STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Independent Auditor's Report and Financial Statements

June 30, 2021

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
June 30, 2021

Board of Trustees

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

June 30, 2021

Schools Management

Chris Gibbons, Chief Executive Officer

Joshua Devon, Chief Financial Officer

Andrew Huber, Chief Operations Officer

Daniella Morello, Chief External Affairs Officer

Elisha Roberts, Chief Academic Officer

Teryn Thomas, Chief Schools Officer

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
June 30, 2021

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(A Component Unit of Denver Public Schools)
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Supplementary Information

BKD
CPAs & Advisors

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Independent Auditor's Report

Board of Trustees
STRIVE Preparatory Schools
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise STRIVE Prep's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Trustees
STRIVE Preparatory Schools

Opinions

In our opinion, the 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, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary, pension and other postemployment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise STRIVE Prep's basic financial statements. The combining financial statements and budgetary comparison schedules, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining financial statements and budgetary comparison schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
STRIVE Preparatory Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, 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.

BKD, LLP

Denver, Colorado
October 14, 2021

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021 was the 15th year of operations for STRIVE Preparatory Schools. The general fund balance increased from $12,534,911 to $15,149,141 in the year ended June 30, 2021.

- 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, 2020, the DPS division of the Colorado Public Employee's Retirement Association (PERA) had a collective net pension liability (NPL) of $449,914,000. 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 3.400% or $15,299,022.

- 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, 2021, STRIVE Preparatory Schools reported a Net OPEB liability of $778,456 based on its proportionate share measured and calculated as of December 31, 2020.

- 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 $8,470,876.

- The operations of STRIVE Preparatory Schools for the year ended June 30, 2021 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 $29,565,221, while property tax revenue for the year from Mill Levy Overrides was $8,542,920. 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 liability of $15,299,022 and the net OPEB liability of $778,456 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, 2021, STRIVE Preparatory Schools' liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by $8,470,876. It is important to note that STRIVE Preparatory Schools' assets would have exceeded its liabilities by $15,149,138 excluding the recognition of both the unfunded pension and OPEB liabilities. Additionally, $1,221,525 of the net deficit is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Current assets increased over the prior year by approximately $3.3 million. This increase was primarily due to a $2.0 million increase in cash and investments and a $1.2 million increase in grants accounts receivable.

Current liabilities decreased from the prior year by approximately $2.8 million. This decrease was primarily due forgiveness of the Payroll Protection Program loan.

Noncurrent liabilities decreased from the prior year by approximately $4.2 million. This decrease was primarily due a $1.7 million decrease in net pension and OPEB liabilities, and $2.4 million decrease in loans payable.

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended June 30, 2021

Condensed Statement of Net Position

	2021	2020
Assets		
Current	$ 16,398,141	$ 13,126,284
Total assets	16,398,141	13,126,284
Deferred Outflows of Resources	12,809,169	6,457,384
Liabilities		
Current	1,458,281	4,199,715
Noncurrent liabilities	16,264,978	20,538,620
Total liabilities	17,723,259	24,738,335
Deferred Inflows of Resources	19,954,927	13,088,707
Net Position		
Restricted	1,765,588	7,257,814
Unrestricted	(10,236,464)	(25,421,188)
Total net position	$ (8,470,876)	$ (18,163,374)

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended June 30, 2021

Condensed Statement of Activities

	2021	2020
Revenues		
Per pupil operating revenue	$ 29,565,221	$ 34,141,575
Mill levy	8,542,920	7,680,620
Grants and contributions	10,231,454	5,948,656
Forgiveness of long-term debt	5,971,658	-
Investment income	10,712	110,482
Miscellaneous	439,639	440,868
Total revenues	54,761,604	48,322,201
Expenses		
Instruction		
General	23,218,942	24,906,041
GASB 68 pension expense (credit)	(461,022)	(632,553)
GASB 75 OPEB expense (credit)	(133,244)	(86,007)
Support services		
General	22,956,774	22,817,757
GASB 68 pension expense (credit)	(455,814)	(579,515)
GASB 75 OPEB expense (credit)	(131,738)	(78,797)
Interest on long-term debt	75,208	3,750
Total expenses	45,069,106	46,350,676
Change in Net Position	9,692,498	1,971,525
Net Position (Deficit) - Beginning	(18,163,374)	(20,134,899)
Net Position (Deficit) - Ending	$ (8,470,876)	$ (18,163,374)

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' 15th fiscal year, STRIVE Preparatory Schools reported a governmental fund balance of $15,149,141 which represents an increase of $2,614,230 over the previous fiscal year.

General Fund Budgetary Highlights

STRIVE Preparatory Schools' budget was $48,077,441 for the year ended June 30, 2021. Actual budgetary expenditures were $46,175,176. 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.

Economic Factors and Next Year's Budget

The primary factor driving the budget for STRIVE Preparatory Schools is student enrollment. The enrollment for the 2020-2021 school year was 3,425 students. The budgeted enrollment for the 2021-2022 school year is 3,339. The primary driver for the budgeted reduction in enrollment is the impact of the COVID-19 pandemic.

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, CO 80211

Basic Financial Statements

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	$ 10,422,340
Investments	3,994,661
Accounts receivable	330,719
Grants receivable	1,404,870
Inventory	91,443
Prepaid expenses	154,108
Total assets	16,398,141
Deferred Outflows of Resources	
Pension related	12,586,911
OPEB related	222,258
Total deferred outflows of resources	12,809,169
Liabilities	
Accounts payable	699,817
Accrued liabilities	253,729
Unearned revenue	295,454
Accrued interest	21,781
Current portion of loans payable	187,500
Noncurrent liabilities	
Loans payable	187,500
Net pension liability	15,299,022
Net OPEB liability	778,456
Total liabilities	17,723,259
Deferred Inflows of Resources	
Pension related	19,375,513
OPEB related	579,414
Total deferred inflows of resources	19,954,927
Net Position (Deficit)	
Restricted for emergencies	1,221,525
Restricted for capital projects	544,063
Unrestricted (deficit)	(10,236,464)
Total net position (deficit)	$ (8,470,876)

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Statement of Activities

Year Ended June 30, 2021

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	$ 23,218,942	$ 8,025,782	$ 518,062	$ (14,675,098)
GASB 68 pension expense (credit)	(461,022)	-	-	461,022
GASB 75 OPEB expense (credit)	(133,244)	-	-	133,244
Supporting services				
General	22,956,774	206,311	-	(22,750,463)
GASB 68 pension expense (credit)	(455,814)	-	-	455,814
GASB 75 OPEB expense (credit)	(131,738)	-	-	131,738
Interest on long-term debt	75,208	-	-	(75,208)
Total governmental activities	$ 45,069,106	$ 8,232,093	$ 518,062	(36,318,951)
General Revenues				
Per pupil revenue				29,565,221
District mill levy				8,542,920
Grants and contributions not restricted to specific programs				1,481,299
Forgiveness of long-term debt				5,971,658
Investment income				10,712
Miscellaneous				439,639
Total general revenues				46,011,449
Change in Net Position				9,692,498
Net Position (Deficit) - July 1				(18,163,374)
Net Position (Deficit) - Ending				$ (8,470,876)

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Balance Sheet – Governmental Fund
June 30, 2021

	General Fund
Assets	
Cash	$ 10,422,340
Investments (restricted)	1,439,996
Investments (unrestricted)	2,554,665
Accounts receivable	330,719
Grants receivable	1,404,870
Inventory	91,443
Prepaid expenditures	154,108
Total assets	$ 16,398,141
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 699,817
Accrued liabilities	253,729
Unearned revenue	295,454
Total liabilities	1,249,000
Fund Balance	
Nonspendable inventory	91,443
Nonspendable prepaid expenditures	154,108
Restricted for capital projects	544,062
Restricted for emergencies	1,221,525
Unassigned	13,138,003
Total fund balance	15,149,141
Total liabilities and fund balance	$ 16,398,141

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Balance Sheet – Governmental Fund (continued)
June 30, 2021

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

Total fund balance - governmental fund	$ 15,149,141
Deferred inflows of resources are not available in the current period and, therefore, are not recorded in the fund	(19,954,927)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	12,809,169
The note payable is not due and payable in the current year and, therefore are not reported in governmental funds	(396,781)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the fund	(15,299,022)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the fund	(778,456)
Net position (deficit) of governmental activities	$ (8,470,876)

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, 2021

	General Fund
Revenues	
Local sources	$ 40,039,790
State sources	1,242,377
Federal sources	7,507,779
Total revenues	48,789,946
Expenditures	
Current	
Instruction	23,218,942
Supporting services	22,956,774
Total expenditures	46,175,716
Excess of Revenues Over Expenses	2,614,230
Net Change in Fund Balance	2,614,230
Fund Balance, Beginning	12,534,911
Fund Balance, Ending	$ 15,149,141

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, 2021

Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Net change in fund balance of the governmental fund	$ 2,614,230
Forgiveness of long-term liabilities and related interest are not recognized in the fund statements.	5,971,658
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 expense (Instruction: $(461,022); Supporting Services: $(455,814))	916,836
OPEB expense (Instruction: $(133,239); Supporting Services: $(131,734))	264,982
Interest expense	(75,208)
Change in net position of governmental activities	$ 9,692,498

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Notes to Financial Statements
June 30, 2021

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, 2021, 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.

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 4 and 7 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 2021, 2020 or 2019.

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

Cash and investments at June 30, 2021 consisted of the following:

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 pools for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At June 30, 2021, STRIVE Prep had cash on deposit balances consisting of the following:

	Carrying Amount	Bank Balance	Amount Covered Under PDPA
Checking	$ 10,422,340	$ 7,067,252	$ 6,817,252

The remaining amount of 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, 2021, STRIVE Prep had $3,994,661 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: Long-term Debt

Changes in long-term debt for the year ended June 30, 2021 were as follows:

	Balance at June 30, 2020	Additions	Payments	Balance at June 30, 2021	Due Within One Year
Loan payable	$ 375,000	$ -	$ -	$ 375,000	$ 187,500
Interest payable	18,031	3,750	-	21,781	-
	$ 393,031	$ 3,750	$ -	$ 396,781	$ 187,500

In July 2015, STRIVE Prep entered into a loan agreement in the amount of $375,000 to provide general support for STRIVE Prep in carrying out its charitable tax-exempt purposes. The loan accrues interest at the rate of 1.00% per annum with an initial payment of $187,500 due on June 30, 2022. All remaining principal and interest payments are due in full on June 30, 2023. The loan agreement contains a provision that in an event of default, the lender may, by written notice to the borrower, declare the note, and any and all other indebtedness of the borrower to the lender, immediately due and payable.

On April 14, 2020, STRIVE Prep received a loan in the amount of $5,900,200 pursuant to the Paycheck Protection Program (PPP). Under the PPP, loans were eligible to be forgiven if the proceeds were used for payroll and certain other non-payroll expenses. The loan accrued interest at a rate of 1%. STRIVE Prep received forgiveness of the full amount of the loan of $5,900,200 and accrued interest of $71,458 on June 23, 2021.

Note 4: 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

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 comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided as of December 31, 2020

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.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage

Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the DPS Division. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 0.25% based on the parameters specified 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, 2020

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 10% of their PERA-includable salary period of July 1, 2020 through June 30, 2021. Contribution rates for the DPS Division are summarized in the table below:

	January 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021
Employer Contribution Rate [1]	10.90%	10.90%
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 **	(12.75%)	(12.09%)
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]	7.13%	7.79%

** To conform with this presentation of contribution rates, the 2020 annual PCOP offset of 12.50% 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)

As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million 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) 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 $2,102,875 for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The STRIVE Prep proportion of the net pension liability was based on STRIVE Prep contributions to the DPS Division for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is 0%. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. 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.

At June 30, 2021, STRIVE Prep reported a liability of $15,299,022 for its proportionate share of the net pension liability. The amount recognized by STRIVE Prep as it's 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	$ 15,299,022

At December 31, 2020, STRIVE Prep's proportion was 3.40%, which was an increase of 0.89% from its proportion measured as of December 31, 2019 of 2.51%.

For the year ended June 30, 2021, STRIVE Prep recognized pension expense of $1,186,039, which equals contributions of $2,102,875 less the GASB 68 credit of $916,836. At June 30, 2021, 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	$ 2,263,872	$ -
Changes of assumptions or other inputs	3,202,493	-
Net difference between projected and actual earnings on pension plan investments	-	15,221,152
Changes in proportion	5,986,596	4,154,361
Contributions subsequent to the measurement date	1,133,950	N/A
Total	$ 12,586,911	$ 19,375,513

$1,133,950 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

Year Ending June 30,	
2022	$ (3,066,174)
2023	(378,993)
2024	(2,087,595)
2025	(2,389,790)
2026	-
Thereafter	-
	$ (7,922,552)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions for December 31, 2019 Valuation	
Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (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.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility

- **Females**: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial Assumptions for December 31, 2020 Rollfoward

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.80 – 11.50 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (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.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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 mortality tables described above are generational mortality tables on a benefit-weighted basis.

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- 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

Several factors were considered in evaluating the long-term rate of return assumption for the DPS Division, 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 percentage 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.

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 current member contribution rates in effect for each year, including scheduled increases in SB 18-200. 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. 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 included 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 Trust Fund are reduced by an equal amount 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 will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, 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 fiduciary net position 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 actuarial cost method and assumptions, the DPS Division's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate was 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	$ 34,334,848	$ 15,299,022	$ (409,684)

Pension Plan Fiduciary Net Position

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

Note 5: 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, 2021, 2020 and 2019, STRIVE Prep contributed 8.67%, 9.21% and 9.54% of covered salaries, respectively, to the District to cover its obligation relating to the PCOPs.

During the years ended June 30, 2021, 2020 and 2019, STRIVE Prep contributed $2,440,194, $2,565,742 and $2,530,719, respectively, to the District for its PCOPs obligation.

Note 6: Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of STRIVE Prep that are also members of the DPS Division may voluntarily contribute to the Voluntary Investment Program, 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 comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program 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 does not offer an employer match and employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed $140,525.

Note 7: Defined Benefit Other Postemployment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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). In accordance with GASB 75, the Organization reports its proportion in the plan as if it was a cost-sharing plan. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report 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 Heath Care Trust Fund (HCTF) and the DPS HCTF. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's 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 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 basis for 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 HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum 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 HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the 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 $287,088 for the year ended June 30, 2021.

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

In accordance with GASB 75, STRIVE Prep, as a component unit of Denver Public Schools participating in DPS's single-employer OPEB plan, reports its participation as if it were a cost-sharing employer.

At June 30, 2021, STRIVE Prep reported a liability of $778,456 for its proportionate share of the net OPEB liability. The net OPEB liability for the DPS HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. STRIVE Prep's proportion of the net OPEB liability was based on STRIVE Prep's contributions to the DPS HCTF for the calendar year 2020 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2020, STRIVE Prep's proportion was 3.40%, which was a decrease of 0.23% from its proportion measured as of December 31, 2019 of 3.63%.

For the year ended June 30, 2021, STRIVE Prep recognized OPEB expense of $22,106, which equals contributions of $287,088 less the GASB 75 credit of $264,982. At June 30, 2021, 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	$ -	$ 300,031
Changes of assumptions or other inputs	68	51,723
Net difference between projected and actual earnings on OPEB plan investments	-	134,118
Changes in proportion and differences between contributions recognized and proportionate share of contributions	73,714	93,542
Contributions subsequent to the measurement date	148,476	N/A
Total	$ 222,258	$ 579,414

$148,476 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, 2021. 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,	
2022	$ (102,865)
2023	(89,535)
2024	(107,320)
2025	(93,062)
2026	(57,275)
Thereafter	(55,575)
	$ (505,632)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020 gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.40 percent in 2020, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	$ 588	$ 227	$ 550
Kaiser Permanente Medicare Advantage HMO	$ 621	$ 232	$ 586

The 2020 Medicare Part A premium is $458 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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2019, 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 that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability used in the December 31, 2019, valuation for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.80 - 11.50 percent

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25%.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculation for the determination of the total pension liability of the DPS Division as shown below were applied, as applicable, in the roll forward calculation for 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 mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums

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

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- 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

Several factors were considered in evaluating the long-term rate of return assumption for the DPS HCTF, 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 percentage 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.

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	7.10%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 778,422	$ 778,456	$ 778,524

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, 2020, 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 make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

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	$ 992,080	$ 778,456	$ 595,982

OPEB Plan Fiduciary Net Position

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

Note 8: 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, 2021. 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, 2021, the reserve reported as restricted net position/fund balance totaled $1,221,525.

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, 2021, were $838 for each student enrolled at STRIVE Prep, which totaled $2,739,983. The agreements require facility use fees of $821 per student for the year ended June 30, 2022, which for STRIVE Prep is estimated to be $2,739,983.

Note 9: 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.

Note 10: 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 decreased from $658.8 million to $591.5 million and net OPEB liability decreased from $36.8 million to $22.9 million. As a result, STRIVE Prep's share of the net pension liability decreased from $16.5 million to $15.3 million and net OPEB liability decreased from $1.3 million to $0.8 million. 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.

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,

	2020	2019	2018	2017	2016	2015	2014
STRIVE Prep's proportion of the net pension liability	3.40%	2.51%	2.35%	3.59%	3.37%	2.92%	2.55%
STRIVE Prep's proportionate share of the net pension liability	$ 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	$ 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	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	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,

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 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	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	$ 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	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,

	2020*	2019*	2018*	2017*
STRIVE Prep's proportion of the net OPEB liability	3.40%	3.63%	3.57%	3.58%
STRIVE Prep's proportionate share of the net OPEB liability	$ 778,456	$ 1,333,062	$ 1,611,145	$ 1,824,012
STRIVE Prep's covered payroll	$ 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	2.91%	4.91%	6.22%	7.14%
Plan fiduciary net position as a percentage of the total OPEB liability	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,

	2021	2020	2019	2018
Contractually required contribution	$ 287,088	$ 284,191	$ 270,580	$ 260,499
Contributions in relation to the contractually required contribution	287,088	284,191	270,580	260,499
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
STRIVE Prep's covered payroll	$ 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%	1.07%

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
Year Ended June 30, 2021

	Original Budget	Final Budget	Budgetary Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 28,796,948	$ 29,312,620	$ 29,565,221	$ 252,601
District mill levy	6,863,007	8,542,920	8,542,920	-
Supporting services	1,500,000	1,500,000	1,481,298	(18,702)
Investment income	50,000	10,092	10,712	620
Miscellaneous	399,889	207,371	439,639	232,268
Total local sources	37,609,844	39,573,003	40,039,790	466,787
State sources				
Capital construction	449,760	517,911	518,062	151
Grants	1,080,643	1,320,936	724,315	(596,621)
Total state sources	1,530,403	1,838,847	1,242,377	(596,470)
Federal sources				
Grants	8,261,548	7,057,997	7,507,779	449,782
Total federal sources	8,261,548	7,057,997	7,507,779	449,782
Total revenues	47,401,795	48,469,847	48,789,946	320,099
Expenditures				
Salaries	28,244,794	29,477,107	28,693,525	783,582
Employee benefits	8,274,087	8,224,352	7,416,370	807,982
Purchased services	871,179	926,199	829,638	96,561
Supplies and materials	7,827,481	8,233,261	8,883,044	(649,783)
Property	430,360	946,800	353,119	593,681
Other	20,000	19,722	20	19,702
Contingency	(600,000)	250,000	-	250,000
Total expenditures	45,067,901	48,077,441	46,175,716	1,901,725
Net Change in Fund Balance	$ 2,333,894	$ 392,406	2,614,230	$ 2,221,824
Fund Balance, Beginning			12,534,911	
Fund Balance, Ending			$ 15,149,141	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Notes to Required Supplementary Information
June 30, 2021

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

2020 Changes in Assumptions or Other Inputs Since 2019

Defined Benefit Pension Plan

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the $225 million direct distribution payable on July 1, 2020 for the State's 2020-2021 fiscal year
- 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 refinanced thereafter
- 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, 2021

	STRIVE Prep - Green Valley Ranch Campus	STRIVE Prep - Montbello Campus	STRIVE Prep - Lake Campus	STRIVE Prep - Sunnyside Campus	STRIVE Prep - Federal Campus	STRIVE Prep - Ruby Hill Campus	STRIVE Prep - SMART Campus
Assets							
Cash	$ 1,902,359	$ 646,049	$ 839,407	$ 556,350	$ 2,628,734	$ 1,877,138	$ 2,596,934
Investments	226,557	117,118	118,788	264,505	130,674	338,603	263,051
Accounts receivable	25,795	16,381	21,021	17,755	27,486	33,837	44,136
Grants receivable	77,558	97,152	60,222	70,725	214,674	361,353	171,549
Inventory	20,270	11,216	13,602	13,270	-	20,182	8,700
Prepaid expenditures	6,662	6,666	6,666	6,666	6,766	105	1,387
Total assets	$ 2,259,201	$ 894,582	$ 1,059,706	$ 929,271	$ 3,008,334	$ 2,631,218	$ 3,085,757
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 45,720	$ 42,239	$ 56,775	$ 37,379	$ 55,149	$ 95,537	$ 93,868
Accrued liabilities	17,163	4,639	10,596	9,923	4,985	12,398	8,826
Unearned revenue	552	-	678	-	48	-	3,648
Total liabilities	63,435	46,878	68,049	47,302	60,182	107,935	106,342
Fund Balance							
Nonspendable inventory	20,270	11,216	13,602	13,270	-	20,182	8,700
Nonspendable prepaid expenditures	6,662	6,666	6,666	6,666	6,766	105	1,387
Restricted for fund balance	57,317	42,997	41,152	50,574	44,950	54,511	74,981
Restricted for emergencies	108,641	64,837	87,354	79,561	122,484	167,799	206,699
Unassigned	2,002,876	721,988	842,883	731,898	2,773,952	2,280,686	2,687,648
Total fund balance	2,195,766	847,704	991,657	881,969	2,948,152	2,523,283	2,979,415
Total liabilities, deferred inflows of resources and fund balance	$ 2,259,201	$ 894,582	$ 1,059,706	$ 929,271	$ 3,008,334	$ 2,631,218	$ 3,085,757

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Combining Balance Sheet (continued)
June 30, 2021

	STRIVE Prep - Westwood Campus	STRIVE Prep - Kepner Campus	STRIVE Prep - Rise Campus	Central Office	Eliminations	Total
Assets						
Cash	$ 1,826,829	$ 452,332	$ 1,838,749	$ (4,742,541)	$ -	$ 10,422,340
Investments	333,159	85,155	181,412	1,935,639	-	3,994,661
Accounts receivable	26,519	27,359	88,693	1,737	-	330,719
Grants receivable	179,526	66,056	104,793	1,262	-	1,404,870
Inventory	3,028	1,175	-	-	-	91,443
Prepaid expenditures	6,771	6,662	1,680	104,077	-	154,108
Total assets	$ 2,375,832	$ 638,739	$ 2,215,327	$ (2,699,826)	$ -	$ 16,398,141
Liabilities and Fund Balance						
Liabilities						
Accounts payable	$ 56,849	$ 39,432	$ 74,783	$ 102,086	$ -	$ 699,817
Accrued liabilities	8,055	3,721	17,576	155,847	-	253,729
Unearned revenue	1,522	986	3,625	284,395	-	295,454
Total liabilities	66,426	44,139	95,984	542,328	-	1,249,000
Fund Balance						
Nonspendable inventory	3,028	1,175	-	-	-	91,443
Nonspendable prepaid expenditures	6,771	6,662	1,680	104,076	-	154,108
Restricted for fund balance	55,743	43,451	66,127	12,260	-	544,062
Restricted for emergencies	108,964	79,998	187,982	7,206	-	1,221,525
Unassigned	2,134,900	463,314	1,863,554	(3,365,696)	-	13,138,003
Total fund balance	2,309,406	594,600	2,119,343	(3,242,154)	-	15,149,141
Total liabilities, deferred inflows of resources and fund balance	$ 2,375,832	$ 638,739	$ 2,215,327	$ (2,699,826)	$ -	$ 16,398,141

STRIVE Preparatory Schools

(A Component Unit of Denver Public Schools)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2021

	STRIVE Prep - Green Valley Ranch Campus	STRIVE Prep - Montbello Campus	STRIVE Prep - Lake Campus	STRIVE Prep - Sunnyside Campus	STRIVE Prep - Federal Campus	STRIVE Prep - Ruby Hill Campus	STRIVE Prep - SMART Campus
Revenues							
Local sources	$ 3,566,251	$ 2,089,455	$ 2,865,743	$ 2,622,744	$ 4,009,355	$ 5,243,863	$ 6,769,365
State sources	70,498	87,148	61,418	44,654	88,757	364,798	135,952
Federal sources	657,293	525,431	588,058	458,905	807,180	1,276,093	999,064
Total revenues	4,294,042	2,702,034	3,515,219	3,126,303	4,905,292	6,884,754	7,904,381
Expenditures							
Current							
Instruction	1,798,391	1,591,426	1,691,871	1,602,406	2,275,356	3,341,249	3,861,020
Supporting services	2,121,490	1,386,801	1,698,943	1,509,545	2,182,095	2,822,813	3,302,963
Total expenditures	3,919,881	2,978,227	3,390,814	3,111,951	4,457,451	6,164,062	7,163,983
Excess (Deficiency) of Revenues over Expenses	374,161	(276,193)	124,405	14,352	447,841	720,692	740,398
Net Change in Fund Balance	374,161	(276,193)	124,405	14,352	447,841	720,692	740,398
Fund Balance (Deficit), Beginning	1,821,605	1,123,897	867,252	867,617	2,500,311	1,802,591	2,239,017
Fund Balance (Deficit), Ending	$ 2,195,766	$ 847,704	$ 991,657	$ 881,969	$ 2,948,152	$ 2,523,283	$ 2,979,415

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, 2021

	STRIVE Prep - Westwood Campus	STRIVE Prep - Kepner Campus	STRIVE Prep - RISE Campus	Central Office	Eliminations	Total
Revenues						
Local sources	$ 3,586,182	$ 2,612,913	$ 6,069,364	$ 5,659,137	$ (5,054,582)	$ 40,039,790
State sources	61,281	76,372	238,689	12,810	-	1,242,377
Federal sources	885,259	478,402	832,094	-	-	7,507,779
Total revenues	4,532,722	3,167,687	7,140,147	5,671,947	(5,054,582)	48,789,946
Expenditures						
Current						
Instruction	2,053,544	1,638,132	3,364,756	791	-	23,218,942
Supporting services	2,112,421	1,448,857	3,101,302	6,324,126	(5,054,582)	22,956,774
Total expenditures	4,165,965	3,086,989	6,466,058	6,324,917	(5,054,582)	46,175,716
Excess (Deficiency) of Revenues over Expenses	366,757	80,698	674,089	(652,970)	-	2,614,230
Net Change in Fund Balance	366,757	80,698	674,089	(652,970)	-	2,614,230
Fund Balance (Deficit), Beginning	1,942,649	513,902	1,445,254	(2,589,184)	-	12,534,911
Fund Balance (Deficit), Ending	$ 2,309,406	$ 594,600	$ 2,119,343	$ (3,242,154)	$ -	$ 15,149,141

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Green Valley Ranch Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 2,725,288	$ 2,772,875	$ 2,795,684	$ 22,809
District mill levy	568,795	719,389	719,389	-
Supporting services	-	1,800	24,761	22,961
Investment income	4,545	317	336	19
Miscellaneous	20,549	10,009	26,081	16,072
Total local sources	3,319,177	3,504,390	3,566,251	61,861
State sources				
Capital construction	43,079	49,771	49,772	1
Grants	57,571	60,380	20,726	(39,654)
Total state sources	100,650	110,151	70,498	(39,653)
Federal sources				
Grants	215,118	651,064	657,293	6,229
Total revenues	3,634,945	4,265,605	4,294,042	28,437
Expenditures				
Salaries	1,925,067	2,061,495	2,020,113	41,382
Employee benefits	589,575	580,787	523,814	56,973
Purchased services	34,400	42,464	37,599	4,865
Supplies and materials	1,067,394	1,203,374	1,264,517	(61,143)
Property	27,995	155,096	73,838	81,258
Contingency	-	25,000	-	25,000
Total expenditures	3,644,431	4,068,216	3,919,881	148,335
Net Change in Fund Balance	$ (9,486)	$ 197,389	374,161	$ 176,772
Fund Balance, Beginning			1,821,605	
Fund Balance, Ending			$ 2,195,766	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 3,634,945	$ 4,265,605	$ 4,294,042	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 4,683,066	$ 4,824,372	$ 4,861,237	
Total Budgetary Expenditures	$ 3,644,431	$ 4,068,216	$ 3,919,881	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,395	632,492	
Total Data Pipeline Budgetary Expenditures	$ 4,366,400	$ 4,814,611	$ 4,552,373	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Montbello Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,621,795	$ 1,593,343	$ 1,608,751	$ 15,408
District mill levy	355,980	432,353	432,353	-
Supporting services	-	4,205	30,055	25,850
Investment income	4,545	164	173	9
Miscellaneous	17,174	4,344	18,123	13,779
Total local sources	1,999,494	2,034,409	2,089,455	55,046
State sources				
Capital construction	25,294	28,138	28,138	-
Grants	55,537	53,113	59,010	5,897
Total state sources	80,831	81,251	87,148	5,897
Federal sources				
Grants	191,892	512,415	525,431	13,016
Total revenues	2,272,217	2,628,075	2,702,034	73,959
Expenditures				
Salaries	1,751,179	1,893,926	1,860,579	33,347
Employee benefits	536,261	543,355	486,089	57,266
Purchased services	32,240	41,531	17,545	23,986
Supplies and materials	570,496	578,079	593,890	(15,811)
Property	30,509	54,586	20,124	34,462
Contingency	-	25,000	-	25,000
Total expenditures	2,920,685	3,136,477	2,978,227	158,250
Net Change in Fund Balance	$ (648,468)	$ (508,402)	(276,193)	$ 232,209
Fund Balance, Beginning			1,123,897	
Fund Balance, Ending			$ 847,704	

Reconciliation to Data Pipeline for CDE Purposes Only

	Original Budget	Final Budget	Actual
Total Budgetary Revenues	$ 2,272,217	$ 2,628,075	$ 2,702,034
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195
Total Data Pipeline Budgetary Revenues	$ 3,320,338	$ 3,186,842	$ 3,269,229
Total Budgetary Expenditures	$ 2,920,685	$ 3,136,477	$ 2,978,227
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492
Total Data Pipeline Budgetary Expenditures	$ 3,642,654	$ 3,882,862	$ 3,610,719

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Lake Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,937,309	$ 2,193,629	$ 2,213,637	$ 20,008
District mill levy	435,422	605,801	605,801	-
Supporting services	-	2,600	26,795	24,195
Investment income	4,545	167	176	9
Miscellaneous	18,049	4,765	19,334	14,569
Total local sources	2,395,325	2,806,962	2,865,743	58,781
State sources				
Capital construction	29,905	38,274	38,274	-
Grants	68,116	66,250	23,144	(43,106)
Total state sources	98,021	104,524	61,418	(43,106)
Federal sources				
Grants	222,033	574,907	588,058	13,151
Total revenues	2,715,379	3,486,393	3,515,219	28,826
Expenditures				
Salaries	1,858,100	1,991,112	1,955,460	35,652
Employee benefits	585,874	595,629	532,127	63,502
Purchased services	38,000	45,898	38,881	7,017
Supplies and materials	561,285	749,556	835,624	(86,068)
Property	28,754	114,003	28,702	85,301
Other	-	-	20	(20)
Contingency	-	25,000	-	25,000
Total expenditures	3,072,013	3,521,198	3,390,814	130,384
Net Change in Fund Balance	$ (356,634)	$ (34,805)	124,405	$ 159,210
Fund Balance, Beginning			867,252	
Fund Balance, Ending			$ 991,657	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 2,715,379	$ 3,486,393	$ 3,515,219	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 3,763,500	$ 4,045,160	$ 4,082,414	
Total Budgetary Expenditures	$ 3,072,013	$ 3,521,198	$ 3,390,814	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 3,793,982	$ 4,267,583	$ 4,023,306	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Sunnyside Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,800,993	$ 2,002,804	$ 2,019,511	$ 16,707
District mill levy	403,158	550,655	550,655	-
Supporting services	-	1,960	35,934	33,974
Investment income	4,545	370	392	22
Miscellaneous	17,699	3,969	16,252	12,283
Total local sources	2,226,395	2,559,758	2,622,744	62,986
State sources				
Capital construction	28,061	35,551	35,551	-
Grants	43,330	43,420	9,103	(34,317)
Total state sources	71,391	78,971	44,654	(34,317)
Federal sources				
Grants	192,521	471,138	458,905	(12,233)
Total revenues	2,490,307	3,109,867	3,126,303	16,436
Expenditures				
Salaries	1,648,230	1,743,627	1,690,881	52,746
Employee benefits	502,912	493,852	440,247	53,605
Purchased services	30,800	40,228	14,067	26,161
Supplies and materials	759,330	896,792	944,299	(47,507)
Property	15,617	78,886	22,457	56,429
Contingency	-	25,000	-	25,000
Total expenditures	2,956,889	3,278,385	3,111,951	166,434
Net Change in Fund Balance	$ (466,582)	$ (168,518)	14,352	$ 182,870
Fund Balance, Beginning			867,617	
Fund Balance, Ending			$ 881,969	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 2,490,307	$ 3,109,867	$ 3,126,303	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 3,538,428	$ 3,668,634	$ 3,693,498	
Total Budgetary Expenditures	$ 2,956,889	$ 3,278,385	$ 3,111,951	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 3,678,858	$ 4,024,770	$ 3,744,443	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Federal Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 3,105,069	$ 3,092,584	$ 3,119,096	$ 26,512
District mill levy	678,653	830,180	830,180	-
Supporting services	-	7,735	30,704	22,969
Investment income	4,545	169	180	11
Miscellaneous	21,414	16,913	29,195	12,282
Total local sources	3,809,681	3,947,581	4,009,355	61,774
State sources				
Capital construction	48,217	54,159	54,159	-
Grants	62,364	81,458	34,598	(46,860)
Total state sources	110,581	135,617	88,757	(46,860)
Federal sources				
Grants	234,345	680,096	807,180	127,084
Total revenues	4,154,607	4,763,294	4,905,292	141,998
Expenditures				
Salaries	2,304,984	2,378,198	2,379,482	(1,284)
Employee benefits	688,687	686,132	621,496	64,636
Purchased services	45,200	51,756	55,006	(3,250)
Supplies and materials	891,310	1,164,202	1,374,070	(209,868)
Property	13,613	113,353	27,397	85,956
Other	-	60	-	60
Contingency	-	25,000	-	25,000
Total expenditures	3,943,794	4,418,701	4,457,451	(38,750)
Net Change in Fund Balance	$ 210,813	$ 344,593	447,841	$ 103,248
Fund Balance, Beginning			2,500,311	
Fund Balance, Ending			$ 2,948,152	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 4,154,607	$ 4,763,294	$ 4,905,292	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 5,202,728	$ 5,322,061	$ 5,472,487	
Total Budgetary Expenditures	$ 3,943,794	$ 4,418,701	$ 4,457,451	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 4,665,763	$ 5,165,086	$ 5,089,943	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Ruby Hill Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 3,883,330	$ 3,993,341	$ 4,026,155	$ 32,814
District mill levy	892,617	1,146,819	1,146,819	-
Supporting services	-	9,831	55,038	45,207
Investment income	4,545	474	502	28
Miscellaneous	12,264	3,066	15,349	12,283
Total local sources	4,792,756	5,153,531	5,243,863	90,332
State sources				
Capital construction	60,600	70,194	70,194	-
Grants	352,780	365,198	294,604	(70,594)
Total state sources	413,380	435,392	364,798	(70,594)
Federal sources				
Grants	297,633	1,078,833	1,276,093	197,260
Total revenues	5,503,769	6,667,756	6,884,754	216,998
Expenditures				
Salaries	3,317,768	3,590,702	3,596,810	(6,108)
Employee benefits	1,021,486	1,039,651	941,621	98,030
Purchased services	80,560	86,723	80,368	6,355
Supplies and materials	762,757	1,085,259	1,520,062	(434,803)
Property	20,046	69,503	25,201	44,302
Contingency	-	25,000	-	25,000
Total expenditures	5,202,617	5,896,838	6,164,062	(267,224)
Net Change in Fund Balance	$ 301,152	$ 770,918	720,692	$ (50,226)
Fund Balance, Beginning			1,802,591	
Fund Balance, Ending			$ 2,523,283	

Reconciliation to Data Pipeline for CDE Purposes Only

	Original Budget	Final Budget	Actual
Total Budgetary Revenues	$ 5,503,769	$ 6,667,756	$ 6,884,754
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195
Total Data Pipeline Budgetary Revenues	$ 6,551,890	$ 7,226,523	$ 7,451,949
Total Budgetary Expenditures	$ 5,202,617	$ 5,896,838	$ 6,164,062
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492
Total Data Pipeline Budgetary Expenditures	$ 5,924,586	$ 6,643,223	$ 6,796,554

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
SMART Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 4,770,876	$ 4,675,257	$ 4,716,472	$ 41,215
District mill levy	1,332,458	1,550,614	1,550,614	-
Supporting services	-	385,592	466,860	81,268
Investment income	4,545	368	390	22
Miscellaneous	32,601	13,639	35,029	21,390
Total local sources	6,140,480	6,625,470	6,769,365	143,895
State sources				
Capital construction	74,565	82,146	82,297	151
Grants	77,181	96,353	53,655	(42,698)
Total state sources	151,746	178,499	135,952	(42,547)
Federal sources				
Grants	304,768	957,529	999,064	41,535
Total revenues	6,596,994	7,761,498	7,904,381	142,883
Expenditures				
Salaries	3,822,490	3,972,083	3,921,794	50,289
Employee benefits	1,132,603	1,127,271	1,035,266	92,005
Purchased services	71,715	81,897	191,174	(109,277)
Supplies and materials	1,484,438	1,726,312	1,980,975	(254,663)
Property	35,192	57,882	34,774	23,108
Other	-	(1,319)	-	(1,319)
Contingency	-	25,000	-	25,000
Total expenditures	6,546,438	6,989,126	7,163,983	(174,857)
Net Change in Fund Balance	$ 50,556	$ 772,372	740,398	$ (31,974)
Fund Balance, Beginning			2,239,017	
Fund Balance, Ending			$ 2,979,415	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 6,596,994	$ 7,761,498	$ 7,904,381	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 7,645,115	$ 8,320,265	$ 8,471,576	
Total Budgetary Expenditures	$ 6,546,438	$ 6,989,126	$ 7,163,983	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 7,268,407	$ 7,735,511	$ 7,796,475	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Westwood Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 2,613,903	$ 2,726,570	$ 2,752,081	$ 25,511
District mill levy	589,071	767,795	767,796	1
Supporting services	-	10,664	33,976	23,312
Investment income	4,545	467	494	27
Miscellaneous	26,126	10,214	31,835	21,621
Total local sources	3,233,645	3,515,710	3,586,182	70,472
State sources				
Capital construction	40,444	47,654	47,654	-
Grants	56,710	52,254	13,627	(38,627)
Total state sources	97,154	99,908	61,281	(38,627)
Federal sources				
Grants	244,415	782,271	885,259	102,988
Total revenues	3,575,214	4,397,889	4,532,722	134,833
Expenditures				
Salaries	2,070,801	2,201,719	2,174,122	27,597
Employee benefits	637,751	628,693	575,228	53,465
Purchased services	40,880	49,114	49,409	(295)
Supplies and materials	902,559	1,148,598	1,339,735	(191,137)
Property	22,376	143,186	27,471	115,715
Contingency	-	25,000	-	25,000
Total expenditures	3,674,367	4,196,310	4,165,965	30,345
Net Change in Fund Balance	$ (99,153)	$ 201,579	366,757	$ 104,488
Fund Balance, Beginning			1,942,649	
Fund Balance, Ending			$ 2,309,406	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 3,575,214	$ 4,397,889	$ 4,532,722	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 4,623,335	$ 4,956,656	$ 5,099,917	
Total Budgetary Expenditures	$ 3,674,367	$ 4,196,310	$ 4,165,965	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 4,396,336	$ 4,942,695	$ 4,798,457	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
Kepner Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 1,956,030	$ 1,957,687	$ 1,976,995	$ 19,308
District mill levy	432,247	545,481	545,481	-
Supporting services	-	7,443	31,370	23,927
Investment income	4,545	76	83	7
Miscellaneous	28,553	40,999	58,984	17,985
Total local sources	2,421,375	2,551,686	2,612,913	61,227
State sources				
Capital construction	30,300	34,643	34,643	-
Grants	58,367	74,661	41,729	(32,932)
Total state sources	88,667	109,304	76,372	(32,932)
Federal sources				
Grants	196,028	500,415	478,402	(22,013)
Total revenues	2,706,070	3,161,405	3,167,687	6,282
Expenditures				
Salaries	1,756,336	1,842,474	1,778,110	64,364
Employee benefits	543,936	541,630	485,659	55,971
Purchased services	36,560	50,899	77,606	(26,707)
Supplies and materials	552,706	690,055	729,480	(39,425)
Property	20,125	50,750	16,134	34,616
Contingency	-	25,000	-	25,000
Total expenditures	2,909,663	3,200,808	3,086,989	113,819
Net Change in Fund Balance	$ (203,593)	$ (39,403)	80,698	$ (107,537)
Fund Balance, Beginning			513,902	
Fund Balance, Ending			$ 594,600	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 2,706,070	$ 3,161,405	$ 3,167,687	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 3,754,191	$ 3,720,172	$ 3,734,882	
Total Budgetary Expenditures	$ 2,909,663	$ 3,200,808	$ 3,086,989	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 3,631,632	$ 3,947,193	$ 3,719,481	

STRIVE Preparatory Schools
(A Component Unit of Denver Public Schools)
Budgetary Comparison Schedule
RISE Campus
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local sources				
Per pupil revenue	$ 4,382,354	$ 4,304,529	$ 4,336,843	$ 32,314
District mill levy	1,174,607	1,393,831	1,393,831	-
Supporting services	-	65,497	74,021	8,524
Investment income	4,545	136	151	15
Miscellaneous	115,378	203,861	264,518	60,657
Total local sources	5,676,884	5,967,854	6,069,364	101,510
State sources				
Capital construction	69,295	77,380	77,380	-
Grants	142,003	197,052	161,309	(35,743)
Total state sources	211,298	274,432	238,689	(35,743)
Federal sources				
Grants	262,595	849,328	832,094	(17,234)
Total revenues	6,150,777	7,091,614	7,140,147	48,533
Expenditures				
Salaries	3,245,938	3,459,632	3,403,965	55,667
Employee benefits	971,392	990,468	911,507	78,961
Purchased services	64,760	69,780	151,886	(82,106)
Supplies and materials	1,552,790	1,726,379	1,952,961	(226,582)
Property	22,132	87,338	45,739	41,599
Other	-	158	-	158
Contingency	-	25,000	-	25,000
Total expenditures	5,857,012	6,358,755	6,466,058	(107,303)
Net Change in Fund Balance	$ 293,765	$ 732,859	674,089	$ 155,836
Fund Balance, Beginning			1,445,254	
Fund Balance, Ending			$ 2,119,343	
Reconciliation to Data Pipeline for CDE Purposes Only				
Total Budgetary Revenues	$ 6,150,777	$ 7,091,614	$ 4,593,371	
Allocation of Central Administration required by CDE for Data Pipeline	1,048,121	558,767	567,195	
Total Data Pipeline Budgetary Revenues	$ 7,198,898	$ 7,650,381	$ 5,160,566	
Total Budgetary Expenditures	$ 5,857,012	$ 6,358,755	$ 6,466,058	
Allocation of Central Administration required by CDE for Data Pipeline	721,969	746,385	632,492	
Total Data Pipeline Budgetary Expenditures	$ 6,578,981	$ 7,105,140	$ 7,098,550	

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the 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 and for the year ended June 30, 2021, 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 14, 2021.

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 opinions 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 STRIVE Prep'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 may exist that have not been identified.

Board of Trustees
STRIVE Preparatory Schools

Compliance and Other Matters

As part of obtaining reasonable assurance about whether STRIVE Prep's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the Colorado Department of Education's *Financial Policies and Procedures Handbook*, 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 STRIVE Prep's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
October 14, 2021