direct federal start-up grant	-	-	-
Total revenues	<u>8,496,430</u>	<u>8,950,481</u>	<u>454,051</u>
Expenditures			
Instructional			
Regular education	5,224,147	5,271,886	(47,739)
Supporting services			
Pupil supporting services	42,743	699,757	(657,014)
Instructional support	27,400	242,664	(215,264)
General administration	1,632	80,476	(78,844)
School administration	1,259,726	643,289	616,437
Business services	1,135,610	1,059,656	75,954
Operations and maintenance	547,815	535,908	11,907
Pupil transportation	20,425	66,184	(45,759)
Central services	209,330	202,973	6,357
Property	-	-	-
Other support services	7,932	13,332	(5,400)
Total expenditures	<u>8,476,760</u>	<u>8,816,125</u>	<u>(339,365)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,670</u>	<u>134,356</u>	<u>114,686</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	19,670	134,356	114,686
Fund balances, beginning of year	<u>1,761,678</u>	<u>1,761,678</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,781,348</u>	<u>\$ 1,896,034</u>	<u>\$ 114,686</u>

DSST Public Schools
Budgetary Comparison Schedule – Noel Middle School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 77,819	\$ 77,819
Investment income	-	-	-
Mill levy	1,080,813	1,147,968	67,155
Miscellaneous	-	-	-
Supporting services	223,033	107,818	(115,215)
State sources			
Per pupil revenue	4,504,500	4,431,594	(72,906)
Supporting services	146,981	100,821	(46,160)
Federal sources			
Federal grants from Denver Public Schools	789,000	785,544	(3,456)
Direct federal start-up grant	-	-	-
Total revenues	<u>6,744,327</u>	<u>6,651,564</u>	<u>(92,763)</u>
Expenditures			
Instructional			
Regular education	3,733,989	4,043,060	(309,071)
Supporting services			
Pupil supporting services	18,743	479,080	(460,337)
Instructional support	164,500	208,128	(43,628)
General administration	1,380	-	1,380
School administration	941,330	450,064	491,266
Business services	1,425,082	828,773	596,309
Operations and maintenance	6,000	13,903	(7,903)
Pupil transportation	95,825	152,806	(56,981)
Central services	170,797	156,543	14,254
Property	-	-	-
Other support services	3,933	473	3,460
Total expenditures	<u>6,561,579</u>	<u>6,332,830</u>	<u>228,749</u>
Excess (deficiency) of revenues over (under) expenditures	<u>182,748</u>	<u>318,734</u>	<u>135,986</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	182,748	318,734	135,986
Fund balances, beginning of year	<u>2,084,633</u>	<u>2,084,633</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,267,381</u>	<u>\$ 2,403,367</u>	<u>\$ 135,986</u>

DSST Public Schools
Budgetary Comparison Schedule – Elevate High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 50,337	\$ 50,337
Investment income	-	-	-
Mill levy	830,141	918,209	88,068
Miscellaneous	-	-	-
Supporting services	2,112,743	1,628,027	(484,716)
State sources			
Per pupil revenue	2,984,618	3,063,805	79,187
Supporting services	90,449	59,419	(31,030)
Federal sources			
Federal grants from Denver Public Schools	511,275	603,185	91,910
Direct federal start-up grant	-	-	-
Total revenues	<u>6,529,226</u>	<u>6,322,982</u>	<u>(206,244)</u>
Expenditures			
Instructional			
Regular education	2,649,138	2,388,720	260,418
Supporting services			
Pupil supporting services	20,243	377,367	(357,124)
Instructional support	132,500	156,173	(23,673)
General administration	-	76,223	(76,223)
School administration	656,308	552,546	103,762
Business services	559,632	557,970	1,662
Operations and maintenance	2,327,676	1,540,505	787,171
Pupil transportation	69,975	203,629	(133,654)
Central services	52,960	108,513	(55,553)
Property	-	2,215	(2,215)
Other support services	2,613	68,482	(65,869)
Total expenditures	<u>6,471,045</u>	<u>6,032,343</u>	<u>438,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,181</u>	<u>290,639</u>	<u>232,458</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	58,181	290,639	232,458
Fund balances, beginning of year	<u>400,232</u>	<u>400,232</u>	<u>-</u>
Fund balances, end of year	<u>\$ 458,413</u>	<u>\$ 690,871</u>	<u>\$ 232,458</u>

DSST Public Schools

Budgetary Comparison Schedule – Aurora Science and Tech Middle School Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 284,521	\$ 284,521
Investment income	-	-	-
Mill levy	1,219,689	1,213,406	(6,283)
Miscellaneous	-	-	-
Supporting services	366,779	23,651	(343,128)
State sources			
Per pupil revenue	4,434,750	4,683,335	248,585
Supporting services	74,964	274,404	199,440
Federal sources			
Federal grants from Aurora Public Schools	227,775	360,914	133,139
Direct federal start-up grant	-	-	-
Total revenues	<u>6,323,957</u>	<u>6,840,231</u>	<u>516,274</u>
Expenditures			
Instructional			
Regular education	3,699,939	3,229,873	470,066
Supporting services			
Pupil supporting services	-	882,883	(882,883)
Instructional support	34,500	61,128	(26,628)
General administration	-	86,903	(86,903)
School administration	880,123	766,358	113,765
Business services	870,672	836,041	34,631
Operations and maintenance	551,038	569,071	(18,033)
Pupil transportation	800	311	489
Central services	182,250	173,619	8,631
Property	-	-	-
Other support services	-	64,228	(64,228)
Total expenditures	<u>6,219,322</u>	<u>6,670,415</u>	<u>(451,093)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,635</u>	<u>169,816</u>	<u>65,181</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	104,635	169,816	65,181
Fund balances, beginning of year	<u>1,940,477</u>	<u>1,940,477</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,045,112</u>	<u>\$ 2,110,293</u>	<u>\$ 65,181</u>

DSST Public Schools
Budgetary Comparison Schedule – Aurora Science and Tech High School
Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 113,680	\$ 113,680
Investment income	-	-	-
Mill levy	433,667	430,942	(2,725)
Miscellaneous	-	-	-
Supporting services	332,086	2,774,106	2,442,020
State sources			
Per pupil revenue	1,576,800	1,663,317	86,517
Supporting services	24,594	118,918	94,324
Federal sources			
Federal grants from Aurora Public Schools	315,000	294,715	(20,285)
Direct federal start-up grant	-	-	-
Total revenues	<u>2,682,147</u>	<u>5,395,678</u>	<u>2,713,531</u>
Expenditures			
Instructional			
Regular education	1,513,360	1,340,780	172,580
Supporting services			
Pupil supporting services	-	328,025	(328,025)
Instructional support	11,000	141,903	(130,903)
General administration	-	-	-
School administration	410,784	375,330	35,454
Business services	356,584	313,143	43,441
Operations and maintenance	2,499,040	2,482,224	16,816
Pupil transportation	-	236	(236)
Central services	182,250	61,788	120,462
Property	-	147,701	(147,701)
Other support services	-	22,995	(22,995)
Total expenditures	<u>4,973,018</u>	<u>5,214,125</u>	<u>(241,107)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,290,871)</u>	<u>181,553</u>	<u>2,472,424</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,290,871)	181,553	2,472,424
Fund balances, beginning of year	<u>58,832</u>	<u>58,832</u>	<u>-</u>
Fund balances, end of year	<u>\$ (2,232,039)</u>	<u>\$ 240,385</u>	<u>\$ 2,472,424</u>

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

Independent Auditor's Report

Board of Directors
DSST Public Schools
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise DSST Public Schools' basic financial statements, and have issued our report thereon dated October 27, 2023. We have also audited the financial statements of the governmental activities and the general funds of DSST-Denver (a component unit of School District Number 1 in the City and County of Denver, Colorado [Denver Public Schools or DPS]) and DSST-Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado [Aurora Public Schools or APS]) as of and for the year ended June 30, 2023, as displayed in DSST Public Schools' audited supplementary information as listed in the table of contents, and have issued our report thereon dated October 27, 2023, which contained an emphasis of matter for an accounting standard adoption.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DSST Public Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DSST Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the DSST Public Schools' internal control.

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

Board of Directors
DSST Public Schools

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DSST Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

FORVIS,LLP

Denver, Colorado
October 27, 2023