STRIVE Preparatory Schools (A Component Unit of Denver Public Schools)

Independent Auditor's Reports and Financial Statements

June 30, 2023

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

June 30, 2023

Board of Trustees

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

June 30, 2023

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STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
June 30, 2023

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(A Component Unit of Denver Public Schools)
June 30, 2023

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FORV/S

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Independent Auditor's Report

Board of Trustees
STRIVE Preparatory Schools
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of STRIVE Preparatory Schools (STRIVE Prep), a component unit of Denver Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise STRIVE Prep's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 STRIVE Prep, 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 STRIVE Prep's 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 STRIVE Prep's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about STRIVE Prep's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
STRIVE Preparatory Schools

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the STRIVE Prep's basic financial statements. The combining financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 combining financial statements and budgetary comparison schedules are 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 27, 2023, on our consideration of STRIVE Prep's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STRIVE Prep's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STRIVE Prep's internal control over financial reporting and compliance.

FORVIS, LLP

Denver, Colorado
October 27, 2023

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended June 30, 2023

As management of STRIVE Preparatory Schools, we offer readers of the basic financial statements this narrative and analysis of the financial activities of STRIVE Preparatory Schools for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

- The year ended June 30, 2023 was the 17th year of operations for STRIVE Preparatory Schools. The general fund balance decreased from $12,424,167 to $10,059,944 in the year ended June 30, 2023.
- The financial results of STRIVE Preparatory Schools under a government-wide accounting presentation are materially impacted by the implementation of GASB 68, *Accounting and Financial Reporting for Pensions.* Prior to the implementation of GASB 68, STRIVE Preparatory Schools only reported a pension liability to the extent that it was behind on its annual actuarially-determined payments into the pension plan. Under GASB 68, STRIVE Preparatory Schools must report a liability for its proportionate share of the entire underfunded status of the plan. As of December 31, 2022, the DPS division of the Colorado Public Employee's Retirement Association (PERA) had a collective net pension liability (NPL) of $867,729,000. STRIVE Preparatory Schools' portion of the NPL, which is based on STRIVE Preparatory Schools' portion of contributions to PERA as a percentage of the total contributions to the DPS division of PERA, is 2.290% or $19,873,280.
- Net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries.
- The financial results of STRIVE Preparatory Schools under a government-wide accounting presentation are also materially impacted by the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* Prior to the implementation of GASB 75, *Postemployment Benefits* (OPEB*)* was only reported in the Notes Disclosure section. With the implementation of GASB 75, *Postemployment Benefits* are reported in both the statement of net position and the statement of activities. As of June 30, 2023, STRIVE Preparatory Schools reported a net OPEB liability of $344,575 based on its proportionate share measured and calculated as of December 31, 2022.
- The NPL and the net OPEB liability are unlike other liabilities on STRIVE Preparatory Schools' balance sheet. STRIVE Preparatory Schools has no ability to pay off the either the NPL or the net OPEB liability under an accelerated schedule as contribution rates are set in statute. As long-term obligations, neither NPL nor net OPEB liability are recorded in the modified accrual basis financial statement of governmental funds. Neither liability impacts the current financial position of STRIVE Preparatory Schools.

- Excluding to the impacts of both GASB 68 and GASB 75, the assets of STRIVE Preparatory Schools exceeded its liabilities at the close of the most recent fiscal year. However, due to the implementation of GASB 68 and GASB 75, the liabilities and deferred inflows of resources of STRIVE Preparatory Schools exceeded the assets and deferred outflows of resources by $1,774,260.
- July 1, 2021, STRIVE Preparatory Schools implemented the provisions of GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, the STRIVE Preparatory Schools recognized initial lease liabilities and intangible right-to-use lease assets for $1,726,226. As of June 30, 2023, STRIVE Preparatory Schools has a net right-to-use asset and lease liability of $1,023,790 and $1,056,097, respectively. There was no impact on beginning net position as a result of the implementation.
- The operations of STRIVE Preparatory Schools for the year ended June 30, 2023 were funded by tax revenue received under the State School Finance Act (the Act), mill levy overrides, federal revenue, and private contributions. Tax revenue for the year from Per Pupil Revenue was $32,560,635, while property tax revenue for the year from Mill Levy Overrides was $9,297,305. In addition, individual gifts and foundation grants supplemented the tax revenue received in order to finance operations.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to STRIVE Preparatory Schools' basic financial statements. The basic statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of STRIVE Preparatory Schools' finances in a manner similar to a private-sector business.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. STRIVE Preparatory Schools keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of STRIVE Preparatory Schools' financial position. At June 30, 2023, STRIVE Preparatory Schools' liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by $1,774,260. It is important to note that STRIVE Preparatory Schools' assets would have exceeded its liabilities by $10,027,637 excluding the recognition of both the unfunded pension and OPEB liabilities and related deferred inflows/outflows of resources. Additionally, $1,308,255 of the net deficit is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Condensed Statement of Net Position

	2023	2022
Assets		
Current	$ 11,348,724	$ 14,143,109
Lease assets, net	1,023,790	1,309,284
Total assets	12,372,514	15,452,393
Deferred Outflows of Resources	12,863,009	8,683,576
Liabilities		
Current	1,645,657	1,940,764
Noncurrent liabilities	20,917,075	1,645,044
Total liabilities	22,562,732	3,585,808
Deferred Inflows of Resources	4,447,051	21,891,175
Net Position		
Net investment in capital assets	(32,307)	(11,713)
Restricted	2,176,155	1,851,509
Unrestricted	(3,918,108)	(3,180,810)
Total net position	$ (1,774,260)	$ (1,341,014)

Current assets decreased over the prior year due to an increased use of cash.

Lease assets, net increased from the prior year due to the implementation of GASB 87.

Current liabilities decreased from the prior year due to a decrease in unearned revenue and accounts payable.

Noncurrent liabilities decreased from the prior year primarily due to an increase in net pension liability.

Condensed Statement of Activities

	2023	2022
Revenues		
Per pupil operating revenue	$ 32,560,635	$ 31,583,761
Mill levy	9,297,305	8,533,284
Grants and contributions	15,327,808	12,884,852
Investment income	315,562	17,251
Miscellaneous	734,052	984,243
Total revenues	58,235,362	54,003,391
Expenses		
Instruction		
General	29,801,667	27,836,107
GASB 68 pension expense (credit)	(768,983)	(4,148,491)
GASB 75 OPEB expense (credit)	(176,123)	(184,589)
Support services		
General	30,744,198	27,747,229
GASB 68 pension expense (credit)	(793,897)	(4,193,573)
GASB 75 OPEB expense (credit)	(181,829)	(186,593)
Interest on long-term debt	43,575	3,439
Total expenses	58,668,608	46,873,529
Change in Net Position	(433,246)	7,129,862
Net Position (Deficit) - Beginning	(1,341,014)	(8,470,876)
Net Position (Deficit) - Ending	$ (1,774,260)	$ (1,341,014)

Grants and contributions revenue increased due to increased philanthropy. General expenses increased due to due to higher personnel expenses.

Financial Analysis of STRIVE Preparatory Schools Funds

Governmental Funds

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

As of the end of STRIVE Preparatory Schools' 16th fiscal year, STRIVE Preparatory Schools reported a governmental fund balance of $10,059,944 which represents a decrease of $2,364,223 over the previous fiscal year.

General Fund Budgetary Highlights

STRIVE Preparatory Schools' budget was $61,236,044 for the year ended June 30, 2023. Actual budgetary expenditures were $60,568,846. The difference between budgeted versus actual expenditures in the general fund is primarily due to lower supplies and materials expense, and an unused budgeted contingency.

Lease Assets and Lease Liability

STRIVE Preparatory Schools' lease assets consist of office space and equipment as a result of implementing GASB 87, *Leases* in the government wide financial statements. The right-to-use 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 asset into service. The right-to-use assets are amortized on a straightline basis over the shorter of the lease term or useful life of the underlying asset. STRIVE Preparatory Schools recognizes lease liabilities with an initial, individual value of $5,000 or more.

Economic Factors and Next Year's Budget

The primary factor driving the budget for STRIVE Preparatory Schools is student enrollment. The enrollment for the 2022-2023 school year was 3,174 students. The budgeted enrollment for the 2023-2024 school year is 4,621. The primary driver for the budgeted increase in enrollment is the combined enrollment as a result of the Rocky Mountain Prep merger effective July 1, 2023.

Requests for Information

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

STRIVE Preparatory Schools
2480 West 26th Avenue
Suite 360-B
Denver, Colorado 80211

Basic Financial Statements

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	$ 1,929,083
Investments	7,230,165
Accounts receivable	119,686
Grants receivable	1,939,479
Prepaid expenses	130,311
Lease assets, net of accumulated amortization	1,023,790
Total assets	12,372,514
Deferred Outflows of Resources	
Pension related	12,327,710
OPEB related	535,299
Total deferred outflows of resources	12,863,009
Liabilities	
Accounts payable	76,211
Accrued liabilities	1,210,819
Unearned revenue	1,750
Lease liability due within one year	356,877
Noncurrent liabilities	
Due in more than one year	
Lease liability due more than one year	699,220
Net pension liability	19,873,280
Net OPEB liability	344,575
Total liabilities	22,562,732
Deferred Inflows of Resources	
Pension related	3,849,963
OPEB related	597,088
Total deferred inflows of resources	4,447,051
Net Position (Deficit)	
Net investment in capital assets	(32,307)
Restricted for emergencies	1,386,660
Restricted for capital projects	789,495
Unrestricted (deficit)	(3,918,108)
Total net position (deficit)	$ (1,774,260)

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position: Governmental Activities
Primary Government				
Governmental Activities				
Instruction				
General	$ 29,801,667	$ 4,977,237	$ 587,727	$ (24,236,703)
GASB 68 pension expense (credit)	(768,983)	1,033,154	-	1,802,137
GASB 75 OPEB expense (credit)	(176,123)	-	-	176,123
Supporting services				
General	30,744,198	5,138,479	-	(25,605,719)
GASB 68 pension expense (credit)	(793,897)	1,066,626	-	1,860,523
GASB 75 OPEB expense (credit)	(181,829)	-	-	181,829
Interest on long-term debt	43,575	-	-	(43,575)
Total governmental activities	$ 58,668,608	$ 12,215,496	$ 587,727	(45,865,385)
	General Revenues			
	Per pupil revenue			32,560,635
	District mill levy			9,297,305
	Grants and contributions not restricted to specific programs			2,524,585
	Investment income			315,562
	Miscellaneous			734,052
	Total general revenues			45,432,139
	Change in Net Position			(433,246)
	Net Position (Deficit) - July 1			(1,341,014)
	Net Position (Deficit) - Ending			$ (1,774,260)

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Balance Sheet – Governmental Fund
June 30, 2023

	General Fund
Assets	
Cash	$ 1,929,083
Investments (restricted)	1,501,635
Investments (unrestricted)	5,728,530
Accounts receivable	119,686
Grants receivable	1,939,479
Prepaid expenditures	130,311
Total assets	$ 11,348,724
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 76,211
Accrued liabilities	1,210,819
Unearned revenue	1,750
Total liabilities	1,288,780
Fund Balance	
Nonspendable prepaid expenditures	130,311
Restricted for capital projects	789,495
Restricted for emergencies	1,386,660
Unassigned	7,753,478
Total fund balance	10,059,944
Total liabilities and fund balance	$ 11,348,724

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Balance Sheet – Governmental Fund (continued)

June 30, 2023

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

Total fund balance - governmental fund	$ 10,059,944
Deferred inflows of resources are not available in the current period and, therefore, are not recorded in the fund	(4,447,051)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	12,863,009
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	1,023,790
Long-term lease liabilities are not due any payable in the current period and, therefore, is not presented in the governmental fund	(1,056,097)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the fund	(19,873,280)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the fund	(344,575)
Net position (deficit) of governmental activities	$ (1,774,260)

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund

Year Ended June 30, 2023

	General Fund
Revenues	
Local sources	$ 45,432,139
State sources	3,189,051
Federal sources	9,583,433
Total revenues	58,204,623
Expenditures	
Current	
Instruction	29,801,667
Supporting services	30,324,053
Capital outlay	134,651
Debt service	
Principal	399,551
Interest	43,575
Total expenditures	60,703,497
Other Financing Sources and Uses	
Debt financing from leases	134,651
Deficiency of Revenues Over Expenses	(2,364,223)
Net Change in Fund Balance	(2,364,223)
Fund Balance, Beginning	12,424,167
Fund Balance, Ending	$ 10,059,944

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (continued)
Year Ended June 30, 2023

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

Net change in fund balance of the governmental fund	$ (2,364,223)
The portion of the State required contribution to PERA recognized in the Statement of Activities	
Operating grants and contributions	(2,099,780)
Pension expense (Instruction: $1,033,154; Supporting Services: $1,066,626)	2,099,780
Some expenses recorded in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the fund	
Pension credit (expense): Instruction: $784,108; Supporting Services: $809,511	1,593,619
OPEB credit (expense): Instruction: $176,123; Supporting Services: $181,829	357,952
Repayment of long-term liabilities are expenses in the fund, but do not affect the Statement of Activities	399,551
Lease asset amortization expense not included in the fund	(420,145)
Change in net position of governmental activities	$ (433,246)

Note 1: Summary of Significant Accounting Policies

The West Denver Preparatory Charter School was formed in November 2005, pursuant to the *Colorado Charter Schools Act* to form and operate a charter school within Denver Public Schools (the District). In September 2012, the West Denver Preparatory Charter School's name was changed to STRIVE Preparatory Schools (STRIVE Prep). STRIVE Prep is a non-profit organization as defined by Section 501(c)(3) of the Internal Revenue Code. In the year ended June 30, 2023, STRIVE Prep operated 10 schools and served grades kindergarten through 12.

Reporting Entity

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

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

In June 2012, the West Denver Preparatory Charter School Building Corporation (the Corporation) was formed to hold title to real and/or personal property for, and to make the same available for use by, STRIVE Prep, and to otherwise provide public buildings and facilities to STRIVE Prep. The Corporation is a non-profit organization as defined by Section 501(c)(2) of the Internal Revenue Code. The Corporation has no financial balances or transactions outside of those reported by STRIVE Prep, and therefore, is not reported separately in the financial statements. The Corporation does not issue separate financial statements.

Government-wide and Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Tax revenues are recognized as soon as they are both measurable and available. Available means are collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. Intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year if they are expected to be received within one year. All other revenues are considered to be measurable and available only when cash is received by STRIVE Prep. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

STRIVE Prep reports the following major governmental fund:

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

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

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

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

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

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

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

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

Right-to-Use Lease Assets and Subscription-based IT Arrangement Assets – Right-to-use assets with an initial cost of $5,000 or more, which include office space and equipment are a result of implementing GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* in the government-wide financial statements. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made at or before the commencement of the lease term, less lease incentives received from the lessor at or before the commencement of the lease, and plus ancillary charges necessary to place the lease asset into service. The right-to-use assets are amortized on a straight line basis over the shorter of the lease term or useful life of the underlying asset.

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

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

Compensated Absences – STRIVE Prep's policy allows employees to use six days of personal leave during each school year. Employees are compensated for any unused personal leave prior to the end of the fiscal year, at the rate of $125 per day. Therefore, no liability for compensated absences is reported in the financial statements.

Deferred Outflows/Inflows of Resources – A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. Both are reported in the statement of net position but are not recognized in the fund financial statements as revenues and expenses until the period(s) to which they relate. Refer to Notes 5 and 8 for information on deferred outflow/inflows or resources related to pensions and OPEB.

Net Position/Fund Balance – In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Trustees is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action.

STRIVE Prep has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available, STRIVE Prep uses restricted fund balance first, followed by committed, assigned and unassigned fund balances.

Risk Management

STRIVE Prep is exposed various risks of loss related to torts; theft of damage to and destruction of assets; injuries to employees; and natural disasters. STRIVE Prep carries commercial insurance for risks of loss, including liability, property, errors and omissions, and workers' compensation. Settled claims resulting from these risks have not exceeded STRIVE Prep's insurance coverage for fiscal years 2023, 2022 or 2021.

Use of Estimates

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

Budgets and Budgetary Accounting

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

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

Note 2: Cash and Investments

Deposits

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

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

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

Colorado State statutes govern STRIVE Prep's deposit of cash. The PDPA requires STRIVE Prep to make deposits only in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

As of June 30, 2023, STRIVE Prep had cash on deposit balances consisting of the following:

	Carrying Amount	Bank Balance	Amount Covered Under PDPA
Checking	$ 1,929,083	$ 2,672,946	$ 1,922,946

The remaining deposits not covered under PDPA are insured under FDIC.

Investments

STRIVE Prep is required to comply with state statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following:

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

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

Local Government Investment Pool – At June 30, 2023, STRIVE Prep had $7,230,165 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes and is registered with the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of the pool consist of U.S.

Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. COLORADO Trust is comprised of two funds: PRIME and PLUS+. Both funds carry an AAAm from Standards and Poor's. The Colorado Division of Securities 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 local government investment pool and money market funds are measured at net asset value and is designed to approximate the share value.

Note 3: Lease Assets

STRIVE Prep has right-to-lease assets consisting of office space and copiers for the year ended June 30, 2023. The related lease liabilities are discussed in Note 4. The right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Right-to-use asset activity for the year ended June 30, 2023, is as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Lease assets - building	$ 1,271,503	$ -	$ (115,399)	$ 1,156,104
Lease assets - equipment	454,723	134,651	(73,650)	515,724
	1,726,226	134,651	(189,049)	1,671,828
Less accumulated amortization				
Lease assets - building	(211,740)	(231,221)	115,399	(327,562)
Lease assets - equipment	(205,202)	(188,924)	73,650	(320,476)
	(416,942)	(420,145)	189,049	(648,038)
	$ 1,309,284	$ (285,494)	$ -	$ 1,023,790

Amortization expense was charged to the supporting services program in the amount of $420,145.

Note 4: Long-term Liabilities

STRIVE Prep has entered into two types of agreements to lease office space and copiers. The lease liabilities are initially recorded at the present value of the future minimum lease payments. The lease liabilities are measured using the prime rate in effect at measurement of the liability. The building office space agreement was executed on November 13, 2015 and renewed on February 1, 2022. The building office space amendment terminates on January 31, 2027. The base rent per rentable square foot for the building office space increases by $0.50 on an annual basis. In addition, the building office space includes variable payment components related to property taxes and insurance. STRIVE Prep also has multiple agreements outstanding for copiers in use at various locations. The agreements were executed between July 5, 2021 and October 1, 2022 with a term of three years. There are no variable payment components to the copiers leases.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30 were as follows:

	Principal	Interest
2024	$ 356,877	$ 31,874
2025	289,161	19,876
2026	260,180	9,428
2027	149,879	1,628
2028	-	-
	$ 1,056,097	$ 62,806

Changes in long-term liabilities for the year ended June 30, 2023 were as follows:

	Balance at June 30, 2022	Additions	Payments	Balance at June 30, 2023	Due Within One Year
Lease liability	$ 1,320,997	$ 134,651	$ (399,551)	$ 1,056,097	$ 356,877
	$ 1,320,997	$ 134,651	$ (399,551)	$ 1,056,097	$ 356,877

Note 5: Defined Benefit Pension Plan

Summary of Significant Accounting Policies

STRIVE Prep participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). In accordance with GASB 68, STRIVE Prep accounts for and reports its participation in the plan as if it was a cost sharing employer. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense (credit), information about the fiduciary net position and additions to/deductions from the fiduciary net position of STRIVE Prep have been determined using the same basis as they are reported by the DPS Division which uses the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description

Eligible employees of STRIVE Prep are provided with pensions through the DPS Division – a single-employer defined benefit pension plan administered by PERA. Plan benefits are specified in 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, 2022

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors

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

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

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

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

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

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

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

Contribution Provisions as of June 30, 2023

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

	January 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer Contribution Rate [1]	11.40%	11.40%
Amount of Employer Contribution apportioned to the DPS Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) [1]	(1.02%)	(1.02%)
PCOP Offset as specified in C.R.S. § 24-51-412 **	(11.72%)	(10.93%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	5.50%	5.50%
Total Employer Contribution Rate to the DPS Division [1]	8.66%	9.45%

** To conform with this presentation of contribution rates, the 2022 annual PCOP offset of 11.47% has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and STRIVE Prep is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from STRIVE Prep were $3,114,540 for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

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

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

At June 30, 2023, STRIVE Prep reported a liability of $19,873,280 for its proportionate share of the net pension liability that reflected a reduction of support from the State as a nonemployer contributing entity. The amount recognized by STRIVE Prep as its proportionate share of the net pension liability, the related support from the State as nonemployer contributing entity, and the total portion of the net pension liability that was associated with STRIVE Prep were as follows:

STRIVE Prep's proportionate share of the net pension liability	$ 19,873,280
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with STRIVE Prep	14,140,015
Total	$ 34,013,295

At December 31, 2022, STRIVE Prep's proportion was 2.29%, which was a decrease of 0.52% from its proportion measured as of December 31, 2021 of 2.81%.

For the year ended June 30, 2023, STRIVE Prep recognized pension expense (credit) of $(1,520,921), which equals contributions of $3,114,540 net of the GASB 68 pension expense (credit) of $1,593,619. The pension expense (credit) was offset by revenue and expense in the Governmental Fund of $2,069,041 and $(2,099,780), respectively, in the statement of activities for support from the State as a nonemployer contributing entity. At June 30, 2023, STRIVE Prep 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	$ 702,813	$ -
Changes of assumptions or other inputs	694,614	-
Net difference between projected and actual earnings on pension plan investments	7,527,684	-
Changes in proportion	1,760,947	3,849,963
Contributions subsequent to the measurement date	1,641,652	N/A
Total	$ 12,327,710	$ 3,849,963

$1,641,652 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,	
2024	$ 338,918
2025	(183,034)
2026	2,318,083
2027	4,362,128
2028	-
	$ 6,836,095

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions for December 31, 2021 Valuation

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80 – 11.50%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007; and DPS benefit structure (automatic)	1.00% compounded annually
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)[1]	Financed by the Annual Increase Reserve

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016 through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020 meeting.

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

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

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

Asset Class	Target Allocation	30-Year 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[1]	6.00%	4.70%
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 rate of return assumption of 7.25%.

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of STRIVE Prep's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net pension liability	$ 33,633,939	$ 19,873,280	$ 8,530,292

Pension Plan Fiduciary Net Position

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

Note 6: Pension Certificates of Participation

The District issued Taxable Pension Certificates of Participation (PCOPs) to fully fund the unfunded actuarial accrued liability of its pension plan (see Note 4). For the years ended June 30, 2023, 2022, and 2021, STRIVE Prep contributed 8.20%, 9.68%, and 8.67% of covered salaries, respectively, to the District to cover its obligation relating to the PCOPs.

During the years ended June 30, 2023, 2022, and 2021, STRIVE Prep contributed $2,835,177, $2,731,242, and $2,440,194, respectively, to the District for its PCOPs obligation.

Note 7: Defined Contribution Pension Plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

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

Funding Policy – The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. STRIVE Prep does not offer an employer match and employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2023, program members contributed $155,724.

Note 8: Defined Benefit Other Postemployment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB

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

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the STRIVE Prep is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from STRIVE Prep were $350,675 for the year ended June 30, 2023.

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

At June 30, 2023, STRIVE Prep reported a liability of $344,575 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. STRIVE Prep's proportion of the net OPEB liability was based on STRIVE Prep's contributions to the DPS HCTF for the calendar year 2022 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2022, STRIVE Prep's proportion was 3.92%, which was an increase of 0.32% from its proportion measured as of December 31, 2021 of 3.60%.

For the year ended June 30, 2023, STRIVE Prep recognized OPEB credit of $7,277, which equals contributions of $350,675 less the GASB 75 credit of $357,952. At June 30, 2023, STRIVE Prep 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	$ -	$ 369,554
Changes of assumptions or other inputs	-	164,756
Net difference between projected and actual earnings on OPEB plan investments	195,425	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	162,680	62,778
Contributions subsequent to the measurement date	177,194	N/A
Total	$ 535,299	$ 597,088

$177,194 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	$ (90,546)
2025	(73,113)
2026	(30,602)
2027	13,014
2028	(38,394)
Thereafter	(19,342)
	$ (238,983)

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80 – 11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.5% in 2022 gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, 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

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

Age-Related Morbidity Assumptions

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

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

	MAPD PPO #1 without Medicare Part A Retiree/Spouse			MAPD PPO #2 without Medicare Part A Retiree/Spouse			MAPD HMO (Kaiser) without Medicare Part A Retiree/Spouse	
Sample Age	Male	Female	Sample Age	Male	Female	Sample Age	Male	Female
65	$ 6,514	$ 5,542	65	$ 4,227	$ 3,596	65	$ 6,752	$ 5,739
70	$ 7,553	$ 5,966	70	$ 4,901	$ 3,872	70	$ 7,826	$ 6,185
75	$ 8,134	$ 6,425	75	$ 5,278	$ 4,169	75	$ 8,433	$ 6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for the DPS Division as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the DPS HCTF, but developed using a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

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

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016 through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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 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[1]	6.00%	4.70%
Total	100.00%	

[1] The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 rate of return assumption of 7.25%.

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 335,944	$ 344,575	$ 351,866

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Proportionate share of the net OPEB liability	$ 583,333	$ 344,575	$ 351,866

OPEB Plan Fiduciary Net Position

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

Note 9: Commitments, Contingencies and Compliance

Claims and Judgments

STRIVE Prep is subject to other claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a materially adverse effect on the financial statements. In addition, federal and state grants are subject to audit which could result in disallowed costs, the amount of which is undeterminable at June 30, 2023. If any costs are disallowed in the future, management expects them to be insignificant.

Tabor Amendment

In November 1992, Colorado voters approved the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but STRIVE Prep believes it is in substantial compliance with the Amendment. In accordance with the Amendment, STRIVE Prep has established an emergency reserve representing 3% of spending in accordance with TABOR guidelines/requirements. At June 30, 2023, the reserve reported as restricted net position/fund balance totaled $1,308,255.

Facility Use Agreement

Annually, STRIVE Prep approves facility use agreements with the District to utilize educational facilities owned by the District. The facility use fees for the year ended June 30, 2023 were $849 for each student enrolled at STRIVE Prep, which totaled $2,693,743. The agreements require facility use fees of $1,001 per student for the year ended June 30, 2023, which for STRIVE Prep is estimated to be $4,621,601.

Note 10: Public School Financial Transparency Act

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

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Notes to Financial Statements
June 30, 2023

Note 11: Unrestricted Deficit

Under GASB 68 and GASB 75, the government-wide financial results of STRIVE Prep are negatively impacted by the financial results of the Denver Public Schools Division Trust Fund (DPS Division) administered by PERA. During the current fiscal year, the DPS Division's net pension liability increased from $6.0 million to $867.7 million and net OPEB liability decreased from $10.5 million to $8.8 million. As a result, STRIVE Prep's share of the net pension liability increased from $167,000 to $19.8 million and net OPEB liability increased from $286,309 to $344,575. These liabilities have no impact on STRIVE Prep's ability to meet its current financial obligations. In addition, STRIVE Prep has no legal obligation to fund any shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by PERA.

Note 12: Subsequent Events

On August 3, 2022, the respective boards of Rocky Mountain Prep and STRIVE Prep voted on a Plan of Merger, which enabled them to merge into a single, unified charter public school system on July 1, 2023.

Note 13: Implementation of New Accounting Standard

Effective July 1, 2022, STRIVE Prep implemented GASB 96, *Subscription-Based Information Technology Arrangements (*Statement No. 96). Statement No.96 requires governments to report a subscription asset and subscription liability and to disclose essential information about the arrangement. The adoption of Statement No. 96 had no impact to the financial statements of STRIVE Prep at June 30, 2023. This could change in future years.

Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
STRIVE Prep's proportion of the net pension liability	2.29%	2.81%	3.40%	2.51%	2.35%	3.59%	3.37%	2.92%	2.55%
STRIVE Prep's proportionate share of the net pension liability	$ 19,873,280	$ 167,492	$ 15,299,022	$ 16,520,669	$ 24,034,523	$ 32,175,257	$ 36,927,125	$ 23,742,116	$ 15,933,196
STRIVE Prep's covered payroll	$ 33,579,237	$ 30,388,830	$ 26,775,214	$ 27,126,073	$ 25,901,433	$ 25,539,160	$ 23,277,622	$ 18,261,478	$ 14,637,935
STRIVE Prep's proportionate share of the net pension liability as a percentage of its covered payroll	59.18%	0.55%	57.14%	60.90%	92.79%	125.98%	158.64%	130.01%	108.85%
Plan fiduciary net position as a percentage of the total pension liability	81.93%	99.87%	90.14%	84.73%	75.69%	79.51%	74.00%	79.30%	83.94%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,114,540	$ 2,670,500	$ 2,102,875	$ 1,801,162	$ 1,424,458	$ 1,201,489	$ 732,156	$ 387,817	$ 375,722
Contributions in relation to the contractually required contribution	3,114,540	2,670,500	2,102,875	1,801,162	1,424,458	1,201,489	732,156	387,817	375,722
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
STRIVE Prep's covered payroll	$ 34,379,921	$ 32,403,639	$ 28,145,886	$ 27,858,213	$ 26,527,428	$ 24,326,449	$ 21,557,308	$ 19,606,172	$ 16,710,094
Contributions as a percentage of covered-employee payroll	9.06%	8.24%	7.47%	6.47%	5.37%	4.94%	3.40%	1.98%	2.25%

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

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

	2022*	2021*	2020*	2019*	2018*	2017*
STRIVE Prep's proportion of the net OPEB liability	3.92%	3.60%	3.40%	3.63%	3.57%	3.58%
STRIVE Prep's proportionate share of the net OPEB liability	$ 344,689	$ 378,377	$ 778,456	$ 1,333,062	$ 1,611,145	$ 1,824,012
STRIVE Prep's covered payroll	$ 33,579,237	$ 30,388,830	$ 26,775,214	$ 27,126,073	$ 25,901,433	$ 25,539,160
STRIVE Prep's proportionate share of the net OPEB liability as a percentage of its covered payroll	1.03%	1.25%	2.91%	4.91%	6.22%	7.14%
Plan fiduciary net position as a percentage of the total OPEB liability	85.60%	83.93%	65.43%	46.98%	34.72%	30.40%

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

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

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Schedule of STRIVE's OPEB Contributions

Years Ended June 30,

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 350,675	$ 330,517	$ 287,088	$ 284,191	$ 270,580	$ 260,499
Contributions in relation to the contractually required contribution	350,675	330,517	287,088	284,191	270,580	260,499
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
STRIVE Prep's covered payroll	$ 34,379,921	$ 32,403,639	$ 28,145,886	$ 27,858,213	$ 26,527,428	$ 24,326,449
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.07%

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

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Budgetary Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 32,445,193	$ 32,560,616	$ 32,560,635	$ 19
District mill levy	8,592,112	9,297,305	9,297,305	-
Supporting services	2,164,700	2,507,292	2,524,585	17,293
Investment income	10,000	315,488	315,562	74
Miscellaneous	393,818	653,731	734,052	80,321
Total local sources	43,605,823	45,334,432	45,432,139	97,707
State sources				
Capital construction	475,193	587,727	587,727	-
Grants	871,215	1,273,422	2,601,324	1,327,902
Total state sources	1,346,408	1,861,149	3,189,051	1,327,902
Federal sources				
Grants	8,140,677	10,823,452	9,583,433	(1,240,019)
Total federal sources	8,140,677	10,823,452	9,583,433	(1,240,019)
Total revenues	53,092,908	58,019,033	58,204,623	185,590
Expenditures				
Salaries	35,524,183	35,960,088	35,454,849	505,239
Employee benefits	10,974,084	10,789,447	11,938,852	(1,149,405)
Purchased services	1,094,416	2,403,969	2,315,256	88,713
Supplies and materials	10,562,722	11,581,701	10,220,576	1,361,125
Property	393,950	500,839	639,313	(138,474)
Other	15,000	-	-	-
Contingency	(1,000,000)	-	-	-
Total expenditures	57,564,355	61,236,044	60,568,846	667,198
Net Change in Fund Balance	$ (4,471,447)	$ (3,217,011)	(2,364,223)	$ 852,788
Fund Balance, Beginning			12,424,167	
Fund Balance, Ending			$ 10,059,944	
Reconciliation of Budgetary Basis to GAAP Basis				
Revenues (Budgetary)			$ 58,204,623	
Plus state contribution to PERA			2,069,041	
Total revenues (GAAP basis)			$ 60,273,664	
Expenditures (Budgetary)			$ 60,568,846	
Plus state contribution to PERA			2,069,041	
Total expenditures (GAAP basis)			$ 62,637,887	

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Notes to Required Supplementary Information

June 30, 2023

Note 1: Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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

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

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

All appropriations lapse at fiscal year-end.

Note 2: Significant Changes Affecting Trends in Actuarial Information

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

Defined Benefit Pension Plan

- House Bill (HB) 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to a negative investment return in 2022.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter
- There were no changes made to the actuarial methods or assumptions

Defined Benefit Other Postemployment Benefit Plan

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

2021 Changes in Plan Provisions and Assumptions or Other Inputs Since 2020

Defined Benefit Pension Plan

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021 and effective July 1, 2022:
  - Member contribution rates increase by 0.50%
  - Employer contribution rates increase by 0.50%
  - Annual Increase (AI) cap is lowered from 1.25 % per year to 1.00% per year
- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%

2020 Changes in Assumptions or Other Inputs Since 2019

Defined Benefit Pension Plan

- House Bill (HB) 20-1379, enacted on June 29, 2021, suspended the $225 million direct distribution payable on July 1, 2021 for the State's 2021-2022 fiscal year
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.07%

Defined Benefit Other Postemployment Benefit

- There were no changes made to plan provisions
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to .07%

Supplementary Information

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Combining Balance Sheet
June 30, 2023

	STRIVE Prep - Green Valley Ranch Campus	STRIVE Prep - Noel Campus	STRIVE Prep - Lake Campus	STRIVE Prep - Sunnyside Campus	STRIVE Prep - Federal Campus	STRIVE Prep - Ruby Hill Campus
Assets						
Cash	$ 3,116,984	$ (1,195,572)	$ (372,160)	$ (888,139)	$ 3,201,969	$ 2,284,903
Investments	152,377	467,983	550,019	586,239	596,978	1,079,355
Accounts receivable	51	7,960	5,596	161	449	2,343
Grants receivable	157,178	99,860	124,876	102,594	213,900	201,003
Prepaid expenditures	5,111	5,203	3,433	5,553	4,605	4,605
Total assets	$ 3,431,701	$ (614,566)	$ 311,764	$ (193,592)	$ 4,017,901	$ 3,572,209
Liabilities and Fund Balance						
Liabilities						
Accounts payable	$ 11,510	$ 19,175	$ 3,370	$ 1,023	$ 888	$ 1,306
Accrued liabilities	77,625	84,012	68,544	59,072	143,644	181,564
Unearned revenue	-	-	-	-	250	-
Total liabilities	89,135	103,187	71,914	60,095	144,782	182,870
Fund Balance						
Nonspendable prepaid expenditures	5,111	5,203	3,433	5,553	4,605	4,605
Restricted for fund balance	85,861	53,362	58,520	69,173	71,189	91,965
Restricted for emergencies	144,086	78,405	77,640	60,079	147,253	176,552
Unassigned	3,107,508	(854,723)	100,257	(388,492)	3,650,072	3,116,217
Total fund balance	3,342,566	(717,753)	239,850	(253,687)	3,873,119	3,389,339
Total liabilities, deferred inflows of resources and fund balance	$ 3,431,701	$ (614,566)	$ 311,764	$ (193,592)	$ 4,017,901	$ 3,572,209

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Combining Balance Sheet (continued)
June 30, 2023

	STRIVE Prep - SMART Campus	STRIVE Prep - Westwood Campus	STRIVE Prep - Kepner Campus	STRIVE Prep - Rise Campus	Central Office	Eliminations	Total
Assets							
Cash	$ 3,244,340	$ 2,357,054	$ (1,247,572)	$ 1,116,872	$ (9,689,596)	$ -	$ 1,929,083
Investments	946,205	247,445	439,026	823,224	1,341,314	-	7,230,165
Accounts receivable	1,890	309	3,891	54,789	42,247	-	119,686
Grants receivable	347,132	199,270	200,673	288,993	4,000	-	1,939,479
Prepaid expenditures	17,242	4,860	3,447	6,950	69,302	-	130,311
Total assets	$ 4,556,809	$ 2,808,938	$ (600,535)	$ 2,290,828	$ (8,232,733)	$ -	$ 11,348,724
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 18,764	$ 2,728	$ 3,930	$ 5,371	$ 8,146	$ -	$ 76,211
Accrued liabilities	173,908	81,520	56,440	157,911	126,579	-	1,210,819
Unearned revenue	-	1,500	-	-	-	-	1,750
Total liabilities	192,672	85,748	60,370	163,282	134,725	-	1,288,780
Fund Balance							
Nonspendable prepaid expenditures	17,242	4,860	3,447	6,950	69,302	-	130,311
Restricted for fund balance	110,356	78,588	63,016	107,465	-	-	789,495
Restricted for emergencies	233,675	127,427	71,841	216,636	53,066	-	1,386,660
Unassigned	4,002,864	2,512,315	(799,209)	1,796,495	(8,489,826)	-	7,753,478
Total fund balance	4,364,137	2,723,190	(660,905)	2,127,546	(8,367,458)	-	10,059,944
Total liabilities, deferred inflows of resources and fund balance	$ 4,556,809	$ 2,808,938	$ (600,535)	$ 2,290,828	$ (8,232,733)	$ -	$ 11,348,724

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
June 30, 2023

	STRIVE Prep - Green Valley Ranch Campus	STRIVE Prep - Noel Campus	STRIVE Prep - Lake Campus	STRIVE Prep - Sunnyside Campus	STRIVE Prep - Federal Campus	STRIVE Prep - Ruby Hill Campus
Revenues						
Local sources	$ 4,760,492	$ 2,610,351	$ 2,562,202	$ 2,000,309	$ 4,855,206	$ 5,508,876
State sources	213,119	163,415	183,281	137,925	259,563	642,984
Federal sources	763,086	463,502	947,601	548,326	996,867	1,275,396
Total revenues	5,736,697	3,237,268	3,693,084	2,686,560	6,111,636	7,427,256
Expenditures						
Current						
Instruction	2,348,927	2,109,329	1,982,497	1,700,672	2,958,231	3,986,026
Supporting services	2,624,261	1,817,278	1,935,191	1,577,506	2,560,448	3,122,500
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	4,973,188	3,926,607	3,917,688	3,278,178	5,518,679	7,108,526
Excess (Deficiency) of Revenues over Expenses	763,509	(689,339)	(224,604)	(591,618)	592,957	318,730
Net Change in Fund Balance	763,509	(689,339)	(224,604)	(591,618)	592,957	318,730
Fund Balance (Deficit), Beginning	2,579,057	(28,414)	464,454	337,931	3,280,162	3,070,609
Fund Balance (Deficit), Ending	$ 3,342,566	$ (717,753)	$ 239,850	$ (253,687)	$ 3,873,119	$ 3,389,339

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (continued)
Year Ended June 30, 2023

	STRIVE Prep - SMART Campus	STRIVE Prep - Westwood Campus	STRIVE Prep - Kepner Campus	STRIVE Prep - RISE Campus	Central Office	Eliminations	Total
Revenues							
Local sources	$ 7,660,223	$ 4,209,150	$ 2,352,275	$ 7,127,621	$ 6,923,326	$ (5,137,892)	$ 45,432,139
State sources	468,767	223,267	197,106	394,716	304,908	-	3,189,051
Federal sources	1,616,723	975,729	820,165	1,129,974	46,064	-	9,583,433
Total revenues	9,745,713	5,408,146	3,369,546	8,652,311	7,274,298	(5,137,892)	58,204,623
Expenditures							
Current							
Instruction	5,213,181	2,742,074	1,916,612	4,842,663	1,455	-	29,801,667
Supporting services	3,790,877	2,375,354	1,816,545	4,148,459	9,693,526	(5,137,892)	30,324,053
Debt service							
Principal	-	-	-	-	399,551	-	399,551
Interest	-	-	-	-	43,575	-	43,575
Total expenditures	9,004,058	5,117,428	3,733,157	8,991,122	10,138,107	(5,137,892)	60,568,846
Excess (Deficiency) of Revenues over Expenses	741,655	290,718	(363,611)	(338,811)	(2,863,809)	-	(2,364,223)
Net Change in Fund Balance	741,655	290,718	(363,611)	(338,811)	(2,863,809)	-	(2,364,223)
Fund Balance (Deficit), Beginning	3,622,482	2,432,472	(297,294)	2,466,357	(5,503,649)	-	12,424,167
Fund Balance (Deficit), Ending	$ 4,364,137	$ 2,723,190	$ (660,905)	$ 2,127,546	$ (8,367,458)	$ -	$ 10,059,944

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Green Valley Ranch Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 3,605,023	$ 3,680,613	$ 3,680,613	$ -
District mill levy	903,555	978,360	978,360	-
Supporting services	15,550	24,589	52,146	27,557
Investment income	100	10,162	10,195	33
Miscellaneous	21,668	36,345	39,178	2,833
Total local sources	4,545,896	4,730,069	4,760,492	30,423
State sources				
Capital construction	52,998	65,183	65,183	-
Grants	51,662	70,455	147,936	77,481
Total state sources	104,660	135,638	213,119	77,481
Federal sources				
Grants	648,405	739,138	763,086	23,948
Total revenues	5,298,961	5,604,845	5,736,697	131,852
Expenditures				
Salaries	2,387,039	2,286,970	2,287,039	(69)
Employee benefits	757,263	712,653	767,513	(54,860)
Purchased services	50,580	156,173	161,012	(4,839)
Supplies and materials	1,612,087	1,695,817	1,735,438	(39,621)
Property	38,950	32,580	22,186	10,394
Total expenditures	4,845,919	4,884,193	4,973,188	(88,995)
Net Change in Fund Balance	$ 453,042	$ 720,652	763,509	$ 42,857
Fund Balance, Beginning			2,579,057	
Fund Balance, Ending			$ 3,342,566	

Reconciliation to Data Pipeline for CDE Purposes Only

	Original Budget	Final Budget	Actual
Total Budgetary Revenues	$ 5,298,961	$ 5,604,845	$ 5,736,697
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430
Total Data Pipeline Budgetary Revenues	$ 6,003,403	$ 6,337,754	$ 6,464,127
Total Budgetary Expenditures	$ 4,845,919	$ 4,884,193	$ 4,973,188
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811
Total Data Pipeline Budgetary Expenditures	$ 5,909,357	$ 5,910,074	$ 5,986,999

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Noel Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,582,480	$ 1,964,944	$ 1,964,944	$ -
District mill levy	406,253	536,556	536,556	-
Supporting services	7,600	22,341	49,899	27,558
Investment income	100	18,116	18,087	(29)
Miscellaneous	16,643	38,195	40,865	2,670
Total local sources	2,013,076	2,580,152	2,610,351	30,199
State sources				
Capital construction	23,075	30,485	30,485	-
Grants	44,872	53,657	132,930	79,273
Total state sources	67,947	84,142	163,415	79,273
Federal sources				
Grants	438,556	449,158	463,502	14,344
Total revenues	2,519,579	3,113,452	3,237,268	123,816
Expenditures				
Salaries	2,240,125	2,097,797	2,097,202	595
Employee benefits	700,082	721,542	792,676	(71,134)
Purchased services	45,420	144,215	145,457	(1,242)
Supplies and materials	748,037	804,012	854,529	(50,517)
Property	19,200	93,581	36,743	56,838
Total expenditures	3,752,864	3,861,147	3,926,607	(65,460)
Net Change in Fund Balance	$ (1,233,285)	$ (747,695)	(689,339)	$ 58,356
Fund Balance, Beginning			(28,414)	
Fund Balance, Ending			$ (717,753)	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 2,519,579	$ 3,113,452	$ 3,237,268	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 3,224,021	$ 3,846,361	$ 3,964,698	
Total Budgetary Expenditures	$ 3,752,864	$ 3,861,147	$ 3,926,607	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 4,816,302	$ 4,887,028	$ 4,940,418	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Lake Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 2,004,943	$ 1,926,283	$ 1,926,283	$ -
District mill levy	548,538	554,361	554,361	-
Supporting services	11,450	22,055	40,172	18,117
Investment income	100	21,138	21,259	121
Miscellaneous	17,668	35,276	20,127	(15,149)
Total local sources	2,582,699	2,559,113	2,562,202	3,089
State sources				
Capital construction	29,179	36,761	36,761	-
Grants	60,012	67,178	146,520	79,342
Total state sources	89,191	103,939	183,281	79,342
Federal sources				
Grants	507,881	920,059	947,601	27,542
Total revenues	3,179,771	3,583,111	3,693,084	109,973
Expenditures				
Salaries	2,188,260	2,381,928	2,379,358	2,570
Employee benefits	705,500	697,344	763,350	(66,006)
Purchased services	45,420	60,042	69,945	(9,903)
Supplies and materials	815,496	691,298	705,035	(13,737)
Property	22,450	8,088	-	8,088
Total expenditures	3,777,126	3,838,700	3,917,688	(78,988)
Net Change in Fund Balance	$ (597,355)	$ (255,589)	(224,604)	$ 30,985
Fund Balance, Beginning			464,454	
Fund Balance, Ending			$ 239,850	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 3,179,771	$ 3,583,111	$ 3,693,084	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 3,884,213	$ 4,316,020	$ 4,420,514	
Total Budgetary Expenditures	$ 3,777,126	$ 3,838,700	$ 3,917,688	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 4,840,564	$ 4,864,581	$ 4,931,499	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Sunnyside Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,473,620	$ 1,436,760	$ 1,436,760	$ -
District mill levy	375,232	400,484	400,484	-
Supporting services	10,950	72,278	99,836	27,558
Investment income	100	22,530	22,658	128
Miscellaneous	16,418	37,140	40,571	3,431
Total local sources	1,876,320	1,969,192	2,000,309	31,117
State sources				
Capital construction	21,735	33,533	33,533	-
Grants	40,850	50,427	104,392	53,965
Total state sources	62,585	83,960	137,925	53,965
Federal sources				
Grants	580,816	826,565	548,326	(278,239)
Total revenues	2,519,721	2,879,717	2,686,560	(193,157)
Expenditures				
Salaries	1,630,464	1,713,411	1,684,926	28,485
Employee benefits	519,341	505,332	550,384	(45,052)
Purchased services	31,660	58,177	60,633	(2,456)
Supplies and materials	911,247	1,231,386	896,846	334,540
Property	18,450	30,002	85,389	(55,387)
Total expenditures	3,111,162	3,538,308	3,278,178	260,130
Net Change in Fund Balance	$ (591,441)	$ (658,591)	(591,618)	$ 66,973
Fund Balance, Beginning			337,931	
Fund Balance, Ending			$ (253,687)	

Reconciliation to Data Pipeline for CDE Purposes Only

	Original Budget	Final Budget	Actual
Total Budgetary Revenues	$ 2,519,721	$ 2,879,717	$ 2,686,560
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430
Total Data Pipeline Budgetary Revenues	$ 3,224,163	$ 3,612,626	$ 3,413,990
Total Budgetary Expenditures	$ 3,111,162	$ 3,538,308	$ 3,278,178
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811
Total Data Pipeline Budgetary Expenditures	$ 4,174,600	$ 4,564,189	$ 4,291,989

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Federal Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 3,662,455	$ 3,729,122	$ 3,729,122	$ -
District mill levy	870,914	1,007,284	1,007,284	-
Supporting services	18,700	25,463	53,020	27,557
Investment income	100	23,109	23,074	(35)
Miscellaneous	15,794	36,296	42,706	6,410
Total local sources	4,567,963	4,821,274	4,855,206	33,932
State sources				
Capital construction	53,891	64,197	64,197	-
Grants	67,159	76,093	195,366	119,273
Total state sources	121,050	140,290	259,563	119,273
Federal sources				
Grants	928,528	1,285,578	996,867	(288,711)
Total revenues	5,617,541	6,247,142	6,111,636	(135,506)
Expenditures				
Salaries	2,881,152	3,013,892	3,001,248	12,644
Employee benefits	909,394	898,316	1,003,689	(105,373)
Purchased services	59,180	117,100	101,804	15,296
Supplies and materials	1,301,632	1,564,014	1,330,177	233,837
Property	36,450	94,658	81,761	12,897
Contingency	(90,909)	-	-	-
Total expenditures	5,096,899	5,687,980	5,518,679	169,301
Net Change in Fund Balance	$ 520,642	$ 559,162	592,957	$ 33,795
Fund Balance, Beginning			3,280,162	
Fund Balance, Ending			$ 3,873,119	

Reconciliation to Data Pipeline for CDE Purposes Only

	Original Budget	Final Budget	Actual
Total Budgetary Revenues	$ 5,617,541	$ 6,247,142	$ 6,111,636
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430
Total Data Pipeline Budgetary Revenues	$ 6,321,983	$ 6,980,051	$ 6,839,066
Total Budgetary Expenditures	$ 5,096,899	$ 5,687,980	$ 5,518,679
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811
Total Data Pipeline Budgetary Expenditures	$ 6,160,337	$ 6,713,861	$ 6,532,490

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Ruby Hill Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 4,208,144	$ 4,127,379	$ 4,127,379	$ -
District mill levy	1,110,001	1,165,390	1,165,390	-
Supporting services	21,550	55,822	127,675	71,853
Investment income	100	41,481	41,718	237
Miscellaneous	6,744	32,559	46,714	14,155
Total local sources	5,346,539	5,422,631	5,508,876	86,245
State sources				
Capital construction	59,548	78,005	78,005	-
Grants	253,814	392,691	564,979	172,288
Total state sources	313,362	470,696	642,984	172,288
Federal sources				
Grants	1,276,638	1,616,538	1,275,396	(341,142)
Total revenues	6,936,539	7,509,865	7,427,256	(82,609)
Expenditures				
Salaries	4,115,450	4,047,656	4,037,298	10,358
Employee benefits	1,293,887	1,259,598	1,382,030	(122,432)
Purchased services	78,100	70,145	64,805	5,340
Supplies and materials	1,432,868	1,892,141	1,542,632	349,509
Property	39,450	35,958	81,761	(45,803)
Contingency	(90,909)	-	-	-
Total expenditures	6,868,846	7,305,498	7,108,526	196,972
Net Change in Fund Balance	$ 67,693	$ 204,367	318,730	$ 114,363
Fund Balance, Beginning			3,070,609	
Fund Balance, Ending			$ 3,389,339	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 6,936,539	$ 7,509,865	$ 7,427,256	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 7,640,981	$ 8,242,774	$ 8,154,686	
Total Budgetary Expenditures	$ 6,868,846	$ 7,305,498	$ 7,108,526	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 7,932,284	$ 8,331,379	$ 8,122,337	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
SMART Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 5,646,037	$ 5,500,476	$ 5,500,495	$ 19
District mill levy	1,644,923	1,692,940	1,692,940	-
Supporting services	27,300	16,493	327,980	311,487
Investment income	100	34,896	34,840	(56)
Miscellaneous	23,139	71,187	103,968	32,781
Total local sources	7,341,499	7,315,992	7,660,223	344,231
State sources				
Capital construction	82,623	91,275	91,275	-
Grants	80,555	171,117	377,492	206,375
Total state sources	163,178	262,392	468,767	206,375
Federal sources				
Grants	1,360,310	1,533,908	1,616,723	82,815
Total revenues	8,864,987	9,112,292	9,745,713	633,421
Expenditures				
Salaries	4,592,365	5,312,325	5,243,580	68,745
Employee benefits	1,415,472	1,567,931	1,717,290	(149,359)
Purchased services	91,280	133,150	129,358	3,792
Supplies and materials	2,154,173	1,715,627	1,880,066	(164,439)
Property	52,450	37,266	33,764	3,502
Contingency	(90,909)	-	-	-
Total expenditures	8,214,831	8,766,299	9,004,058	(237,759)
Net Change in Fund Balance	$ 650,156	$ 345,993	741,655	$ 395,662
Fund Balance, Beginning			3,622,482	
Fund Balance, Ending			$ 4,364,137	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 8,864,987	$ 9,112,292	$ 9,745,713	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 9,569,429	$ 9,845,201	$ 10,473,143	
Total Budgetary Expenditures	$ 8,214,831	$ 8,766,299	$ 9,004,058	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 9,278,269	$ 9,792,180	$ 10,017,869	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Westwood Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 3,102,669	$ 3,205,464	$ 3,205,464	$ -
District mill levy	800,978	890,901	890,901	-
Supporting services	13,950	27,130	54,688	27,558
Investment income	100	14,347	14,401	54
Miscellaneous	16,914	38,507	43,696	5,189
Total local sources	3,934,611	4,176,349	4,209,150	32,801
State sources				
Capital construction	45,554	55,410	55,410	-
Grants	50,387	74,522	167,857	93,335
Total state sources	95,941	129,932	223,267	93,335
Federal sources				
Grants	813,916	1,185,730	975,729	(210,001)
Total revenues	4,844,468	5,492,011	5,408,146	(83,865)
Expenditures				
Salaries	2,563,130	2,579,380	2,587,858	(8,478)
Employee benefits	805,199	791,072	951,806	(160,734)
Purchased services	52,300	117,491	97,929	19,562
Supplies and materials	1,297,977	1,622,118	1,470,835	151,283
Property	31,700	61,880	9,000	52,880
Contingency	(90,909)	-	-	-
Total expenditures	4,659,397	5,171,941	5,117,428	54,513
Net Change in Fund Balance	$ 185,071	$ 320,070	290,718	$ (138,378)
Fund Balance, Beginning			2,432,472	
Fund Balance, Ending			$ 2,723,190	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 4,844,468	$ 5,492,011	$ 5,408,146	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 5,548,910	$ 6,224,920	$ 6,135,576	
Total Budgetary Expenditures	$ 4,659,397	$ 5,171,941	$ 5,117,428	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 5,722,835	$ 6,197,822	$ 6,131,239	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Kepner Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,847,420	$ 1,767,954	$ 1,767,954	$ -
District mill levy	476,732	499,061	499,061	-
Supporting services	11,650	30,040	42,710	12,670
Investment income	100	16,995	16,968	(27)
Miscellaneous	17,243	36,570	25,582	(10,988)
Total local sources	2,353,145	2,350,620	2,352,275	1,655
State sources				
Capital construction	26,648	37,299	37,299	-
Grants	54,882	74,358	159,807	85,449
Total state sources	81,530	111,657	197,106	85,449
Federal sources				
Grants	504,822	812,556	820,165	7,609
Total revenues	2,939,497	3,274,833	3,369,546	94,713
Expenditures				
Salaries	2,324,001	2,381,876	2,324,978	56,898
Employee benefits	737,972	695,446	758,187	(62,741)
Purchased services	48,860	99,980	108,394	(8,414)
Supplies and materials	534,513	518,167	541,598	(23,431)
Property	21,200	8,445	-	8,445
Contingency	(90,909)	-	-	-
Total expenditures	3,575,637	3,703,914	3,733,157	(29,243)
Net Change in Fund Balance	$ (636,140)	$ (429,081)	(363,611)	$ 123,956
Fund Balance, Beginning			(297,294)	
Fund Balance, Ending			$ (660,905)	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 2,939,497	$ 3,274,833	$ 3,369,546	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	645,623	645,623	
Total Data Pipeline Budgetary Revenues	$ 3,987,618	$ 3,920,456	$ 4,015,169	
Total Budgetary Expenditures	$ 3,575,637	$ 3,703,914	$ 3,733,157	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	871,773	871,773	
Total Data Pipeline Budgetary Expenditures	$ 4,297,606	$ 4,575,687	$ 4,604,930	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
RISE Campus
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 5,312,401	$ 5,221,624	$ 5,221,624	$ -
District mill levy	1,454,986	1,571,968	1,571,968	-
Supporting services	26,000	18,448	28,135	9,687
Investment income	100	31,638	31,818	180
Miscellaneous	182,867	241,343	274,076	32,733
Total local sources	6,976,354	7,085,021	7,127,621	42,600
State sources				
Capital construction	79,943	95,578	95,578	-
Grants	60,337	121,906	299,138	177,232
Total state sources	140,280	217,484	394,716	177,232
Federal sources				
Grants	1,080,809	1,454,222	1,129,974	(324,248)
Total revenues	8,197,443	8,756,727	8,652,311	(104,416)
Expenditures				
Salaries	4,277,081	4,617,658	4,586,483	31,175
Employee benefits	1,306,924	1,386,592	1,591,069	(204,477)
Purchased services	83,110	144,308	138,063	6,245
Supplies and materials	2,633,789	2,903,112	2,641,764	261,348
Property	50,950	51,626	33,743	17,883
Contingency	(90,909)	-	-	-
Total expenditures	8,260,945	9,103,296	8,991,122	112,174
Net Change in Fund Balance	$ (63,502)	$ (346,569)	(338,811)	$ (216,590)
Fund Balance, Beginning			2,466,357	
Fund Balance, Ending			$ 2,127,546	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 8,197,443	$ 8,756,727	$ 4,593,371	
Allocation of Central Administration required by CDE for Data Pipeline	704,442	732,909	727,430	
Total Data Pipeline Budgetary Revenues	$ 8,901,885	$ 9,489,636	$ 5,320,801	
Total Budgetary Expenditures	$ 8,260,945	$ 9,103,296	$ 8,991,122	
Allocation of Central Administration required by CDE for Data Pipeline	1,063,438	1,025,881	1,013,811	
Total Data Pipeline Budgetary Expenditures	$ 9,324,383	$ 10,129,177	$ 10,004,933	

FORVIS

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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 Trustees
STRIVE Preparatory Schools
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of STRIVE Preparatory Schools (STRIVE Prep), a component unit of Denver Public Schools, as of June 30, 2023, and the related notes to the financial statements, which collectively comprise STRIVE Prep's basic financial statements and have issued our report thereon dated October 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered STRIVE Prep's 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of STRIVE Prep's internal control. Accordingly, we do not express an opinion on the effectiveness of STRIVE Prep's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of 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.

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.

Board of Trustees
STRIVE Preparatory Schools

Report on Compliance and Other Matters

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

Purpose of this Report

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

FORVIS, LLP

Denver, Colorado
October 27, 2023