

Denver School of Science and Technology

Independent Auditor's Report and Financial Statements

June 30, 2022

Denver School of Science and Technology
June 30, 2022

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Independent Auditor's Report

Board of Directors
Denver School of Science and Technology
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 Denver School of Science and Technology (DSST Public Schools), as of and for the year ended June 30, 2022, 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, 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, 2022 as displayed in DSST Public Schools' audited supplementary information 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 governmental activities and general funds of DSST-Denver and DSST-Aurora, as of June 30, 2022, 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. 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.

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
Denver School of Science and Technology

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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 other 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 other 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, 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.

Board of Directors
Denver School of Science and Technology

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

FORVIS, LLP

Denver, Colorado
October 24, 2022

Denver School of Science and Technology

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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, 2022. 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, 2022 by \$59,916,074. Of this amount, \$39,311,928 is unrestricted. The \$59,916,074 of DSST's total net position represents an increase of \$10,609,001 over the prior year.

DSST's Governmental Fund Financial Statements reported an ending fund balance in fiscal year 2022 of \$51,915,164. The total fund balance in the General Fund decreased \$5,577,964 from the prior year, largely due to renovations at the DSST Elevate Campus that are being paid for from previous year revenues.

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.

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).

Denver School of Science and Technology

Management's Discussion and Analysis (Unaudited)

June 30, 2022

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.

Denver School of Science and Technology
Management’s Discussion and Analysis (Unaudited)
June 30, 2022

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 20-49 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 50-55 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.

Denver School of Science and Technology
Management's Discussion and Analysis (Unaudited)
June 30, 2022

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 \$59,916,074 at June 30, 2022.

\$39,311,928 or 41.8 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.

	2022	2021	\$ Change	% Change
Assets				
Current assets	\$ 61,013,226	\$ 63,429,556	\$ (2,416,330)	-3.81%
Capital assets, net	<u>29,424,052</u>	<u>12,683,011</u>	<u>16,741,041</u>	<u>132.00%</u>
Total assets	<u>90,437,278</u>	<u>76,112,567</u>	<u>14,324,711</u>	<u>18.82%</u>
Deferred Outflows of Resources	<u>3,883,436</u>	<u>3,944,480</u>	<u>(61,044)</u>	<u>-1.55%</u>
Total assets and deferred outflows of resources	<u>\$ 94,320,714</u>	<u>\$ 80,057,047</u>	<u>\$ 14,263,667</u>	<u>17.82%</u>
Liabilities				
Current liabilities	\$ 9,198,062	\$ 5,936,428	\$ 3,261,634	54.94%
Noncurrent liabilities	<u>23,621,447</u>	<u>23,332,792</u>	<u>288,655</u>	<u>1.24%</u>
Total liabilities	<u>32,819,509</u>	<u>29,269,220</u>	<u>3,550,289</u>	<u>12.13%</u>
Deferred Inflows of Resources	<u>1,585,131</u>	<u>1,480,754</u>	<u>104,377</u>	<u>7.05%</u>
Net Position				
Net investment in capital assets	15,113,023	12,683,011	2,430,012	19.16%
Restricted	5,426,327	4,220,036	1,206,291	28.58%
Unrestricted	<u>39,376,724</u>	<u>32,404,026</u>	<u>6,972,698</u>	<u>21.52%</u>
Total net position	<u>59,916,074</u>	<u>49,307,073</u>	<u>10,609,001</u>	<u>21.52%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 94,320,714</u>	<u>\$ 80,057,047</u>	<u>\$ 14,263,667</u>	<u>17.82%</u>

Denver School of Science and Technology
Management's Discussion and Analysis (Unaudited)
June 30, 2022

Governmental Activities

The net position of DSST's Governmental Activities increased by \$10,609,001 to \$59,916,074. This was largely due to ESSER funding of \$12,310,655 received in the 2021-2022 fiscal year. A comparative statement of activities follows.

	2022	2021	\$ Change	% Change
Revenues				
Program revenues				
Charges for services	\$ 768,378	\$ 425,582	\$ 342,796	80.55%
Operating grants and contributions	11,065,662	16,811,826	(5,746,164)	-34.18%
General revenues				
Per pupil operating revenues	64,467,441	57,626,346	6,841,095	11.87%
Mill levy override	17,208,610	15,955,421	1,253,189	7.85%
General purpose grants	14,440,124	4,983,118	9,457,006	189.78%
Interest	371,709	370,122	1,587	0.43%
	<u>108,321,924</u>	<u>96,172,415</u>	<u>12,149,509</u>	<u>12.63%</u>
Expenses				
Instructional				
Regular education	53,679,636	40,362,339	13,317,297	32.99%
Special education	83,060	8,545,124	(8,462,064)	-99.03%
Supporting services				
Pupil supporting services	7,151,676	6,093,423	1,058,253	17.37%
Instructional support	4,798,400	3,836,565	961,835	25.07%
General administration	642,511	-	642,511	100.00%
School administration	19,710,787	18,228,936	1,481,851	8.13%
Business services	2,326,916	478,680	1,848,236	386.11%
Operations and maintenance	5,295,326	6,039,802	(744,476)	-12.33%
Pupil transportation	902,025	29,063	872,962	3003.69%
Central services	2,677,144	2,330,573	346,571	14.87%
Property	6,101	970,706	(964,605)	100.00%
Other support services	439,341	4,374,857	(3,935,516)	-89.96%
	<u>97,712,923</u>	<u>91,290,068</u>	<u>6,422,855</u>	<u>7.04%</u>
Increase in Net Position	10,609,001	4,882,347	5,726,654	117.29%
Beginning Net Position	<u>49,307,073</u>	<u>44,424,726</u>	<u>4,882,347</u>	<u>10.99%</u>
Ending Net Position	<u>\$ 59,916,074</u>	<u>\$ 49,307,073</u>	<u>\$ 10,609,001</u>	<u>21.52%</u>

Denver School of Science and Technology

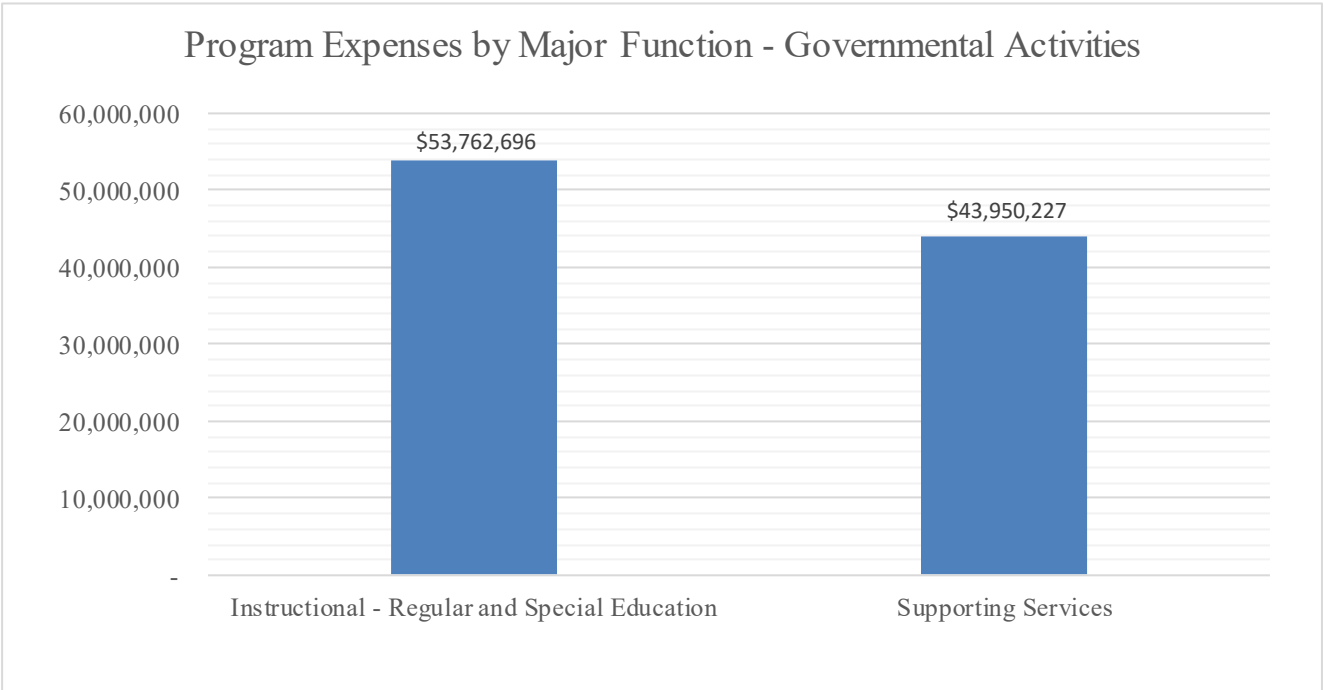
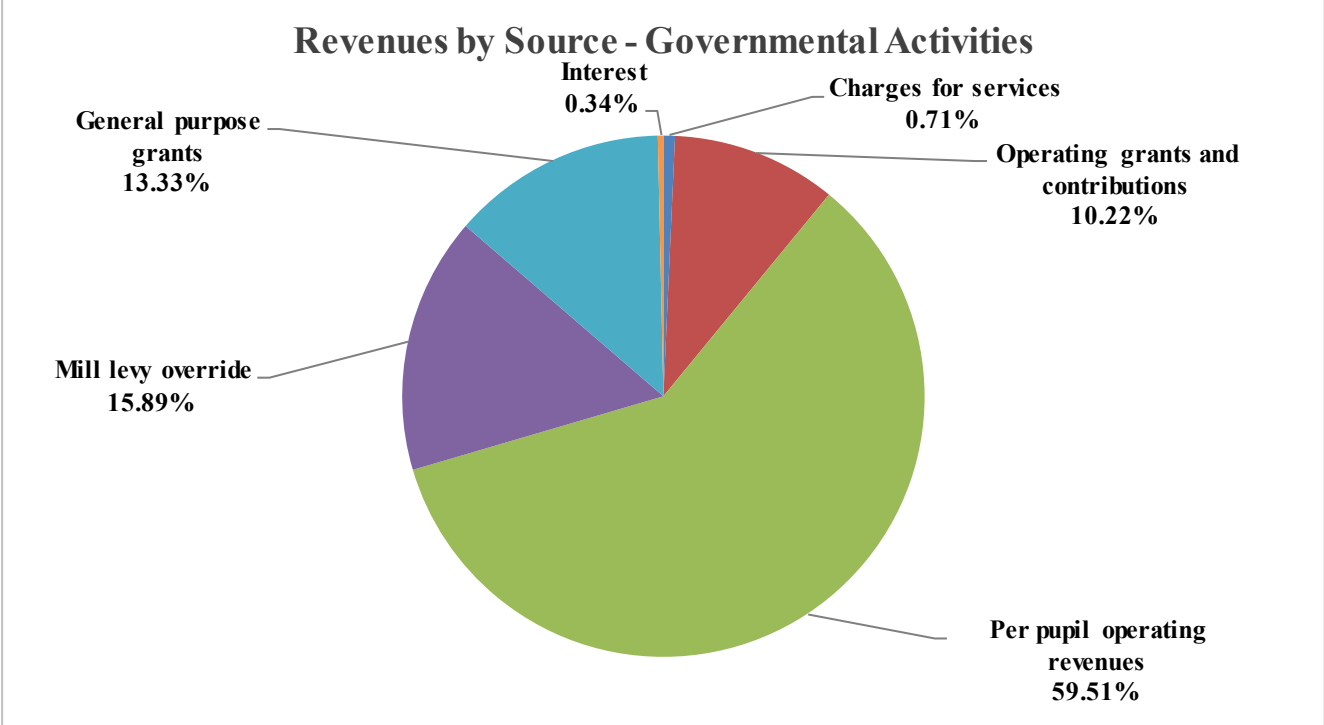
Management's Discussion and Analysis (Unaudited)

June 30, 2022

The total cost of all Governmental Activities for the fiscal year ended June 30, 2022 was \$100,062,434. 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 \$96,487,884. The amount paid through Per Pupil Revenue (PPR), which is based on 6,862 students and a rate set by the Colorado State Legislature was \$64,467,441 and represents 66.8 percent of the total of general revenues.
- An additional \$17,208,610 or 17.8 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 \$13,415,173. This includes \$5,563,557 in support from the DSST Public Schools Foundation.
- Revenues from charges for services were \$768,378 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 \$100,062,434 which is an increase of \$8,772,366 from fiscal year 2021. 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 \$70,048,378 or 69.9 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 \$12,304,525 or 12.3 percent of total expenses.
- The remaining \$17,709,530 of expenses are for instructional and non-instructional supplies, student activities, printing, copying and miscellaneous expenses.

Denver School of Science and Technology
Management's Discussion and Analysis (Unaudited)
June 30, 2022



Denver School of Science and Technology
Management's Discussion and Analysis (Unaudited)
June 30, 2022

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 \$110,610,309 for the fiscal year ended June 30, 2022. State revenues, including Per Pupil Revenue, continued to be the largest source of revenue received by DSST and equaled \$64,467,441.

Expenditures for governmental operations totaled \$116,118,273 during fiscal year 2022, an increase of \$13,712,816, or 13.4 percent, from fiscal year 2021. \$15,316,690 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 will continue through the fall of 2022 .

The General Fund reported a fund balance of \$51,915,164, a decrease of \$5,577,964 from 2021. The decrease in fund balance is 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, \$12,783,404 constitutes unassigned fund balance and \$4,878,031 is related to continued renovations related to the DSST: Elevate Campus to be completed in the 2022-2023 school year. Of the remainder of the fund balance, \$2,196,111 is non-spendable, \$3,282,770 is restricted by TABOR, \$2,143,557 is restricted for various uses at the schools, \$943,922 is restricted for debt service, and \$25,717,369 is assigned by the DSST Board of Directors as a three month reserve of total operating expenditures.

Capital Assets

DSST has invested \$29,424,052, net of depreciation, in capital assets. This amount represents a net increase (including additions, deductions and depreciation) of \$16,741,040 from the prior year which is almost entirely due to the renovation of the DSST: Elevate High School building and the related Construction in Progress to be completed by October of 2022.

Capital Assets (net of depreciation)				
Governmental Activities				
	June 30, 2022	June 30, 2021	\$ Change	% Change
Capital assets not being depreciated				
Construction in progress	\$ 15,619,264	\$ 1,777,973	\$ 13,841,291	100.00%
Capital assets being depreciated				
Building	9,882,219	10,198,971	(316,752)	100.00%
Building improvements	3,667,734	182,909	3,484,825	1905.22%
Vehicles	21,997	80,605	(58,608)	-72.71%
Equipment	232,838	720,308	(487,470)	-67.68%
	<u>\$ 29,424,052</u>	<u>\$ 12,960,766</u>	<u>\$ 16,463,286</u>	<u>127.02%</u>

Denver School of Science and Technology
Management's Discussion and Analysis (Unaudited)
June 30, 2022

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 2022-2023 budget. A substantial initiative totaling approximately \$5,000,000 to raise compensation of all DSST staff is budgeted in the 2022-2023 fiscal year. Alongside compensation, DSST budgeted for key initiatives of adding Community Engagement, STEM, and Creative Core staffing to our schools as well as piloting STEM initiatives in the total amount of \$2,900,000.

Denver School of Science and Technology
Statement of Net Position
June 30, 2022

	Governmental Activities	DSST Foundation
Assets		
Cash and cash equivalents	\$ 29,071,859	\$ 2,724
Cash held by fiscal agent	5,837,968	-
Investments	-	36,276,836
Restricted permanent endowment	212,727	-
Accounts receivable, net	807,892	-
Receivable from Foundation	22,886,669	-
Promises to give, net	-	2,784,000
PCOPS credits	2,031,093	-
Prepaid expenses	165,018	-
Capital assets, net of accumulated depreciation	29,424,052	-
Total assets	90,437,278	39,063,560
Deferred Outflows of Resources		
Deferred outflows - pension	3,683,951	-
Deferred outflows - OPEB	199,485	-
Total deferred outflows of resources	3,883,436	-
Current Liabilities		
Accounts payable and accrued expenses	3,793,507	-
Accrued salaries and benefits	5,304,555	-
Payable to schools	-	22,886,670
Current portion of long-term debt	100,000	-
Long-term Liabilities		
Noncurrent portion of long-term debt	19,395,668	-
Net pension liability	4,030,769	-
Net OPEB liability	195,010	-
Total liabilities	32,819,509	22,886,670
Deferred Inflows of Resources		
Deferred inflows - pension	1,515,449	-
Deferred inflows - OPEB	69,682	-
Total deferred inflows of resources	1,585,131	-
Net Position		
Net investment in capital assets	15,113,023	-
Restricted for		
Emergencies	3,282,770	-
Donations with a specific purpose	2,143,557	5,384,937
Unrestricted	39,376,724	10,791,953
Total net position	\$ 59,916,074	\$ 16,176,890

Denver School of Science and Technology
Statement of Activities
Year Ended June 30, 2022

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	\$ 53,679,636	\$ 768,378	\$ 7,533,320	\$ -	\$ (45,377,938)	\$ -
Special education	83,060	-	-	-	(83,060)	-
Total instructional	<u>53,762,696</u>	<u>768,378</u>	<u>7,533,320</u>	<u>-</u>	<u>(45,460,998)</u>	<u>-</u>
Supporting services						
Pupil supporting services	7,151,676	-	3,861	-	(7,147,815)	-
Instructional support	4,798,400	-	333,683	-	(4,464,717)	-
General administration	642,511	-	-	-	(642,511)	-
School administration	19,710,787	-	591,301	-	(19,119,486)	-
Business services	2,326,916	-	-	-	(2,326,916)	-
Operations and maintenance	5,295,326	-	-	-	(5,295,326)	-
Pupil transportation	902,025	-	-	-	(902,025)	-
Central services	2,677,144	-	-	-	(2,677,144)	-
Property	6,101	-	2,603,497	-	2,597,396	-
Other support services	439,341	-	-	-	(439,341)	-
Total supporting services	<u>43,950,227</u>	<u>-</u>	<u>3,532,342</u>	<u>-</u>	<u>(40,417,885)</u>	<u>-</u>
Total primary government	<u>\$ 97,712,923</u>	<u>\$ 768,378</u>	<u>\$ 11,065,662</u>	<u>\$ -</u>	<u>\$ (85,878,883)</u>	<u>\$ -</u>
Component Unit:						
DSST Foundation	\$ 5,574,855	\$ -	\$ 9,433,199	\$ -		\$ 3,858,344
Total component unit	<u>\$ 5,574,855</u>	<u>\$ -</u>	<u>\$ 9,433,199</u>	<u>\$ -</u>		<u>\$ 3,858,344</u>
General Revenues						
Per pupil revenue					\$ 64,467,441	\$ -
Mill levy override					17,208,610	-
General purpose grants					14,440,124	-
Interest income (loss)					371,709	(2,901,102)
Total general revenues and transfers					<u>96,487,884</u>	<u>(2,901,102)</u>
Change in net position					<u>10,609,001</u>	<u>957,242</u>
Net position, beginning of year					<u>49,307,073</u>	<u>15,219,648</u>
Net position, end of year					<u>\$ 59,916,074</u>	<u>\$ 16,176,890</u>

Denver School of Science and Technology
Balance Sheet – Governmental Funds
June 30, 2022

	General Fund
Assets	
Cash and equivalents	\$ 29,071,859
Cash held by fiscal agent	5,837,968
Restricted permanent endowment	212,727
Accounts receivable, net	807,892
Receivable from Foundation	22,886,669
PCOPS credits	2,031,093
Prepaid expenses	<u>165,018</u>
Total assets	<u><u>\$ 61,013,226</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 3,793,507
Accrued salaries and benefits	<u>5,304,555</u>
Total liabilities	<u>9,098,062</u>
Fund Balance	
Nonspendable	2,196,111
Restricted	5,426,327
Restricted for debt service	943,922
Restricted for capital projects	4,878,031
Assigned	25,717,369
Unassigned	<u>12,753,404</u>
Total fund balance	<u>51,915,164</u>
Total liabilities and fund balance	<u><u>\$ 61,013,226</u></u>

Denver School of Science and Technology
Reconciliation of Balance Sheet
June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance of the governmental fund	\$ 51,915,164
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 \$3,923,577.	29,424,052
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(19,495,668)
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	(1,585,131)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	3,883,436
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	(4,030,769)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	<u>(195,010)</u>
Total net position of governmental activities	<u><u>\$ 59,916,074</u></u>

Denver School of Science and Technology
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended June 30, 2022

	General Fund
Revenues	
Local sources	\$ 26,922,362
State sources	66,335,721
Federal sources	15,002,715
	<u>108,260,798</u>
Expenditures	
Current	
Instructional	
Regular education	53,400,789
Special education	32,349
Supporting services	
Pupil supporting services	7,038,478
Instructional support	4,779,781
General administration	637,270
School administration	19,562,201
Business services	2,326,916
Operations and maintenance	6,634,111
Pupil transportation	902,025
Central services	2,677,144
Property	15,316,690
Other support services	531,008
	<u>113,838,762</u>
Total expenditures	<u>113,838,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,577,964)</u>
Net Change in Fund Balance	(5,577,964)
Fund Balance, Beginning of Year	57,493,128
Fund Balance, End of Year	\$ 51,915,164

Denver School of Science and Technology
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

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

Net change in fund balance - governmental funds	\$ (5,577,964)
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 (\$17,431,893) less depreciation expense (\$648,450) for the year.	16,783,442
Capital assets loss on disposal	(42,402)
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	(532,716)
OPEB expense	(21,359)
	(554,075)
Change in net position of governmental activities	\$ 10,609,001

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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

The accounting policies of Denver School of Science and Technology, Inc. (DSST or DSST Public Schools) 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.

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.

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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.

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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, 2022.

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.

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

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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 2022.

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 has applied for exemption under Section 501(c)(3) of the Internal Revenue Code, 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 position 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

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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 position/fund balance 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 \$2,196,111 as of June 30, 2022.

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 \$3,282,770 are restricted because their use is restricted by State Statute for declared emergencies. DSST and the Foundation have donations and promises to give with purpose restrictions of \$2,143,557 and \$5,384,937, respectively.

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

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

existing resources have been specifically committed for use in satisfying those contractual requirements. DSST did not have any committed resources as of June 30, 2022.

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, 2022 of \$25,717,369 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.

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.

Denver School of Science and Technology
Notes to Financial Statements
June 30, 2022

Note 2: Cash and Equivalents

Cash and equivalents as of June 30, 2022, 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, 2022, 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	\$ 23,553,067	\$ 23,572,045	\$ 250,000	\$ 23,161,988	\$ 160,057
DSST Foundation	\$ 2,724	\$ 12,064	\$ 250,000	\$ -	\$ -

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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, 2022, DSST had \$5,518,792 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 Colotrtrust 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

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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 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.

Denver School of Science and Technology
Notes to Financial Statements
June 30, 2022

DSST did not have any investments requiring categorization of credit risk as of June 30, 2022. DSST's investment policy follows State statutes. When made, all investments shall be in instruments which mature in less than five years (governmental/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, 2022:

	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	\$ 212,727	\$ -	\$ -	\$ 212,727	\$ -
DSST investments measured at NAV					
Local government investment pool - COLOTRUST	5,518,792	-	-	-	5,518,792
Total DSST investments	<u>\$ 5,731,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,727</u>	<u>\$ 5,518,792</u>
Foundation investments measured at fair value					
Mutual funds - unrated	\$ 11,488,512	\$ 11,488,512	\$ -	\$ -	\$ -
Foundation investments measured at NAV					
Federal money market fund	24,788,324	24,788,324	-	-	-
Total DSST Foundation investments	<u>\$ 36,276,836</u>	<u>\$ 36,276,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,518,792</u>

^(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, 2022:

Within one year	\$ 2,784,000
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At June 30, 2022, one donor accounted for 77 percent of total promises to give.

Denver School of Science and Technology
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Note 5: Capital Assets

Capital assets activity for the year ended June 30, 2022, is summarized below:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Construction in progress	\$ 1,777,973	\$ 17,345,655	\$ -	\$ (3,504,364)	\$ 15,619,264
Capital assets being depreciated					
Building	10,309,111	-	-	-	10,309,111
Building improvements	772,471	67,049	(30,537)	3,504,364	4,313,347
Vehicles	412,899	13,487	(28,900)	-	397,486
Equipment	2,548,067	5,702	(75,325)	-	2,478,444
Software	786,067	-	-	-	786,067
Total capital assets	16,606,588	17,431,893	(134,762)	-	33,903,719
Less accumulated depreciation					
Building	110,140	316,752	-	-	426,892
Building improvements	578,760	74,176	(7,323)	-	645,613
Vehicles	367,538	23,364	(15,413)	-	375,489
Equipment	2,081,072	234,158	(69,624)	-	2,245,606
Software	786,067	-	-	-	786,067
Total accumulated depreciation	3,923,577	648,450	(92,360)	-	4,479,667
Capital assets, net	\$ 12,683,011	\$ 16,783,443	\$ (42,402)	\$ -	\$ 29,424,052

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

Note 6: Long-term Debt

Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Revenue bonds	\$ 17,930,000	\$ -	\$ -	\$ 17,930,000	\$ 100,000
Premium	1,565,668	-	-	1,565,668	N/A
	\$ 19,495,668	\$ -	\$ -	\$ 19,495,668	\$ 100,000

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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, with the first payment not due until August 1, 2022. 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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 575,500	\$ 675,500
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
2028-2032	2,310,000	2,333,900	4,643,900
2033-2037	2,760,000	1,893,450	4,653,450
2038-2042	3,200,000	1,447,500	4,647,500
2043-2047	3,710,000	929,700	4,639,700
2048-2052	4,300,000	330,000	4,630,000
Total	<u>\$ 17,930,000</u>	<u>\$ 9,683,050</u>	<u>\$ 27,613,050</u>

Note 7: 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.

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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.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the 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 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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.

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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.

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

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

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

	July 1, 2021 Through June 30, 2022
Employer Contribution Rate	10.90%
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**	9.88%
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	19.88%

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

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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 \$521,676 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the 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 \$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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023 and July 1, 2024.

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

At June 30, 2022, the DSST reported a liability of \$4,030,769 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	\$ 4,030,769
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the DSST	462
Total	\$ 4,031,231

At December 31, 2021, the DSST proportion was .035 percent, which was an increase .011 from its proportion measured as of December 31, 2020.

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For the year ended June 30, 2022, the DSST recognized pension expense of \$1,054,392 and revenue of \$110,459 for support from the State as a nonemployer contributing entity. At June 30, 2022, the DSST reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 154,314	\$ -
Changes of assumptions or other inputs	307,719	-
Net difference between projected and actual earnings on pension plan investments	-	1,515,449
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,959,367	-
Contributions subsequent to the measurement date	262,551	-
Total	<u>\$ 3,683,951</u>	<u>\$ 1,515,449</u>

\$262,551 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ 1,624,541
2024	644,620
2025	(179,267)
2026	(183,943)
2027	-
	<u>\$ 1,905,951</u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	7.00%
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 Annual Increase Reserve (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 TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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.

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. 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	100.00%	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 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.

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- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 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.
- 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.
- The projected benefit payments reflect the lowered AI cap, from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the 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.

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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:

	1% Decrease Rate (6.25%)	Current Discount Rate (7.25%)	1% Increase Rate (8.25%)
Proportionate share of the net pension liability	\$ 5,932,962	\$ 4,030,769	\$ 2,443,459

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 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

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

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure 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.

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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, 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 \$26,766 for the year ended June 30, 2022.

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

At June 30, 2022, the DSST reported a liability of \$195,010 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The DSST proportion of the net OPEB liability was based on DSST contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the DSST proportion was .023 percent, which was an increase of .009 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the DSST recognized OPEB expense of \$48,125. At June 30, 2022, 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	\$ 297	\$ 46,239
Changes of assumptions or other inputs	4,037	10,578
Net difference between projected and actual earnings on pension plan investments	-	12,865
Changes in proportion and differences between contributions recognized and proportionate share of contributions	181,680	-
Contributions subsequent to the measurement date	13,471	-
Total	\$ 199,485	\$ 69,682

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\$13,471 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2023	\$ 33,635
2024	32,718
2025	16,771
2026	17,893
2027	12,589
Thereafter	2,726
	\$ 116,332

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 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	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020 valuation the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

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

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Denver School of Science and Technology

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June 30, 2022

Mortality assumptions used in the December 31, 2020 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 using 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 State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, 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 mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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.

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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

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

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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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 189,410	\$ 195,010	\$ 201,498

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, 2021 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 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.

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

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	\$ 246,164	\$ 195,010	\$ 188,175

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s Annual Report 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, 2022 DSST contributed \$2,246,009 to the Plan for employees. Plan assets are held by an independent Trustee and are participant directed.

Note 8: 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, 2021	\$ -
Incurred Claims	6,522,613
Claim Payments	(505,771)
Unpaid Claims June 30, 2022	\$ 1,016,842

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

Note 9: 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 \$9,882,000 of the credits have been utilized to pay outstanding PCOPs liabilities through the year ended June 30, 2022. 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, 2022 is \$2,031,093. Any expense in excess of available credits is paid in cash. DSST Public Schools expensed \$2,843,492 during the year ended June 30, 2022, which represents approximately 8.51 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, 2022, 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 2022 budgeted expenditures.

Facility use fees – DSST annually enters into a facility use agreement with Denver 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, 2022 were \$5,989,208. There are no future minimum commitments under this arrangement.

Denver School of Science and Technology

Notes to Financial Statements

June 30, 2022

Note 10: Implementation of New Accounting Standard

Effective July 1, 2021, DSST implemented GASB No. 87, *Leases* (Statement No. 87). Statement No. 87 revises and establishes new financial reporting requirements for all state and local governments for leases by lessees and lessors. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of Statement No. 87 had no impact to the financial statements of DSST for the year ended June 30, 2022 as all leases were considered immaterial. This could change in future years.

Note 11: 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 timing of the payment is at the discretion of DSST but no later than when APS has fully expended its designated funds toward the project. 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.

Required Supplementary Information

Denver School of Science and Technology
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Contributions and grants	\$ -	\$ -	\$ 5,648,639	\$ 5,648,639
Investment income	86,960	86,960	371,709	284,749
Mill levy	13,330,008	13,330,008	17,208,610	3,878,602
Miscellaneous	-	-	-	-
Supporting services	26,325,027	26,325,027	24,606,787	(1,718,240)
State sources				
Per pupil revenue	61,958,584	61,958,584	64,467,441	2,508,857
Supporting services	1,293,940	1,293,940	1,868,280	574,340
Federal sources				
Federal grants from Denver Public Schools	15,093,766	15,093,766	14,440,124	(653,642)
Direct federal start-up grant	-	-	562,591	562,591
Total revenues	118,088,285	118,088,285	129,174,181	11,085,896
Expenditures				
Instructional				
Regular education	58,140,448	58,140,448	60,191,171	(2,050,723)
Supporting services				
Pupil supporting services	7,484,650	7,484,650	7,038,478	446,172
Instructional support	4,822,502	4,822,502	4,779,781	42,721
General administration	18,525	18,525	637,270	(618,745)
School administration	20,353,244	20,353,244	19,562,201	791,043
Business services	16,220,837	16,220,837	14,132,755	2,088,082
Operations and maintenance	7,598,995	7,598,995	7,348,622	250,373
Pupil transportation	1,263,388	1,263,388	902,025	361,363
Central services	2,627,237	2,627,237	2,677,144	(49,907)
Property	22,000,000	22,000,000	15,316,690	6,683,310
Other support services	2,618,114	2,618,114	2,166,008	452,106
Total expenditures	143,147,940	143,147,940	134,752,145	8,395,795
Excess (deficiency) of revenues over (under) expenditures				
	(25,059,655)	(25,059,655)	(5,577,964)	19,481,691
Other financing sources (uses)				
Transfers in	-	-	2,495,871	2,495,871
Transfers out	-	-	(2,495,871)	(2,495,871)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(25,059,655)	(25,059,655)	(5,577,964)	19,481,691
Fund balances, beginning of year	57,493,128	57,493,128	57,493,128	-
Fund balances, end of year	\$ 32,433,473	\$ 32,433,473	\$ 51,915,164	\$ 19,481,691

Denver School of Science and Technology
Schedule of Proportionate Share of Net Pension Liability
Year Ended June 30, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
DSST-APS's proportion of net pension liability/(asset)	0.00213%	0.02449%	0.02449%	0.03464%
DSST-APS's proportionate of net pension liability/(asset)	\$ 377,321	\$ 1,592,427	\$ 3,703,035	\$ 4,030,769
DSST-APS's covered payroll	\$ 48,775	\$ 625,537	\$ 1,305,032	\$ 2,164,672
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%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	57.0%	64.5%	67.0%	74.9%

(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.

Denver School of Science and Technology
Schedule of Contributions – Pension
Year Ended June 30, 2022

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

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

Denver School of Science and Technology
Schedule of Proportionate Share of Net OPEB Liability
Year Ended June 30, 2022

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

(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.

Denver School of Science and Technology
Schedule of Contributions – OPEB
Year Ended June 30, 2022

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

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

Denver School of Science and Technology

Notes to Required Supplementary Information

Year Ended June 30, 2022

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

2021 Changes in Assumptions or Other Inputs Since 2020

Defined Benefit Other Postemployment Benefit

- There were no changes made to plan provisions
- 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 the costs for the 2022 plan year.
- The health care cost trend rates applicable to health plan premiums were revised to reflect the current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.
- Above changes resulted in a decrease of \$44.4 million to the HCTF’s unfunded actuarial accrued liability (UAAL) (0.03 percent) and a decrease of \$2.5 million to the DPS HCTF’s UAAL (0.02 percent).
- The above changes decreased the total actuarial accrued liability by \$46.9 million and decreased the total normal cost by \$0.1 million.

Audited Supplementary Information

Denver School of Science and Technology
Combining Statement of Net Position
Year Ended June 30, 2022

	Denver Public Schools	Aurora Public Schools	Governmental Activities
Assets			
Cash and cash equivalents	\$ 27,328,527	\$ 1,743,332	\$ 29,071,859
Cash held by fiscal agent	5,837,968	-	5,837,968
Investments	-	-	-
Restricted permanent endowment	201,692	11,035	212,727
Accounts receivable, net	748,299	59,593	807,892
Receivable from Foundation	22,056,948	829,721	22,886,669
PCOPS credits	2,031,093	-	2,031,093
Prepaid expenses	154,481	10,537	165,018
Capital assets, net of accumulated depreciation	29,359,256	64,796	29,424,052
	<u>87,718,264</u>	<u>2,719,014</u>	<u>90,437,278</u>
Deferred Outflows of Resources			
Deferred outflows - pension	-	3,683,951	3,683,951
Deferred outflows - OPEB	-	199,485	199,485
	<u>-</u>	<u>3,883,436</u>	<u>3,883,436</u>
Current Liabilities			
Accounts payable and accrued expenses	3,778,723	14,784	3,793,507
Accrued salaries and benefits	5,275,388	29,167	5,304,555
Current portion of long-term debt	100,000	-	100,000
Long-term Liabilities			
Noncurrent portion of long-term debt	19,395,668	-	19,395,668
Net pension liability	-	4,030,769	4,030,769
Net OPEB liability	-	195,010	195,010
	<u>28,549,779</u>	<u>4,269,730</u>	<u>32,819,509</u>
Deferred Inflows of Resources			
Deferred inflows - pension	-	1,515,449	1,515,449
Deferred inflows - OPEB	-	69,682	69,682
	<u>-</u>	<u>1,585,131</u>	<u>1,585,131</u>
Net Position			
Net invested in capital assets	15,048,227	64,796	15,113,023
Restricted for			
Emergencies	3,027,858	254,912	3,282,770
Donations with a specific purpose	2,034,806	108,751	2,143,557
Unrestricted	39,057,594	319,130	39,376,724
	<u>\$ 59,168,485</u>	<u>\$ 747,589</u>	<u>\$ 59,916,074</u>

Denver School of Science and Technology
Combining Statement of Activities
Year Ended June 30, 2022

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	\$ 89,698,249	\$ 747,894	\$ 8,626,344	\$ -	\$ (80,324,011)	\$ -	\$ (80,324,011)
Aurora Public Schools	8,014,674	20,484	2,439,318	-	-	(5,554,872)	(5,554,872)
Total Charter Schools	<u>\$ 97,712,923</u>	<u>\$ 768,378</u>	<u>\$ 11,065,662</u>	<u>\$ -</u>	<u>\$ (80,324,011)</u>	<u>\$ (5,554,872)</u>	<u>\$ (85,878,883)</u>
General Revenues							
					\$ 60,252,766	\$ 4,214,675	\$ 64,467,441
					16,037,307	1,171,303	17,208,610
					14,125,998	314,126	14,440,124
					365,199	6,510	371,709
					(488,138)	488,138	-
					<u>90,293,132</u>	<u>6,194,752</u>	<u>96,487,884</u>
					9,969,121	639,880	10,609,001
					<u>49,199,364</u>	<u>107,709</u>	<u>49,307,073</u>
					<u>\$ 59,168,485</u>	<u>\$ 747,589</u>	<u>\$ 59,916,074</u>

Denver School of Science and Technology
Combining General Fund Balance Sheet
June 30, 2022

	<u>Total DPS</u>	<u>Total APS</u>	<u>Total General Fund</u>
Assets			
Cash and equivalents	\$ 27,328,527	\$ 1,743,332	\$ 29,071,859
Cash held by fiscal agent	5,837,968	-	5,837,968
Restricted permanent endowment	201,692	11,035	212,727
Accounts receivable	748,299	59,593	807,892
Receivable from Foundation	22,056,948	829,721	22,886,669
PCOPS credits	2,031,093	-	2,031,093
Prepaid expenses	154,481	10,537	165,018
	<u>58,359,008</u>	<u>2,654,218</u>	<u>61,013,226</u>
Total assets	<u>\$ 58,359,008</u>	<u>\$ 2,654,218</u>	<u>\$ 61,013,226</u>
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 3,778,723	\$ 14,784	\$ 3,793,507
Accrued salaries and benefits	5,275,388	29,167	5,304,555
Total liabilities	<u>9,054,111</u>	<u>43,951</u>	<u>9,098,062</u>
Fund Balance			
Nonspendable	2,185,574	10,537	2,196,111
Restricted	5,062,664	363,663	5,426,327
Restricted for debt service	943,922	-	943,922
Restricted for capital projects	4,878,031	-	4,878,031
Assigned	24,225,762	1,491,607	25,717,369
Unassigned	12,008,944	744,460	12,753,404
Total fund balance	<u>49,304,897</u>	<u>2,610,267</u>	<u>51,915,164</u>
Total liabilities and fund balance	<u>\$ 58,359,008</u>	<u>\$ 2,654,218</u>	<u>\$ 61,013,226</u>

Denver School of Science and Technology
Combining General Fund Balance Sheet – Reconciliation
Year Ended June 30, 2022

	DPS	APS
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance of the governmental fund	\$ 49,304,897	\$ 2,610,267
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	29,359,256	64,796
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(19,495,668)	-
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the fund	-	(1,585,130)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	-	3,883,435
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(4,030,769)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(195,010)
	-	(195,010)
Total net position of governmental activities	\$ 59,168,485	\$ 747,589

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in General Fund Balance
Year Ended June 30, 2022

	<u>Total DPS</u>	<u>Total APS</u>	<u>Total General Fund</u>
Revenues			
Local sources			
Contributions and grants	\$ 5,645,084	\$ 3,555	\$ 5,648,639
Investment income	365,199	6,510	371,709
Mill levy	16,037,307	1,171,303	17,208,610
Supporting services	1,736,186	1,957,218	3,693,404
States sources			
Per pupil revenue	60,252,766	4,214,675	64,467,441
Supporting services	1,629,885	238,395	1,868,280
Federal sources			
Title fund from School District	14,125,998	314,126	14,440,124
Direct federal start-up grant	363,083	199,508	562,591
Total revenues	<u>100,155,508</u>	<u>8,105,290</u>	<u>108,260,798</u>
Expenditures			
Instructional			
Regular education	49,995,932	3,404,857	53,400,789
Special education	32,349	-	32,349
Supporting services			
Pupil supporting services	6,430,913	607,565	7,038,478
Instructional support	4,670,059	109,722	4,779,781
General administration	572,007	65,263	637,270
School administration	17,929,895	1,632,306	19,562,201
Business services	1,549,043	777,873	2,326,916
Operations and maintenance	6,035,893	598,218	6,634,111
Pupil transportation	888,394	13,631	902,025
Central services	2,503,816	173,328	2,677,144
Property	15,316,690	-	15,316,690
Other support services	528,063	2,945	531,008
Total expenditures	<u>106,453,054</u>	<u>7,385,708</u>	<u>113,838,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,297,546)</u>	<u>719,582</u>	<u>(5,577,964)</u>
Other financing sources (uses)			
Transfers in	2,007,733	488,138	2,495,871
Transfers out	(2,495,871)	-	(2,495,871)
Total other financing sources (uses)	<u>(488,138)</u>	<u>488,138</u>	<u>-</u>
Net change in fund balance	<u>(6,785,684)</u>	<u>1,207,720</u>	<u>(5,577,964)</u>
Fund balance, beginning of year	<u>56,090,581</u>	<u>1,402,547</u>	<u>57,493,128</u>
Fund balance, end of year	<u>\$ 49,304,897</u>	<u>\$ 2,610,267</u>	<u>\$ 51,915,164</u>

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in General Fund Balance – Reconciliation
Year Ended June 30, 2022

	DPS	APS
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balance - governmental funds	\$ (6,785,684)	\$ 1,207,720
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 (\$17,418,405 - DPS; \$13,487 - APS) less depreciation expense (\$621,198 - DPS; \$27,252 - APS) for the year.	16,797,207	(13,765)
Capital assets loss on disposal	(42,402)	-
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	-	(532,716)
OPEB expense	-	(21,359)
	<u>\$ 9,969,121</u>	<u>\$ 639,880</u>
Change in net position of governmental activities	<u>\$ 9,969,121</u>	<u>\$ 639,880</u>

Other Supplementary Information

Denver School of Science and Technology
Combining DPS Balance Sheet
June 30, 2022

	Home Office	Montview Middle School	Montview High School
Assets			
Cash and cash equivalents	\$ (11,113,339)	\$ 4,081,483	\$ 3,497,656
Cash held by fiscal agent	5,837,968	-	-
Restricted permanent endowment	201,692	-	-
Accounts receivable	82,679	30,286	45,544
Receivable from Foundation	19,632,796	105,859	303,629
PCOPs credits	2,031,093	-	-
Prepaid expenses	86,633	-	16,849
Total assets	<u>16,759,522</u>	<u>4,217,628</u>	<u>3,863,678</u>
Liabilities and fund balance			
Accounts payable	3,476,456	759	16,241
Accrued salaries and benefits	1,237,029	195,050	223,145
Total liabilities	<u>4,713,485</u>	<u>195,809</u>	<u>239,386</u>
Fund balance			
Nonspendable	2,117,726	-	16,849
Restricted	1,042,189	306,371	353,532
Restricted for debt service	943,922	-	-
Restricted for capital projects	4,878,031	-	-
Assigned	2,047,942	2,484,149	2,175,565
Unassigned	1,016,227	1,231,299	1,078,346
Total fund balance	<u>12,046,037</u>	<u>4,021,819</u>	<u>3,624,292</u>
Total liabilities and fund balance	<u>\$ 16,759,522</u>	<u>\$ 4,217,628</u>	<u>\$ 3,863,678</u>

Denver School of Science and Technology
Combining DPS Balance Sheet (continued)
June 30, 2022

Green Valley Ranch Middle School	Green Valley Ranch High School	Cole Middle School	Cole High School	College View Middle School	College View High School
\$ 3,961,737	\$ 3,471,008	\$ 2,074,199	\$ 1,817,524	\$ 3,120,953	\$ 3,310,501
-	-	-	-	-	-
-	-	-	-	-	-
45,765	55,466	27,590	39,987	39,303	62,514
170,594	231,934	402,490	192,888	110,093	207,222
-	-	-	-	-	-
1,470	9,470	-	904	-	2,828
<u>4,179,566</u>	<u>3,767,878</u>	<u>2,504,279</u>	<u>2,051,303</u>	<u>3,270,349</u>	<u>3,583,065</u>
1,489	856	3,859	5,577	1,775	6,553
<u>321,995</u>	<u>358,918</u>	<u>250,254</u>	<u>317,637</u>	<u>324,113</u>	<u>401,620</u>
<u>323,484</u>	<u>359,774</u>	<u>254,113</u>	<u>323,214</u>	<u>325,888</u>	<u>408,173</u>
1,470	9,470	-	904	-	2,828
309,957	324,211	186,069	207,736	310,483	366,799
-	-	-	-	-	-
-	-	-	-	-	-
2,369,956	2,055,559	1,380,055	1,015,904	1,761,078	1,875,600
1,174,699	1,018,864	684,042	503,545	872,900	929,665
<u>3,856,082</u>	<u>3,408,104</u>	<u>2,250,166</u>	<u>1,728,089</u>	<u>2,944,461</u>	<u>3,174,892</u>
<u>\$ 4,179,566</u>	<u>\$ 3,767,878</u>	<u>\$ 2,504,279</u>	<u>\$ 2,051,303</u>	<u>\$ 3,270,349</u>	<u>\$ 3,583,065</u>

Denver School of Science and Technology
Combining DPS Balance Sheet (continued)
June 30, 2022

Byers Middle School	Byers High School	Conservatory Green Middle School	Conservatory Green High School	Noel Middle School	Elevate High School	Total DPS
\$ 3,514,707	\$ 1,923,543	\$ 3,041,467	\$ 2,041,544	\$ 2,164,269	\$ 421,275	\$ 27,328,527
-	-	-	-	-	-	5,837,968
-	-	-	-	-	-	201,692
31,324	36,390	33,799	62,469	57,090	98,093	748,299
171,294	232,970	201,115	30,942	63,122	-	22,056,948
-	-	-	-	-	-	2,031,093
-	-	2,530	11,025	20,672	2,100	154,481
<u>3,717,325</u>	<u>2,192,903</u>	<u>3,278,911</u>	<u>2,145,980</u>	<u>2,305,153</u>	<u>521,468</u>	<u>58,359,008</u>
737	254,706	2,158	3,568	2,633	1,356	3,778,723
257,134	388,132	281,860	380,734	217,887	119,880	5,275,388
<u>257,871</u>	<u>642,838</u>	<u>284,018</u>	<u>384,302</u>	<u>220,520</u>	<u>121,236</u>	<u>9,054,111</u>
-	-	2,530	11,025	20,672	2,100	2,185,574
291,560	303,536	288,912	359,103	241,324	170,882	5,062,664
-	-	-	-	-	-	943,922
-	-	-	-	-	-	4,878,031
2,118,054	833,429	1,807,527	930,390	1,218,615	151,939	24,225,762
1,049,840	413,100	895,924	461,160	604,022	75,311	12,008,944
<u>3,459,454</u>	<u>1,550,065</u>	<u>2,994,893</u>	<u>1,761,678</u>	<u>2,084,633</u>	<u>400,232</u>	<u>49,304,897</u>
<u>\$ 3,717,325</u>	<u>\$ 2,192,903</u>	<u>\$ 3,278,911</u>	<u>\$ 2,145,980</u>	<u>\$ 2,305,153</u>	<u>\$ 521,468</u>	<u>\$ 58,359,008</u>

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance
Year Ended June 30, 2022

	Home Office	Montview Middle School	Montview High School	Green Valley Ranch Middle School
Revenues				
Local sources				
Contributions and grants	\$ 5,476,142	\$ 168	\$ 10,224	\$ 56
Investment income	365,199	-	-	-
Mill levy	-	1,016,225	1,555,199	1,047,420
Miscellaneous	-	-	-	-
Supporting services	16,904,197	289,059	541,215	411,625
State sources				
Per pupil revenue	-	4,429,262	5,328,224	4,523,728
Supporting services	1,178	114,299	136,797	125,470
Federal sources				
Federal grants from Denver Public Schools	-	976,185	1,245,774	1,166,893
Direct federal start-up grant	-	-	-	-
Total revenues	<u>22,746,716</u>	<u>6,825,198</u>	<u>8,817,433</u>	<u>7,275,192</u>
Expenditures				
Instructional				
Regular education	4,683,256	3,586,981	4,813,251	3,850,264
Special education	32,349	-	-	-
Supporting services				
Pupil supporting services	142,958	392,834	614,452	308,174
Instructional support	1,886,579	143,713	222,068	319,588
General administration	-	70,302	-	75,579
School administration	10,806,586	571,075	455,794	494,702
Business services	2,204,229	811,279	992,890	819,187
Operations and maintenance	356,710	390,032	476,328	429,409
Pupil transportation	-	91,750	12,200	80,367
Central services	-	182,381	219,856	185,048
Property	15,276,037	7,485	5,880	-
Other support services	2,008,583	1,066	1,313	4,297
Total expenditures	<u>37,397,287</u>	<u>6,248,898</u>	<u>7,814,032</u>	<u>6,566,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,650,571)</u>	<u>576,300</u>	<u>1,003,401</u>	<u>708,577</u>
Other financing sources (uses)				
Transfers in	-	156,173	38,291	151,578
Transfers out	(2,495,871)	-	-	-
Total other financing sources	<u>(2,495,871)</u>	<u>156,173</u>	<u>38,291</u>	<u>151,578</u>
Net change in fund balances	(17,146,442)	732,473	1,041,692	860,155
Fund balances, beginning of year	<u>29,192,479</u>	<u>3,289,346</u>	<u>2,582,600</u>	<u>2,995,927</u>
Fund balances, end of year	<u>\$ 12,046,037</u>	<u>\$ 4,021,819</u>	<u>\$ 3,624,292</u>	<u>\$ 3,856,082</u>

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance (continued)
Year Ended June 30, 2022

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
\$ 56	\$ 35,000	\$ 10,056	\$ 56	\$ 112	\$ 56	\$ 113,046
-	-	-	-	-	-	-
1,545,270	661,826	1,068,207	1,156,978	1,694,349	922,887	1,384,394
-	-	-	-	-	-	-
407,228	192,589	359,821	180,234	221,226	504,906	537,842
5,232,935	2,515,444	3,414,987	4,634,432	5,480,498	4,324,957	5,023,168
137,472	80,554	92,551	135,536	153,856	109,051	129,759
1,290,333	929,803	973,325	1,334,741	1,546,134	701,170	697,616
-	-	-	-	-	-	-
<u>8,613,294</u>	<u>4,415,216</u>	<u>5,918,947</u>	<u>7,441,977</u>	<u>9,096,175</u>	<u>6,563,027</u>	<u>7,885,825</u>
4,546,765	2,328,446	3,115,747	3,897,219	4,837,712	3,680,184	4,634,162
-	-	-	-	-	-	-
699,568	342,089	408,495	478,191	649,740	481,380	478,607
243,805	94,167	213,911	120,934	287,799	150,380	389,222
-	88,656	-	-	81,741	-	80,917
388,642	660,199	442,435	626,883	611,611	328,365	407,572
970,843	471,929	642,497	879,029	1,029,851	809,676	931,079
516,135	214,997	294,863	410,756	476,847	392,306	457,074
156,528	61,710	88,143	95,277	9,501	3,025	5,157
216,417	102,681	136,640	185,974	221,024	183,384	240,092
-	-	9,892	7,601	1,345	-	-
4,494	976	3,050	-	546	4,879	5,346
<u>7,743,197</u>	<u>4,365,850</u>	<u>5,355,673</u>	<u>6,701,864</u>	<u>8,207,717</u>	<u>6,033,579</u>	<u>7,629,228</u>
870,097	49,366	563,274	740,113	888,458	529,448	256,597
72,153	77,079	216,171	105,707	201,460	37,077	85,956
-	-	-	-	-	-	-
<u>72,153</u>	<u>77,079</u>	<u>216,171</u>	<u>105,707</u>	<u>201,460</u>	<u>37,077</u>	<u>85,956</u>
942,250	126,445	779,445	845,820	1,089,918	566,525	342,553
<u>2,465,854</u>	<u>2,123,721</u>	<u>948,644</u>	<u>2,098,641</u>	<u>2,084,974</u>	<u>2,892,929</u>	<u>1,207,512</u>
<u>\$ 3,408,104</u>	<u>\$ 2,250,166</u>	<u>\$ 1,728,089</u>	<u>\$ 2,944,461</u>	<u>\$ 3,174,892</u>	<u>\$ 3,459,454</u>	<u>\$ 1,550,065</u>

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in DPS Fund Balance (continued)
Year Ended June 30, 2022

Conservatory Green Middle School	Conservatory Green High School	Henry Middle School	Noel Middle School	Elevate High School	Eliminations	Total DPS
\$ -	\$ -	\$ -	\$ 56	\$ 56	\$ -	\$ 5,645,084
-	-	-	-	-	-	365,199
966,795	1,541,673	-	1,021,937	454,147	-	16,037,307
-	-	-	-	-	-	-
385,367	583,829	-	158,648	865,992	(20,807,592)	1,736,186
4,183,487	5,344,353	-	4,304,390	1,512,901	-	60,252,766
111,633	129,593	-	113,383	58,753	-	1,629,885
1,044,623	1,021,772	-	1,146,962	50,667	-	14,125,998
-	-	-	-	363,083	-	363,083
<u>6,691,905</u>	<u>8,621,220</u>	<u>-</u>	<u>6,745,376</u>	<u>3,305,599</u>	<u>(20,807,592)</u>	<u>100,155,508</u>
3,511,959	4,751,665	-	3,292,712	1,223,642	(6,758,033)	49,995,932
-	-	-	-	-	-	32,349
395,354	570,485	-	402,982	65,604	-	6,430,913
106,345	237,661	-	232,502	21,385	-	4,670,059
-	70,188	-	29,224	75,400	-	572,007
572,023	502,431	-	542,161	519,416	-	17,929,895
762,976	979,994	-	791,962	257,461	(11,805,839)	1,549,043
368,148	519,669	-	413,780	1,033,350	(714,511)	6,035,893
129,858	19,225	-	102,374	33,279	-	888,394
172,770	222,115	-	175,801	59,633	-	2,503,816
8,450	-	-	-	-	-	15,316,690
1,050	3,313	-	2,977	15,382	(1,529,209)	528,063
<u>6,028,933</u>	<u>7,876,746</u>	<u>-</u>	<u>5,986,475</u>	<u>3,304,552</u>	<u>(20,807,592)</u>	<u>106,453,054</u>
662,972	744,474	-	758,901	1,047	-	(6,297,546)
185,552	101,458	17,730	162,163	399,185	-	2,007,733
-	-	-	-	-	-	(2,495,871)
<u>185,552</u>	<u>101,458</u>	<u>17,730</u>	<u>162,163</u>	<u>399,185</u>	<u>-</u>	<u>(488,138)</u>
848,524	845,932	17,730	921,064	400,232	-	(6,785,684)
<u>2,146,369</u>	<u>915,746</u>	<u>(17,730)</u>	<u>1,163,569</u>	<u>-</u>	<u>-</u>	<u>56,090,581</u>
<u>\$ 2,994,893</u>	<u>\$ 1,761,678</u>	<u>\$ -</u>	<u>\$ 2,084,633</u>	<u>\$ 400,232</u>	<u>\$ -</u>	<u>\$ 49,304,897</u>

Denver School of Science and Technology
Combining APS Balance Sheet
June 30, 2022

	Home Office	AST Middle School	Total APS
Assets			
Cash and cash equivalents	\$ (29,188)	\$ 1,772,520	\$ 1,743,332
Restricted permanent endowment	11,035	-	11,035
Accounts receivable	847	58,746	59,593
Receivable from Foundation	718,433	111,288	829,721
PCOPs credits	-	-	-
Prepaid expenses	5,732	4,805	10,537
Total assets	<u>706,859</u>	<u>1,947,359</u>	<u>2,654,218</u>
Liabilities and fund balance			
Accounts payable	13,223	1,561	14,784
Accrued salaries and benefits	23,846	5,321	29,167
Total liabilities	<u>37,069</u>	<u>6,882</u>	<u>43,951</u>
Fund Balance			
Nonspendable	5,732	4,805	10,537
Restricted	106,054	257,609	363,663
Assigned	372,189	1,119,418	1,491,607
Unassigned	185,815	558,645	744,460
Total fund balance	<u>669,790</u>	<u>1,940,477</u>	<u>2,610,267</u>
Total liabilities and fund balance	<u>\$ 706,859</u>	<u>\$ 1,947,359</u>	<u>\$ 2,654,218</u>

Denver School of Science and Technology
Combining Statement of Revenues, Expenditures,
and Changes in APS Fund Balance
Year Ended June 30, 2022

	Home Office	AST Middle School	Eliminations	Total APS
Revenues				
Local sources				
Contributions and grants	\$ 3,499	\$ 56	\$ -	\$ 3,555
Investment income	6,510	-	-	6,510
Mill levy	-	1,171,303	-	1,171,303
Miscellaneous	-	-	-	-
Supporting services	1,321,297	741,712	(105,791)	1,957,218
State sources				
Per pupil revenue	-	4,214,675	-	4,214,675
Supporting services	81	238,314	-	238,395
Federal sources				
Federal grants from Aurora Public Schools	-	314,126	-	314,126
Direct federal start-up grant	199,508	-	-	199,508
Total revenues	1,530,895	6,680,186	(105,791)	8,105,290
Expenditures				
Instructional				
Regular education	511,384	2,893,473	-	3,404,857
Special education	-	-	-	-
Supporting services				
Pupil supporting services	26,651	580,914	-	607,565
Instructional support	78,693	31,029	-	109,722
General administration	-	65,263	-	65,263
School administration	807,197	825,109	-	1,632,306
Business services	24,245	753,628	-	777,873
Operations and maintenance	48,460	549,758	-	598,218
Pupil transportation	-	13,631	-	13,631
Central services	-	173,328	-	173,328
Property	-	-	-	-
Other support services	101,486	7,250	(105,791)	2,945
Total expenditures	1,598,116	5,893,383	(105,791)	7,385,708
Excess (deficiency) of revenues over (under) expenditures	(67,221)	786,803	-	719,582
Other financing sources (uses)				
Transfers in	229,083	259,055	-	488,138
Transfers out	-	-	-	-
Total other financing sources	229,083	259,055	-	488,138
Net change in fund balances	161,862	1,045,858	-	1,207,720
Fund balances, beginning of year	507,928	894,619	-	1,402,547
Fund balances, end of year	\$ 669,790	\$ 1,940,477	\$ -	\$ 2,610,267

Denver School of Science and Technology
Budgetary Comparison Schedule – Home Office (combined)
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 5,479,641	\$ 5,479,641
Investment income	86,960	371,709	284,749
Mill levy	-	-	-
Miscellaneous	-	-	-
Supporting services	15,429,288	18,225,494	2,796,206
State sources			
Per pupil revenue	-	-	-
Supporting services	-	1,259	1,259
Federal sources			
Federal grants from Denver Public Schools	-	-	-
Direct federal start-up grant	-	199,508	199,508
Total revenues	<u>15,516,248</u>	<u>24,277,611</u>	<u>8,761,363</u>
Expenditures			
Instructional			
Regular education	4,931,017	5,226,989	(295,972)
Supporting services			
Pupil supporting services	150,000	169,609	(19,609)
Instructional support	2,000,000	1,965,272	34,728
General administration	-	-	-
School administration	15,095,831	11,613,783	3,482,048
Business services	2,000,000	2,228,474	(228,474)
Operations and maintenance	-	405,170	(405,170)
Pupil transportation	-	-	-
Central services	-	-	-
Property	22,000,000	15,276,037	6,723,963
Other support services	2,507,741	2,110,069	397,672
Total expenditures	<u>48,684,589</u>	<u>38,995,403</u>	<u>9,689,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,168,341)</u>	<u>(14,717,792)</u>	<u>18,450,549</u>
Other financing sources (uses)			
Transfers in	-	229,083	229,083
Transfers out	-	(2,495,871)	(2,495,871)
Total other financing sources (uses)	<u>-</u>	<u>(2,266,788)</u>	<u>(2,266,788)</u>
Net change in fund balances	(33,168,341)	(16,984,580)	16,183,761
Fund balances, beginning of year	<u>29,700,407</u>	<u>29,700,407</u>	<u>-</u>
Fund balances, end of year	<u>\$ (3,467,934)</u>	<u>\$ 12,715,827</u>	<u>\$ 16,183,761</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Montview Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 168	\$ 168
Investment income	-	-	-
Mill levy	861,040	1,016,225	155,185
Miscellaneous	-	-	-
Supporting services	606,577	289,059	(317,518)
State sources			
Per pupil revenue	4,258,303	4,429,262	170,959
Supporting services	92,025	114,299	22,274
Federal sources			
Federal grants from Denver Public Schools	988,432	976,185	(12,247)
Direct federal start-up grant	-	-	-
Total revenues	<u>6,806,377</u>	<u>6,825,198</u>	<u>18,821</u>
Expenditures			
Instructional			
Regular education	3,523,672	3,586,981	(63,309)
Supporting services			
Pupil supporting services	373,270	392,834	(19,564)
Instructional support	111,421	143,713	(32,292)
General administration	1,410	70,302	(68,892)
School administration	372,795	571,075	(198,280)
Business services	953,494	811,279	142,215
Operations and maintenance	247,257	390,032	(142,775)
Pupil transportation	90,050	91,750	(1,700)
Central services	180,408	182,381	(1,973)
Property	-	7,485	(7,485)
Other support services	4,020	1,066	2,954
Total expenditures	<u>5,857,797</u>	<u>6,248,898</u>	<u>(391,101)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>948,580</u>	<u>576,300</u>	<u>(372,280)</u>
Other financing sources (uses)			
Transfers in	-	156,173	156,173
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>156,173</u>	<u>156,173</u>
Net change in fund balances	948,580	732,473	(216,107)
Fund balances, beginning of year	<u>3,289,346</u>	<u>3,289,346</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,237,926</u>	<u>\$ 4,021,819</u>	<u>\$ (216,107)</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Montview High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 10,224	\$ 10,224
Investment income	-	-	-
Mill levy	1,110,492	1,555,199	444,707
Miscellaneous	-	-	-
Supporting services	470,705	541,215	70,510
State sources			
Per pupil revenue	5,128,085	5,328,224	200,139
Supporting services	111,696	136,797	25,101
Federal sources			
Federal grants from Denver Public Schools	1,167,073	1,245,774	78,701
Direct federal start-up grant	-	-	-
Total revenues	<u>7,988,051</u>	<u>8,817,433</u>	<u>829,382</u>
Expenditures			
Instructional			
Regular education	4,642,674	4,813,251	(170,577)
Supporting services			
Pupil supporting services	573,634	614,452	(40,818)
Instructional support	123,337	222,068	(98,731)
General administration	1,698	-	1,698
School administration	381,006	455,794	(74,788)
Business services	1,133,822	992,890	140,932
Operations and maintenance	291,937	476,328	(184,391)
Pupil transportation	90,559	12,200	78,359
Central services	219,327	219,856	(529)
Property	-	5,880	(5,880)
Other support services	22,991	1,313	21,678
Total expenditures	<u>7,480,985</u>	<u>7,814,032</u>	<u>(333,047)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>507,066</u>	<u>1,003,401</u>	<u>496,335</u>
Other financing sources (uses)			
Transfers in	-	38,291	38,291
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>38,291</u>	<u>38,291</u>
Net change in fund balances	507,066	1,041,692	534,626
Fund balances, beginning of year	<u>2,582,600</u>	<u>2,582,600</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,089,666</u>	<u>\$ 3,624,292</u>	<u>\$ 534,626</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Green Valley Ranch Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	872,032	1,047,420	175,388
Miscellaneous	-	-	-
Supporting services	688,629	411,625	(277,004)
State sources			
Per pupil revenue	4,301,936	4,523,728	221,792
Supporting services	90,218	125,470	35,252
Federal sources			
Federal grants from Denver Public Schools	1,165,679	1,166,893	1,214
Direct federal start-up grant	-	-	-
Total revenues	<u>7,118,494</u>	<u>7,275,192</u>	<u>156,698</u>
Expenditures			
Instructional			
Regular education	3,406,680	3,850,264	(443,584)
Supporting services			
Pupil supporting services	534,749	308,174	226,575
Instructional support	252,761	319,588	(66,827)
General administration	1,428	75,579	(74,151)
School administration	401,614	494,702	(93,088)
Business services	1,009,981	819,187	190,794
Operations and maintenance	285,492	429,409	(143,917)
Pupil transportation	91,015	80,367	10,648
Central services	184,178	185,048	(870)
Property	-	-	-
Other support services	4,108	4,297	(189)
Total expenditures	<u>6,172,006</u>	<u>6,566,615</u>	<u>(394,609)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>946,488</u>	<u>708,577</u>	<u>(237,911)</u>
Other financing sources (uses)			
Transfers in	-	151,578	151,578
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>151,578</u>	<u>151,578</u>
Net change in fund balances	946,488	860,155	(86,333)
Fund balances, beginning of year	<u>2,995,927</u>	<u>2,995,927</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,942,415</u>	<u>\$ 3,856,082</u>	<u>\$ (86,333)</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Green Valley Ranch High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	1,090,872	1,545,270	454,398
Miscellaneous	-	-	-
Supporting services	281,493	407,228	125,735
State sources			
Per pupil revenue	5,052,761	5,232,935	180,174
Supporting services	105,169	137,472	32,303
Federal sources			
Federal grants from Denver Public Schools	1,304,072	1,290,333	(13,739)
Direct federal start-up grant	-	-	-
Total revenues	<u>7,834,367</u>	<u>8,613,294</u>	<u>778,927</u>
Expenditures			
Instructional			
Regular education	4,345,209	4,546,765	(201,556)
Supporting services			
Pupil supporting services	753,841	699,568	54,273
Instructional support	228,827	243,805	(14,978)
General administration	1,617	-	1,617
School administration	278,836	388,642	(109,806)
Business services	1,125,849	970,843	155,006
Operations and maintenance	337,339	516,135	(178,796)
Pupil transportation	90,563	156,528	(65,965)
Central services	214,168	216,417	(2,249)
Property	-	-	-
Other support services	4,830	4,494	336
Total expenditures	<u>7,381,079</u>	<u>7,743,197</u>	<u>(362,118)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>453,288</u>	<u>870,097</u>	<u>416,809</u>
Other financing sources (uses)			
Transfers in	-	72,153	72,153
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>72,153</u>	<u>72,153</u>
Net change in fund balances	453,288	942,250	488,962
Fund balances, beginning of year	<u>2,465,854</u>	<u>2,465,854</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,919,142</u>	<u>\$ 3,408,104</u>	<u>\$ 488,962</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Cole Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 35,000	\$ 35,000
Investment income	-	-	-
Mill levy	494,640	661,826	167,186
Miscellaneous	-	-	-
Supporting services	437,482	192,589	(244,893)
State sources			
Per pupil revenue	2,521,706	2,515,444	(6,262)
Supporting services	55,138	80,554	25,416
Federal sources			
Federal grants from Denver Public Schools	936,949	929,803	(7,146)
Direct federal start-up grant	-	-	-
Total revenues	<u>4,445,915</u>	<u>4,415,216</u>	<u>(30,699)</u>
Expenditures			
Instructional			
Regular education	2,243,377	2,328,446	(85,069)
Supporting services			
Pupil supporting services	356,440	342,089	14,351
Instructional support	117,550	94,167	23,383
General administration	810	88,656	(87,846)
School administration	365,960	660,199	(294,239)
Business services	669,639	471,929	197,710
Operations and maintenance	164,196	214,997	(50,801)
Pupil transportation	89,963	61,710	28,253
Central services	107,332	102,681	4,651
Property	-	-	-
Other support services	2,360	976	1,384
Total expenditures	<u>4,117,627</u>	<u>4,365,850</u>	<u>(248,223)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>328,288</u>	<u>49,366</u>	<u>(278,922)</u>
Other financing sources (uses)			
Transfers in	-	77,079	77,079
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>77,079</u>	<u>77,079</u>
Net change in fund balances	328,288	126,445	(201,843)
Fund balances, beginning of year	<u>2,123,721</u>	<u>2,123,721</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,452,009</u>	<u>\$ 2,250,166</u>	<u>\$ (201,843)</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Cole High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 10,056	\$ 10,056
Investment income	-	-	-
Mill levy	690,624	1,068,207	377,583
Miscellaneous	-	-	-
Supporting services	849,353	359,821	(489,532)
State sources			
Per pupil revenue	3,280,489	3,414,987	134,498
Supporting services	64,929	92,551	27,622
Federal sources			
Federal grants from Denver Public Schools	965,908	973,325	7,417
Direct federal start-up grant	-	-	-
Total revenues	<u>5,851,303</u>	<u>5,918,947</u>	<u>67,644</u>
Expenditures			
Instructional			
Regular education	3,006,016	3,115,747	(109,731)
Supporting services			
Pupil supporting services	581,927	408,495	173,432
Instructional support	313,159	213,911	99,248
General administration	1,014	-	1,014
School administration	342,489	442,435	(99,946)
Business services	739,773	642,497	97,276
Operations and maintenance	213,906	294,863	(80,957)
Pupil transportation	90,063	88,143	1,920
Central services	134,336	136,640	(2,304)
Property	-	9,892	(9,892)
Other support services	3,052	3,050	2
Total expenditures	<u>5,425,735</u>	<u>5,355,673</u>	<u>70,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>425,568</u>	<u>563,274</u>	<u>137,706</u>
Other financing sources (uses)			
Transfers in	-	216,171	216,171
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>216,171</u>	<u>216,171</u>
Net change in fund balances	425,568	779,445	353,877
Fund balances, beginning of year	<u>948,644</u>	<u>948,644</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,374,212</u>	<u>\$ 1,728,089</u>	<u>\$ 353,877</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – College View Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	888,520	1,156,978	268,458
Miscellaneous	-	-	-
Supporting services	686,414	180,234	(506,180)
State sources			
Per pupil revenue	4,483,806	4,634,432	150,626
Supporting services	96,469	135,536	39,067
Federal sources			
Federal grants from Denver Public Schools	1,368,539	1,334,741	(33,798)
Direct federal start-up grant	-	-	-
Total revenues	<u>7,523,748</u>	<u>7,441,977</u>	<u>(81,771)</u>
Expenditures			
Instructional			
Regular education	3,777,630	3,897,219	(119,589)
Supporting services			
Pupil supporting services	565,507	478,191	87,316
Instructional support	135,246	120,934	14,312
General administration	1,455	-	1,455
School administration	411,509	626,883	(215,374)
Business services	1,008,998	879,029	129,969
Operations and maintenance	253,623	410,756	(157,133)
Pupil transportation	89,963	95,277	(5,314)
Central services	186,481	185,974	507
Property	-	7,601	(7,601)
Other support services	4,239	-	4,239
Total expenditures	<u>6,434,651</u>	<u>6,701,864</u>	<u>(267,213)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,089,097</u>	<u>740,113</u>	<u>(348,984)</u>
Other financing sources (uses)			
Transfers in	-	105,707	105,707
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>105,707</u>	<u>105,707</u>
Net change in fund balances	1,089,097	845,820	(243,277)
Fund balances, beginning of year	<u>2,098,641</u>	<u>2,098,641</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,187,738</u>	<u>\$ 2,944,461</u>	<u>\$ (243,277)</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – College View High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 112	\$ 112
Investment income	-	-	-
Mill levy	1,108,530	1,694,349	585,819
Miscellaneous	-	-	-
Supporting services	324,866	221,226	(103,640)
State sources			
Per pupil revenue	5,217,668	5,480,498	262,830
Supporting services	103,143	153,856	50,713
Federal sources			
Federal grants from Denver Public Schools	1,535,289	1,546,134	10,845
Direct federal start-up grant	-	-	-
Total revenues	<u>8,289,496</u>	<u>9,096,175</u>	<u>806,679</u>
Expenditures			
Instructional			
Regular education	4,573,766	4,837,712	(263,946)
Supporting services			
Pupil supporting services	771,795	649,740	122,055
Instructional support	141,115	287,799	(146,684)
General administration	1,695	81,741	(80,046)
School administration	390,482	611,611	(221,129)
Business services	1,149,043	1,029,851	119,192
Operations and maintenance	295,106	476,847	(181,741)
Pupil transportation	90,623	9,501	81,122
Central services	216,681	221,024	(4,343)
Property	-	1,345	(1,345)
Other support services	10,376	546	9,830
Total expenditures	<u>7,640,682</u>	<u>8,207,717</u>	<u>(567,035)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>648,814</u>	<u>888,458</u>	<u>239,644</u>
Other financing sources (uses)			
Transfers in	-	201,460	201,460
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>201,460</u>	<u>201,460</u>
Net change in fund balances	648,814	1,089,918	441,104
Fund balances, beginning of year	<u>2,084,974</u>	<u>2,084,974</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,733,788</u>	<u>\$ 3,174,892</u>	<u>\$ 441,104</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Byers Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	873,864	922,887	49,023
Miscellaneous	-	-	-
Supporting services	674,952	504,906	(170,046)
State sources			
Per pupil revenue	4,263,493	4,324,957	61,464
Supporting services	97,754	109,051	11,297
Federal sources			
Federal grants from Denver Public Schools	720,517	701,170	(19,347)
Direct federal start-up grant	-	-	-
Total revenues	<u>6,630,580</u>	<u>6,563,027</u>	<u>(67,553)</u>
Expenditures			
Instructional			
Regular education	3,603,386	3,680,184	(76,798)
Supporting services			
Pupil supporting services	399,072	481,380	(82,308)
Instructional support	343,316	150,380	192,936
General administration	1,431	-	1,431
School administration	130,573	328,365	(197,792)
Business services	970,316	809,676	160,640
Operations and maintenance	251,346	392,306	(140,960)
Pupil transportation	90,524	3,025	87,499
Central services	183,582	183,384	198
Property	-	-	-
Other support services	21,758	4,879	16,879
Total expenditures	<u>5,995,304</u>	<u>6,033,579</u>	<u>(38,275)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>635,276</u>	<u>529,448</u>	<u>(105,828)</u>
Other financing sources (uses)			
Transfers in	-	37,077	37,077
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>37,077</u>	<u>37,077</u>
Net change in fund balances	635,276	566,525	(68,751)
Fund balances, beginning of year	<u>2,892,929</u>	<u>2,892,929</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,528,205</u>	<u>\$ 3,459,454</u>	<u>\$ (68,751)</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Byers High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 113,046	\$ 113,046
Investment income	-	-	-
Mill levy	1,079,100	1,384,394	305,294
Miscellaneous	-	-	-
Supporting services	544,679	537,842	(6,837)
State sources			
Per pupil revenue	4,862,842	5,023,168	160,326
Supporting services	109,385	129,759	20,374
Federal sources			
Federal grants from Denver Public Schools	712,856	697,616	(15,240)
Direct federal start-up grant	-	-	-
Total revenues	<u>7,308,862</u>	<u>7,885,825</u>	<u>576,963</u>
Expenditures			
Instructional			
Regular education	4,198,876	4,634,162	(435,286)
Supporting services			
Pupil supporting services	562,992	478,607	84,385
Instructional support	267,899	389,222	(121,323)
General administration	1,632	80,917	(79,285)
School administration	303,364	407,572	(104,208)
Business services	1,127,215	931,079	196,136
Operations and maintenance	287,776	457,074	(169,298)
Pupil transportation	90,463	5,157	85,306
Central services	211,755	240,092	(28,337)
Property	-	-	-
Other support services	15,455	5,346	10,109
Total expenditures	<u>7,067,427</u>	<u>7,629,228</u>	<u>(561,801)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>241,435</u>	<u>256,597</u>	<u>15,162</u>
Other financing sources (uses)			
Transfers in	-	85,956	85,956
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>85,956</u>	<u>85,956</u>
Net change in fund balances	241,435	342,553	101,118
Fund balances, beginning of year	<u>1,207,512</u>	<u>1,207,512</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,448,947</u>	<u>\$ 1,550,065</u>	<u>\$ 101,118</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Conservatory Green Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ -	\$ -
Investment income	-	-	-
Mill levy	817,072	966,795	149,723
Miscellaneous	-	-	-
Supporting services	764,230	385,367	(378,863)
State sources			
Per pupil revenue	4,033,682	4,183,487	149,805
Supporting services	84,412	111,633	27,221
Federal sources			
Federal grants from Denver Public Schools	1,036,315	1,044,623	8,308
Direct federal start-up grant	-	-	-
Total revenues	<u>6,735,711</u>	<u>6,691,905</u>	<u>(43,806)</u>
Expenditures			
Instructional			
Regular education	3,564,867	3,511,959	52,908
Supporting services			
Pupil supporting services	385,529	395,354	(9,825)
Instructional support	22,400	106,345	(83,945)
General administration	1,323	-	1,323
School administration	520,497	572,023	(51,526)
Business services	921,895	762,976	158,919
Operations and maintenance	234,952	368,148	(133,196)
Pupil transportation	90,113	129,858	(39,745)
Central services	173,652	172,770	882
Property	-	8,450	(8,450)
Other support services	3,854	1,050	2,804
Total expenditures	<u>5,919,082</u>	<u>6,028,933</u>	<u>(109,851)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>816,629</u>	<u>662,972</u>	<u>(153,657)</u>
Other financing sources (uses)			
Transfers in	-	185,552	185,552
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>185,552</u>	<u>185,552</u>
Net change in fund balances	816,629	848,524	31,895
Fund balances, beginning of year	<u>2,146,369</u>	<u>2,146,369</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,962,998</u>	<u>\$ 2,994,893</u>	<u>\$ 31,895</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Conservatory Green High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ -	\$ -
Investment income	-	-	-
Mill levy	1,090,872	1,541,673	450,801
Miscellaneous	-	-	-
Supporting services	453,174	583,829	130,655
State sources			
Per pupil revenue	4,983,256	5,344,353	361,097
Supporting services	99,472	129,593	30,121
Federal sources			
Federal grants from Denver Public Schools	1,035,788	1,021,772	(14,016)
Direct federal start-up grant	-	-	-
Total revenues	<u>7,662,562</u>	<u>8,621,220</u>	<u>958,658</u>
Expenditures			
Instructional			
Regular education	4,544,415	4,751,665	(207,250)
Supporting services			
Pupil supporting services	654,601	570,485	84,116
Instructional support	262,491	237,661	24,830
General administration	1,632	70,188	(68,556)
School administration	295,230	502,431	(207,201)
Business services	1,115,915	979,994	135,921
Operations and maintenance	333,125	519,669	(186,544)
Pupil transportation	90,463	19,225	71,238
Central services	209,330	222,115	(12,785)
Property	-	-	-
Other support services	7,955	3,313	4,642
Total expenditures	<u>7,515,157</u>	<u>7,876,746</u>	<u>(361,589)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>147,405</u>	<u>744,474</u>	<u>597,069</u>
Other financing sources (uses)			
Transfers in	-	101,458	101,458
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>101,458</u>	<u>101,458</u>
Net change in fund balances	147,405	845,932	698,527
Fund balances, beginning of year	<u>915,746</u>	<u>915,746</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,063,151</u>	<u>\$ 1,761,678</u>	<u>\$ 698,527</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Henry Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ -	\$ -
Investment income	-	-	-
Mill levy	-	-	-
Miscellaneous	-	-	-
Supporting services	-	-	-
State sources			
Per pupil revenue	-	-	-
Supporting services	-	-	-
Federal sources			
Federal grants from Denver Public Schools	-	-	-
Direct federal start-up grant	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Instructional			
Regular education	-	-	-
Supporting services			
Pupil supporting services	-	-	-
Instructional support	-	-	-
General administration	-	-	-
School administration	-	-	-
Business services	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central services	-	-	-
Property	-	-	-
Other support services	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	17,730	17,730
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>17,730</u>	<u>17,730</u>
Net change in fund balances	-	17,730	17,730
Fund balances, beginning of year	<u>(17,730)</u>	<u>(17,730)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (17,730)</u>	<u>\$ -</u>	<u>\$ 17,730</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Noel Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	842,720	1,021,937	179,217
Miscellaneous	-	-	-
Supporting services	343,394	158,648	(184,746)
State sources			
Per pupil revenue	4,188,369	4,304,390	116,021
Supporting services	83,037	113,383	30,346
Federal sources			
Federal grants from Denver Public Schools	1,055,416	1,146,962	91,546
Direct federal start-up grant	-	-	-
Total revenues	<u>6,512,936</u>	<u>6,745,376</u>	<u>232,440</u>
Expenditures			
Instructional			
Regular education	3,388,495	3,292,712	95,783
Supporting services			
Pupil supporting services	423,354	402,982	20,372
Instructional support	252,683	232,502	20,181
General administration	1,380	29,224	(27,844)
School administration	280,057	542,161	(262,104)
Business services	999,705	791,962	207,743
Operations and maintenance	255,140	413,780	(158,640)
Pupil transportation	90,363	102,374	(12,011)
Central services	170,797	175,801	(5,004)
Property	-	-	-
Other support services	4,020	2,977	1,043
Total expenditures	<u>5,865,994</u>	<u>5,986,475</u>	<u>(120,481)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>646,942</u>	<u>758,901</u>	<u>111,959</u>
Other financing sources (uses)			
Transfers in	-	162,163	162,163
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>162,163</u>	<u>162,163</u>
Net change in fund balances	646,942	921,064	274,122
Fund balances, beginning of year	<u>1,163,569</u>	<u>1,163,569</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,810,511</u>	<u>\$ 2,084,633</u>	<u>\$ 274,122</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Elevate High School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	358,980	454,147	95,167
Miscellaneous	-	-	-
Supporting services	3,446,653	865,992	(2,580,661)
State sources			
Per pupil revenue	1,411,298	1,512,901	101,603
Supporting services	25,688	58,753	33,065
Federal sources			
Federal grants from Denver Public Schools	731,879	50,667	(681,212)
Direct federal start-up grant	-	363,083	363,083
Total revenues	<u>5,974,498</u>	<u>3,305,599</u>	<u>(2,668,899)</u>
Expenditures			
Instructional			
Regular education	1,211,294	1,223,642	(12,348)
Supporting services			
Pupil supporting services	156,061	65,604	90,457
Instructional support	13,000	21,385	(8,385)
General administration	-	75,400	(75,400)
School administration	364,856	519,416	(154,560)
Business services	404,763	257,461	147,302
Operations and maintenance	3,630,000	1,033,350	2,596,650
Pupil transportation	87,663	33,279	54,384
Central services	52,960	59,633	(6,673)
Property	-	-	-
Other support services	1,355	15,382	(14,027)
Total expenditures	<u>5,921,952</u>	<u>3,304,552</u>	<u>2,617,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,546</u>	<u>1,047</u>	<u>(51,499)</u>
Other financing sources (uses)			
Transfers in	-	399,185	399,185
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>399,185</u>	<u>399,185</u>
Net change in fund balances	52,546	400,232	347,686
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 52,546</u>	<u>\$ 400,232</u>	<u>\$ 347,686</u>

Denver School of Science and Technology
Budgetary Comparison Schedule – Aurora Science and Tech Middle School
Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local sources			
Contributions and grants	\$ -	\$ 56	\$ 56
Investment income	-	-	-
Mill levy	358,980	454,147	95,167
Miscellaneous	-	-	-
Supporting services	3,446,653	865,992	(2,580,661)
State sources			
Per pupil revenue	1,411,298	1,512,901	101,603
Supporting services	25,688	58,753	33,065
Federal sources			
Federal grants from Denver Public Schools	731,879	50,667	(681,212)
Direct federal start-up grant	-	363,083	363,083
Total revenues	<u>5,974,498</u>	<u>3,305,599</u>	<u>(2,668,899)</u>
Expenditures			
Instructional			
Regular education	1,211,294	1,223,642	(12,348)
Supporting services			
Pupil supporting services	156,061	65,604	90,457
Instructional support	13,000	21,385	(8,385)
General administration	-	75,400	(75,400)
School administration	364,856	519,416	(154,560)
Business services	404,763	257,461	147,302
Operations and maintenance	3,630,000	1,033,350	2,596,650
Pupil transportation	87,663	33,279	54,384
Central services	52,960	59,633	(6,673)
Property	-	-	-
Other support services	1,355	15,382	(14,027)
Total expenditures	<u>5,921,952</u>	<u>3,304,552</u>	<u>2,617,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,546</u>	<u>1,047</u>	<u>(51,499)</u>
Other financing sources (uses)			
Transfers in	-	399,185	399,185
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>399,185</u>	<u>399,185</u>
Net change in fund balances	52,546	400,232	347,686
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 52,546</u>	<u>\$ 400,232</u>	<u>\$ 347,686</u>



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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
Denver School of Science and Technology
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and the general fund of Denver School of Science and Technology (DSST Public Schools), as of and for the year ended June 30, 2022, 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 24, 2022. 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, 2022, as displayed in DSST Public Schools' audited supplementary information as listed in the table of contents, and have issued our report thereon dated October 24, 2022.

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
Denver School of Science and Technology

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 24, 2022