

# **Uplift Education**

Financial Statements

Year Ended June 30, 2020



**uplift**education

# CONTENTS

Page

Certificate of Board .....	i
Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Cash Flows.....	8
Statements of Functional Expenses.....	9
Notes to Financial Statements .....	10
Supplementary Information	
Schedule of Schools .....	27
Schedules of Expenses.....	28
Schedules of Cash and Capital Assets .....	29
Budgetary Comparison Schedule .....	30
Notes to the Budgetary Comparison Schedule .....	31
Series 2012 Bonds – Debt Service Requirements.....	32
Series 2013 Bonds – Debt Service Requirements.....	33
Series 2014 Bonds – Debt Service Requirements.....	34
Series 2015 Bonds – Debt Service Requirements.....	35
Series 2016 Bonds – Debt Service Requirements.....	36
Series 2017A Bonds – Debt Service Requirements .....	37
Series 2017B Bonds – Debt Service Requirements.....	38
Series 2018 Bonds – Debt Service Requirements .....	39
Series 2019 Bonds – Debt Service Requirements .....	40

CONTENTS

Page

Compliance and Internal Control Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* .....41

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.....43

Schedule of Findings and Questioned Costs .....45

Schedule of Expenditures of Federal Awards .....49

Notes to the Schedule of Expenditures of Federal Awards .....50

## Certificate of Board

Uplift Education  
(Federal Employer Identification Number: 75-2659683)

Uplift Education	Dallas	057-803
Name of Charter School	County	Co.-Dist. No.

We, the undersigned, certify that the attached Financial and Compliance Reports of the above named charter school were reviewed and (☒) approved (☐) disapproved for the year ended June 30, 2020, at a meeting of the governing body of said charter schools on the 17<sup>th</sup> day of December, 2020.

  
Signature of Uplift Education  
Board Secretary

  
Signature of Uplift Education  
Board Chair



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## Independent Auditor's Report

To the Board of Governors of  
Uplift Education

### Report on the Financial Statements

We have audited the accompanying financial statements of Uplift Education (the School), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### *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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uplift Education as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Governors of  
Uplift Education

***Other Matters***

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole, as listed in the table of contents. The accompanying supplementary information, as listed in the table of contents, is presented for additional analysis and is not a required part of the financial statements.

The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and is also not a required part of the basic financial statements.

The accompanying supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
December 17, 2020





**uplift**education

# Uplift Education

## Statements of Financial Position

### As of June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 52,471,275	\$ 45,689,710
Restricted cash and cash equivalents	40,033,555	45,281,600
Investments	691,400	664,873
Due from governments	37,514,919	32,888,437
Current portion of contributions receivable, net	2,429,762	1,433,333
Other current assets	2,046,400	336,897
<b>Total current assets</b>	135,187,311	126,294,850
Land lease rights	352,796	370,016
Non-current portion of contributions receivable, net	596,542	863,600
Capital assets, net	359,037,628	341,803,723
<b>TOTAL ASSETS</b>	<b>\$ 495,174,277</b>	<b>\$ 469,332,189</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 10,743,159	\$ 10,063,976
Accrued expenses	8,261,335	7,161,696
Deferred revenue	2,794,195	2,465,109
Funds held for student and parent groups	1,852,973	1,788,138
Current portion of long-term debt, net	6,935,816	6,180,816
<b>Total current liabilities</b>	30,587,478	27,659,735
Deferred rent	926,637	926,422
Non-current portion of long-term debt, net	415,224,182	386,563,651
<b>TOTAL LIABILITIES</b>	446,738,297	415,149,808
<b>NET ASSETS</b>		
Without donor restrictions	10,166,255	17,240,539
With donor restrictions	38,269,725	36,941,842
<b>TOTAL NET ASSETS</b>	48,435,980	54,182,381
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 495,174,277</b>	<b>\$ 469,332,189</b>

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Activities

### For the Years Ended June 30, 2020 and 2019

	<u>Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
<b>REVENUES</b>			
Local support:			
5700 Revenues from local sources	\$ 5,382,632	\$ 6,362,811	\$ 11,745,443
<b>Total local support</b>	5,382,632	6,362,811	11,745,443
State program revenues:			
5810 Foundation school program	-	201,724,306	201,724,306
5820 Other state aid	-	1,666,164	1,666,164
<b>Total state program revenues</b>	-	203,390,470	203,390,470
Federal program revenues:			
IDEA - Part B formula	-	2,283,828	2,283,828
IDEA - Part B preschool	-	6,429	6,429
IDEA - High cost	-	124,321	124,321
National school lunch/breakfast program	-	7,446,391	7,446,391
ESEA, Title I, Part A	-	6,240,009	6,240,009
ESEA, Title II, Part A	-	579,868	579,868
ESEA, Title III, Part A	-	578,003	578,003
ESEA, Title IV, Part A	-	350,487	350,487
ESEA, School improvement grant	-	63,871	63,871
Career/technical basis grant	-	189,762	189,762
Charter replication grant	-	938,597	938,597
<b>Total federal program revenues</b>	-	18,801,566	18,801,566
<b>Net assets released from restrictions:</b>			
Restrictions satisfied from payments	217,154,526	(217,154,526)	-
<b>Total revenues</b>	\$ 222,537,158	\$ 11,400,321	\$ 233,937,479

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Activities – Continued

### For the Years Ended June 30, 2020 and 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
<b>EXPENSES</b>			
Program services:			
11 Instruction and instructional related services	\$ 114,480,725	\$ -	\$ 114,480,725
12 Instructional resources and media services	293,254	-	293,254
13 Curriculum and instructional staff development	5,336,443	-	5,336,443
21 Instructional leadership	3,297,145	-	3,297,145
23 School leadership	18,208,855	-	18,208,855
Supporting services:			
31 Guidance, counseling, and evaluation services	12,579,782	-	12,579,782
32 Social work services	105,219	-	105,219
33 Health services	1,911,557	-	1,911,557
34 Student transportation	2,977	-	2,977
35 Food services	8,615,998	-	8,615,998
36 Cocurricular/extracurricular activities	601,340	-	601,340
41 General administration	9,872,569	-	9,872,569
51 Plant maintenance and operations	31,288,637	-	31,288,637
52 Security and monitoring services	1,230,150	-	1,230,150
53 Data processing services	2,724,160	-	2,724,160
61 Community services	813,911	-	813,911
71 Debt service	16,085,852	-	16,085,852
81 Fund raising	2,162,868	-	2,162,868
<b>Total expenses</b>	<u>229,611,442</u>	<u>-</u>	<u>229,611,442</u>
<b>Change in Net Assets</b>	(7,074,284)	11,400,321	4,326,037
Loss on early extinguishment of debt (see Note 9)	<u>-</u>	<u>(10,072,438)</u>	<u>(10,072,438)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>17,240,539</u>	<u>36,941,842</u>	<u>54,182,381</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 10,166,255</u></u>	<u><u>\$ 38,269,725</u></u>	<u><u>\$ 48,435,980</u></u>

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Activities – Continued

### For the Years Ended June 30, 2020 and 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
<b>REVENUES</b>			
Local support:			
5700 Revenues from local sources	\$ 6,550,633	\$ 5,672,181	\$ 12,222,814
<b>Total local support</b>	6,550,633	5,672,181	12,222,814
State program revenues:			
5810 Foundation school program	-	173,326,429	173,326,429
5820 Other state aid	-	1,061,530	1,061,530
<b>Total state program revenues</b>	-	174,387,959	174,387,959
Federal program revenues:			
IDEA - Part B formula	-	2,658,990	2,658,990
IDEA - Part B preschool	-	17,703	17,703
IDEA - High cost	-	69,534	69,534
National school lunch/breakfast program	-	8,797,204	8,797,204
ESEA, Title I, Part A	-	6,334,651	6,334,651
ESEA, Title II, Part A	-	579,051	579,051
ESEA, Title III, Part A	-	548,357	548,357
ESEA, Title IV, Part A	-	409,907	409,907
ESEA, Pre-K grant	-	3,003	3,003
ESEA, School improvement grant	-	234,575	234,575
Career/technical basis grant	-	284,789	284,789
Charter replication grant	-	2,309,766	2,309,766
<b>Total federal program revenues</b>	-	22,247,530	22,247,530
<b>Net assets released from restrictions:</b>			
Restrictions satisfied from payments	195,083,339	(195,083,339)	-
<b>Total revenues</b>	\$ 201,633,972	\$ 7,224,331	\$ 208,858,303

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Activities – Continued

### For the Years Ended June 30, 2020 and 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
<b>EXPENSES</b>			
Program services:			
11 Instruction and instructional related services	\$ 97,313,527	\$ -	\$ 97,313,527
12 Instructional resources and media services	326,417	-	326,417
13 Curriculum and instructional staff development	4,726,732	-	4,726,732
21 Instructional leadership	8,696,999	-	8,696,999
23 School leadership	11,444,892	-	11,444,892
Supporting services:			
31 Guidance, counseling, and evaluation services	9,860,388	-	9,860,388
32 Social work services	263,219	-	263,219
33 Health services	1,721,906	-	1,721,906
34 Student transportation	51,045	-	51,045
35 Food services	8,746,065	-	8,746,065
36 Cocurricular/extracurricular activities	529,261	-	529,261
41 General administration	8,943,592	-	8,943,592
51 Plant maintenance and operations	27,346,828	-	27,346,828
52 Security and monitoring services	1,691,737	-	1,691,737
53 Data processing services	2,706,432	-	2,706,432
61 Community services	749,988	-	749,988
71 Debt service	14,599,834	-	14,599,834
81 Fund raising	2,053,911	-	2,053,911
<b>Total expenses</b>	<u>201,772,773</u>	<u>-</u>	<u>201,772,773</u>
<b>Change in Net Assets</b>	(138,801)	7,224,331	7,085,530
<b>NET ASSETS, BEGINNING OF YEAR</b>	16,087,323	31,009,528	47,096,851
<b>Cumulative Effect of Change in Accounting Principle</b>	<u>1,292,017</u>	<u>(1,292,017)</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 17,240,539</u></u>	<u><u>\$ 36,941,842</u></u>	<u><u>\$ 54,182,381</u></u>

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Cash Flows

### For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,326,037	\$ 7,085,530
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,885,891	11,611,078
Amortization of financing costs	511,450	400,485
Amortization of bond premium	(947,797)	(880,849)
Loss on the disposal of assets	505,693	-
Loss on early extinguishment of debt	(10,072,438)	-
(Increase) decrease in assets:		
Investments	(26,527)	(55,915)
Due from governments	(4,626,482)	(6,675,658)
Contributions receivable	(729,371)	422,062
Land lease rights	17,220	35,616
Other assets	(1,709,503)	(26,767)
Increase (decrease) in liabilities:		
Accounts payable	(1,903,263)	(3,724,116)
Accrued expenses	1,099,639	430,076
Deferred revenue	329,086	2,390,710
Funds held for student and parent groups	64,835	(124,184)
Deferred rent	215	(599,446)
<b>Net cash provided by operating activities</b>	<u>724,685</u>	<u>10,288,622</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(29,043,042)	(58,805,796)
Proceeds from disposal of capital assets	-	14,640
<b>Net cash used in investing activities</b>	<u>(29,043,042)</u>	<u>(58,791,156)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bond issuance	91,090,000	-
Proceeds from notes payable	3,668,770	1,799,000
Premium on issuance of long term debt	1,872,873	-
Cash paid for debt issuance costs	(79,766)	(156,253)
Payments on long-term debt	(66,300,000)	(4,990,000)
Payments on notes payable	(400,000)	(2,387,286)
<b>Net cash provided by (used in) financing activities</b>	<u>29,851,877</u>	<u>(5,734,539)</u>
<b>NET INCREASE (DECREASE) IN TOTAL CASH AND CASH EQUIVALENTS</b>	<u>1,533,520</u>	<u>(54,237,073)</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>90,971,310</u>	<u>145,208,383</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 92,504,830</u></u>	<u><u>\$ 90,971,310</u></u>
<b>NON-CASH ACTIVITIES</b>		
Capital expenditures (including retainage) included in accounts payable	<u>\$ 2,582,447</u>	<u>\$ 2,616,051</u>
Non-cash portion of purchase price of land	<u>\$ -</u>	<u>\$ 2,140,197</u>

The Notes to Financial Statements are an integral part of these statements.

# Uplift Education

## Statements of Functional Expenses

### For the Years Ended June 30, 2020 and 2019

	6100 - Payroll costs	6200 - Professional and contracted services	6300 - Supplies and materials	6400 - Other operating costs	6500 - Debt Costs	2020 Total
<b>Program services</b>						
10 - Instruction and instructional-related	\$ 101,924,304	\$ 4,292,826	\$ 11,746,450	\$ 2,146,842	\$ -	\$ 120,110,422
20 - Instructional and school leadership	21,193,310	53,174	68,145	191,371	-	21,506,000
<b>Supporting services</b>						
30 - Support services - student	16,935,889	1,112,903	5,205,607	562,474	-	23,816,873
40 - Administrative support services	6,874,513	1,890,692	31,154	1,076,210	-	9,872,569
50 - Support services - non-student based	7,477,350	11,163,017	1,334,970	15,267,610	-	35,242,947
60 - Ancillary services	556,698	79,112	27,476	150,625	-	813,911
70 - Debt service	-	-	-	-	16,085,852	16,085,852
80 - Fund raising	663,495	1,132,593	48,153	318,627	-	2,162,868
<b>Total expenses</b>	<u>\$ 155,625,559</u>	<u>\$ 19,724,317</u>	<u>\$ 18,461,955</u>	<u>19,713,759</u>	<u>\$ 16,085,852</u>	<u>\$ 229,611,442</u>

	6100 - Payroll costs	6200 - Professional and contracted services	6300 - Supplies and materials	6400 - Other operating costs	6500 - Debt Costs	2019 Total
<b>Program services</b>						
10 - Instruction and instructional-related	\$ 87,564,093	\$ 5,066,803	\$ 8,904,110	\$ 831,670	\$ -	\$ 102,366,676
20 - Instructional and school leadership	19,039,761	673,036	107,026	322,068	-	20,141,891
<b>Supporting services</b>						
30 - Support services - student	13,446,185	1,097,806	5,833,272	794,621	-	21,171,884
40 - Administrative support services	6,629,584	1,912,352	9,755	391,901	-	8,943,592
50 - Support services - non-student based	6,904,424	10,072,823	1,898,010	12,869,740	-	31,744,997
60 - Ancillary services	627,940	42,805	4,964	74,279	-	749,988
70 - Debt service	-	-	-	-	14,599,834	14,599,834
80 - Fund raising	649,084	856,985	11,083	536,759	-	2,053,911
<b>Total expenses</b>	<u>\$ 134,861,071</u>	<u>\$ 19,722,610</u>	<u>\$ 16,768,220</u>	<u>\$ 15,821,038</u>	<u>\$ 14,599,834</u>	<u>\$ 201,772,773</u>

The Notes to Financial Statements are an integral part of these statements.



# **Uplift Education**

## **Notes to Financial Statements**

### **Note 1. Background**

Uplift Education (the School) was incorporated in the State of Texas on February 26, 1996 and commenced operations on July 1, 1997. The School's mission is to create and sustain public schools of excellence that empower each student to reach their highest potential in college and the global marketplace and that inspire in students a life-long love of learning, achievement, and service in order to positively change their world.

The School operated 20 campuses serving approximately 20,100 students during fiscal year 2020. Uplift is rated Baa2 by Moody's and BBB- by Standard & Poor's.

The charter holder had no material non-charter activities.

### **Note 2. Summary of Significant Accounting Policies**

The accounting policies of the School conform to accounting principles generally accepted in the United States of America. The following is a summary of the significant policies.

#### **Adoption of Accounting Standards**

The School adopted the amendments of ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. A reclassification was required to conform to the new standard because restrictions on capital assets may no longer be released as those assets are depreciated.

The School adopted the amendments of ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* for the year ended June 30, 2019, which provides guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

#### **Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard was to be effective for the School for fiscal year 2020, including interim periods within those fiscal years; however, the U.S. Financial Accounting Standards Board voted to delay the effective date beginning after December 15, 2019. The new standard is now effective for the School for fiscal year 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The School is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

# **Uplift Education**

## **Notes to Financial Statements**

### **Basis of Accounting**

The accompanying financial statements of the School have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Basis of Presentation**

The financial statement presentation follows the guidance of the Financial Accounting Standards Board ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence and nature or absence of donor-imposed restrictions.

Accordingly, net assets of the School and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

*Net Assets With Donor Restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less. Cash and cash equivalents are reported at cost which approximates fair value. The School maintains cash balances at various financial institutions, which at times may exceed federally insured limits. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### **Restricted Cash**

Indenture requirements of bond financing (see Note 9) provide for the establishment and maintenance of various bank accounts with trustees. The indenture terms limit the use of these funds to the construction of plant facilities and payment of principal and interest to bond holders. Restricted cash is comprised of cash equivalents and is recorded at cost, which approximates fair value.

### **Fair Value of Financial Instruments**

The School defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Financial instruments included in the financial statements include cash and cash equivalents, short-term investments, receivables and

# Uplift Education

## Notes to Financial Statements

other assets, notes payable, bonds payable and long-term debt. Unless otherwise disclosed in the notes to the financial statements, the carrying value of financial instruments is considered to approximate fair value due to the maturity and the characteristics of those instruments. The carrying value of bonds payable and long-term debt approximates fair value as terms approximate those currently available for similar debt instruments.

### **Contributions Receivable**

Contributions receivable represent unconditional promises to give and are included in the financial statements as contributions receivable and recognized as revenue in the period pledged. Contributions are recorded after being discounted to the anticipated net present value of the future cash flows. In addition, management evaluates payment history and market conditions to estimate allowances for doubtful contributions. Based on their experience with the organizations who have outstanding contributions, as of June 30, 2020 and 2019, management has not recorded an allowance for doubtful contributions. Changes in the fair value of contributions receivable are reported in the statements of activities as contribution revenue.

### **Capital Assets**

Expenditures for capital assets are stated at cost, representing the purchase price or fair market value at the date of gift, less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives of each asset.

Building and improvements	10-30 years
Furniture and equipment	5-10 years

Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. The School capitalizes property and equipment with a cost greater than \$5,000 and a useful life of greater than five years. The School reviews the carrying value of long-lived assets to determine if facts and circumstances suggest that they may be impaired or that the depreciation or amortization period may need to be changed. There were no impairment charges recorded in FY 2020 and 2019.

Construction in progress will not be depreciated over the useful lives of the respective assets until they are ready for their intended use. The costs and accumulated depreciation of assets sold or retired are removed from the accounts and the related gains and losses are included in the statements of activities.

Capital assets purchased with grant funds are owned by the School while used in the program for which it was purchased or in other future School programs. However, the various funding sources have a reversionary interest in the capital assets purchased with grant funds. Its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations. As of June 30, 2020 and 2019, the net book value of the grant-funded property and equipment was \$2,319,491 and \$2,115,208, respectively.

### **Financing Costs**

Costs of obtaining long-term bank and bond financing are recorded as financing costs and are deferred as a direct deduction from the carrying amount of that debt liability and amortized using the interest method over the related bond period. Amortization expense is included in debt service in the accompanying statements of activities.

# **Uplift Education**

## **Notes to Financial Statements**

### **Deferred Rent**

To the extent of escalating lease payments or periods of free rent, the School is recognizing the lease payments ratably over the term of the lease.

### **Donated Services and Property**

During the years ended June 30, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, a substantial number of individuals have donated significant amounts of their time in the School's programs and supporting services. Donations of property and equipment are recorded at the estimated fair value as of the date the contribution is received. During the years ended June 30, 2020 and 2019, the School received no donations of property and equipment.

### **Income Tax Status**

The School has been recognized by the Internal Revenue Service as a nonprofit corporation exempt from federal income tax on its income, under Section 501(c)(3) of the Internal Revenue Code. The School follows the provisions of ASC 740-10, *Income Taxes*, related to unrecognized tax positions. The School recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the taxing authorities, based on the technical merits of the positions. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The School does not believe there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended June 30, 2020 and 2019, there were no interest or penalties recorded or included in the financial statements. The School is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

The School's informational returns are generally subject to examination for three years after the later of the due date or date of filing. As a result, the School is no longer subject to income tax examinations by tax authorities for years prior to 2017.

### **Federal Funding**

For all Federal programs, the School uses the funds specified by the Texas Education Agency in the Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts. With donor restriction funds are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in net assets with donor restrictions.

### **Functional Allocation of Expenses**

Expenses are reported by their functional classification as program services or supporting services. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the School exists. Supporting services are not directly identifiable with specific program activities. Expenses

# Uplift Education

## Notes to Financial Statements

that are attributable to one or more program or supporting activities are allocated among the activities benefitted. Salaries and related costs are charged directly either to program services or supporting services based on actual time worked in each area. Information technology costs are allocated based on whether the costs are associated with program services or supporting services. The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities.

### Note 3. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents were restricted as follows as of June 30:

	2020	2019
Construction	\$ 20,639,122	\$ 24,788,025
Debt service	19,223,480	20,199,796
Other	170,953	293,779
	<u>\$ 40,033,555</u>	<u>\$ 45,281,600</u>

### Note 4. Investments

Investments are stated at fair value and are as follows as of June 30:

Mutual Funds:	2020	2019
US equity funds	\$ 353,753	\$ 442,407
International equity funds	105,742	135,444
US fixed income	227,637	63,356
International fixed income	4,268	23,666
	<u>\$ 691,400</u>	<u>\$ 664,873</u>

#### Disclosures about Fair Value of Financial Instruments

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments – Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models (Level 2), quoted prices of investments with similar characteristics (Level 2) or discounted cash flows or other valuation methodologies (Level 3). The School did not have, at June 30, 2020 or 2019, or at any time during the year, any investments classified as Level 2 or Level 3. The School's investments in mutual funds and exchange traded funds reported as level 1 are determined by reference to quoted market prices in principal active markets for identical assets as of the valuation date.

# Uplift Education

## Notes to Financial Statements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2020 Fair Value
Mutual Funds:				
US equity funds	\$ 353,753	\$ -	\$ -	\$ 353,753
International equity funds	105,742	-	-	105,742
US fixed income	227,637	-	-	227,637
International fixed income	4,268	-	-	4,268
	<u>\$ 691,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,400</u>

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2019 Fair Value
Mutual Funds:				
US equity funds	\$ 442,407	\$ -	\$ -	\$ 442,407
International equity funds	135,444	-	-	135,444
US fixed income	63,356	-	-	63,356
International fixed income	23,666	-	-	23,666
	<u>\$ 664,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,873</u>

### Note 5. Due from Governments

Amounts due from governments consist of the following as of June 30:

	2020	2019
Texas Education Agency -		
Foundation School Program revenue	\$ 31,943,702	\$ 28,439,977
Federal grant revenue	3,802,651	4,448,460
Other government receivables	<u>1,768,566</u>	<u>-</u>
Due from governments	<u>\$ 37,514,919</u>	<u>\$ 32,888,437</u>

# Uplift Education

## Notes to Financial Statements

### Note 6. Liquidity and Availability of Resources

The School relies on state aid and federal grants to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing activities of education, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of the School's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30, 2020 are as follows:

**Financial assets at June 30, 2020:**

Cash and cash equivalents	\$ 52,471,275
Restricted cash	40,033,555
Investments	691,400
Due from governments	37,514,919
Contributions receivable	<u>3,026,304</u>
<b>Total financial assets</b>	133,737,453
<b>Less financial assets not available for general expenditure:</b>	
Contractually obligated financial assets	(641,529)
Cash restricted for long-term purposes	(40,033,555)
Donor-restricted assets not expected to be satisfied in coming year	(5,069,931)
Contributions receivable due in more than one year	<u>(596,542)</u>
<b>Total financial assets not available for general expenditure</b>	(46,341,557)
<b>Total financial assets available for general expenditure</b>	<u><u>\$ 87,395,896</u></u>

### Note 7. Contributions Receivable

Contributions receivable consist of contributions towards the School's capital campaign and other initiatives. The net present value of contributions receivable consists of the following as of June 30:

	2020	2019
Contributions receivable	\$ 3,205,000	\$ 2,495,000
Less: discount to present value (discount rate of 5%)	<u>(178,696)</u>	<u>(198,067)</u>
Contributions receivable, net	<u>\$ 3,026,304</u>	<u>\$ 2,296,933</u>
Current portion of contributions receivable, net	<u>\$ 2,429,762</u>	<u>\$ 1,433,333</u>
Non-current portion of contributions receivable, net	<u><u>\$ 596,542</u></u>	<u><u>\$ 863,600</u></u>

## Uplift Education

### Notes to Financial Statements

The School has conditional promises to give contingent upon meeting certain criteria specified by donors. These amounts are not recorded in these financial statements as the conditions have not been met. As of June 30, 2020 and 2019, the amounts of conditional contributions were \$970,000 and \$670,000, respectively.

In addition, the School has received payment in advance from donors for various programs resulting in deferred revenue which totaled \$2,794,195 and \$2,465,109 at June 30, 2020 and 2019, respectively.

As of June 30, 2020, the School has approximately \$2,903,765 of conditional contributions from various government agencies. The contributions will be recognized as revenue when the conditions, which include performance of allowable activities and incurring allowable expenses are met.

#### **Note 8. Capital Assets**

Capital assets consist of the following as of June 30:

	2020	2019
Building and improvements	\$ 371,288,604	\$ 308,670,467
Furniture and fixtures	15,023,374	13,175,302
Depreciable assets	386,311,978	321,845,769
Less accumulated depreciation	(73,749,130)	(60,288,045)
Total depreciable assets	312,562,848	261,557,724
Land	41,377,491	40,220,012
Construction in progress	5,097,289	40,025,987
Capital assets, net	<u>\$ 359,037,628</u>	<u>\$ 341,803,723</u>

For the years ended June 30, 2020 and 2019, the School capitalized interest in the amounts of \$696,138 and \$1,557,605, respectively.

For the years ended June 30, 2020 and 2019, the School charged \$13,885,891 and \$11,611,078 to depreciation expense, which is included in plant maintenance and operations in the accompanying statements of activities.



# Uplift Education

## Notes to Financial Statements

### Note 9. Long-Term Debt

Amounts owed as long-term debt were as follows as of June 30:

	Interest Rate	2020	2019
Bonds payable:			
Series 2012 bonds	4.875 - 8.000%	12,375,000	\$ 74,300,000
Series 2013 bonds	3.100 - 4.400%	39,990,000	40,760,000
Series 2014 bonds	3.375 - 4.600%	39,265,000	39,920,000
Series 2015 bonds	4.000 - 5.000%	41,785,000	42,370,000
Series 2016 bonds	2.750 - 5.000%	40,960,000	41,750,000
Series 2017A bonds	2.000 - 5.000%	71,700,000	72,935,000
Series 2017B bonds	3.000 - 5.000%	25,040,000	25,380,000
Series 2018 bonds	3.000 - 5.000%	39,450,000	39,450,000
Series 2019 bonds	2.050 - 4.000%	91,090,000	-
Total bonds payable		401,655,000	376,865,000
Bond premium:			
Plus: Series 2015 bond premium		1,092,236	1,149,224
Plus: Series 2016 bond premium		4,337,824	4,580,972
Plus: Series 2017A bond premium		6,178,205	6,543,438
Plus: Series 2017B bond premium		1,506,702	1,581,453
Plus: Series 2018 bond premium		2,834,840	2,973,132
Plus: Series 2019 bond premium		1,803,488	-
Total bond premium		17,753,295	16,828,219
Notes payable:			
Charter School Growth Fund	1.000 - 3.250%	2,900,000	3,300,000
Roosevelt Property Company, LLC	3.450%	2,140,197	2,140,197
Regions Commercial Equipment Finance, LLC	1.723 - 3.980%	5,467,770	1,799,000
Total notes payable		10,507,967	7,239,197
Total bonds and notes payable		429,916,262	400,932,416
Unamortized financing cost		(7,756,264)	(8,187,949)
Total long-term debt, net		422,159,998	392,744,467
Less: current portion, net		(6,935,816)	(6,180,816)
Non-current portion, long-term debt, net		<u>\$ 415,224,182</u>	<u>\$ 386,563,651</u>

# **Uplift Education**

## **Notes to Financial Statements**

### Series 2012 A, B & Q Bonds

On April 19, 2012, the School issued \$60,550,000 of Education Revenue Bonds – Series 2012A, \$230,000 Taxable Education Revenue Bonds – Series 2012B and \$20,000,000 of Taxable Education Revenue Bonds – Series 2012Q. The bonds mature each December 1st, starting 2014 until 2048.

As part of the Series 2019 bonds issuance, the School completed an advance refunding of the outstanding principal amount of \$60,550,000 Series 2012 A & B Education Revenue Bonds.

### Series 2013 A & B Bonds

On January 24, 2013, the school issued \$44,750,000 of Education Revenue Bonds - Series 2013A and \$210,000 of Taxable Education Revenue Bonds – Series 2013B. The bonds mature serially each December 1st, starting 2013 until 2047.

### Series 2014 A & B Bonds

On August 28, 2014, the school issued \$41,395,000 of Education Revenue Bonds - Series 2014A and \$355,000 of Taxable Education Revenue Bonds – Series 2014B. The bonds mature serially each December 1st, starting 2016 until 2049.

### Series 2015 A & B Bonds

On June 4, 2015, the school issued \$43,075,000 of Education Revenue Bonds – Series 2015A and \$395,000 of Taxable Education Revenue Bonds – Series 2015B. The bonds mature serially each December 1st, starting 2017 until 2051.

### Series 2016 A & B Bonds

On July 7, 2016, the school issued \$42,600,000 of Education Revenue Bonds – Series 2016A and \$380,000 of Taxable Education Revenue Bonds – Series 2016B. The bonds mature serially each December 1st, starting 2016 until 2051.

As part of this issuance, the School completed an advance refunding of the outstanding principal amount of \$8,735,000 of Series 2007A, Education Revenue Bonds, which resulted in a noncash loss of extinguishment of debt of \$1,131,880. As a result of this defeasance, the School will realize a total decrease in debt service payments of \$1,592,491, net of refunding expenses, which resulted in an economic gain of \$1,057,014.

### Series 2017A Bonds

On May 31, 2017, the school issued \$74,405,000 of Education Revenue and Refunding Bonds – Series 2017A. The bonds mature serially each December 1st, starting 2017 until 2052.

As part of this issuance, the School completed an advance refunding of the outstanding principal amount of \$53,150,000 of Series 2010A, Education Revenue Bonds, which resulted in a noncash loss of extinguishment of debt of \$10,938,957. As a result of this defeasance, the School will realize a total decrease in debt service payments of \$18,187,115, net of refunding expenses, which resulted in an economic gain of \$10,736,268.

### Series 2017B Bonds

On August 31, 2017, the school issued \$25,380,000 of Education Revenue Bonds – Series 2017B. The bonds mature serially each December 1st, starting 2020 until 2053.

## **Uplift Education**

### **Notes to Financial Statements**

#### Series 2018 Bonds

On May 31, 2018, the school issued \$39,390,000 of Education Revenue Bonds – Series 2018A and \$60,000 of Taxable Education Revenue Bonds – Series 2018B. The bonds mature serially each December 1st, starting 2021 until 2054.

#### Series 2019 A & B Bonds

On August 20, 2019, the School issued \$24,760,000 of Series 2019A Education Revenue Bonds, all of which was tax-exempt, and \$66,330,000 of Series 2019B Education Revenue and Refunding Bonds, all of which was taxable. The Series 2019A bonds mature serially each December 1st, starting in 2021 through 2054. The Series 2019B bonds mature serially each December 1st, starting 2020 until 2047.

As part of this issuance, the School completed an advance refunding of the outstanding principal amount of \$60,550,000 of Series 2012 A & B, Education Revenue Bonds, which resulted in a noncash loss of extinguishment of debt of \$10,072,438. As a result of this defeasance, the School will realize a total decrease in debt service payments of \$13,896,923, net of refunding Expenses, which resulted in an economic gain of \$7,427,855.

Proceeds of the outstanding bonds were generally used for capital asset purchases, construction, repayment of previously issued debt and establishing reserves for future debt service. The bonds are secured by notes issued under the master trust indenture, and such notes are secured by real estate and certain existing or future buildings and improvements on such real estate.

Interest paid for the fiscal years ended June 30, 2020 and 2019, was \$16,752,970 and \$15,394,865, respectively, of which the School capitalized \$696,138 and 1,557,605, respectively.

The loan agreements or Supplemental Master Trust Indentures for each of the above issuances establishes a debt service coverage ratio, which stipulates that available revenues for each fiscal year must be equal to at least 1.10 times the annual debt service of the School as of the end of the first fiscal year after the date of issuance and thereafter until the individual bond or notes have been paid in full. During the years ended June 30, 2020 and 2019, the School was in compliance with this covenant and all other applicable covenants contained in the Supplemental Master Trust Indentures and loan agreement.

#### Notes Payable

The School has received \$3,700,000 in loans as part of a Charter School Growth Fund (CSGF) loan and grant program. Proceeds of the loans were used for general support of the School. The notes accrue interest at rates between 1.00% and 3.25%. On March 1, 2017, the School and CSGF amended the 2011 loan to reduce the interest rate from 3.25% to 1.00% and to restructure and extend the repayment schedule. On June 30, 2020, the School and CSGF amended the 2011 and 2015 Loans to extend the repayment schedule. The loans began maturing on July 1, 2018 and are not collateralized.

On January 31, 2018, the School entered into an Irrevocable Standby Letter of Credit agreement with BBVA Compass Bank with the City of Fort Worth ("the City") as beneficiary. As part of a construction project on a new campus within the Fort Worth city limits, the School is constructing certain public utility and roadway improvements, and this standby letter of credit arrangement was required by the City in order to secure completion of the planned improvements should the School be unable to complete them. The Letter of Credit expired on January 10, 2020.

## Uplift Education

### Notes to Financial Statements

On January 23, 2019, the School completed a transaction to purchase the land at one of its campuses that had previously been leased from Roosevelt Property Company, LLC. As part of the consideration for the purchase of the property, the seller received a Promissory Note that will pay the seller \$100,000 per calendar year to the earlier of 1) the date that Purchaser would no longer have been required to pay property taxes on the property had the Purchaser remained the lessee or 2) August 31, 2057. The implied interest rate of this note is 3.450%, which is estimated to be the School's cost of debt for debt with maturities greater than 30 years.

On June 5, 2019, the School entered into loan agreements with Regions Commercial Equipment Finance, LLC for a term loan not to exceed \$50,000,000 to be used for capital expenditures ("Loan A") and for a term loan not to exceed \$10,000,000 to be used for working capital ("Loan B"). Both loans have draw periods expiring June 1, 2022. On June 27, 2019, the school drew \$1,799,000 on Loan A, using proceeds to purchase real property. On June 23, 2020 and June 25, 2020, the School drew \$2,233,062 and \$1,435,708, respectively, on Loan A, using proceeds to purchase real property and for construction costs. The drawn portion of the note accrues interest at one-month LIBOR (London Interbank Offering Rate) plus 1.55%. During the year ended June 30, 2020, the School's accrued interest on the drawn portion ranged between 1.723% and 3.98%. During the year ended June 30, 2019, the School accrued interest on the drawn portion ranged between 3.932% and 3.969%.

On June 30, 2020, the School entered into an Irrevocable Standby Letter of Credit agreement with Regions Commercial Equipment Finance with Pegasus Place, LLC("the Landlord") as beneficiary as part of a Lease Agreement on the School's new Dallas central management office. The Letter of Credit expires on October 31, 2021.

#### Financing Costs

The cost of issuing bank debt and bonds is being amortized over the life of the debt. Financing costs consist of the following as of June 30:

	2020	2019
Financing cost	\$ 9,493,369	\$ 9,864,466
Accumulated amortization	(1,737,105)	(1,676,517)
Unamortized financing cost	<u>\$ 7,756,264</u>	<u>\$ 8,187,949</u>

For the years ended June 30, 2020 and 2019, the School recorded \$511,450 and \$400,485, respectively, to amortization expense, which is included in debt service in the accompanying statements of activities.

# Uplift Education

## Notes to Financial Statements

Scheduled maturities of long-term debt are as follows at June 30, 2020:

Fiscal Year End	Principal	Interest	Total
2021	\$ 6,935,816	\$ 17,050,332	\$ 23,986,148
2022	14,222,226	17,065,705	31,287,931
2023	9,515,018	16,548,270	26,063,288
2024	8,145,598	16,149,308	24,294,906
2025	8,456,010	15,781,516	24,237,526
Thereafter	364,888,299	230,082,093	594,970,392
	<u>412,162,967</u>	<u>312,677,224</u>	<u>724,840,191</u>
Add amount representing premium	17,753,295	-	17,753,295
Less unamortized financing cost	<u>(7,756,264)</u>	<u>-</u>	<u>(7,756,264)</u>
	<u><u>\$ 422,159,998</u></u>	<u><u>\$ 312,677,224</u></u>	<u><u>\$ 734,837,222</u></u>

# Uplift Education

## Notes to Financial Statements

### Note 10. Pension Plan Obligation

#### Plan Description

The School contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. TRS is a cost sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the School, but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively.

TRS as a multiple-employer plan is different from single-employer plans in that:

1. Charters are legally separate entities from the state and each other.
2. Assets contributed by one charter or Independent School District (ISD) may be used for the benefit of an employee of another ISD or charter.
3. Unfunded obligations of the plan get passed along to other charters and ISDs participating in the plan.
4. There is not a withdrawal penalty for leaving the TRS system.

The following table includes the disclosures required per FASB 715-80-50-5:

Legal name of the plan	Teacher Retirement System of Texas	
Plan's Employer Identification Number	n/a	
Zone status	Unknown	
Total Plan Assets	\$181,800,159,205	
Accumulated Benefit Obligations	\$209,961,325,288	
% Funded	75%	
Expiration date of the collective-bargaining agreements requiring contributions to the plan	There is not a collective-bargaining agreement.	
Employer contributions for the period ending June 30, 2020	\$5,657,226 (the School's contributions to the plan did not represent more than 5% of the total contributions to the plan)	

As of the end of the period ending June 30, 2019

Status of funding improvement plan or rehabilitation plan had been implemented or pending:	N/A	
Did employer pay surcharge to the plan?	Yes	
Contribution Rates	<u>2019</u>	<u>2020</u>
· Member	7.70%	7.70%
· Non-Member Contributing Entity (State)	6.80%	7.50%
· Employers	1.50%	1.60%

There have been no changes that would affect the comparison of employer contributions from year to year.

## Uplift Education

### Notes to Financial Statements

Information regarding the plan may be found at the TRS website (<http://www.trs.state.tx.us/>). The TRS posts the Comprehensive Annual Financial Report (CAFR) every year on its website.

The School did not contribute to or participate in any other defined benefit pension plan or defined contribution plan.

#### Note 11. Net Assets with Donor Restrictions

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2020	2019
Private grants and contracts	\$ 3,218,623	\$ 4,495,895
Contributions receivable	1,560,000	1,945,000
Foundation School Program	193,173,310	166,551,888
Federally funded educational programs	19,202,593	22,090,556
Total	<u>\$ 217,154,526</u>	<u>\$ 195,083,339</u>

Net assets with donor restrictions consisted of the following at June 30:

	2020	2019
Foundation School Program	\$ 27,779,043	\$ 27,162,117
Child Nutrition Program	\$ 894,062	1,248,774
Summer Feeding Program	\$ 34,084	-
Restricted contributions	\$ 6,536,233	6,234,018
Contributions receivable, net	\$ 3,026,303	2,296,933
Total net assets with donor restrictions	<u>\$ 38,269,725</u>	<u>\$ 36,941,842</u>

#### Note 12. Leases

The School leases its Dallas and Fort Worth central management office spaces under long-term operating leases that expire in 2028 and 2023, respectively. The School also leases 3 school facilities that expire through 2059, including one school that has below market lease term with the Housing Authority of the City of Dallas. Accordingly, the School is recognizing land lease rights of \$352,796 and \$370,016 as of June 30, 2020 and 2019, respectively, to account for the present value of the below market lease. In addition, the School leases copiers and printers under operating lease agreements expiring through 2024.

## Uplift Education

### Notes to Financial Statements

Scheduled lease payments for all leases are as follows as of June 30, 2020:

<u>Lease Year</u>	<u>Annual Base Lease</u>
2021	\$ 1,698,624
2022	1,668,642
2023	1,499,393
2024	1,433,193
2025	1,408,077
Thereafter	<u>5,142,317</u>
Total	<u><u>\$ 12,850,246</u></u>

For the years ended June 30, 2020 and 2019, rent expense was \$1,551,108 and \$2,069,540, respectively.

#### **Note 13. Commitments for Construction and Acquisition of Property and Equipment**

At June 30, 2020, the School had commitments of approximately \$27,302,202 for construction and acquisition of property and equipment, all of which are expected to be incurred in fiscal year 2021. The School has Restricted Cash of \$20,639,122 that is specifically earmarked for such activities as outlined in Note 3.

#### **Note 14. Contingencies**

The School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency (TEA) and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the School have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, school funds may be subject to refund if so determined by the TEA or the grantor agency.

From time to time, the School is subject to certain claims and contingent liabilities that arise in the normal course of business. After consultation with legal counsel, management is of the opinion that liabilities, if any, arising from such litigation and examinations would not have a material effect on the School's financial position.

Certain federal grants which the School administers and for which it receives reimbursements are subject to audit and final acceptance by federal granting agencies. Current and prior year costs of such grants are subject to adjustment upon audit. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time, although the School expects such amounts, if any, would not have a significant impact on the financial position of the School.



## **Uplift Education**

### **Notes to Financial Statements**

The extent of the operational and financial impact the COVID-19 pandemic may have on the School has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. While the disruption is currently expected to be temporary, there is uncertainty around the duration.

#### **Note 15. Economic Dependency**

During the years ended June 30, 2020 and 2019, the School recognized revenue of \$221,911,695 and \$196,635,489, respectively, from the TEA and federal government. For the years ended June 30, 2020 and 2019, these amounts constitute approximately 95% and 94%, respectively, of total revenues earned. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the School to continue to provide the current level of services to its students.

#### **Note 16. Evaluation of Subsequent Events**

The School evaluated its financial statements for subsequent events through December 17, 2020, the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recoding or disclosure in the financial statements, except the following items:

On July 29, 2020, the school issued \$28,535,000 of Education Revenue Bonds – Series 2020A and \$190,000 of Taxable Education Revenue Bonds – Series 2020B. The bonds mature serially each December 1st, starting 2022 until 2040 and on December 1 in 2045 and 2050.

On October 22, 2020, Roosevelt Property Company, LLC cancelled the School's Promissory Note in full after the Texas Senate passed a bill that enabled property leased to a charter school to be considered exempt from property taxes. Because of this action, payments on the note are no longer required. The School in fiscal year 2021 will record a gain on extinguishment of debt as the result of the cancelation.

## **Supplementary Information**



**uplift**education

# **Uplift Education**

## Schedule of Schools

As of June 30, 2020

### **Charter Schools Operated by Uplift Education:**

Uplift Ascend Preparatory Middle School  
Uplift Ascend Preparatory Primary School  
Uplift Elevate Preparatory Middle School  
Uplift Elevate Preparatory Primary School  
Uplift Gradus Preparatory Primary School  
Uplift Grand Preparatory High School  
Uplift Grand Preparatory Middle School  
Uplift Grand Preparatory Primary School  
Uplift Hampton Preparatory High School  
Uplift Hampton Preparatory Middle School  
Uplift Hampton Preparatory Primary School  
Uplift Heights Preparatory High School  
Uplift Heights Preparatory Middle School  
Uplift Heights Preparatory Primary School  
Uplift Infinity Preparatory High School  
Uplift Infinity Preparatory Middle School  
Uplift Infinity Preparatory Primary School  
Uplift Luna Preparatory High School  
Uplift Luna Preparatory Middle School  
Uplift Luna Preparatory Primary School  
Uplift Meridian Preparatory Primary School  
Uplift Mighty Preparatory High School  
Uplift Mighty Preparatory Middle School  
Uplift Mighty Preparatory Primary School  
Uplift North Hills Preparatory High School  
Uplift North Hills Preparatory Middle School  
Uplift North Hills Preparatory Primary School  
Uplift Peak Preparatory High School  
Uplift Peak Preparatory Middle School  
Uplift Peak Preparatory Primary School  
Uplift Pinnacle Preparatory Primary School  
Uplift Summit International Preparatory High School  
Uplift Summit International Preparatory Middle School  
Uplift Summit International Preparatory Primary School  
Uplift White Rock Hills Preparatory Primary School  
Uplift Williams Preparatory High School  
Uplift Williams Preparatory Middle School  
Uplift Williams Preparatory Primary School  
Uplift Triumph Preparatory Primary School  
Uplift Wisdom Preparatory High School  
Uplift Wisdom Preparatory Middle School  
Uplift Wisdom Preparatory Primary School

# Uplift Education

## Schedules of Expenses

For the Years Ended June 30, 2020 and 2019

		<u>2020</u>	<u>2019</u>
<b>EXPENSES</b>			
6100	Payroll costs	\$ 155,625,559	\$ 134,861,071
6200	Professional and contracted services	19,724,317	19,722,610
6300	Supplies and material	18,461,955	16,768,220
6400	Other operating costs	19,713,759	15,821,038
6500	Debt costs	<u>16,085,852</u>	<u>14,599,834</u>
	<b>Total expenses</b>	<u><u>\$ 229,611,442</u></u>	<u><u>\$ 201,772,773</u></u>

# Uplift Education

## Schedules of Cash and Capital Assets

### June 30, 2020 and 2019

		Ownership Interest			2020
		Local	State	Federal	Total
1100	Cash	\$ 11,461,559	\$ 40,243,199	\$ 766,517	\$ 52,471,275
1510	Land	3,370,906	38,006,585	-	41,377,491
1520	Buildings and improvements	7,535,076	363,233,703	519,825	371,288,604
1530	Furniture and equipment	55,344	11,963,322	3,004,708	15,023,374
1580	Construction in progress	-	5,097,289	-	5,097,289
<b>Total</b>		<b>\$ 22,422,885</b>	<b>\$ 458,544,098</b>	<b>\$ 4,291,050</b>	<b>\$ 485,258,033</b>

		Ownership Interest			2019
		Local	State	Federal	Total
1100	Cash	\$ 20,171,159	\$ 24,342,248	\$ 1,176,303	\$ 45,689,710
1510	Land	3,370,906	36,849,106	-	40,220,012
1520	Buildings and improvements	-	308,150,642	519,825	308,670,467
1530	Furniture and equipment	221,803	10,601,075	2,352,424	13,175,302
1580	Construction in progress	3,520,000	36,505,987	-	40,025,987
<b>Total</b>		<b>\$ 27,283,868</b>	<b>\$ 416,449,058</b>	<b>\$ 4,048,552</b>	<b>\$ 447,781,478</b>

# Uplift Education

## Budgetary Comparison Schedule

### For the Year Ended June 30, 2020

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	From Final Budget
REVENUES					
Local support					
5740	Other revenues from local sources	\$ 9,178,868	\$ 11,745,000	\$ 11,745,443	\$ 443
	Total local support	9,178,868	11,745,000	11,745,443	443
State Program Revenues					
5810	Foundation School Program revenues	193,048,348	201,493,380	201,724,306	230,926
5820	State program revenues distributed by Texas Education Agency	1,245,825	1,630,620	1,666,164	35,544
	Total state program revenues	194,294,173	203,124,000	203,390,470	266,470
Federal program revenues					
5920	Federal revenues distributed by Texas Education Agency	20,936,528	17,897,952	17,862,969	(34,983)
5940	Federal revenues distributed directly from the federal government <sup>1</sup>	1,300,000	2,389,048	938,597	(1,450,451)
	Total federal program revenues	22,236,528	20,287,000	18,801,566	(1,485,434)
	Total revenues	225,709,569	235,156,000	233,937,479	(1,218,521)
EXPENSES					
11	Instruction and instructional related services	114,608,552	114,586,458	114,480,725	105,733
12	Instructional resources and media services	310,570	290,252	293,254	(3,002)
13	Curriculum and instructional staff development	4,684,070	5,294,959	5,336,443	(41,484)
21	Instructional leadership	3,579,225	3,275,955	3,297,145	(21,190)
23	School leadership	18,154,726	18,313,675	18,208,855	104,820
31	Guidance, counseling and evaluation services	12,856,840	12,613,869	12,579,782	34,087
32	Social work services	95,084	101,555	105,219	(3,664)
33	Health services	1,803,757	1,917,354	1,911,557	5,797
34	Student transportation	60,932	2,990	2,977	13
35	Food services	9,421,182	8,647,585	8,615,998	31,587
36	Cocurricular/extracurricular activities	259,729	604,473	601,340	3,133
41	General administration	6,058,524	9,958,992	9,872,569	86,423
51	Plant maintenance and operations <sup>2</sup>	30,799,227	31,097,352	31,288,637	(191,285)
52	Security and monitoring services	1,851,866	1,244,314	1,230,150	14,164
53	Data processing services <sup>3</sup>	2,237,774	3,092,319	2,724,160	368,159
61	Community services	783,284	808,513	813,911	(5,398)
71	Debt service <sup>2</sup>	16,831,824	15,411,409	16,085,852	(674,443)
81	Fund raising	2,252,099	2,153,439	2,162,868	(9,429)
	Total expenses	226,649,265	229,415,463	229,611,442	(195,979)
Change in net assets		\$ (939,696)	\$ 5,740,537	\$ 4,326,037	\$ (1,414,500)
Loss on early extinguishment of debt <sup>4</sup>			(10,072,438)	(10,072,438)	-
Change in Net Assets Including Loss on Extinguishment of debt			\$ (4,331,901)	\$ (5,746,401)	\$ (1,414,500)

# **Uplift Education**

## Notes to Budgetary Comparison Schedule

### For the Year Ended June 30, 2020

#### **Note 1:**

The School's final adopted budget anticipated that Federal Funding from the Coronavirus Relief Fund for certain expenditures would be approved for the 2020 fiscal year.

#### **Note 2:**

The School's adopted budgets did not include depreciation, bond cost amortization and bond premium amortization expenses that are now being included in the budget numbers. Depreciation expense of \$13,885,891 included in Function 51, Plant maintenance & operations; bond cost amortization expense of \$511,450 is included in Function 71, Debt service; and bond premium amortization expense of (\$947,797) is included in Function 71, Debt service.

#### **Note 3:**

The School's final adopted budget overestimated the delivering and invoicing of ordered equipment prior to the end of the school's fiscal year end.

#### **Note 4:**

As described in Note 9, Long-Term Debt, during the year ended June 30, 2020, the School completed advance refunding transactions of its Outstanding Series 2012 A & B bonds, which resulted in noncash losses on extinguishment of debt of \$10,072,438.





**uplift**education

**Uplift Education**  
Series 2012 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 1,405,000	877,000	\$ 2,282,000
2022	1,430,000	779,788	2,209,788
2023	1,465,000	680,825	2,145,825
2024	1,495,000	579,375	2,074,375
2025	1,530,000	475,838	2,005,838
2026	1,575,000	369,875	1,944,875
2027	1,610,000	260,750	1,870,750
2028	240,000	149,200	389,200
2029	250,000	130,000	380,000
2030	255,000	110,000	365,000
2031	265,000	89,600	354,600
2032	275,000	68,400	343,400
2033	285,000	46,400	331,400
2034	295,000	23,600	318,600
Total	<u>\$ 12,375,000</u>	<u>\$ 4,640,651</u>	<u>\$ 17,015,651</u>

**Uplift Education**  
Series 2013 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 795,000	\$ 1,659,885	\$ 2,454,885
2022	820,000	1,634,853	2,454,853
2023	845,000	1,609,045	2,454,045
2024	875,000	1,578,666	2,453,666
2025	910,000	1,543,413	2,453,413
2026	950,000	1,506,678	2,456,678
2027	985,000	1,468,461	2,453,461
2028	1,025,000	1,428,764	2,453,764
2029	1,070,000	1,387,388	2,457,388
2030	1,110,000	1,344,333	2,454,333
2031	1,155,000	1,299,599	2,454,599
2032	1,200,000	1,253,088	2,453,088
2033	1,250,000	1,204,700	2,454,700
2034	1,305,000	1,151,629	2,456,629
2035	1,360,000	1,093,665	2,453,665
2036	1,420,000	1,033,200	2,453,200
2037	1,485,000	970,016	2,455,016
2038	1,550,000	904,005	2,454,005
2039	1,620,000	835,058	2,455,058
2040	1,690,000	763,065	2,453,065
2041	1,770,000	687,810	2,457,810
2042	1,845,000	609,184	2,454,184
2043	1,930,000	527,078	2,457,078
2044	2,015,000	440,770	2,455,770
2045	2,105,000	350,130	2,455,130
2046	2,200,000	255,420	2,455,420
2047	2,300,000	156,420	2,456,420
2048	2,405,000	52,910	2,457,910
Total	<u>\$ 39,990,000</u>	<u>\$ 28,749,233</u>	<u>\$ 68,739,233</u>

**Uplift Education**  
Series 2014 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 675,000	\$ 1,700,823	\$ 2,375,823
2022	700,000	1,677,620	2,377,620
2023	725,000	1,653,573	2,378,573
2024	750,000	1,628,683	2,378,683
2025	775,000	1,602,948	2,377,948
2026	805,000	1,572,764	2,377,764
2027	840,000	1,537,808	2,377,808
2028	875,000	1,501,364	2,376,364
2029	915,000	1,463,326	2,378,326
2030	955,000	1,423,589	2,378,589
2031	995,000	1,382,151	2,377,151
2032	1,040,000	1,338,908	2,378,908
2033	1,085,000	1,293,751	2,378,751
2034	1,130,000	1,246,683	2,376,683
2035	1,180,000	1,197,595	2,377,595
2036	1,230,000	1,144,845	2,374,845
2037	1,290,000	1,088,145	2,378,145
2038	1,345,000	1,028,858	2,373,858
2039	1,410,000	966,870	2,376,870
2040	1,475,000	901,958	2,376,958
2041	1,540,000	834,120	2,374,120
2042	1,615,000	763,133	2,378,133
2043	1,685,000	688,883	2,373,883
2044	1,765,000	611,258	2,376,258
2045	1,845,000	530,033	2,375,033
2046	1,930,000	444,130	2,374,130
2047	2,025,000	353,165	2,378,165
2048	2,120,000	257,830	2,377,830
2049	2,220,000	158,010	2,378,010
2050	2,325,000	53,475	2,378,475
Total	<u>\$ 39,265,000</u>	<u>\$ 32,046,299</u>	<u>\$ 71,311,299</u>

**Uplift Education**  
Series 2015 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 610,000	\$ 2,036,550	\$ 2,646,550
2022	635,000	2,011,650	2,646,650
2023	660,000	1,985,750	2,645,750
2024	685,000	1,958,850	2,643,850
2025	715,000	1,930,850	2,645,850
2026	745,000	1,901,650	2,646,650
2027	775,000	1,867,375	2,642,375
2028	815,000	1,827,625	2,642,625
2029	860,000	1,785,750	2,645,750
2030	900,000	1,741,750	2,641,750
2031	950,000	1,695,500	2,645,500
2032	995,000	1,646,875	2,641,875
2033	1,050,000	1,595,750	2,645,750
2034	1,100,000	1,542,000	2,642,000
2035	1,160,000	1,485,500	2,645,500
2036	1,220,000	1,426,000	2,646,000
2037	1,280,000	1,363,500	2,643,500
2038	1,345,000	1,297,875	2,642,875
2039	1,415,000	1,228,875	2,643,875
2040	1,490,000	1,156,250	2,646,250
2041	1,565,000	1,079,875	2,644,875
2042	1,645,000	999,625	2,644,625
2043	1,730,000	915,250	2,645,250
2044	1,820,000	826,500	2,646,500
2045	1,910,000	733,250	2,643,250
2046	2,010,000	635,250	2,645,250
2047	2,110,000	532,250	2,642,250
2048	2,220,000	424,000	2,644,000
2049	2,335,000	310,125	2,645,125
2050	2,455,000	190,375	2,645,375
2051	2,580,000	64,500	2,644,500
Total	<u>\$ 41,785,000</u>	<u>\$ 40,196,925</u>	<u>\$ 81,981,925</u>

**Uplift Education**  
Series 2016 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 810,000	\$ 1,898,038	\$ 2,708,038
2022	835,000	1,875,419	2,710,419
2023	855,000	1,852,181	2,707,181
2024	880,000	1,828,325	2,708,325
2025	905,000	1,803,781	2,708,781
2026	930,000	1,778,550	2,708,550
2027	955,000	1,752,631	2,707,631
2028	995,000	1,714,625	2,709,625
2029	1,045,000	1,663,625	2,708,625
2030	1,100,000	1,610,000	2,710,000
2031	1,150,000	1,553,750	2,703,750
2032	1,215,000	1,494,625	2,709,625
2033	1,280,000	1,432,250	2,712,250
2034	1,345,000	1,366,625	2,711,625
2035	1,410,000	1,297,750	2,707,750
2036	1,485,000	1,225,375	2,710,375
2037	1,560,000	1,149,250	2,709,250
2038	1,645,000	1,069,125	2,714,125
2039	1,040,000	1,002,000	2,042,000
2040	1,095,000	948,625	2,043,625
2041	1,150,000	892,500	2,042,500
2042	1,210,000	833,500	2,043,500
2043	1,270,000	771,500	2,041,500
2044	1,335,000	706,375	2,041,375
2045	1,405,000	637,875	2,042,875
2046	1,475,000	565,875	2,040,875
2047	1,550,000	490,250	2,040,250
2048	1,630,000	410,750	2,040,750
2049	1,715,000	327,125	2,042,125
2050	1,800,000	239,250	2,039,250
2051	1,895,000	146,875	2,041,875
2052	1,990,000	49,750	2,039,750
Total	<u>\$ 40,960,000</u>	<u>\$ 36,388,175</u>	<u>\$ 77,348,175</u>

**Uplift Education**  
Series 2017A Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 1,280,000	\$ 3,149,088	\$ 4,429,088
2022	1,345,000	3,080,088	4,425,088
2023	1,415,000	3,007,588	4,422,588
2024	1,485,000	2,931,213	4,416,213
2025	1,570,000	2,850,838	4,420,838
2026	1,645,000	2,775,113	4,420,113
2027	1,730,000	2,695,388	4,425,388
2028	1,805,000	2,602,638	4,407,638
2029	1,905,000	2,515,213	4,420,213
2030	1,990,000	2,434,013	4,424,013
2031	2,070,000	2,349,413	4,419,413
2032	2,160,000	2,261,213	4,421,213
2033	2,250,000	2,157,213	4,407,213
2034	2,360,000	2,036,213	4,396,213
2035	2,480,000	1,908,963	4,388,963
2036	2,610,000	1,775,088	4,385,088
2037	2,745,000	1,634,213	4,379,213
2038	2,890,000	1,501,363	4,391,363
2039	3,030,000	1,377,763	4,407,763
2040	3,150,000	1,249,163	4,399,163
2041	3,280,000	1,115,263	4,395,263
2042	3,415,000	975,763	4,390,763
2043	3,560,000	811,313	4,371,313
2044	3,730,000	619,813	4,349,813
2045	3,930,000	418,188	4,348,188
2046	4,135,000	290,688	4,425,688
2047	965,000	241,188	1,206,188
2048	1,015,000	195,844	1,210,844
2049	1,065,000	155,156	1,220,156
2050	1,105,000	112,875	1,217,875
2051	1,150,000	68,906	1,218,906
2052	1,195,000	23,250	1,218,250
2053	1,240,000	-	1,240,000
Total	<u>\$ 71,700,000</u>	<u>\$ 51,320,032</u>	<u>\$ 123,020,032</u>

**Uplift Education**  
Series 2017B Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 355,000	\$ 1,011,850	\$ 1,366,850
2022	365,000	999,225	1,364,225
2023	380,000	984,325	1,364,325
2024	395,000	968,825	1,363,825
2025	415,000	952,625	1,367,625
2026	430,000	935,725	1,365,725
2027	450,000	915,875	1,365,875
2028	475,000	892,750	1,367,750
2029	495,000	870,975	1,365,975
2030	520,000	850,675	1,370,675
2031	540,000	829,475	1,369,475
2032	560,000	807,475	1,367,475
2033	585,000	784,575	1,369,575
2034	610,000	760,675	1,370,675
2035	635,000	735,775	1,370,775
2036	660,000	709,875	1,369,875
2037	690,000	682,875	1,372,875
2038	720,000	654,675	1,374,675
2039	750,000	621,525	1,371,525
2040	790,000	583,025	1,373,025
2041	830,000	542,525	1,372,525
2042	875,000	499,900	1,374,900
2043	920,000	455,025	1,375,025
2044	965,000	412,725	1,377,725
2045	1,005,000	373,325	1,378,325
2046	1,045,000	332,325	1,377,325
2047	1,090,000	289,625	1,379,625
2048	1,135,000	245,125	1,380,125
2049	1,180,000	201,775	1,381,775
2050	1,225,000	159,688	1,384,688
2051	1,270,000	116,025	1,386,025
2052	1,315,000	70,788	1,385,788
2053	1,365,000	23,888	1,388,888
Total	<u>\$ 25,040,000</u>	<u>\$ 20,275,539</u>	<u>\$ 45,315,539</u>



**Uplift Education**  
Series 2018 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 520,000	\$ 1,784,988	\$ 2,304,988
2022	535,000	1,769,125	2,304,125
2023	555,000	1,750,000	2,305,000
2024	575,000	1,727,400	2,302,400
2025	605,000	1,700,775	2,305,775
2026	635,000	1,669,775	2,304,775
2027	665,000	1,637,275	2,302,275
2028	700,000	1,603,150	2,303,150
2029	735,000	1,567,275	2,302,275
2030	770,000	1,533,500	2,303,500
2031	800,000	1,502,100	2,302,100
2032	835,000	1,469,400	2,304,400
2033	870,000	1,435,300	2,305,300
2034	905,000	1,399,800	2,304,800
2035	940,000	1,362,900	2,302,900
2036	985,000	1,319,475	2,304,475
2037	1,035,000	1,268,975	2,303,975
2038	1,090,000	1,215,850	2,305,850
2039	1,145,000	1,159,975	2,304,975
2040	1,195,000	1,110,438	2,305,438
2041	1,235,000	1,067,913	2,302,913
2042	1,280,000	1,023,900	2,303,900
2043	1,325,000	978,313	2,303,313
2044	1,375,000	931,063	2,306,063
2045	1,435,000	871,125	2,306,125
2046	1,505,000	797,625	2,302,625
2047	1,585,000	720,375	2,305,375
2048	1,665,000	639,125	2,304,125
2049	1,750,000	553,750	2,303,750
2050	1,840,000	464,000	2,304,000
2051	1,935,000	369,625	2,304,625
2052	2,035,000	270,375	2,305,375
2053	2,140,000	166,000	2,306,000
2054	2,250,000	56,250	2,306,250
Total	<u>\$ 39,450,000</u>	<u>\$ 38,896,915</u>	<u>\$ 78,346,915</u>

**Uplift Education**  
Series 2019 Bonds  
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2021	\$ 455,000	\$ 2,644,215	\$ 3,099,215
2022	825,000	2,959,683	3,784,683
2023	850,000	2,939,001	3,789,001
2024	940,000	2,913,569	3,853,569
2025	965,000	2,886,459	3,851,459
2026	985,000	2,857,872	3,842,872
2027	1,015,000	2,828,024	3,843,024
2028	2,455,000	2,788,179	5,243,179
2029	2,520,000	2,729,231	5,249,231
2030	2,595,000	2,659,011	5,254,011
2031	2,670,000	2,585,378	5,255,378
2032	2,750,000	2,507,593	5,257,593
2033	2,835,000	2,425,454	5,260,454
2034	2,925,000	2,338,996	5,263,996
2035	3,320,000	2,245,767	5,565,767
2036	3,430,000	2,141,405	5,571,405
2037	3,550,000	2,026,099	5,576,099
2038	3,675,000	1,904,314	5,579,314
2039	3,800,000	1,778,252	5,578,252
2040	3,935,000	1,647,791	5,582,791
2041	4,070,000	1,513,851	5,583,851
2042	4,205,000	1,377,480	5,582,480
2043	4,355,000	1,237,543	5,592,543
2044	4,500,000	1,092,775	5,592,775
2045	4,650,000	942,619	5,592,619
2046	4,815,000	784,183	5,599,183
2047	4,990,000	615,213	5,605,213
2048	5,170,000	437,893	5,607,893
2049	1,010,000	291,625	1,301,625
2050	1,050,000	215,000	1,265,000
2051	1,090,000	175,725	1,265,725
2052	1,120,000	140,475	1,260,475
2053	1,155,000	106,838	1,261,838
2054	1,190,000	72,188	1,262,188
2055	1,225,000	18,375	1,243,375
Total	<u>\$ 91,090,000</u>	<u>\$ 58,828,076</u>	<u>\$ 149,918,076</u>

## **Compliance and Internal Control**



**uplift**education



**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards***

To the Board of Governors of  
Uplift Education  
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Uplift Education (the School), which comprise the Statement of Financial Position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

**Compliance and Other Matters**

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

The Board of Governors of  
Uplift Education

### **Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
December 17, 2020



**Independent Auditor's Report on Compliance for Each Major Federal  
Program and Report on Internal Control over Compliance  
in Accordance with the Uniform Guidance**

To the Board of Governors of  
Uplift Education  
Dallas, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Uplift Education's (the School) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2020. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
December 17, 2020



# Uplift Education

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

### Section I - Summary of Auditor's Results

#### Financial Statements:

An unmodified opinion was issued on the financial statements.  
Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_Yes √No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_Yes √None reported

Noncompliance material to financial statements noted? \_\_\_Yes √No

#### Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? \_\_\_Yes √No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_Yes √None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) or Uniform Guidance? \_\_\_Yes √No

Identification of major programs:

CFDA Number(s)  
84.282M

Name of Federal Programs or Cluster  
CSP Charter School Expansion Grant Education

10.555  
10.553

Child Nutrition Cluster

Threshold for distinguishing Type A and B programs:

\$750,000

Auditee qualified as a low- risk auditee?

√ Yes \_\_\_No

# **Uplift Education**

## **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020**

### **Section II - Financial Statement Findings**

**None noted.**

## **Uplift Education**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020

### **Section III - Federal Award Findings and Questioned Costs**

**None noted.**

# **Uplift Education**

## **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020**

### **Section IV – Summary Schedule of Prior Year Findings**

**No Prior Year Findings**

# Uplift Education

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity ID Number	Federal Expenditures
United States Department of Education			
<u>Direct Funding</u>			
CSP Charter School Expansion Grant	84.282M	U282M150004	\$ 938,597
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	20610101057803 19610101057803	5,906,896 333,113
ESEA, School improvement grant	84.010A	20610144057803 19610144057803	58,103 <u>5,768</u>
Total ESEA, Title I			6,303,880
ESEA, Title II, Part A	84.367A	20694501057803 219694501057803	564,045 15,823
ESEA, Title III, Part A, LEP	84.365A	20671001057803 19671001057803	574,678 3,325
ESEA, Title IV, Part A	84.424A	20680101057803	350,487
IDEA - Part B, Formula	84.027A	206600010578036000 196600010578036000	2,276,960 6,868
IDEA - Part B, Preschool	84.173A	206610010578036610	6,429
IDEA - Part B, High cost	84.027A	206600010578036000	<u>124,321</u>
Total Special Education Cluster			2,414,578
Career and Technical Education	84.048A	20420006057803 19420006057803	160,347 <u>29,415</u>
			189,762
Total Passed Through State Department of Education			<u>10,416,578</u>
Total United States Department of Education			<u>11,355,175</u>
United States Department of Agriculture			
<u>Passed Through State Department of Agriculture</u>			
National School Lunch	10.555	71301401	4,685,396
Food Distribution Program (Noncash assistance)	10.555	71301401	618,401
School Breakfast Program	10.553	71401401	<u>2,142,594</u>
Total Child Nutrition Cluster			<u>7,446,391</u>
Total Expenditures of Federal Awards			<u>\$ 18,801,566</u>

# **Uplift Education**

## **Notes to the Schedule of Expenditures of Federal Awards**

### **Note 1: General**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the expenditures for all federal award programs received by the School for the fiscal year ended June 30, 2020.

### **Note 2: Basis of Accounting**

The accompanying Schedule is presented using the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget's OMB Compliance Supplement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.