



Financial Statements  
June 30, 2017



Denver School of Science and Technology, Inc.

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## Independent Auditor's Report

The Board of Directors  
Denver School of Science and Technology, Inc.  
Denver, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit and the major fund of Denver School of Science and Technology, Inc. (DSST or DSST Public Schools), a component unit of Denver Public Schools, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise DSST'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 an opinion 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. 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.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit and the major fund of DSST, as of June 30, 2017, 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.

### **Change in Accounting Framework**

As described in Note 9 to the financial statements, Colorado Senate Bill 16-187 passed allowing a charter network to have their charter agreements written to include the network as a whole. Colorado Senate Bill 16-187 allows a charter school network to meet the statutory requirement for charter school financial audits by completing a single network-wide audit that includes each of the charter schools in the network. As a result of Colorado Senate Bill 16-187, DSST is allowed to prepare one network-wide financial statement instead of having individual school financial statements. Additionally, it was determined by the Colorado Department of Education that the charter school network-wide financial statements should be reported under the Governmental Accounting Standards Board (GASB) framework. As a result of implementing the financial reporting requirements within Colorado Senate Bill 16-187, DSST has converted the financial statement presentation of the DSST network-wide financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DSST's financial statements. The combining school financial statements and the budget to actual statements by school are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining school financial statements and the budget to actual statements by school are the responsibility of management and were derived from and relate 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 school fund financial statements and the budget to actual statements by school are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Fort Collins, Colorado  
September 12, 2017

Our discussion and analysis of the Denver School of Science and Technology, Inc., (DSST or DSST Public Schools) financial performance provides an overview of DSST's financial activities for the twelve months ended June 30, 2017. It should be read in conjunction with the financial statements.

### **Financial Highlights**

As stated in the Government-wide Financial Statements, the assets of DSST exceeded liabilities and deferred inflows of resources at June 30, 2017 by \$48,911,744. Of this amount, \$24,308,251 is unrestricted. The \$48,911,744 of DSST's total net position represents a decrease of \$1,118,474 from fiscal year 2016.

DSST's Governmental Fund Financial Statements reported an ending fund balance in fiscal year 2017 of \$45,196,934. The total fund balance in the General Fund is 86.54% of the total General Fund expenditures of \$52,227,241.

### **Overview of the Financial Statements**

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

### **Change in Reporting Framework**

It was determined by the Colorado Department of Education that the charter school network should be reporting under the Governmental Accounting Standards Board (GASB) framework instead of the Financial Accounting Standards Board (FASB) framework. Therefore, DSST has converted the beginning net position and fund balance to be presented in accordance with the GASB framework.

### **Government-wide Financial Statements**

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

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

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

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

The Government-wide Financial Statements distinguish functions of DSST that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges. Government-wide Financial Statements can be found on pages 11-12.

**Fund Financial Statements**

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

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

DSST maintains one governmental fund, a General Fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. DSST adopted an annual budget for the General Fund and a budgetary comparison schedule has been provided to demonstrate compliance with this budget. The basic Governmental Fund Financial Statements can be found on pages 13 and 15 of this report.

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

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

## Notes to the Financial Statements

The notes provide additional information essential to a complete understanding of the data provided in the Government-wide and Fund Financial Statements. The notes can be found on pages 17-27 of this report.

## Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparisons of the original adopted budget, the final amended budget, and the actual expenditures for the fiscal year. Required supplementary information can be found on pages 28-29 of this report.

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

## Government-wide Financial Analysis

As noted earlier, net position can serve as a useful indicator of DSST's financial position. DSST's total net position was \$48,911,744 at June 30, 2017.

\$24,308,251 or 49.69% of DSST's net position is unrestricted and are resources available to fund the DSST's programs in the following year.

The remaining balance of net position represents resources subject to external restrictions on how they may be used. Net position is illustrated in Table I.

<b>Net Position Summary</b>			
Table I			
	Governmental Activities		Change
	2017	2016	
Current and Other Assets	\$ 52,089,817	\$ 52,941,207	\$ (851,390)
Capital Assets	954,004	1,059,636	(105,632)
Total Assets	<u>53,043,821</u>	<u>54,000,843</u>	<u>(957,022)</u>
Current Liabilities	<u>3,807,478</u>	<u>3,494,648</u>	<u>312,830</u>
Total Liabilities	<u>3,807,478</u>	<u>3,494,648</u>	<u>312,830</u>
Deferred Inflows of Resources			
Deferred gain on sale	168,400	336,800	(168,400)
Permanent endowment	156,199	139,177	17,022
Total Deferred Inflows of Resources	<u>324,599</u>	<u>475,977</u>	<u>(151,378)</u>
Net Position:			
Net Investment in Capital Assets	954,004	1,059,638	(105,634)
Restricted	23,649,489	13,437,634	10,211,855
Unrestricted	<u>24,308,251</u>	<u>35,532,946</u>	<u>(11,224,695)</u>
Total Net Position	<u>\$ 48,911,744</u>	<u>\$ 50,030,218</u>	<u>\$ (1,118,474)</u>

## Governmental Activities

The net position of DSST's Governmental Activities decreased to \$48,911,744. Despite the decrease the overall financial condition of DSST continues to be strong. The total cost of all Governmental Activities for the fiscal year ended June 30, 2017 was \$52,332,873. Funding for these Governmental Activities is by specific program revenue or through general revenues such as per pupil revenues and mill levy overrides. The following is a summary of the governmental activities:

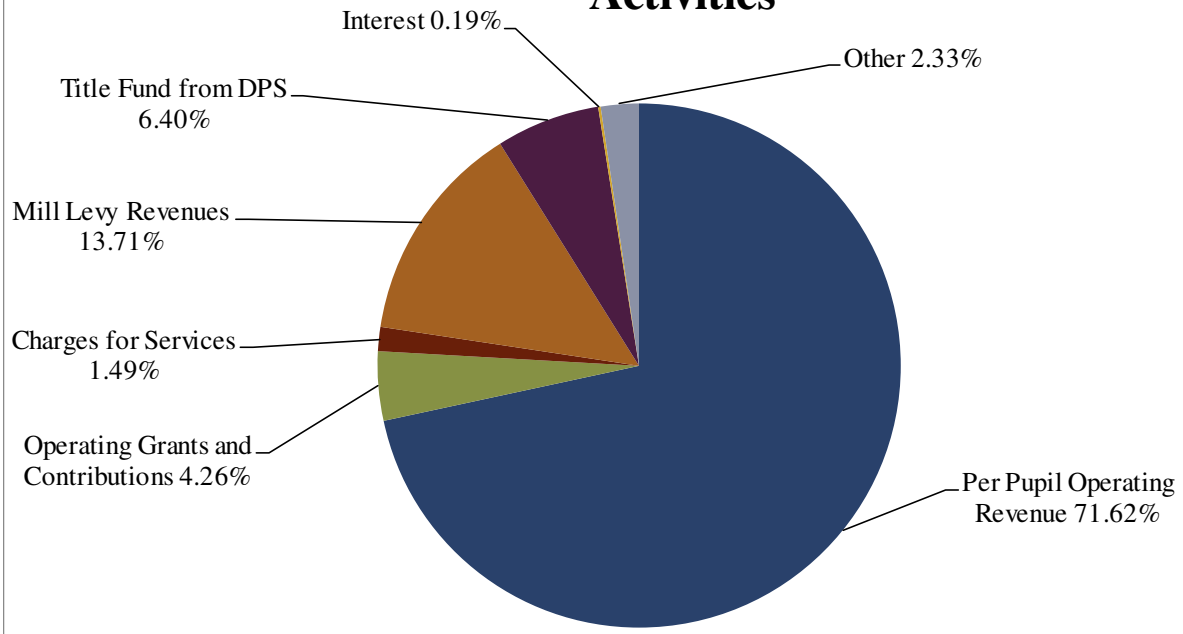
- The total general revenues of all governmental activities was \$48,268,482. The amount paid through Per Pupil Revenue (PPR), which is based on 4,781 students and a rate set by the Colorado State Legislature and Denver Public Schools, was \$36,679,419 and represents 76.26% of the total of general revenues
- An additional \$7,022,007 or 14.55% was received through mill levy overrides which are property taxes approved by the voters in Denver Public Schools.
- Title revenues received from DPS on a contract basis was \$3,278,605 or 6.79%.
- Revenues from all sources increased \$9,220,741 or 21.96% from fiscal year 2016. The increase is due largely in part to an increase in enrollment.
- The cost of all governmental activities was \$52,332,873 which is an increase of \$9,626,786 from fiscal year 2016. The increase is due to increases in salaries, stipend, and benefits and increased DPS and CMO fees.
- The largest expense is personnel, including teachers, administrators, coaches and substitute teachers totaling \$37,333,415 or 71.34% of total expense. Salaries, stipends, and related payroll taxes and benefits are all included in the personnel category.
- Payments to Denver Public Schools for rent, special education services, administrative services, accounting and general operations total \$6,479,386 or 12.38%.
- The remaining \$8,520,072 or 16.28% of expenses are for instructional and non-instructional supplies, student activities, printing, copying and miscellaneous expenses.



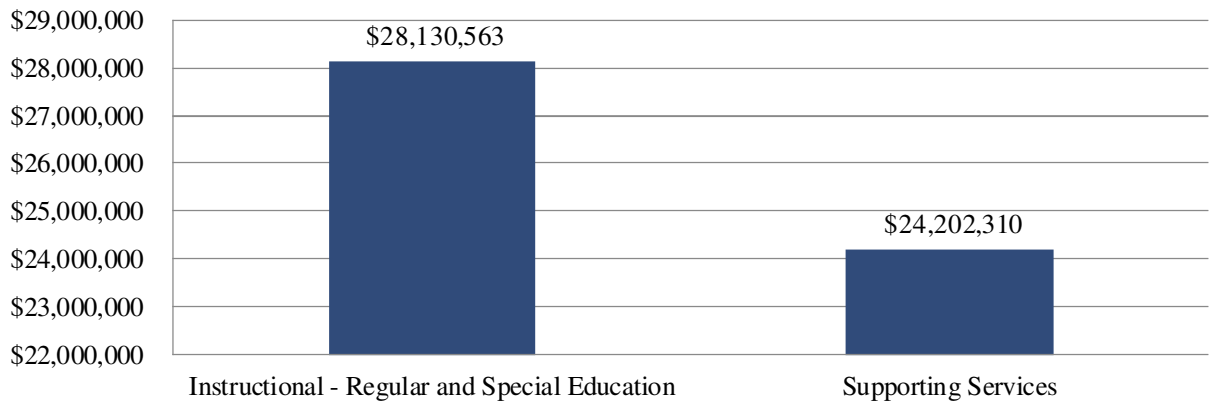
Changes in Net Position are shown by revenue categories and expense by function in Table II.

<b>Changes in Net Position</b>				
Table II				
	Governmental Activities		Change	Change %
	2017	2016		
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 762,538	\$ 701,869	\$ 60,669	8.64 %
Operating Grants and Contributions	2,183,379	1,836,304	347,075	18.90
Capital Grants and Contributions	-	408,769	(408,769)	(100.00)
General Revenues:				
Per Pupil Operating Revenue	36,679,419	30,349,486	6,329,933	20.86
Mill Levy Override	7,022,007	3,588,874	3,433,133	95.66
Title Funds from DPS	3,278,605	2,840,705	437,900	15.42
Interest	80,075	1,719,148	(1,639,073)	(95.34)
Other	1,208,376	548,503	659,873	120.30
Total Revenues	<u>51,214,399</u>	<u>41,993,658</u>	<u>9,220,741</u>	<u>21.96</u>
<b>Expenses:</b>				
Instructional:				
Regular education	25,779,690	20,921,404	4,858,286	23.22
Special education	2,350,873	1,792,005	558,868	31.19
Supporting Services:				
Pupil supporting services	4,581,608	3,853,525	728,083	18.89
Instructional support	2,809,704	2,027,729	781,975	38.56
General administration	425,447	388,391	37,056	9.54
School administration	11,086,977	9,300,868	1,786,109	19.20
Business services	455,437	343,948	111,489	32.41
Operations and maintenance	3,426,577	2,753,018	673,559	24.47
Pupil transportation	494,700	235,470	259,230	110.09
Central services	614,535	561,098	53,437	9.52
Other support services	307,325	528,631	(221,306)	100.00
Total Expenses	<u>52,332,873</u>	<u>42,706,087</u>	<u>9,626,786</u>	<u>22.54</u>
Decrease in Net Position	(1,118,474)	(712,429)	(406,045)	56.99
Beginning Net Position	<u>50,030,218</u>	<u>50,742,647</u>	<u>(712,429)</u>	<u>(1.40)</u>
Ending Net Position	<u>\$ 48,911,744</u>	<u>\$ 50,030,218</u>	<u>\$ (1,118,474)</u>	<u>(2.24) %</u>

**Figure A-2 Revenues by Source - Governmental Activities**



**Figure A-3  
 Program Expenses by Major Function -  
 Governmental Activities**



## Financial Analysis of DSST's Funds

### Governmental Funds

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

Revenues from the Governmental Fund totaled \$53,220,115 for the fiscal year ended June 30, 2017, an increase of 39.30% from the prior fiscal year. State revenues, including Per Pupil Revenue, continued to be the largest source of revenue received by DSST and equaled \$36,679,421. Mill Levy revenues totaled \$7,022,007 in fiscal year 2017.

Expenditures for governmental operations totaled \$52,227,241 during fiscal year 2017, an increase of 19.33% from fiscal year 2016

The Governmental Fund reported a fund balance of \$45,196,934, an increase of \$992,874. Out of the total fund balance, \$12,843,194 constitutes unassigned fund balance. Of the remainder of the fund balance, \$7,336,985 is nonspendable, \$22,201,302 is restricted by outside sources and \$1,448,187 is restricted by TABOR.

The General Fund is the operating fund of DSST.

### General Fund Budgetary Highlights

Over the course of the year, DSST revised its budget once. Revisions to revenue were necessary due to changes in estimates for local revenue based on updated information relating to enrollment numbers and funding rates. Revisions to the expenditure budget were necessary due to updated salary and staffing information in the instructional program.

After revenue and expenditure budgets were adjusted for the items described above, DSST's General Fund amounts differed from the amounts reported in the budgetary comparison on page 28 of this report.

- Final revenues realized were more than budgeted levels by \$3,614,513.
- Expenditures in total were \$1,162,416 less than budgeted amounts. The total variance represents only 2.18% of the expenditure budget and is the result of position vacancies and general under spending in various budget categories.

**Capital Assets**

DSST has invested \$954,004, net of depreciation, in capital assets (see Note 5). This amount represents a net decrease (including additions, deductions and depreciation) of \$105,632 from the prior year.

<b>Capital Assets (net of Depreciation)</b>				
	Governmental Activities		<b>Change</b>	<b>Percentage</b>
	<b>2017</b>	<b>2016</b>		
Building improvements	\$ 29,333	\$ 79,642	\$ (50,309)	(63.17) %
Vehicles	94,955	79,735	15,220	19.09 %
Equipment	629,726	561,321	68,405	12.19 %
Software	199,990	338,938	(138,948)	(41.00) %
	<u>\$ 954,004</u>	<u>\$ 1,059,636</u>	<u>\$ (105,632)</u>	<u>(9.97) %</u>

**Economic Factors and Next Year's Budget**

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

All of these factors were considered when adopting the 2017-18 budget. There are no major initiatives or new programs included in the 2017-18 budget.

**Contacting DSST's Financial Management**

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Operating Officer, Denver School of Science and Technology, Inc. 3401 Quebec Street, Suite 7200, Denver, CO 80207.

DSST Public Schools  
Statement of Net Position  
June 30, 2017

	Primary Government	Component Unit
	Govenmental Activites	DSST Foundation
<b>Assets</b>		
Cash and cash equivalents	\$ 27,306,681	\$ 507,623
Investments	13,224,978	566,340
Restricted permanent endowment	156,199	-
Accounts receivable, net	1,514,974	559,100
Promises to give, net	2,550,000	-
PCOPS credits	7,115,453	-
Prepaid expenses	221,532	-
Capital assets, net of accumulated depreciation	954,004	-
Total assets	\$ 53,043,821	\$ 1,633,063
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 996,551	\$ 23,436
Accrued salaries and benefits	2,810,927	-
Total liabilities	3,807,478	23,436
<b>Deferred Inflows of Resources (Note 1)</b>		
Deferred gain on sale	168,400	-
Permanent endowment	156,199	-
Total deferred inflows of resources	324,599	-
<b>Net Position (Note 1)</b>		
Net invested in capital assets	954,004	-
Restricted for		
Emergencies	1,448,187	-
Donations with a specific purpose	22,201,302	293,132
Unrestricted	24,308,251	1,316,495
Total net position	48,911,744	1,609,627
Total liabilities, deferred inflows of resources and net position	\$ 53,043,821	\$ 1,633,063

DSST Public Schools  
Statement of Activities  
Year Ended June 30, 2017

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit DSST Foundation
Primary government						
Governmental activities						
Instructional						
Regular education	\$ 25,779,690	\$ 762,538	\$ 231,484	\$ -	\$ (24,785,668)	\$ -
Special education	2,350,873	-	31,389	-	(2,319,484)	-
Total Instructional	28,130,563	762,538	262,873	-	(27,105,152)	-
Supporting services						
Pupil supporting services	4,581,608	-	-	-	(4,581,608)	-
Instructional support	2,809,704	-	-	-	(2,809,704)	-
General administration	425,447	-	-	-	(425,447)	-
School administration	11,086,977	-	-	-	(11,086,977)	-
Business services	455,437	-	-	-	(455,437)	-
Operations and maintenance	3,426,577	-	-	-	(3,426,577)	-
Pupil transportation	494,700	-	-	-	(494,700)	-
Central services	614,535	-	-	-	(614,535)	-
Other support services	307,325	-	1,920,506	-	1,613,181	-
Total Supporting Services	24,202,310	-	1,920,506	-	(22,281,804)	-
	<u>\$ 52,332,873</u>	<u>\$ 762,538</u>	<u>\$ 2,183,379</u>	<u>\$ -</u>	<u>\$ (49,386,956)</u>	<u>\$ -</u>
Component Unit						
DSST Foundation	\$ 24,981	\$ -	\$ 1,634,086	\$ -	\$ -	\$ 1,609,105

General Revenues		
Per pupil revenue	\$ 36,679,419	\$ -
Mill levy override	7,022,007	-
Title funds from DPS	3,278,605	-
Interest	80,075	522
Other	1,208,376	-
Total general revenues and transfers	48,268,482	522
Change in net position	(1,118,474)	1,609,627
Net position, beginning of year, as restated	50,030,218	-
Net position, end of year	<u>\$ 48,911,744</u>	<u>\$ 1,609,627</u>

DSST Public Schools  
Balance Sheet – General Fund  
June 30, 2017

	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 27,306,681
Investments	13,224,978
Restricted permanent endowment	156,199
Accounts receivable, net	1,514,974
Promises to give, net	2,550,000
PCOPS credits	7,115,453
Prepaid expenses	221,532
Total assets	\$ 52,089,817
 <b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 996,551
Accrued salaries & benefits	2,810,927
Total liabilities	3,807,478
 <b>Deferred Inflows of Resources</b>	
Permanent endowment	156,199
Unavailable revenue	2,929,206
Total deferred inflows of resources	3,085,405
Total liabilities and deferred inflows of resources	6,892,883
 <b>Fund Balance</b>	
Nonspendable	7,336,985
Restricted	23,649,489
Assigned	1,367,266
Unassigned	12,843,194
Total fund balance	45,196,934
Total liabilities, deferred inflows of resources and fund balance	\$ 52,089,817

DSST Public Schools  
Reconciliation of the Balance Sheet of Governmental  
Funds to the Statement of Net Position  
Year Ended June 30, 2017

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Reconciliation of total fund balance to amounts reported for governmental activities in the statement of net position:

Total fund balance	\$ 45,196,934
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund. This amount is net of accumulated depreciation of \$2,128,208.	954,004
Deferred gain on sale-leaseback transaction.	(168,400)
Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the funds.	2,929,206
Net position of governmental activities	<u><u>\$ 48,911,744</u></u>



DSST Public Schools  
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund  
Year Ended June 30, 2017

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	General Fund
Revenues	
Local sources	\$ 16,540,694
State sources	36,679,421
Total revenues	53,220,115
Expenditures	
Current	
Instructional	
Regular education	25,674,058
Special education	2,350,873
Supporting services	
Pupil supporting services	4,581,608
Instructional support	2,809,704
General administration	425,447
School administration	11,086,977
Business services	455,437
Operations and maintenance	3,426,577
Pupil transportation	494,700
Central services	614,535
Other support services	307,325
Total expenditures	52,227,241
Net change in fund balance	992,874
Fund balance, beginning of year, as restated	44,204,060
Fund balance, end of year	\$ 45,196,934

DSST Public Schools  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Fund to the Statement of Activities  
Year Ended June 30, 2017

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

Net change in fund balance - governmental fund	\$ 992,874
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the depreciation expense (\$414,049) in excess of the capital outlay (\$308,417) for the year.	(105,632)
Amount of deferred gain on sale-leaseback transaction recognized in the current year	168,400
Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the funds.	(2,174,116)
Change in net position of governmental activities	<u><u>\$ (1,118,474)</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Denver School of Science and Technology, Inc. (DSST or DSST Public Schools) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Following is a summary of the more significant accounting policies.

### **Reporting Entity**

DSST was formed in 2001, for the purpose of entering into a charter school contract with School District No. 1 in the City and County of Denver (Denver Public Schools). The focus of DSST is science, math and technology. DSST is a component unit of Denver Public Schools. It is the administrative position of the Colorado Department of Education that a charter school has the same relationship to a public school district as does any other school program or school building within a district. A charter school is part of a local school district that is a political subdivision of the State of Colorado. In accordance with Colorado state statute, Denver Public Schools has approved the charter of DSST for a five-year period ending June 30, 2022. At the end of the charter period, DSST intends to seek renewal of its charter in accordance with procedures set forth in the state law and school district policy/regulations.

DSST transforms public education by eliminating educational inequity and preparing all students for success in college and the 21st century. DSST is dedicated to providing an outstanding liberal arts education, with a focus on science and technology, to a diverse student population. DSST Public Schools is comprised of the following entities:

- Denver School of Science and Technology, Inc. (DSST) formed in 2001 to operate charter schools. DSST presently operates seven charter school campuses under one contract with Denver Public Schools (DPS); DSST – Stapleton, DSST – Green Valley Ranch, DSST – College View, DSST – Cole, DSST – Byers, DSST – Conservatory Green, and DSST - Henry.
- DSST Public Schools Foundation (Foundation) formed in 2011 to provide philanthropic support to DSST Public Schools. Prior to fiscal year 2017, the Foundation was inactive. The Foundation is a legally separate entity and DSST will not appoint the voting majority of the Foundation’s board. The Foundation will primarily benefit DSST with annual grants provided through DSST. The Foundation is a discretely presented component unit of DSST.

Under current GASB pronouncements, DSST has been determined to be a component unit of Denver Public Schools – the primary government. As such, DSST's financial results are included in the Denver Public Schools’ Comprehensive Annual Financial Report. DSST is economically dependent on funding received from Denver Public Schools.

### **Measurement Focus, Basis of Accounting and Basis of Presentation**

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

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

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

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

DSST reports the General Fund as a major Governmental Fund. This fund is the general operating fund of DSST. It is used to account for all financial resources.

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

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

Investments – Reported at fair value, in accordance with GASB statement 72 except for money market funds which are reported at amortized cost.

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

**Assets, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)**

Promises to give – Unconditional promises to give are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2017, management determined that no allowance was necessary.

Prepaid expenses – Payments made to vendors for goods or services that will benefit periods beyond the current year-end are recorded as prepaid expenses. Additionally, Pension Certificates of Participation (PCOPS) credits are recorded for future benefits toward expenses.

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

DSST Public Schools reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2017.

Beneficial interest in assets help by community foundation - DSST established a permanent endowment fund (the Fund) at a community foundation and named itself beneficiary. DSST Public Schools granted variance power to the community foundation, which allows the community foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of community foundation's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the community foundation for the benefit of DSST Public Schools, and is reported at fair value in the statement of revenue, expenditures, and changes in fund balance with distributions and changes in fair value recognized in the statement of activities.

Intrafund activity – The effects of intrafund activity between the office and individual schools has been eliminated.

Donated services and in-kind contributions - Volunteers contribute significant amounts of time to DSST's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant donated professional services or materials were received during fiscal year 2017.

**Assets, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)**

Income taxes - DSST, Inc., is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been classified as an organization other than a private foundation under Section 509(a)(1). DSST, Inc. is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, DSST is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. DSST has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and has been classified as an organization other than a private foundation under Section 509(a)(3). However, income from activities not directly related to Foundation's tax-exempt purpose is subject to taxation as unrelated business income. Foundation did not have any activity during the current fiscal year.

Deferred inflows of resources - In addition to liabilities, the statement of financial position and government fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. DSST reports two items that qualify for reporting in this category – Permanent endowment and other unavailable revenue.

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

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

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. DSST considers prepaid expenses, including PCOPS credits, as nonspendable, which total \$7,336,985 as of June 30, 2017

*Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. DSST has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. Emergencies account for \$1,448,187 of the restricted fund balance. DSST also has classified donations and promises to give with purpose restrictions as restricted because their use is restricted for expenditures to be incurred in future periods. These restricted amounts total \$22,201,302.

**Assets, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)**

*Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. DSST did not have any committed resources as of June 30, 2017.

*Assigned* – This classification includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Directors, COO, Director of Finance or for specific purposes through the budget process. The assigned designation may be reversed by the Board of Directors. DSST considers amounts intended for compensation in future years as assigned, which total \$1,367,266 at June 30, 2017

*Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts. DSST has a cash reserve policy to set aside 3 months of operating expenditures. This portion of unassigned fund balance is \$13,147,000 as of June 30, 2017. The remaining negative unassigned balance of \$303,806 is expected to be eliminated with future fund balance savings.

DSST would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

**Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

**Risk Management**

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

**Note 2 - Cash and cash equivalents**

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2017, State regulatory commissioners have indicated that all financial institutions holding deposits for DSST are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. DSST has no policy regarding custodial credit risk for deposits. Cash deposits are held by DSST in a pooled account, the first \$250,000 of which is covered by federal deposit insurance. The amounts in excess of federally insured limits are collateralized with securities held by the financial institution's agent, but not in DSST's name.

Cash and cash equivalents at June 30, 2017 consisted of the following:

	DSST Inc.	DSST Foundation
Cash balance per general ledger	\$ 27,306,681	\$ 507,623
Outstanding checks	159,102	-
Carrying value of DSST's cash in bank	\$ 27,465,783	\$ 507,623
Amount covered by FDIC insurance	\$ 250,000	\$ 250,000
Amount covered by PDPA	27,215,783	257,623
Total Cash in bank	\$ 27,465,783	\$ 507,623

**Credit Risk**

Colorado statutes specify in which instruments units of local government may invest, which include:

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

DSST did not have any investments requiring categorization of credit risk as of June 30, 2017. DSST's investment policy follows State statutes. When made, all investments shall be in instruments which mature in less than five years (governmental/agency/ securities) or three years (corporate and bank securities).



### Note 3 - Investments

Certain assets and liabilities are reported at fair value in the combined financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

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

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

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

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

A significant portion of DSST Public Schools' investments are comprised of U.S. corporate bonds and municipal bonds. These investments are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2. The fair value of DSST Public Schools' beneficial interest in assets held by community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

**Note 3 - Investments (continued)**

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2017:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>DSST Inc.</b>				
Investments				
Money market funds (at cost)	\$ 72,843	\$ -	\$ -	\$ -
U.S. Corporate bonds	10,826,149	-	10,826,149	-
Municipal bonds	2,325,986	-	2,102,785	-
	<u>\$ 13,224,978</u>	<u>\$ -</u>	<u>\$ 12,928,934</u>	<u>\$ -</u>
Beneficial interest in assets held by community foundation	\$ 156,199	\$ -	\$ -	\$ 156,199
	<u>\$ 156,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,199</u>
<b>DSST Foundation</b>				
Investments				
Money market funds (at cost)	\$ 566,340	\$ -	\$ -	\$ -
	<u>\$ 566,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 - Receivables**

Unconditional promises to give are estimated to be collected as follows at June 30, 2017:

Within one year	1,666,667
In one to five years	<u>883,333</u>
	<u>\$ 2,550,000</u>

At June 30, 2017, two donors accounted for 82% of total promises to give. Amounts have not been discounted to present value because the amount of the discount was not material.

**Note 5 - Capital Assets**

Capital assets activity for the year ended June 30, 2017, is summarized below:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Governmental Activities</b>				
Capital assets being depreciated				
Building improvements	\$ 395,673	\$ 17,896	\$ -	\$ 413,569
Vehicles	236,677	59,400	-	296,077
Equipment	1,355,378	231,121	-	1,586,499
Software	786,067	-	-	786,067
Total capital assets being depreciated	<u>2,773,795</u>	<u>308,417</u>	<u>-</u>	<u>3,082,212</u>
Accumulated depreciation				
Building improvements	(316,031)	(68,205)	-	(384,236)
Vehicles	(156,942)	(44,180)	-	(201,122)
Equipment	(794,057)	(162,716)	-	(956,773)
Software	(447,129)	(138,948)	-	(586,077)
Total accumulated depreciation	<u>(1,714,159)</u>	<u>(414,049)</u>	<u>-</u>	<u>(2,128,208)</u>
Total capital assets being depreciated, net	<u>\$ 1,059,636</u>	<u>\$ (105,632)</u>	<u>\$ -</u>	<u>\$ 954,004</u>

Depreciation expense of \$414,049 has been charged to the Instructional expenses category of DSST.

On June 28, 2013, DSST Public Schools sold the land and buildings at DSST – Stapleton to Denver Public Schools in exchange for credits to offset future PCOPs expenses (Note 8) in the amount of \$13,018,140. The school recorded a discount of \$2,083,361, and established a prepaid PCOPs credits account for the difference. Approximately \$3,917,000 of the credits have been utilized to pay outstanding PCOPs liabilities through the year ended June 30, 2017. The remaining credits are expected to be utilized over approximately the next 20 years in accordance with an agreed-upon schedule. The balance as of June 30, 2017 was \$7,115,453.

Under the Property Transfer and PCOP Agreement, DSST Public Schools leases the property from Denver Public Schools over a remaining period of 3 years. DSST Public Schools accounts for the leaseback as an operating lease. A realized gain of \$842,004 on the sale of the land and buildings has been deferred and is being amortized on a straight-line basis over the remaining 3-year term of the lease. \$168,400 of the deferred gain was amortized in 2017, leaving a remaining balance at June 30, 2017 of \$168,400.

**Note 6 - Leases**

DSST Public Schools leases office and storage space under various operating leases expiring through 2019. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2018	\$ 286,569
2019	258,837
2020	218,375
2021	197,956
2022	201,960
	<u>\$ 1,163,697</u>

Total rent expense, including facility lease fees for the year ended June 30, 2017 was \$3,234,900.

**Note 7 - Employee Benefits**

DSST, Inc. sponsors a defined contribution retirement plan qualified under section 401(k) of the Internal Revenue Code (the Plan) covering substantially all full-time permanent employees having attained one year of service. Plan participants may contribute a portion of their total compensation to the Plan up to limits prescribed by the Internal Revenue Service. DSST, Inc. may, but is not required to contribute to the Plan. During the year ended June 30, 2017, DSST, Inc. contributed \$1,328,919 to the Plan.

**Note 8 - Commitments and Contingencies**

**Pension Certificates of Participation**

Denver Public Schools issued Taxable Pension Certificates of Participation (the PCOPs) in order to fully fund, over time, the unfunded actuarial accrued liability of its pension plan. None of the employees of DSST Public Schools participate in the Denver Public Schools pension plan. As part of the Charter agreements with each school except Stapleton, DSST Public Schools has agreed to pay fees to Denver Public Schools. The payment is calculated based upon a percentage of covered salary. DSST satisfies substantially all of this obligation through the use of prepaid PCOPs credits. Any expense in excess of available credits is paid in cash (Note 5). DSST Public Schools expensed \$1,761,819 during the year ended June 30, 2017, which represents approximately 10.02% of covered salaries, for its obligation relating to the PCOPs.

**Claims and Judgments**

DSST participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, DSST may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited, but DSST believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of DSST.

**Note 8 - Commitments and Contingencies (continued)**

**Tabor Amendment**

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

**Facility Use Fees**

DSST annually enters into a facility use agreement with Denver Public Schools. The Facility use fee is based on a per-student use fee schedule and anticipated costs of operating the facility. There are no future minimum commitments under this arrangement.

**Note 9 - Change in Accounting Framework**

Colorado Senate Bill 16-187 passed allowing a charter network to have their charter agreements written to include the network as a whole. Implementation of the senate bill was effective for DSST’s financial statements for the fiscal year ended June 30, 2017. Colorado Senate Bill 16-187 allows a charter school network to meet the statutory requirement for charter school financial audits by completing a single network-wide audit that includes each of the charter schools in the network. As a result of Colorado Senate Bill 16-187, DSST is allowed to prepare one network-wide financial statement instead of having individual school financial statements. Additionally, it was determined by the Colorado Department of Education that the charter school network-wide financial statements should be reported under the Governmental Accounting Standards Board (GASB) framework. Previously, DSST prepared individual school financials statements under the GASB framework, as well as a combined network-wide financial statement that was reported under the Financial Accounting Standards Board (FASB) framework.

As a result of implementing the financial reporting requirements within Colorado Senate Bill 16-187, DSST has converted the financial statement presentation of the DSST network-wide financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. See Note 1 for the Summary of Significant Accounting Policies which describe the measurement focus, basis of accounting and basis of presentation in accordance with the GASB financial reporting framework. The following table provides a detailed reconciliation for the conversion of the beginning fund balance and net position as of July 1, 2016:

	General Fund	Government Wide
Net assets (FASB) at July 1, 2016, as previously reported	\$ 50,169,395	\$ 50,169,395
Recognize capital assets as capital outlay	(1,059,636)	-
Promises to give, not available	(4,789,000)	-
Accounts receivable, not available	(314,324)	-
Restricted endowment fund	(139,177)	(139,177)
Deferred gain on sale	336,802	-
Fund Balance, July 1, 2016, as converted	\$ 44,204,060	-
Net position, July 1, 2016, as converted		\$ 50,030,218



Required Supplementary Information  
June 30, 2017



Denver School of Science and Technology Inc.

DSST Public Schools  
Budgetary Comparison Schedule  
Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 13,654,052	\$ 12,922,321	\$ 16,540,694	\$ 3,618,373
State sources	35,923,336	36,683,281	36,679,421	(3,860)
Total revenues	<u>49,577,388</u>	<u>49,605,602</u>	<u>53,220,115</u>	<u>3,614,513</u>
<b>Expenditures</b>				
Instructional				
Regular education	26,601,164	31,171,858	25,674,058	5,497,800
Special education	1,991,464	12,500	2,350,873	(2,338,373)
Supporting services				
Pupil supporting services	4,085,341	1,536,374	4,581,608	(3,045,234)
Instructional support	2,645,390	1,093,945	2,809,704	(1,715,759)
General administration	441,044	1,167,454	425,447	742,007
School administration	11,368,973	14,005,207	11,086,977	2,918,230
Business services	440,315	233,577	455,437	(221,860)
Operations and maintenance	3,299,180	3,318,161	3,426,577	(108,416)
Pupil transportation	494,743	492,827	494,700	(1,873)
Central services	637,064	-	614,535	(614,535)
Other support services	583,758	357,754	307,325	50,429
Total expenditures	<u>52,588,436</u>	<u>53,389,657</u>	<u>52,227,241</u>	<u>1,162,416</u>
Excess(deficiency) of revenues over (under) expenditures	(3,011,048)	(3,784,055)	992,874	4,776,929
<b>Other financing sources (uses)</b>				
Transfers in	12,520,744	12,608,180	10,462,842	(2,145,338)
Transfers out	(12,520,744)	(12,608,180)	(10,462,842)	2,145,338
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(3,011,048)	(3,784,055)	992,874	4,776,929
Fund balances, beginning of year, as restated	<u>44,204,060</u>	<u>44,204,060</u>	<u>44,204,060</u>	<u>-</u>
Fund balances, end of year	<u>\$ 41,193,012</u>	<u>\$ 40,420,005</u>	<u>\$ 45,196,934</u>	<u>\$ 4,776,929</u>

**Note 1 - Stewardship, Compliance and Accountability**

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles.

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





Other Supplementary Information  
June 30, 2017



Denver School of Science and Technology Inc.

DSST Public Schools  
Combining Balance Sheet  
Year Ended June 30, 2017

	Home Office	Stapleton Middle School	Stapleton High School	Green Valley Ranch Middle School	Green Valley Ranch High School	Cole Middle School	Cole High School
<b>Assets</b>							
Cash and cash equivalents	\$ 14,980,748	\$ 1,665,615	\$ 1,353,944	\$ 1,959,895	\$ 1,272,713	\$ 1,290,129	\$ 350,538
Investments	13,224,978	-	-	-	-	-	-
Restricted permanent endowment	156,199	-	-	-	-	-	-
Accounts receivable	358,146	28,883	19,723	58,859	60,404	105,243	213,922
Promises to give	2,550,000	-	-	-	-	-	-
PCOPs credits	7,115,453	-	-	-	-	-	-
Prepaid expenses	192,078	6,132	2,729	11,293	6,208	-	949
Total assets	<u>\$ 38,577,602</u>	<u>\$ 1,700,630</u>	<u>\$ 1,376,396</u>	<u>\$ 2,030,047</u>	<u>\$ 1,339,325</u>	<u>\$ 1,395,372</u>	<u>\$ 565,409</u>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>							
<b>Liabilities</b>							
Accounts payable	\$ 116,201	\$ 2,565	\$ 1,671	\$ 89,743	\$ 133,145	\$ 83,462	\$ 129,917
Accrued salaries & benefits	116,740	243,478	289,411	272,357	301,767	257,484	229,952
Total liabilities	<u>232,941</u>	<u>246,043</u>	<u>291,082</u>	<u>362,100</u>	<u>434,912</u>	<u>340,946</u>	<u>359,869</u>
<b>Deferred inflows of resources</b>							
Permanent endowment	156,199	-	-	-	-	-	-
Unavailable revenue	2,883,749	1,135	775	2,313	2,374	4,135	8,406
Total deferred inflows of resources	<u>3,039,948</u>	<u>1,135.00</u>	<u>775.00</u>	<u>2,313.00</u>	<u>2,374.00</u>	<u>4,135.00</u>	<u>8,406.00</u>
Total liabilities and deferred inflows of resources	<u>3,272,889</u>	<u>247,178</u>	<u>291,857</u>	<u>364,413</u>	<u>437,286</u>	<u>345,081</u>	<u>368,275</u>
<b>Fund Balance</b>							
Nonspendable	7,307,531	6,132	2,729	11,293	6,208	-	949
Restricted	21,485,855	119,742	145,450	106,174	134,289	108,652	97,727
Assigned	-	258,804	282,195	293,545	202,068	214,548	-
Unassigned	6,511,327	1,068,774	654,165	1,254,622	559,474	727,091	98,458
Total fund balance	<u>35,304,713</u>	<u>1,453,452</u>	<u>1,084,539</u>	<u>1,665,634</u>	<u>902,039</u>	<u>1,050,291</u>	<u>197,134</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 38,577,602</u>	<u>\$ 1,700,630</u>	<u>\$ 1,376,396</u>	<u>\$ 2,030,047</u>	<u>\$ 1,339,325</u>	<u>\$ 1,395,372</u>	<u>\$ 565,409</u>

DSST Public Schools  
Combining Balance Sheet (continued)  
Year Ended June 30, 2017

	College View Middle School	College View High School	Byers Middle School	Byers High School	Conservatory Green Middle School	Conservatory Green High School	Henry Middle School	Total General Fund
<b>Assets</b>								
Cash and cash equivalents	\$ 1,110,546	\$ 533,351	\$ 2,036,299	\$ 229,528	\$ 489,219	\$ 23,979	\$ 10,177	\$ 27,306,681
Investments	-	-	-	-	-	-	-	13,224,978
Restricted permanent endowment	-	-	-	-	-	-	-	156,199
Accounts receivable	85,728	202,030	7,439	6,068	166,487	-	202,042	1,514,974
Promises to give	-	-	-	-	-	-	-	2,550,000
PCOPs credits	-	-	-	-	-	-	-	7,115,453
Prepaid expenses	526	706	-	-	-	-	911	221,532
<b>Total assets</b>	<b>\$ 1,196,800</b>	<b>\$ 736,087</b>	<b>\$ 2,043,738</b>	<b>\$ 235,596</b>	<b>\$ 655,706</b>	<b>\$ 23,979</b>	<b>\$ 213,130</b>	<b>\$ 52,089,817</b>
<b>Liabilities and Deferred Inflows of Resources and Fund Balance</b>								
<b>Liabilities</b>								
Accounts payable	\$ 89,808	\$ 73,104	\$ 75,194	\$ 48,970	\$ 90,719	\$ 7,277	\$ 54,775	\$ 996,551
Accrued salaries & benefits	244,447	159,292	260,852	88,719	232,180	3,222	111,026	2,810,927
<b>Total liabilities</b>	<b>334,255</b>	<b>232,396</b>	<b>336,046</b>	<b>137,689</b>	<b>322,899</b>	<b>10,499</b>	<b>165,801</b>	<b>3,807,478</b>
<b>Deferred inflows of resources</b>								
Permanent endowment	-	-	-	-	-	-	-	156,199
Unavailable revenue	3,369	7,939	292	238	6,542	-	7,939	2,929,206
<b>Total deferred inflows of resources</b>	<b>3,369.00</b>	<b>7,939.00</b>	<b>292.00</b>	<b>238.00</b>	<b>6,542.00</b>	<b>-</b>	<b>7,939.00</b>	<b>3,085,405</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>337,624</b>	<b>240,335</b>	<b>336,338</b>	<b>137,927</b>	<b>329,441</b>	<b>10,499</b>	<b>173,740</b>	<b>6,892,883</b>
<b>Fund Balance</b>								
Nonspendable	526	706	-	-	-	-	911	7,336,985
Restricted	107,187	69,405	1,068,117	46,029	100,964	13,480	46,418	23,649,489
Assigned	116,106	-	-	-	-	-	-	1,367,266
Unassigned	635,357	425,641	639,283	51,640	225,301	-	(7,939)	12,843,194
<b>Total fund balance</b>	<b>859,176</b>	<b>495,752</b>	<b>1,707,400</b>	<b>97,669</b>	<b>326,265</b>	<b>13,480</b>	<b>39,390</b>	<b>45,196,934</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,196,800</b>	<b>\$ 736,087</b>	<b>\$ 2,043,738</b>	<b>\$ 235,596</b>	<b>\$ 655,706</b>	<b>\$ 23,979</b>	<b>\$ 213,130</b>	<b>\$ 52,089,817</b>

DSST Public Schools  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2017

	Home Office	Stapleton Middle School	Stapleton High School	Green Valley Ranch Middle School	Green Valley Ranch High School	Cole Middle School	Cole High School
<b>Revenues</b>							
Local sources	\$ 3,414,513	\$ 1,020,953	\$ 1,413,333	\$ 1,242,527	\$ 1,520,012	\$ 1,203,260	\$ 1,265,749
State sources	-	3,558,799	4,173,710	3,455,640	3,991,546	3,636,458	2,875,856
Total revenues	<u>3,414,513</u>	<u>4,579,752</u>	<u>5,587,043</u>	<u>4,698,167</u>	<u>5,511,558</u>	<u>4,839,718</u>	<u>4,141,605</u>
<b>Expenditures</b>							
<b>Instructional</b>							
Regular education	2,729,563	1,924,391	2,837,969	2,107,304	2,809,851	1,984,763	1,954,675
Special education	-	320,426	297,439	205,123	173,082	178,607	212,298
<b>Supporting services</b>							
Pupil supporting services	185,935	348,251	545,857	457,143	614,121	398,498	347,822
Instructional support	936,354	154,035	269,529	232,039	181,214	320,967	147,050
General administration	-	40,343	47,476	39,472	46,038	40,488	33,681
School administration	6,068,916	394,046	271,006	285,372	498,185	396,912	554,875
Business services	281,473	15,916	15,825	15,212	16,596	15,729	16,107
Operations and maintenance	115,452	360,444	229,212	373,852	236,068	377,159	207,829
Pupil transportation	-	44,229	3,040	70,975	80,335	64,929	40,680
Central services	-	58,273	68,577	57,015	66,500	58,483	48,650
Other support services	153,442	1,714	20,713	15,699	11,872	29,880	13,777
Total expenditures	<u>10,471,135</u>	<u>3,662,068</u>	<u>4,606,643</u>	<u>3,859,206</u>	<u>4,733,862</u>	<u>3,866,415</u>	<u>3,577,444</u>
Excess(deficiency) of revenues over (under) expenditures	(7,056,622)	917,684	980,400	838,961	777,696	973,303	564,161
<b>Other financing sources (uses)</b>							
Transfers in	7,499,854	122,561	203,973	186,171	237,905	42,829	204,102
Transfers out	(3,009,049)	(633,893)	(746,036)	(679,382)	(794,250)	(702,307)	(644,749)
Total other financing sources (uses)	<u>4,490,805</u>	<u>(511,332)</u>	<u>(542,063)</u>	<u>(493,211)</u>	<u>(556,345)</u>	<u>(659,478)</u>	<u>(440,647)</u>
Net change in fund balances	(2,565,817)	406,352	438,337	345,750	221,351	313,825	123,514
Fund balances, beginning of year, as restated	<u>37,870,530</u>	<u>1,047,100</u>	<u>646,202</u>	<u>1,319,884</u>	<u>680,688</u>	<u>736,466</u>	<u>73,620</u>
Fund balances, end of year	<u>\$ 35,304,713</u>	<u>\$ 1,453,452</u>	<u>\$ 1,084,539</u>	<u>\$ 1,665,634</u>	<u>\$ 902,039</u>	<u>\$ 1,050,291</u>	<u>\$ 197,134</u>

DSST Public Schools  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)  
Year Ended June 30, 2017

	College View Middle School	College View High School	Byers Middle School	Byers High School	Conservatory Green Middle School	Conservatory Green High School	Henry Middle School	Total General Fund
<b>Revenues</b>								
Local sources	\$ 1,252,271	\$ 1,056,133	\$ 1,116,059	\$ 294,156	\$ 1,049,905	\$ 125,275	\$ 566,548	\$ 16,540,694
State sources	3,639,323	2,325,574	3,438,647	970,289	3,422,046	-	1,191,533	36,679,421
Total revenues	<u>4,891,594</u>	<u>3,381,707</u>	<u>4,554,706</u>	<u>1,264,445</u>	<u>4,471,951</u>	<u>125,275</u>	<u>1,758,081</u>	<u>53,220,115</u>
<b>Expenditures</b>								
Instructional								
Regular education	2,058,189	1,469,665	2,019,865	788,707	2,009,060	229,930	750,126	25,674,058
Special education	179,107	103,865	318,893	55,711	151,370	-	154,952	2,350,873
Supporting services								-
Pupil supporting services	472,116	192,622	308,064	132,104	351,237	-	227,838	4,581,608
Instructional support	82,336	125,992	144,255	25,643	148,556	5,143	36,591	2,809,704
General administration	40,373	27,857	41,826	12,433	41,344	-	14,116	425,447
School administration	462,753	386,478	320,780	375,874	558,202	113,046	400,532	11,086,977
Business services	26,726	12,685	14,894	4,144	14,427	-	5,703	455,437
Operations and maintenance	432,559	132,001	364,329	103,317	353,221	7,379	133,755	3,426,577
Pupil transportation	38,474	30,440	283	95	82,243	-	38,977	494,700
Central services	58,317	40,238	60,415	17,959	59,719	-	20,389	614,535
Other support services	12,027	12,648	13,788	2,471	10,725	6,475	2,094	307,325
Total expenditures	<u>3,862,977</u>	<u>2,534,491</u>	<u>3,607,392</u>	<u>1,518,458</u>	<u>3,780,104</u>	<u>361,973</u>	<u>1,785,073</u>	<u>52,227,241</u>
Excess(deficiency) of revenues over (under) expenditures	1,028,617	847,216	947,314	(254,013)	691,847	(236,698)	(26,992)	992,874
<b>Other financing sources (uses)</b>								
Transfers in	103,689	122,391	158,110	630,951	233,283	337,548	379,475	10,462,842
Transfers out	(706,139)	(515,420)	(678,091)	(279,269)	(673,794)	(87,370)	(313,093)	(10,462,842)
Total other financing sources (uses)	<u>(602,450)</u>	<u>(393,029)</u>	<u>(519,981)</u>	<u>351,682</u>	<u>(440,511)</u>	<u>250,178</u>	<u>66,382</u>	<u>-</u>
Net change in fund balances	426,167	454,187	427,333	97,669	251,336	13,480	39,390	992,874
Fund balances, beginning of year, as restated	<u>433,009</u>	<u>41,565</u>	<u>1,280,067</u>	<u>-</u>	<u>74,929</u>	<u>-</u>	<u>-</u>	<u>44,204,060</u>
Fund balances, end of year	<u>\$ 859,176</u>	<u>\$ 495,752</u>	<u>\$ 1,707,400</u>	<u>\$ 97,669</u>	<u>\$ 326,265</u>	<u>\$ 13,480</u>	<u>\$ 39,390</u>	<u>\$ 45,196,934</u>

DSST Public Schools  
Budgetary Comparison Schedule – Home Office  
Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
Revenues				
Local sources	\$ 3,623,740	\$ 2,431,201	\$ 3,414,513	\$ 983,312
Total revenues	<u>3,623,740</u>	<u>2,431,201</u>	<u>3,414,513</u>	<u>983,312</u>
Expenditures				
Instructional				
Regular education	2,836,728	2,638,067	2,729,563	(91,496)
Supporting services				
Pupil supporting services	105,729	129,613	185,935	(56,322)
Instructional support	1,004,397	847,331	936,354	(89,023)
School administration	6,757,952	6,816,180	6,068,916	747,264
Business services	252,400	193,912	281,473	(87,561)
Operations and maintenance	110,062	110,062	115,452	(5,390)
Other support services	107,490	57,700	153,442	(95,742)
Total expenditures	<u>11,174,758</u>	<u>10,792,865</u>	<u>10,471,135</u>	<u>321,730</u>
Excess(deficiency) of revenues over (under) expenditures	(7,551,018)	(8,361,664)	(7,056,622)	1,305,042
Other financing sources (uses)				
Transfers in	8,683,162	8,576,422	7,499,854	(1,076,568)
Transfers out	(4,184,520)	(4,031,758)	(3,009,049)	1,022,709
Total other financing sources (uses)	<u>4,498,642</u>	<u>4,544,664</u>	<u>4,490,805</u>	<u>(53,859)</u>
Net change in fund balances	(3,052,376)	(3,817,000)	(2,565,817)	1,251,183
Fund balances, beginning of year, as restated	<u>37,870,530</u>	<u>37,870,530</u>	<u>37,870,530</u>	<u>-</u>
Fund balances, end of year	<u>\$ 34,818,154</u>	<u>\$ 34,053,530</u>	<u>\$ 35,304,713</u>	<u>\$ 1,251,183</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Stapleton Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
Revenues				
Local sources	\$ 780,479	\$ 821,652	\$ 1,020,953	\$ 199,301
State sources	3,553,739	3,558,502	3,558,799	297
Total revenues	<u>4,334,218</u>	<u>4,380,154</u>	<u>4,579,752</u>	<u>199,598</u>
Expenditures				
Instructional				
Regular education	2,370,327	1,979,832	1,924,391	55,441
Special education	-	315,989	320,426	(4,437)
Supporting services				
Pupil supporting services	305,515	289,749	348,251	(58,502)
Instructional support	189,998	100,960	154,035	(53,075)
General administration	43,562	112,065	40,343	71,722
School administration	231,728	380,214	394,046	(13,832)
Business services	16,121	1,600	15,916	(14,316)
Operations and maintenance	361,998	360,444	360,444	-
Pupil transportation	54,302	54,823	44,229	10,594
Central services	62,923	-	58,273	(58,273)
Other support services	15,907	16,501	1,714	14,787
Total expenditures	<u>3,652,381</u>	<u>3,612,177</u>	<u>3,662,068</u>	<u>(49,891)</u>
Excess(deficiency) of revenues over (under) expenditures	681,837	767,977	917,684	149,707
Other financing sources (uses)				
Transfers in	47,920	-	122,561	122,561
Transfers out	(729,757)	(733,837)	(633,893)	99,944
Total other financing sources (uses)	<u>(681,837)</u>	<u>(733,837)</u>	<u>(511,332)</u>	<u>222,505</u>
Net change in fund balances	-	34,140	406,352	372,212
Fund balances, beginning of year, as restated	<u>1,047,100</u>	<u>1,047,100</u>	<u>1,047,100</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,047,100</u>	<u>\$ 1,081,240</u>	<u>\$ 1,453,452</u>	<u>\$ 372,212</u>

DSST Public Schools  
Budgetary Comparison Schedule – Stapleton High School  
Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
Revenues				
Local sources	\$ 942,853	\$ 1,046,296	\$ 1,413,333	\$ 367,037
State sources	4,011,302	4,173,362	4,173,710	348
Total revenues	<u>4,954,155</u>	<u>5,219,658</u>	<u>5,587,043</u>	<u>367,385</u>
Expenditures				
Instructional				
Regular education	2,933,668	2,841,618	2,837,969	3,649
Special education	-	293,504	297,439	(3,935)
Supporting services				
Pupil supporting services	459,545	514,976	545,857	(30,881)
Instructional support	253,224	219,341	269,529	(50,188)
General administration	49,171	131,428	47,476	83,952
School administration	351,469	273,557	271,006	2,551
Business services	16,890	500	15,825	(15,325)
Operations and maintenance	302,637	224,144	229,212	(5,068)
Pupil transportation	3,000	3,000	3,040	(40)
Central services	71,025	-	68,577	(68,577)
Other support services	16,296	20,031	20,713	(682)
Total expenditures	<u>4,456,925</u>	<u>4,522,099</u>	<u>4,606,643</u>	<u>(84,544)</u>
Excess(deficiency) of revenues over (under) expenditures	497,230	697,559	980,400	282,841
Other financing sources (uses)				
Transfers in	371,523	148,479	203,973	55,494
Transfers out	(811,456)	(846,038)	(746,036)	100,002
Total other financing sources (uses)	<u>(439,933)</u>	<u>(697,559)</u>	<u>(542,063)</u>	<u>155,496</u>
Net change in fund balances	57,297	-	438,337	438,337
Fund balances, beginning of year, as restated	<u>646,202</u>	<u>646,202</u>	<u>646,202</u>	<u>-</u>
Fund balances, end of year	<u>\$ 703,499</u>	<u>\$ 646,202</u>	<u>\$ 1,084,539</u>	<u>\$ 438,337</u>



DSST Public Schools  
 Budgetary Comparison Schedule – Green Valley Ranch Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 932,490	\$ 1,031,541	\$ 1,242,527	\$ 210,986
State sources	3,488,033	3,455,226	3,455,640	414
Total revenues	<u>4,420,523</u>	<u>4,486,767</u>	<u>4,698,167</u>	<u>211,400</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,433,702	2,220,666	2,107,304	113,362
Special education	-	214,801	205,123	9,678
Supporting services				
Pupil supporting services	394,890	446,898	457,143	(10,245)
Instructional support	211,685	190,702	232,039	(41,337)
General administration	42,908	109,644	39,472	70,172
School administration	338,052	316,351	285,372	30,979
Business services	16,803	2,500	15,212	(12,712)
Operations and maintenance	313,608	385,781	373,852	11,929
Pupil transportation	69,541	70,056	70,975	(919)
Central services	61,978	-	57,015	(57,015)
Other support services	20,607	19,391	15,699	3,692
Total expenditures	<u>3,903,774</u>	<u>3,976,790</u>	<u>3,859,206</u>	<u>117,584</u>
Excess(deficiency) of revenues over (under) expenditures	516,749	509,977	838,961	328,984
<b>Other financing sources (uses)</b>				
Transfers in	262,209	266,702	186,171	(80,531)
Transfers out	(778,958)	(776,679)	(679,382)	97,297
Total other financing sources (uses)	<u>(516,749)</u>	<u>(509,977)</u>	<u>(493,211)</u>	<u>16,766</u>
Net change in fund balances	-	-	345,750	345,750
Fund balances, beginning of year, as restated	<u>1,319,884</u>	<u>1,319,884</u>	<u>1,319,884</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,319,884</u>	<u>\$ 1,319,884</u>	<u>\$ 1,665,634</u>	<u>\$ 345,750</u>

DSST Public Schools  
Budgetary Comparison Schedule – Green Valley Ranch High School  
Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 1,097,735	\$ 1,119,340	\$ 1,520,012	\$ 400,672
State sources	4,005,535	3,990,939	3,991,546	607
Total revenues	<u>5,103,270</u>	<u>5,110,279</u>	<u>5,511,558</u>	<u>401,279</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,995,092	2,846,813	2,809,851	36,962
Special education	-	170,995	173,082	(2,087)
Supporting services				
Pupil supporting services	538,673	571,720	614,121	(42,401)
Instructional support	185,052	125,068	181,214	(56,146)
General administration	49,452	127,555	46,038	81,517
School administration	471,827	559,231	498,185	61,046
Business services	17,984	1,500	16,596	(15,096)
Operations and maintenance	327,726	235,752	236,068	(316)
Pupil transportation	77,793	78,731	80,335	(1,604)
Central services	71,430	-	66,500	(66,500)
Other support services	22,905	10,123	11,872	(1,749)
Total expenditures	<u>4,757,934</u>	<u>4,727,488</u>	<u>4,733,862</u>	<u>(6,374)</u>
Excess(deficiency) of revenues over (under) expenditures	345,336	382,791	777,696	394,905
<b>Other financing sources (uses)</b>				
Transfers in	539,811	511,459	237,905	(273,554)
Transfers out	(885,147)	(894,250)	(794,250)	100,000
Total other financing sources (uses)	<u>(345,336)</u>	<u>(382,791)</u>	<u>(556,345)</u>	<u>(173,554)</u>
Net change in fund balances	-	-	221,351	221,351
Fund balances, beginning of year, as restated	<u>680,688</u>	<u>680,688</u>	<u>680,688</u>	<u>-</u>
Fund balances, end of year	<u>\$ 680,688</u>	<u>\$ 680,688</u>	<u>\$ 902,039</u>	<u>\$ 221,351</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Cole Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 928,253	\$ 969,636	\$ 1,203,260	\$ 233,624
State sources	3,487,979	3,643,845	3,636,458	(7,387)
Total revenues	<u>4,416,232</u>	<u>4,613,481</u>	<u>4,839,718</u>	<u>226,237</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,261,180	2,007,201	1,984,763	22,438
Special education	-	177,577	178,607	(1,030)
Supporting services				
Pupil supporting services	377,425	510,062	398,498	111,564
Instructional support	108,540	305,339	320,967	(15,628)
General administration	41,693	111,580	40,488	71,092
School administration	409,868	443,292	396,912	46,380
Business services	23,898	10,000	15,729	(5,729)
Operations and maintenance	352,952	359,114	377,159	(18,045)
Pupil transportation	66,175	69,568	64,929	4,639
Central services	60,223	-	58,483	(58,483)
Other support services	29,711	22,875	29,880	(7,005)
Total expenditures	<u>3,731,665</u>	<u>4,016,608</u>	<u>3,866,415</u>	<u>150,193</u>
Excess(deficiency) of revenues over (under) expenditures	684,567	596,873	973,303	376,430
<b>Other financing sources (uses)</b>				
Transfers in	85,028	205,434	42,829	(162,605)
Transfers out	(769,595)	(802,307)	(702,307)	100,000
Total other financing sources (uses)	<u>(684,567)</u>	<u>(596,873)</u>	<u>(659,478)</u>	<u>(62,605)</u>
Net change in fund balances	-	-	313,825	313,825
Fund balances, beginning of year, as restated	<u>736,466</u>	<u>736,466</u>	<u>736,466</u>	<u>-</u>
Fund balances, end of year	<u>\$ 736,466</u>	<u>\$ 736,466</u>	<u>\$ 1,050,291</u>	<u>\$ 313,825</u>

DSST Public Schools  
Budgetary Comparison Schedule – Cole High School  
Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 937,817	\$ 967,261	\$ 1,265,749	\$ 298,488
State sources	2,847,709	2,875,758	2,875,856	98
Total revenues	<u>3,785,526</u>	<u>3,843,019</u>	<u>4,141,605</u>	<u>298,586</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,168,873	2,107,661	1,954,675	152,986
Special education	-	165,403	212,298	(46,895)
Supporting services				
Pupil supporting services	456,001	391,916	347,822	44,094
Instructional support	104,019	85,591	147,050	(61,459)
General administration	34,588	89,555	33,681	55,874
School administration	503,658	530,633	554,875	(24,242)
Business services	12,829	1,500	16,107	(14,607)
Operations and maintenance	229,223	207,721	207,829	(108)
Pupil transportation	40,952	48,784	40,680	8,104
Central services	49,961	-	48,650	(48,650)
Other support services	75,091	37,860	13,777	24,083
Total expenditures	<u>3,675,195</u>	<u>3,666,624</u>	<u>3,577,444</u>	<u>89,180</u>
Excess(deficiency) of revenues over (under) expenditures	110,331	176,395	564,161	387,766
<b>Other financing sources (uses)</b>				
Transfers in	611,023	568,355	204,102	(364,253)
Transfers out	(721,354)	(744,750)	(644,749)	100,001
Total other financing sources (uses)	<u>(110,331)</u>	<u>(176,395)</u>	<u>(440,647)</u>	<u>(264,252)</u>
Net change in fund balances	-	-	123,514	123,514
Fund balances, beginning of year, as restated	<u>73,620</u>	<u>73,620</u>	<u>73,620</u>	<u>-</u>
Fund balances, end of year	<u>\$ 73,620</u>	<u>\$ 73,620</u>	<u>\$ 197,134</u>	<u>\$ 123,514</u>

DSST Public Schools  
 Budgetary Comparison Schedule – College View Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 966,585	\$ 997,737	\$ 1,252,271	\$ 254,534
State sources	3,512,111	3,639,452	3,639,323	(129)
Total revenues	<u>4,478,696</u>	<u>4,637,189</u>	<u>4,891,594</u>	<u>254,405</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,280,439	2,033,140	2,058,189	(25,049)
Special education	-	181,814	179,107	2,707
Supporting services				
Pupil supporting services	379,549	481,428	472,116	9,312
Instructional support	101,179	19,583	82,336	(62,753)
General administration	42,067	111,580	40,373	71,207
School administration	516,967	523,651	462,753	60,898
Business services	26,022	10,000	26,726	(16,726)
Operations and maintenance	341,884	438,697	432,559	6,138
Pupil transportation	63,170	45,244	38,474	6,770
Central services	60,763	-	58,317	(58,317)
Other support services	20,618	13,055	12,027	1,028
Total expenditures	<u>3,832,658</u>	<u>3,858,192</u>	<u>3,862,977</u>	<u>(4,785)</u>
Excess(deficiency) of revenues over (under) expenditures	646,038	778,997	1,028,617	249,620
<b>Other financing sources (uses)</b>				
Transfers in	126,263	27,142	103,689	76,547
Transfers out	(772,301)	(806,139)	(706,139)	100,000
Total other financing sources (uses)	<u>(646,038)</u>	<u>(778,997)</u>	<u>(602,450)</u>	<u>176,547</u>
Net change in fund balances	-	-	426,167	426,167
Fund balances, beginning of year, as restated	<u>433,009</u>	<u>433,009</u>	<u>433,009</u>	<u>-</u>
Fund balances, end of year	<u>\$ 433,009</u>	<u>\$ 433,009</u>	<u>\$ 859,176</u>	<u>\$ 426,167</u>

DSST Public Schools  
 Budgetary Comparison Schedule – College View High School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 825,466	\$ 838,822	\$ 1,056,133	\$ 217,311
State sources	2,190,173	2,325,538	2,325,574	36
Total revenues	<u>3,015,639</u>	<u>3,164,360</u>	<u>3,381,707</u>	<u>217,347</u>
<b>Expenditures</b>				
Instructional				
Regular education	1,606,607	1,621,062	1,469,665	151,397
Special education	-	85,076	103,865	(18,789)
Supporting services				
Pupil supporting services	189,955	180,309	192,622	(12,313)
Instructional support	77,164	82,406	125,992	(43,586)
General administration	26,268	77,382	27,857	49,525
School administration	438,077	439,662	386,478	53,184
Business services	10,056	1,300	12,685	(11,385)
Operations and maintenance	231,350	131,492	132,001	(509)
Pupil transportation	30,300	30,300	30,440	(140)
Central services	37,943	-	40,238	(40,238)
Other support services	67,222	36,720	12,648	24,072
Total expenditures	<u>2,714,942</u>	<u>2,685,709</u>	<u>2,534,491</u>	<u>151,218</u>
Excess(deficiency) of revenues over (under) expenditures	300,697	478,651	847,216	368,565
<b>Other financing sources (uses)</b>				
Transfers in	289,868	136,769	122,391	(14,378)
Transfers out	(590,565)	(615,420)	(515,420)	100,000
Total other financing sources (uses)	<u>(300,697)</u>	<u>(478,651)</u>	<u>(393,029)</u>	<u>85,622</u>
Net change in fund balances	-	-	454,187	454,187
Fund balances, beginning of year, as restated	<u>41,565</u>	<u>41,565</u>	<u>41,565</u>	<u>-</u>
Fund balances, end of year	<u>\$ 41,565</u>	<u>\$ 41,565</u>	<u>\$ 495,752</u>	<u>\$ 454,187</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Byers Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 874,672	\$ 961,623	\$ 1,116,059	\$ 154,436
State sources	3,334,154	3,437,633	3,438,647	1,014
Total revenues	<u>4,208,826</u>	<u>4,399,256</u>	<u>4,554,706</u>	<u>155,450</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,366,341	2,177,350	2,019,865	157,485
Special education	-	332,471	318,893	13,578
Supporting services				
Pupil supporting services	261,382	314,672	308,064	6,608
Instructional support	128,105	108,339	144,255	(35,916)
General administration	43,001	113,275	41,826	71,449
School administration	472,693	380,378	320,780	59,598
Business services	16,599	2,265	14,894	(12,629)
Operations and maintenance	301,327	364,329	364,329	-
Pupil transportation	2,706	2,706	283	2,423
Central services	62,113	-	60,415	(60,415)
Other support services	52,042	21,038	13,788	7,250
Total expenditures	<u>3,706,309</u>	<u>3,816,823</u>	<u>3,607,392</u>	<u>209,431</u>
Excess(deficiency) of revenues over (under) expenditures	502,517	582,433	947,314	364,881
<b>Other financing sources (uses)</b>				
Transfers in	244,035	195,658	158,110	(37,548)
Transfers out	(746,552)	(778,091)	(678,091)	100,000
Total other financing sources (uses)	<u>(502,517)</u>	<u>(582,433)</u>	<u>(519,981)</u>	<u>62,452</u>
Net change in fund balances	-	-	427,333	427,333
Fund balances, beginning of year, as restated	<u>1,280,067</u>	<u>1,280,067</u>	<u>1,280,067</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,280,067</u>	<u>\$ 1,280,067</u>	<u>\$ 1,707,400</u>	<u>\$ 427,333</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Byers High School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 243,146	\$ 216,011	\$ 294,156	\$ 78,145
State sources	1,050,983	969,969	970,289	320
Total revenues	<u>1,294,129</u>	<u>1,185,980</u>	<u>1,264,445</u>	<u>78,465</u>
<b>Expenditures</b>				
Instructional				
Regular education	834,057	774,107	788,707	(14,600)
Special education	-	34,847	55,711	(20,864)
Supporting services				
Pupil supporting services	127,474	139,413	132,104	7,309
Instructional support	77,629	5,671	25,643	(19,972)
General administration	13,555	34,536	12,433	22,103
School administration	7,440	373,187	375,874	(2,687)
Business services	4,953	1,000	4,144	(3,144)
Operations and maintenance	83,089	103,317	103,317	-
Pupil transportation	290	500	95	405
Central services	19,579	-	17,959	(17,959)
Other support services	32,723	26,693	2,471	24,222
Total expenditures	<u>1,200,789</u>	<u>1,493,271</u>	<u>1,518,458</u>	<u>(25,187)</u>
Excess(deficiency) of revenues over (under) expenditures	93,340	(307,291)	(254,013)	53,278
<b>Other financing sources (uses)</b>				
Transfers in	249,942	652,271	630,951	(21,320)
Transfers out	(343,282)	(344,980)	(279,269)	65,711
Total other financing sources (uses)	<u>(93,340)</u>	<u>307,291</u>	<u>351,682</u>	<u>44,391</u>
Net change in fund balances	-	-	97,669	97,669
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,669</u>	<u>\$ 97,669</u>



DSST Public Schools  
 Budgetary Comparison Schedule – Conservatory Green Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 871,972	\$ 905,153	\$ 1,049,905	\$ 144,752
State sources	3,308,250	3,421,482	3,422,046	564
Total revenues	<u>4,180,222</u>	<u>4,326,635</u>	<u>4,471,951</u>	<u>145,316</u>
<b>Expenditures</b>				
Instructional				
Regular education	2,358,882	2,233,842	2,009,060	224,782
Special education	-	179,354	151,370	27,984
Supporting services				
Pupil supporting services	349,109	341,566	351,237	(9,671)
Instructional support	111,121	107,858	148,556	(40,698)
General administration	41,225	109,644	41,344	68,300
School administration	483,775	567,762	558,202	9,560
Business services	17,742	4,000	14,427	(10,427)
Operations and maintenance	252,707	351,899	353,221	(1,322)
Pupil transportation	76,355	78,358	82,243	(3,885)
Central services	59,548	-	59,719	(59,719)
Other support services	72,867	30,701	10,725	19,976
Total expenditures	<u>3,823,331</u>	<u>4,004,984</u>	<u>3,780,104</u>	<u>224,880</u>
Excess(deficiency) of revenues over (under) expenditures	356,891	321,651	691,847	370,196
<b>Other financing sources (uses)</b>				
Transfers in	380,432	452,144	233,283	(218,861)
Transfers out	<u>(737,323)</u>	<u>(773,795)</u>	<u>(673,794)</u>	<u>100,001</u>
Total other financing sources (uses)	<u>(356,891)</u>	<u>(321,651)</u>	<u>(440,511)</u>	<u>(118,860)</u>
Net change in fund balances	-	-	251,336	251,336
Fund balances, beginning of year, as restated	<u>74,929</u>	<u>74,929</u>	<u>74,929</u>	<u>-</u>
Fund balances, end of year	<u>\$ 74,929</u>	<u>\$ 74,929</u>	<u>\$ 326,265</u>	<u>\$ 251,336</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Conservatory Green High School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
Revenues				
Local sources	\$ 125,000	\$ 125,000	\$ 125,275	\$ 275
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>125,275</u>	<u>275</u>
Expenditures				
Instructional				
Regular education	245,250	278,062	229,930	48,132
Supporting services				
Instructional support	-	-	5,143	(5,143)
School administration	139,851	107,000	113,046	(6,046)
Operations and maintenance	-	-	7,379	(7,379)
Other support services	-	-	6,475	(6,475)
Total expenditures	<u>385,101</u>	<u>385,062</u>	<u>361,973</u>	<u>23,089</u>
Excess(deficiency) of revenues over (under) expenditures	(260,101)	(260,062)	(236,698)	23,364
Other financing sources (uses)				
Transfers in	350,270	350,136	337,548	(12,588)
Transfers out	(90,169)	(90,074)	(87,370)	2,704
Total other financing sources (uses)	<u>260,101</u>	<u>260,062</u>	<u>250,178</u>	<u>(9,884)</u>
Net change in fund balances	-	-	13,480	13,480
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,480</u>	<u>\$ 13,480</u>

DSST Public Schools  
 Budgetary Comparison Schedule – Henry Middle School  
 Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive(Negative)
<b>Revenues</b>				
Local sources	\$ 503,844	\$ 491,047	\$ 566,548	\$ 75,501
State sources	1,133,369	1,191,573	1,191,533	(40)
Total revenues	<u>1,637,213</u>	<u>1,682,620</u>	<u>1,758,081</u>	<u>75,461</u>
<b>Expenditures</b>				
Instructional				
Regular education	898,368	893,088	750,126	142,962
Special education	-	133,109	154,952	(21,843)
Supporting services				
Pupil supporting services	127,116	119,333	227,838	(108,505)
Instructional support	93,277	11,269	36,591	(25,322)
General administration	13,555	39,210	14,116	25,094
School administration	231,615	450,412	400,532	49,880
Business services	8,018	3,500	5,703	(2,203)
Operations and maintenance	90,617	125,215	133,755	(8,540)
Pupil transportation	10,160	10,758	38,977	(28,219)
Central services	19,579	-	20,389	(20,389)
Other support services	50,280	45,068	2,094	42,974
Total expenditures	<u>1,542,585</u>	<u>1,830,962</u>	<u>1,785,073</u>	<u>45,889</u>
Excess(deficiency) of revenues over (under) expenditures	94,628	(148,342)	(26,992)	121,350
<b>Other financing sources (uses)</b>				
Transfers in	279,257	517,209	379,475	(137,734)
Transfers out	(359,765)	(370,065)	(313,093)	56,972
Total other financing sources (uses)	<u>(80,508)</u>	<u>147,144</u>	<u>66,382</u>	<u>(80,762)</u>
Net change in fund balances	14,120	(1,198)	39,390	40,588
Fund balances, beginning of year, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,120</u>	<u>\$ (1,198)</u>	<u>\$ 39,390</u>	<u>\$ 40,588</u>