

Uplift Education

Financial Statements

Year Ended June 30, 2022



uplifteducation

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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, 2022, at a meeting of the governing body of said charter schools on the 15th day of November, 2022.


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
Dallas, Texas

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of the financial statements of Uplift Education (the School), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the School, as of June 30, 2022 and 2021, and the respective changes in its net assets and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date that the financial statements are issued (or when applicable, one year after the date that the financial statements are available to be issued).

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Supplementary Information and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Board of Governors of
Uplift Education

The 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2022 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 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
November 15, 2022



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Uplift Education

Statements of Financial Position

June 30, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 59,613,357	\$ 53,343,098
Restricted cash and cash equivalents	32,176,970	32,993,990
Investments	-	998,301
Due from governments	44,036,440	42,074,515
Current portion of contributions receivable, net	272,325	1,139,191
Other current assets	1,411,486	1,323,304
Total current assets	137,510,578	131,872,399
Non-current portion of contributions receivable, net	-	653,000
Operating lease right-of-use assets, net	11,001,376	10,425,901
Capital assets, net	380,565,275	386,683,789
Other assets	327,516	336,152
TOTAL ASSETS	\$ 529,404,745	\$ 529,971,241
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 10,106,853	\$ 12,269,555
Accrued expenses	11,524,841	11,838,940
Deferred revenue	1,086,116	2,946,568
Funds held for student and parent groups	1,423,804	1,539,000
Current portion of lease liabilities	904,191	730,668
Current portion of long-term debt, net	10,055,000	7,690,000
Total current liabilities	35,100,805	37,014,731
Non-current portion of lease liabilities	13,175,863	12,933,496
Non-current portion of long-term debt, net	428,930,811	428,577,013
TOTAL LIABILITIES	477,207,479	478,525,240
NET ASSETS		
Without donor restrictions	(7,282,718)	2,068,133
With donor restrictions	59,479,984	49,377,868
TOTAL NET ASSETS	52,197,266	51,446,001
TOTAL LIABILITIES AND NET ASSETS	\$ 529,404,745	\$ 529,971,241

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

Uplift Education

Statement of Activities

For the Years Ended June 30, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
REVENUES			
Local support:			
5700 Revenues from local sources	\$ 2,337,464	\$ 4,379,768	\$ 6,717,232
Total local support	2,337,464	4,379,768	6,717,232
State program revenues:			
5810 Foundation school program	-	225,571,239	225,571,239
5820 Other state aid	-	4,169,243	4,169,243
Total state program revenues	-	229,740,482	229,740,482
Federal program revenues:			
IDEA - Part B formula	-	2,782,975	2,782,975
IDEA - Part B preschool	-	8,530	8,530
National school lunch/breakfast program	-	15,968,005	15,968,005
ESEA, Title I, Part A	-	7,041,315	7,041,315
ESEA, Title II, Part A	-	571,981	571,981
ESEA, Title III, Part A	-	661,672	661,672
ESEA, Title IV, Part A	-	489,263	489,263
ESEA, School improvement grant	-	41,037	41,037
Career/technical basis grant	-	418,758	418,758
Education Innovation And Research	-	152,830	152,830
Charter replication grant	-	203,822	203,822
ESSER I	-	2,327,653	2,327,653
ESSER III	-	18,153,370	18,153,370
Other Covid Related Programs	-	1,350,808	1,350,808
Total federal program revenues	-	50,172,019	50,172,019
Net assets released from restrictions:			
Restrictions satisfied from payments	274,190,154	(274,190,154)	-
Total revenues	<u>\$ 276,527,618</u>	<u>\$ 10,102,115</u>	<u>\$ 286,629,733</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, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
EXPENSES			
Program services:			
11 Instruction and instructional related services	\$ 149,328,365	\$ -	\$ 149,328,365
12 Instructional resources and media services	75,308	-	75,308
13 Curriculum and instructional staff development	4,577,913	-	4,577,913
21 Instructional leadership	4,800,668	-	4,800,668
23 School leadership	21,395,685	-	21,395,685
Supporting services:			
31 Guidance, counseling, and evaluation services	16,201,492	-	16,201,492
32 Social work services	159,933	-	159,933
33 Health services	3,109,211	-	3,109,211
34 Student transportation	108,242	-	108,242
35 Food services	11,223,172	-	11,223,172
36 Cocurricular/extracurricular activities	1,214,378	-	1,214,378
41 General administration	10,864,209	-	10,864,209
51 Plant maintenance and operations	36,898,630	-	36,898,630
52 Security and monitoring services	2,809,537	-	2,809,537
53 Data processing services	2,946,495	-	2,946,495
61 Community services	2,598,537	-	2,598,537
71 Debt service	17,092,754	-	17,092,754
81 Fund raising	473,939	-	473,939
Total expenses	<u>285,878,468</u>	<u>-</u>	<u>285,878,468</u>
Change in Net Assets	(9,350,851)	10,102,116	751,265
NET ASSETS, BEGINNING OF YEAR	<u>2,068,133</u>	<u>49,377,868</u>	<u>51,446,001</u>
NET ASSETS, END OF YEAR	<u><u>\$ (7,282,718)</u></u>	<u><u>\$ 59,479,984</u></u>	<u><u>\$ 52,197,266</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, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	2021 Total
REVENUES			
Local support:			
5700 Revenues from local sources	\$ 4,872,434	\$ 3,774,580	\$ 8,647,014
Total local support	4,872,434	3,774,580	8,647,014
State program revenues:			
5810 Foundation school program	-	217,744,363	217,744,363
5820 Other state aid	-	3,268,133	3,268,133
Total state program revenues	-	221,012,496	221,012,496
Federal program revenues:			
IDEA - Part B formula	-	2,498,017	2,498,017
IDEA - Part B preschool	-	7,694	7,694
IDEA - High cost	-	106,270	106,270
National school lunch/breakfast program	-	5,551,899	5,551,899
ESEA, Title I, Part A	-	7,836,243	7,836,243
ESEA, Title II, Part A	-	590,291	590,291
ESEA, Title III, Part A	-	587,118	587,118
ESEA, Title IV, Part A	-	324,299	324,299
ESEA, School improvement grant	-	93,429	93,429
Career/technical basis grant	-	70,929	70,929
Charter replication grant	-	1,840,951	1,840,951
Coronavirus Relief Fund	-	3,332,519	3,332,519
ESSER I	-	2,460,559	2,460,559
Total federal program revenues	-	25,300,218	25,300,218
Net assets released from restrictions:			
Restrictions satisfied from payments	241,119,348	(241,119,348)	-
Total revenues	\$ 245,991,782	\$ 8,967,946	\$ 254,959,728

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

Uplift Education

Statements of Activities – Continued

For the Years Ended June 30, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
EXPENSES			
Program services:			
11 Instruction and instructional related services	\$ 130,878,003	\$ -	\$ 130,878,003
12 Instructional resources and media services	231,515	-	231,515
13 Curriculum and instructional staff development	6,821,187	-	6,821,187
21 Instructional leadership	4,726,500	-	4,726,500
23 School leadership	18,800,775	-	18,800,775
Supporting services:			
31 Guidance, counseling, and evaluation services	14,301,934	-	14,301,934
32 Social work services	230,453	-	230,453
33 Health services	2,877,439	-	2,877,439
34 Student transportation	-	-	-
35 Food services	4,961,424	-	4,961,424
36 Cocurricular/extracurricular activities	559,027	-	559,027
41 General administration	9,446,522	-	9,446,522
51 Plant maintenance and operations	36,779,279	-	36,779,279
52 Security and monitoring services	1,523,499	-	1,523,499
53 Data processing services	3,120,757	-	3,120,757
61 Community services	2,212,299	-	2,212,299
71 Debt service	16,137,115	-	16,137,115
81 Fund raising	482,176	-	482,176
Total expenses	<u>254,089,904</u>	<u>-</u>	<u>254,089,904</u>
Change in Net Assets	(8,098,122)	8,967,946	869,824
Gain on extinguishment of debt (see Note 9)	-	2,140,197	2,140,197
NET ASSETS, BEGINNING OF YEAR	<u>10,166,255</u>	<u>38,269,725</u>	<u>48,435,980</u>
NET ASSETS, END OF YEAR	<u>\$ 2,068,133</u>	<u>\$ 49,377,868</u>	<u>\$ 51,446,001</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 751,265	\$ 869,824
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,083,470	14,767,682
Amortization of financing costs	534,003	558,548
Amortization of bond premium	(1,044,511)	(1,044,746)
Non-cash capital lease expense	(159,585)	(10,535)
Loss on the disposal of assets	-	405,849
Non-cash gain on extinguishment of debt	-	2,140,197
(Increase) decrease in assets:		
Investments	998,301	(306,901)
Due from governments	(1,961,925)	(4,559,596)
Contributions receivable	1,519,866	1,234,113
Other assets	(79,546)	739,740
Increase (decrease) in liabilities:		
Accounts payable	(3,308,215)	(822,047)
Accrued expenses	(314,099)	3,577,605
Deferred revenue	(1,860,452)	152,373
Funds held for student and parent groups	(115,196)	(313,973)
Net cash provided by operating activities	<u>11,043,376</u>	<u>17,388,133</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(8,819,443)	(38,149,088)
Net cash used in investing activities	<u>(8,819,443)</u>	<u>(38,149,088)</u>
FINANCING ACTIVITIES		
Proceeds from bond issuance	-	28,725,000
Proceeds from notes payable	10,994,852	-
Premium on issuance of long term debt	-	1,927,801
Cash paid for debt issuance costs	(75,546)	(1,546,621)
Payments on long-term debt	(7,490,000)	(6,905,000)
Payments on notes payable	(200,000)	(7,607,967)
Net cash provided by financing activities	<u>3,229,306</u>	<u>14,593,213</u>
NET INCREASE (DECREASE) IN TOTAL CASH AND CASH EQUIVALENTS	<u>5,453,239</u>	<u>(6,167,742)</u>
TOTAL CASH AND CASH EQUIVALENTS, beginning of year	<u>86,337,088</u>	<u>92,504,830</u>
TOTAL CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 91,790,327</u></u>	<u><u>\$ 86,337,088</u></u>
NON-CASH ACTIVITIES		
Capital expenditures (including retainage) included in accounts payable	<u>\$ 1,145,513</u>	<u>\$ 2,348,443</u>
Non-cash loan forgiveness (included in Payments on notes payable)	<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, 2022 and 2021

	6100 - Payroll costs	6200 - Professional and contracted services	6300 - Supplies and materials	6400 - Other operating costs	6500 - Debt Costs	2022 Total
Program services						
10 - Instruction and instructional-related	\$ 123,168,970	\$ 14,621,558	\$ 13,918,654	\$ 2,272,404	\$ -	\$ 153,981,586
20 - Instructional and school leadership	25,065,424	599,951	191,967	339,011	-	26,196,353
Supporting services						
30 - Support services - student	18,947,404	2,387,662	9,557,802	1,123,560	-	32,016,428
40 - Administrative support services	6,518,254	3,248,782	244,556	852,617	-	10,864,209
50 - Support services - non-student based	8,455,760	15,439,445	1,247,901	17,511,556	-	42,654,662
60 - Ancillary services	1,891,393	358,983	80,660	267,501	-	2,598,537
70 - Debt service	-	-	-	-	17,092,754	17,092,754
80 - Fund raising	405,227	49,084	13,924	5,704	-	473,939
Total expenses	\$ 184,452,432	\$ 36,705,465	\$ 25,255,464	22,372,353	\$ 17,092,754	\$ 285,878,468

	6100 - Payroll costs	6200 - Professional and contracted services	6300 - Supplies and materials	6400 - Other operating costs	6500 - Debt Costs	2021 Total
Program services						
10 - Instruction and instructional-related	\$ 112,499,348	\$ 6,274,409	\$ 17,623,303	\$ 1,533,645	\$ -	\$ 137,930,705
20 - Instructional and school leadership	22,734,765	479,908	127,312	185,290	-	23,527,275
Supporting services						
30 - Support services - student	16,969,616	1,443,856	4,168,200	348,605	-	22,930,277
40 - Administrative support services	6,330,197	2,599,682	82,352	434,291	-	9,446,522
50 - Support services - non-student based	7,293,575	15,352,623	2,020,641	16,745,257	11,439	41,423,535
60 - Ancillary services	1,688,220	198,022	96,980	229,077	-	2,212,299
70 - Debt service	-	-	-	-	16,137,115	16,137,115
80 - Fund raising	427,951	37,948	6,382	9,895	-	482,176
Total expenses	\$ 167,943,672	\$ 26,386,448	\$ 24,125,170	\$ 19,486,060	\$ 16,148,554	\$ 254,089,904

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 21 campuses serving approximately 21,970 students during fiscal year 2022. Uplift is rated Baa2 by Moody's and BBB- by Standard & Poor's.

The charter holder had no material non-charter activities.

Note 2. Recently Adopted Accounting Guidance

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842)* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the standard effective July 1, 2020 and recognized and measured leases existing at, or entered into after, July 1, 2020 (the beginning of the period of adoption) using a modified retrospective approach, with certain practical expedient available.

While the School had no capital leases in prior periods and no leases that were classified as finance leases under ASC 842, the School elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Note 3. 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.

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 10) 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. Other restricted cash includes balances held whose use is restricted by donor contributions.

Uplift Education

Notes to Financial Statements

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 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, 2022 and 2021, 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 2022 and 2021.

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, 2022 and 2021, the net book value of the grant-funded property and equipment was \$1,194,644 and \$1,476,757, respectively.

Uplift Education

Notes to Financial Statements

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.

Donated Services and Property

During the years ended June 30, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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 2019.

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.

Uplift Education

Notes to Financial Statements

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 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 statements of activities.

Leases

The School leases school facilities, land, office space and warehouse space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on School's balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the School's leases do not provide an implicit rate, the School uses our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The School has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes that are passed on from the lessor in proportion to the space *leased*, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The School has elected to apply the short-term lease exemption to its office equipment leases. During the year ended June 30, 2022, there were only a small number of leases within this class of underlying asset that qualify for the exemption.

In evaluating contracts to determine if they qualify as a lease, the School considers factors such as if the School has obtained substantially all of the rights to the underlying asset through exclusivity, if the School can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Uplift Education

Notes to Financial Statements

In allocating consideration in the contract to the separate lease components and the non-lease components, the School uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, we use our incremental borrowing rate. Our incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by our assets. Determining a credit spread as secured by our assets may require significant judgment.

Through a lease agreement with the Housing Authority of the City of Dallas, the School leases 2 school facilities. The lease is a below market lease that expires in 2059. The School completed an analysis of the present value of the future cash flows at a discount rate of 5% and determined that based on the annual lease payment, the present value is clearly immaterial. Accordingly, the School elected to forego recording a right-of-use asset and corresponding lease liability, and instead, will continue to account for the present value of the below market lease. With the adoption of ASC 842, these assets are now classified as other assets.

Reclassification

Certain line items on the statement of financial position as of June 30, 2021 have been reclassified to be consistent with reporting for the fiscal year ended June 30, 2022. The reclassification had no effect on the change in net assets for the years ended June 30, 2022 nor 2021.

Note 4. Restricted Cash and Cash Equivalents

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

	2022	2021
Construction	\$ 12,781,884	\$ 15,031,744
Debt service	18,348,676	17,932,138
Other	1,046,410	30,108
	<u>\$ 32,176,970</u>	<u>\$ 32,993,990</u>

During the year ended June 30, 2022, the School liquidated its investments in various mutual funds that were originally funded by donor contributions that came with restrictions as to how the funds could be subsequently spent. The school then invested those funds in short term Treasury Bills with maturity dates not to exceed ninety days from issuance. Such funds are described as "Other" in the preceding summary of restricted cash and cash equivalents.

Uplift Education

Notes to Financial Statements

Note 5. Investments

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

Mutual Funds:	2022	2021
US equity funds	\$ -	\$ 470,928
International equity funds	-	158,993
US fixed income	-	368,267
International fixed income	-	113
	\$ -	\$ 998,301

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. The school did not have, at June 30, 2022 any investments classified as Level 1. 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, 2022 or 2021, 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.

The following table presents 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, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2021 Fair Value
Mutual Funds:				
US equity funds	\$ 470,928	\$ -	\$ -	\$ 470,928
International equity funds	158,993	-	-	158,993
US fixed income	368,267	-	-	368,267
International fixed income	113	-	-	113
	\$ 998,301	\$ -	\$ -	\$ 998,301

Uplift Education

Notes to Financial Statements

Note 6. Due from Governments

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

	2022	2021
Texas Education Agency -		
Foundation School Program revenue	\$ 39,543,156	\$ 36,183,016
Federal grant revenue	4,379,575	5,581,483
Other government receivables	113,709	310,016
	<u>\$ 44,036,440</u>	<u>\$ 42,074,515</u>

Note 7. 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, 2022 are as follows:

Financial assets at June 30, 2022:	
Cash and cash equivalents	\$ 59,613,357
Restricted cash	32,176,970
Due from governments	44,036,440
Contributions receivable	<u>272,325</u>
Total financial assets	136,099,092
Less financial assets not available for general expenditure:	
Cash restricted for long-term purposes	(32,116,660)
Donor-restricted assets not expected to be satisfied in coming year	<u>(6,414,709)</u>
Total financial assets not available for general expenditure	(38,531,369)
Total financial assets available for general expenditure	<u><u>\$ 97,567,723</u></u>

Uplift Education

Notes to Financial Statements

Note 8. 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:

	2022	2021
Contributions receivable	\$ 300,000	\$ 1,881,800
Less: discount to present value (discount rate of 5%)	<u>(27,675)</u>	<u>(89,609)</u>
Contributions receivable, net	<u>\$ 272,325</u>	<u>\$ 1,792,191</u>
Current portion of contributions receivable, net	<u>\$ 272,325</u>	<u>\$ 1,139,191</u>
Non-current portion of contributions receivable, net	<u>\$ -</u>	<u>\$ 653,000</u>

The School at times 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. There were no such conditional contributions made during the fiscal years ended June 30, 2022 or 2021, nor were any such pledges outstanding as of those dates.

In addition, the School has received conditional payments in advance from donors for various programs resulting in deferred revenue which totaled \$1,086,116 and \$2,946,658 at June 30, 2022 and 2021, respectively.

As of June 30, 2022, the School has approximately \$85,754,863 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 9. Capital Assets

Capital assets consist of the following as of June 30:

	2022	2021
Building and improvements	\$ 409,574,420	\$ 408,386,844
Furniture and fixtures	19,764,705	19,290,630
Depreciable assets	<u>429,339,125</u>	<u>427,677,474</u>
Less accumulated depreciation	<u>(104,344,236)</u>	<u>(88,261,119)</u>
Total depreciable assets	324,994,889	339,416,355
Land	46,633,936	45,583,987
Construction in progress	<u>8,936,450</u>	<u>1,683,447</u>
Capital assets, net	<u>\$ 380,565,275</u>	<u>\$ 386,683,789</u>

For the years ended June 30, 2022 and 2021, the School capitalized interest in the amounts of \$0 and \$665,404 respectively.

Uplift Education

Notes to Financial Statements

For the years ended June 30, 2022 and 2021, the School charged \$16,083,470 and \$14,767,682 to depreciation expense, which is included in plant maintenance and operations in the accompanying statements of activities.

Note 10. Long-Term Debt

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

	Interest Rate	2022	2021
Bonds payable:			
Series 2012 bonds	6.750 - 8.000%	9,540,000	10,970,000
Series 2013 bonds	3.100 - 4.400%	38,375,000	39,195,000
Series 2014 bonds	3.375 - 4.600%	37,890,000	38,590,000
Series 2015 bonds	4.000 - 5.000%	40,540,000	41,175,000
Series 2016 bonds	2.750 - 5.000%	39,315,000	40,150,000
Series 2017A bonds	3.750 - 5.000%	69,075,000	70,420,000
Series 2017B bonds	3.500 - 5.000%	24,320,000	24,685,000
Series 2018 bonds	3.500 - 5.000%	38,395,000	38,930,000
Series 2019 bonds	2.050 - 4.000%	89,810,000	90,635,000
Series 2020 bonds	2.000 - 4.000%	28,725,000	28,725,000
Total bonds payable		415,985,000	423,475,000
Bond premium:			
Plus: Series 2015 bond premium		980,722	1,036,057
Plus: Series 2016 bond premium		3,865,772	4,099,380
Plus: Series 2017A bond premium		5,467,067	5,819,323
Plus: Series 2017B bond premium		1,360,330	1,432,982
Plus: Series 2018 bond premium		2,564,004	2,698,408
Plus: Series 2019 bond premium		1,629,292	1,715,586
Plus: Series 2020 bond premium		1,817,838	1,927,801
Total bond premium		17,685,025	18,729,537
Notes payable:			
Charter School Growth Fund	1.000%	2,700,000	2,900,000
Regions Commercial Equipment Finance, LLC	2.664%	10,994,852	-
Total notes payable		13,694,852	2,900,000
Total bonds and notes payable		447,364,877	445,104,537
Unamortized financing cost		(8,379,066)	(8,837,524)
Total long-term debt, net		438,985,811	436,267,013
Less: current portion, net		(10,055,000)	(7,690,000)
Non-current portion, long-term debt, net		\$ 428,930,811	\$ 428,577,013

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.

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.

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.

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.

Uplift Education

Notes to Financial Statements

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.

Series 2020 Bonds

On August 6, 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 2050.

Interest paid for the fiscal years ended June 30, 2022 and 2021, was \$17,610,614 and \$17,762,300, respectively, of which the School capitalized \$0 and \$665,404, 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.

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 currently accrue interest at 1.00%. The loans mature on December 1, 2022 and 2023 and are not collateralized.

On June 5, 2019, the School entered into loan agreements with Regions Commercial Equipment Finance, LLC (Regions), 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"). On July 1, 2020, Loan A had \$5,467,770 outstanding, accruing interest at 1.711%, and was paid off on August 8, 2020. Both loans expired June 1, 2022.

On June 16, 2022, the School entered into new loan agreements with Regions 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 \$20,000,000 to be used for working capital ("Loan B"). Both loans have draw periods expiring June 16, 2025. On June 29, 2022, the School drew \$10,994,852 on Loan A, using the proceeds to purchase real property and for construction costs. The drawn portion of the note accrued interest at the Bloomberg 1 (One) Month Short-Term Bank Yield Index (USD) plus 1.45%. During the year ended June 30, 2022, the School's accrued interest on the drawn portion was 2.66%.

On June 30, 2020, the School entered into an Irrevocable Standby Letter of Credit agreement with Regions 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 expired on October 31, 2021.

Uplift Education

Notes to Financial Statements

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:

	2022	2021
Financing cost	\$ 11,115,536	\$ 11,039,990
Accumulated amortization	<u>(2,736,470)</u>	<u>(2,202,466)</u>
Unamortized financing cost	<u>\$ 8,379,066</u>	<u>\$ 8,837,524</u>

For the years ended June 30, 2022 and 2021, the School recorded \$534,003 and \$558,548, respectively, to amortization expense, which is included in debt service in the accompanying statements of activities.

Scheduled maturities of long-term debt are as follows at June 30, 2022:

Fiscal Year End	Principal	Interest	Total
2023	\$ 10,055,000	\$ 17,525,662	\$ 27,580,662
2024	9,705,000	17,118,233	26,823,233
2025	20,034,852	16,515,976	36,550,828
2026	9,380,000	16,103,008	25,483,008
2027	9,730,000	15,676,557	25,406,557
Thereafter	370,775,000	208,594,634	579,369,634
	<u>429,679,852</u>	<u>291,534,069</u>	<u>721,213,921</u>
Add amount representing premium	17,685,025	-	17,685,025
Less unamortized financing cost	<u>(8,379,066)</u>	<u>-</u>	<u>(8,379,066)</u>
	<u>\$ 438,985,811</u>	<u>\$ 291,534,069</u>	<u>\$ 730,519,880</u>

Uplift Education

Notes to Financial Statements

Note 11. 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	Approximately \$223.2 billion
Accumulated Benefit Obligations	Approximately \$227.3 billion
% Funded	89%
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, 2021	\$8,074,257 (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, 2021

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>2021</u>	<u>2022</u>
· Member	7.70%	8.00%
· Non-Member Contributing Entity (State)	7.50%	7.75%
· Employers	1.60%	1.70%

Uplift Education

Notes to Financial Statements

There have been no changes that would affect the comparison of employer contributions from year to year. Information regarding the plan may be found at the TRS website (<http://www.trs.state.tx.us/>). The TRS posts the Annual Financial Report (AFR) 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 12. Net Assets with Donor Restrictions

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

	2022	2021
Private grants and contracts	\$ 2,891,756	\$ 2,486,762
Contributions receivable	1,881,800	2,590,000
Foundation School Program	224,015,337	212,638,113
Federally funded educational programs	45,401,260	23,404,473
Total	<u>\$ 274,190,154</u>	<u>\$ 241,119,348</u>

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

	2022	2021
Foundation School Program	45,398,425	39,560,183
Child Nutrition Program	6,467,407	1,650,720
Summer Feeding Program	26,046	10,391
Other federal programs	27,192	-
Restricted contributions	7,288,591	6,364,384
Contributions receivable, net	272,323	1,792,190
Total net assets with donor restrictions	<u>\$ 59,479,984</u>	<u>\$ 49,377,868</u>

Note 13. Leases

The School has operating leases for school facilities, office space, warehouse space and land. Our leases have remaining lease terms of 2 years to 16 years, some of which may include options to extend the leases for up to 10 years. The School has no leases that were classified as finance leases under ASC 842.

Upon the adoption of the ASU No. 2016-02, *Leases (Topic 842)*, the school recognized a lease liability of \$4,519,015 effective July 1, 2020. This represents the present value of the remaining operating lease payments of \$5,774,066 discounted using the School's incremental borrowing rate of 5.0%. In conjunction with the lease liability, the school recognized a right-of-use asset of \$3,635,152 which represents the Operating lease liability of \$4,519,015 and a liability for deferred rent of \$883,863 as of June 30, 2020, which is reflected as a reduction to the ROU asset at the date of adoption of ASC 842.

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Notes to Financial Statements

On June 8, 2021, a new operating lease for the School's Dallas CMO was commenced. The School recognized a lease liability of \$9,474,394. This represents the present value of the operating lease payments of \$14,083,277 discounted using the School's incremental borrowing rate of 5.0%, and a Right-of-use asset of \$7,098,020 which represents the Operating lease liability of \$9,474,394 adjusted for Deferred rent of \$42,774 which is no longer accounted for under ASC 842, and a Lease Incentive of \$2,333,600.

On January 1, 2022, a new operating lease for the School's Dallas warehouse was commenced. The school recognized a lease liability of \$1,176,079. This represents the present value of the operating lease payments of \$1,417,851 payments discounted using the School's incremental borrowing rate of 5.0% and Right-of-Use asset of \$1,176,079 which represents the Operating lease liability of \$1,176,079.

Total operating lease costs for the years ended June 30, 2022 and 2021, were \$1,295,902 and \$566,987, respectively.

Maturities of Operating lease liabilities as of June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Operating lease weighted average remaining lease term	13 Years	15 years
Weighted average discount rate	5%	5%

Supplemental cash flow information related to leases for the years ended June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Operating cash flows towards operating leases	\$ 1,455,456	\$ 588,961
Right-of-use assets obtained in exchange for for operating lease obligations	\$ 11,001,376	\$ 10,425,901

Future minimum lease payments under non-cancellable leases as of June 30, 2022 were as follows:

<u>Fiscal Year End</u>	<u>Future Minimum Lease Payments</u>
2023	\$ 1,587,687
2024	1,592,407
2025	1,596,730
2026	1,669,437
2027	1,629,310
Thereafter	11,154,535
Total future minimum rental commitments	\$ 19,230,107
Less Imputed Interest	(5,150,053)
Total Lease Liability	<u><u>\$ 14,080,054</u></u>

Uplift Education

Notes to Financial Statements

Note 14. Commitments for Construction and Acquisition of Property and Equipment

At June 30, 2022, the School had commitments of approximately \$39,322,921 for construction and acquisition of property and equipment, all of which are expected to be incurred in fiscal years 2023 and 2024. The School has restricted cash of \$12,781,884 that is specifically earmarked for such activities as outlined in Note 4.

Note 15. 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.

Note 16. Economic Dependency

During the years ended June 30, 2022 and 2021, the School recognized revenue of \$279,912,501 and \$246,312,714 respectively, from the TEA and federal government. For the years ended June 30, 2022 and 2021, these amounts constitute approximately 97% and 97%, 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 17. Evaluation of Subsequent Events

The School evaluated its financial statements for subsequent events through November, 15, 2022, the date the financial statements were available to be issued.

On October 31, 2022, the School entered into an agreement with a buyer for the sale of the Land and Buildings that comprise the campus for the Uplift Luna Preparatory High School and Uplift Luna Preparatory Middle School. The selling price of \$27,000,000 is in excess of the net book value included within Land and Buildings related to the campuses within capital assets.

Supplementary Information



uplifteducation

Uplift Education
Schedule of Schools
For the Years Ended June 30, 2022 and 2021

Charter Schools Operated by Uplift Education:

Uplift Ascend Preparatory High School
Uplift Ascend Preparatory Middle School
Uplift Ascend Preparatory Primary School
Uplift Atlas Preparatory High School
Uplift Atlas Preparatory Middle School
Uplift Atlas Preparatory Primary School
Uplift Crescendo Preparatory Primary School
Uplift Elevate Preparatory High 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 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, 2022 and 2021

		<u>2022</u>	<u>2021</u>
EXPENSES			
6100	Payroll costs	\$ 184,452,432	\$ 167,943,672
6200	Professional and contracted services	36,705,465	26,386,448
6300	Supplies and materials	25,255,464	24,125,170
6400	Other operating costs	22,372,353	19,486,060
6500	Debt costs	17,092,754	16,148,554
	Total expenses	<u>\$ 285,878,468</u>	<u>\$ 254,089,904</u>

Uplift Education

Schedules of Cash and Capital Assets

June 30, 2022 and 2021

	Ownership Interest			2022
	Local	State	Federal	Total
Cash	\$ 14,313,842	\$ 44,862,437	\$ 437,078	\$ 59,613,357
Land	3,370,906	43,263,030	-	46,633,936
Buildings and improvements	7,685,076	401,369,519	519,825	409,574,420
Furniture and equipment	1,222,144	14,227,033	4,315,528	19,764,705
Construction in progress	-	8,936,450	-	8,936,450
Total	\$ 26,591,968	\$ 512,658,469	\$ 5,272,431	\$ 544,522,868

	Ownership Interest			2021
	Local	State	Federal	Total
Cash	\$ 14,313,842	\$ 38,592,178	\$ 437,078	\$ 53,343,098
Land	3,370,906	42,213,081	-	45,583,987
Buildings and improvements	7,535,076	400,331,943	519,825	408,386,844
Furniture and equipment	55,344	14,958,058	4,277,228	19,290,630
Construction in progress	-	1,683,447	-	1,683,447
Total	\$ 25,275,168	\$ 497,778,707	\$ 5,234,131	\$ 528,288,006

Uplift Education

Budgetary Comparison Schedule

For the Year Ended June 30, 2022

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	From Final Budget
REVENUES					
Local support					
5740	Other revenues from local sources	\$ 6,937,781	\$ 6,717,232	\$ 6,717,232	\$ -
	Total local support	6,937,781	6,717,232	6,717,232	-
State Program Revenues					
5810	Foundation School Program revenues	236,669,312	225,179,211	225,571,239	392,028
5820	State program revenues distributed by Texas Education Agency	2,874,688	4,169,243	4,169,243	-
	Total state program revenues	239,544,000	229,348,454	229,740,482	392,028
Federal program revenues					
5920	Federal revenues distributed by Texas Education Agency	46,666,000	49,194,368	49,194,368	-
5940	Federal revenues distributed directly from the federal government	768,683	977,651	977,651	-
	Total federal program revenues	47,434,683	50,172,019	50,172,019	-
	Total revenues	293,916,464	286,237,705	286,629,733	392,028
EXPENSES					
11	Instruction and instructional related services	157,204,796	148,529,836	149,328,365	(798,529)
12	Instructional resources and media services	146,607	75,308	75,308	-
13	Curriculum and instructional staff development	9,101,432	4,577,913	4,577,913	-
21	Instructional leadership	5,475,441	4,800,668	4,800,668	-
23	School leadership	23,102,597	21,395,685	21,395,685	-
31	Guidance, counseling and evaluation services	17,042,569	16,201,492	16,201,492	-
32	Social work services	138,813	159,933	159,933	-
33	Health services	2,190,141	3,109,211	3,109,211	-
34	Student transportation	-	108,242	108,242	-
35	Food services	9,805,343	11,223,172	11,223,172	-
36	Cocurricular/extracurricular activities	749,506	1,214,378	1,214,378	-
41	General administration	9,723,409	10,864,209	10,864,209	-
51	Plant maintenance and operations ¹	35,765,058	37,409,925	36,898,630	511,295
52	Security and monitoring services	2,094,440	2,809,537	2,809,537	-
53	Data processing services	2,218,604	2,946,495	2,946,495	-
61	Community services	2,358,147	2,598,537	2,598,537	-
71	Debt service ¹	15,458,705	17,092,754	17,092,754	-
81	Fund raising	561,352	473,939	473,939	-
	Total expenses	293,136,960	285,591,234	285,878,468	(287,234)
Change in net assets		\$ 779,504	\$ 646,471	\$ 751,265	\$ 104,794

Uplift Education

Notes to Budgetary Comparison Schedule

For the Year Ended June 30, 2022

Note 1:

The School does not include depreciation, bond cost amortization, nor bond premium amortization when adopting original budgets, however such expenses are considered prior to the final budget amendment in a given fiscal year. The final budgeted amounts on the preceding schedule include depreciation expense of \$16,083,117 in Function 51, Plant maintenance & operations; bond cost amortization expense of \$534,003 in Function 71, Debt service; and bond premium amortization expense of (\$1,044,511) also in Function 71, Debt service.

Note 2:

Actual results exceeded the final budgeted amounts for Function 11, Instruction and instructional related services by \$798,529 due primarily to differences in timing of summer school expenses.

Uplift Education

Schedule of Real Property Ownership

For the Year Ended June 30, 2022

Description (list each parcel separately)	Property Address	Account Number	2022 Assessed Value	Ownership		
				Interest- Local	Interest-State	Interest- Federal
CHAPIN VILLAGE Block H Lot 1B	10800 Chapin Road, Forth Worth, TX 76108	42466995	\$40,784,794	\$3,520,000	\$37,264,794	
MURRAY ESTATES ADDITION Block 3 Lot 5R LOT 5R-1A1A	1100 Roosevelt St., Arlington, TX 76011	14538119	287,109		287,109	
MURRAY ESTATES ADDITION Block 3 Lot 5R LOT 5R-1A1A	1100 Roosevelt St., Arlington, TX 76011	42550384	23,519,101	492,081	23,027,020	
LINN, WILLIAM SURVEY Abstract 924 Tract 2C06 & 2C06A1	1200 Cooks Lane, Fort Worth, TX 76120	52511192	161,498		161,498	
LINN, WILLIAM SURVEY Abstract 924 Tract 2C04 ABST 924 - 1979 TR	1208 Cooks Lane, Fort Worth, TX 76120	5674409	227,165		227,165	
LINN, WILLIAM SURVEY Abstract 924 Tract 2C06A	1208 Cooks Lane, Fort Worth, TX 76120	5674425	115,215		115,215	
LINN, WILLIAM SURVEY Abstract 924 Tract 2C04A	1212 Cooks Lane, Fort Worth, TX 76120	41454839	289,235		289,235	
LINN, WILLIAM SURVEY Abstract 924 Tract 2C06A2	1216 Cooks Lane, Fort Worth, TX 76120	41454847	91,910		91,910	
UPLIFT EDUCATION ADDITION Block 1 Lot 1	1801 S. Beach Street, Forth Worth, TX 76105	41635388	4,042,815		4,042,815	
UPLIFT - HANNA RANCH ADDN Block 1 Lot 1	3301 Turf Paradise Parkway, Forth Worth, TX 76140	42498919	34,494,581	3,998,936	30,495,645	
MASON HEIGHTS ADDITION Block 1 Lot 3	3700 Mighty Mite Dr., Forth Worth, TX 76105	41598830	18,769,626		18,769,626	
HOWERY ACRES ADDITION Block 1 Lot 1R	7712 John T White Rd., Forth Worth, TX 76120	42633263	602,242		602,242	
BLK A LT 1 LESS ROW ACS 9.5632	1401 S MACARTHUR BLVD, Irving, TX 75060	324938000A0010000	7,607,120	259,043	7,348,077	
BLK 3/726 LT 8A LESS ROW	4536 BRYAN ST, Dallas, TX 75204	000726000308A9900	3,361,430		3,361,430	
BLK 3/726 LT 8B ACS 0.4561	4534 BRYAN ST, Dallas, TX 75204	000726000308B0000	993,400		993,400	
BLK 7/727 LT 1A ACS 5.2174	4605 LIVE OAK ST, Dallas, TX 75204	000727000701A0000	26,903,000		26,903,000	
BLK 1/5973 LT 1 ACS 2.904	2510 S VERNON AVE, Dallas, TX 75224	00597300010010000	5,327,410		5,327,410	
BLK 20 LTS 3-4 ACS 0.436	117 NE 2ND ST, Grand Prairie, TX 75050	28000500200030000	38,000		38,000	
BLK 20 LT 5 ACS 0.262	121 NE 2ND ST, Grand Prairie, TX 75050	28000500200050000	77,530		77,530	
BLK 286 LTS 1-5&13-16&BLK C/483	2625 ELM ST, Dallas, TX 75226	00000106390000000	11,988,190	16,140	11,972,050	
BLK 712 LT 2 ACS 0.3341	4515 BRYAN ST, Dallas, TX 75204	00000122134000000	727,650		727,650	
BLK 712 PT 2 & 3 75.25X210	4511 BRYAN ST, Dallas, TX 75204	00000122137000000	790,100		790,100	
BLK 7 TRACT 1A1 ACS 8.2505	1800 N HAMPTON RD, DeSoto, TX 75115	20031480071A10000	8,006,250		7,985,425	20,825
BLK 4/699 LT 1A ACS 1.711 AC	4603 BRYAN ST, Dallas, TX 75204	000699000401A0000	15,634,140	1,069,721	14,564,419	
BLK 5/712 LT 1A ACS 0.924	4539 BRYAN ST, Dallas, TX 75204	000712000501A0000	2,144,530		2,144,530	
BLK A/7021 LT 1 ACS 7.652	7370 VALLEY GLEN DR, Dallas, TX 75228	007021000A0010000	6,261,710		6,027,388	234,322
BLK J/5775 LT 5F ACS 2.406	9411 HARGROVE DR, Dallas, TX 75220	005775000J05F0000	2,505,780		2,505,780	
BLK 3/6068 LT 7A ACS 12.9273	1919 BURBANK ST, Dallas, TX 75235	006068000307A0000	31,612,600		31,612,600	
BLK A/6636 LT 3 ACS 18.565	301 W CAMP WISDOM RD, Dallas, TX 75232	006636000A0030000	7,420,160	150,000	7,005,483	264,677
BLK A SW PT LT 2 ACS 5.485	600 ROYAL LN, Irving, TX 75039	323335400A0020200	2,030,910		2,030,910	
BLK A E PT LT 2 ACS 0.7211	600 E ROYAL LN, Irving, TX 75039	323335400A0020300	266,990		266,990	
BLK A S PT LT 2 ACS 0.1979	600 ROYAL LN, Irving, TX 75039	323335400A0020400	73,270		73,270	
BLK A LT 1 ACS 5.7510	550 ROYAL LN, Irving, TX 75039	323335800A0010000	5,072,400	1,550,061	3,522,339	
BLK H/7557 ACS 9.973	9192 STONEVIEW DR, Dallas, TX 75237	0075570H000000000	7,572,300		7,572,300	
BLK H/7557 SPLIT 1 ACS 7.559	8915 S HAMPTON RD, Dallas, TX 75237	0075570H000000100	12,674,730		12,674,730	
BLK E LT 1R ACS 4.573	300 E CHURCH ST, Grand Prairie, TX 75050	282185000E01R0000	12,142,010		12,142,010	
BLK B LT 9R ACS 3.373	301 E CHURCH ST, Grand Prairie, TX 75050	282195500B09R0000	10,718,680		10,718,680	
TR 4 & PT ADJ TR 2 ACS 16.7862	9743 E R L THORNTON FWY Dallas, TX. 75228	00000725179150000	950,570		950,570	
Total			\$306,286,151	\$11,055,982	\$294,710,345	\$519,824

Uplift Education

Schedule of Related Party Transactions

For the Year Ended June 30, 2022

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During Fiscal Year</u>	<u>Principal Balance Due</u>
None								

Uplift Education

Schedule of Related Party Compensation and Benefits For the Year Ended June 30, 2022

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During Fiscal Year</u>
None							

Uplift Education

Use of Funds Reports

For the Year Ended June 30, 2022

State Compensatory Education

Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
Does the district have written policies and procedures for its state compensatory education programs during the district's fiscal year?	Yes
Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 25,684,463
Actual direct program expenditures for state compensatory education programs during the district's fiscal year.	\$ 15,930,419

Bilingual Education

Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
Does the district have written policies and procedures for its bilingual education program?	Yes
Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 4,011,485
Actual direct program expenditures for bi-lingual education programs during the district's fiscal year.	\$ 2,145,908



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Uplift Education
Series 2012 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2023	\$ 1,465,000	\$ 630,100	\$ 2,095,100
2024	1,495,000	527,606	2,022,606
2025	1,530,000	422,856	1,952,856
2026	1,575,000	315,313	1,890,313
2027	1,610,000	204,975	1,814,975
2028	240,000	139,600	379,600
2029	250,000	12,000	262,000
2030	255,000	99,800	354,800
2031	265,000	79,000	344,000
2032	275,000	57,400	332,400
2033	285,000	35,000	320,000
2034	295,000	11,800	306,800
Total	<u>\$ 9,540,000</u>	<u>\$ 2,535,450</u>	<u>\$ 12,075,450</u>

Uplift Education

Series 2013 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 38,375,000</u>	<u>\$ 25,454,495</u>	<u>\$ 63,829,495</u>

Uplift Education

Series 2014 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 37,890,000</u>	<u>\$ 28,667,856</u>	<u>\$ 66,557,856</u>

Uplift Education

Series 2015 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 40,540,000</u>	<u>\$ 36,148,725</u>	<u>\$ 76,688,725</u>

Uplift Education

Series 2016 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 39,315,000</u>	<u>\$ 32,614,718</u>	<u>\$ 71,929,718</u>

Uplift Education
Series 2017A Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2023	\$ 1,415,000	\$ 3,080,088	\$ 4,495,088
2024	1,485,000	3,007,588	4,492,588
2025	1,570,000	2,931,213	4,501,213
2026	1,645,000	2,850,838	4,495,838
2027	1,730,000	2,775,113	4,505,113
2028	1,805,000	2,695,388	4,500,388
2029	1,905,000	2,602,638	4,507,638
2030	1,990,000	2,515,213	4,505,213
2031	2,070,000	2,434,013	4,504,013
2032	2,160,000	2,349,413	4,509,413
2033	2,250,000	2,261,213	4,511,213
2034	2,360,000	2,157,213	4,517,213
2035	2,480,000	2,036,213	4,516,213
2036	2,610,000	1,908,963	4,518,963
2037	2,745,000	1,775,088	4,520,088
2038	2,890,000	1,634,213	4,524,213
2039	3,030,000	1,501,363	4,531,363
2040	3,150,000	1,377,763	4,527,763
2041	3,280,000	1,249,163	4,529,163
2042	3,415,000	1,115,263	4,530,263
2043	3,560,000	975,763	4,535,763
2044	3,730,000	811,313	4,541,313
2045	3,930,000	619,813	4,549,813
2046	4,135,000	418,188	4,553,188
2047	965,000	290,688	1,255,688
2048	1,015,000	241,188	1,256,188
2049	1,065,000	195,843	1,260,843
2050	1,105,000	155,156	1,260,156
2051	1,150,000	112,874	1,262,874
2052	1,195,000	68,906	1,263,906
2053	1,240,000	23,250	1,263,250
Total	<u>\$ 69,075,000</u>	<u>\$ 48,170,942</u>	<u>\$ 117,245,942</u>

Uplift Education

Series 2017B Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 24,320,000</u>	<u>\$ 18,264,464</u>	<u>\$ 42,584,464</u>

Uplift Education

Series 2018 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
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>\$ 38,395,000</u>	<u>\$ 35,342,802</u>	<u>\$ 73,737,802</u>

Uplift Education

Series 2019 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2023	\$ 850,000	\$ 2,926,693	\$ 3,776,693
2024	940,000	2,900,445	3,840,445
2025	965,000	2,872,472	3,837,472
2026	985,000	2,843,272	3,828,272
2027	1,015,000	2,812,776	3,827,776
2028	2,455,000	2,763,581	5,218,581
2029	2,520,000	2,694,880	5,214,880
2030	2,595,000	2,623,143	5,218,143
2031	2,670,000	2,547,614	5,217,614
2032	2,750,000	2,467,573	5,217,573
2033	2,835,000	2,383,336	5,218,336
2034	2,925,000	2,294,656	5,219,656
2035	3,320,000	2,196,879	5,516,879
2036	3,430,000	2,085,932	5,515,932
2037	3,550,000	1,966,265	5,516,265
2038	3,675,000	1,842,363	5,517,363
2039	3,800,000	1,714,143	5,514,143
2040	3,935,000	1,581,440	5,516,440
2041	4,070,000	1,446,262	5,516,262
2042	4,205,000	1,308,697	5,513,697
2043	4,355,000	1,166,388	5,521,388
2044	4,500,000	1,019,163	5,519,163
2045	4,650,000	866,076	5,516,076
2046	4,815,000	702,290	5,517,290
2047	4,990,000	528,135	5,518,135
2048	5,170,000	347,650	5,517,650
2049	1,010,000	235,600	1,245,600
2050	1,050,000	194,400	1,244,400
2051	1,090,000	157,050	1,247,050
2052	1,120,000	123,900	1,243,900
2053	1,155,000	89,775	1,244,775
2054	1,190,000	54,600	1,244,600
2055	1,225,000	18,375	1,243,375
Total	<u>\$ 89,810,000</u>	<u>\$ 51,775,824</u>	<u>\$ 141,585,824</u>

Uplift Education

Series 2020 Bonds

Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2023	\$ 605,000	\$ 802,531	\$ 1,407,531
2024	625,000	780,544	1,405,544
2025	650,000	755,043	1,405,043
2026	680,000	728,443	1,408,443
2027	705,000	704,268	1,409,268
2028	725,000	682,818	1,407,818
2029	745,000	660,769	1,405,769
2030	770,000	638,044	1,408,044
2031	795,000	610,594	1,405,594
2032	830,000	578,094	1,408,094
2033	865,000	544,194	1,409,194
2034	900,000	508,894	1,408,894
2035	935,000	472,194	1,407,194
2036	970,000	438,944	1,408,944
2037	1,000,000	409,394	1,409,394
2038	1,030,000	378,944	1,408,944
2039	1,060,000	347,594	1,407,594
2040	1,090,000	315,344	1,405,344
2041	1,120,000	287,794	1,407,794
2042	1,145,000	264,428	1,409,428
2043	1,170,000	239,831	1,409,831
2044	1,195,000	214,703	1,409,703
2045	1,220,000	189,044	1,409,044
2046	1,245,000	162,853	1,407,853
2047	1,270,000	135,337	1,405,337
2048	1,300,000	106,426	1,406,426
2049	1,330,000	76,838	1,406,838
2050	1,360,000	46,575	1,406,575
2051	1,390,000	15,638	1,405,638
Total	<u><u>\$ 28,725,000</u></u>	<u><u>\$ 12,096,117</u></u>	<u><u>\$ 40,821,117</u></u>

Compliance and Internal Control



uplifteducation

**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 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, 2022, 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 November 14, 2022.

Report on 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) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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
November 15, 2022



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

Opinion on Compliance for Each Major Federal Program

We have audited Uplift Education's (the School's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. 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.

In our opinion, Uplift Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to each of the School's major federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each of its major federal programs.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

The Board of Governors of
Uplift Education

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
November 15, 2022

Uplift Education

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

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:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Programs or Cluster</u>
84.010A	Title I Part A
84.027A, 84.173A	Special Education Cluster
84.425D	Elementary & Secondary School Emergency Relief Fund (ESSER)
84.425U	Elementary & Secondary School Emergency Relief Fund (ESSER III)

Threshold for distinguishing Type A and B programs: \$1,505,161

Auditee qualified as a low- risk auditee? √Yes ___No

Uplift Education

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

Section II - Financial Statement Findings

None noted.

Uplift Education

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

None noted.

Uplift Education

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass Through Entity ID Number	Federal Expenditures
United States Department of Education			
<u>Direct Funding</u>			
CSP Charter School Expansion Grant	84.282M	U282M150004-21	\$ 203,822
Education Innovation And Research	84.411C	179941141	152,830
Total Direct Funding			356,652
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	22610101057803	6,747,331
	84.010A	21610101057803	293,983
ESEA, Title I, School improvement grant	84.010A	21610144057803	41,037
Total ESEA, Title I			7,082,351
ESEA, Title II, Part A	84.367A	22420006057803	450,710
		21420006057803	2,828
		20694501057803	118,443
ESEA, Title III, Part A, ELA	84.365A	22671001057803	646,870
		21671001057803	14,802
ESEA, Title IV, Part A, Subpart 1	84.424A	22680101057803	341,266
		21680101057803	68,975
		20680101057803	74,598
LEP Summer School	84.369A	22680101057803	4,424
IDEA - Part B, Formula	84.027A	226600010578036000	2,601,885
		216600010578036000	129,374
		206600010578036000	51,716
IDEA - Part B, Preschool	84.173A	226610010578036000	1,758
		216610010578036000	4,724
		206610010578036000	2,048
Total Special Education Cluster			2,791,505
Career and Technical Education	84.048A	22420006057803	196,751
		21420006057803	222,007
Covid-19 - ESSER - Elementary & Secondary School			
Covid-19 - Emergency Relief Fund ESSER	84.425D	20521001057803	2,327,653
Covid-19 - Emergency Relief Fund ESSER III	84.425U	21528001057803	18,153,370
Total Covid-19 - ESSER - Elementary & Secondary School			20,481,024
Covid-19 - COVID Health Support Grant	93.323	02748211	729,808
Total Passed through State Department of Education			33,226,362
<u>Passed Through State Department of Agriculture</u>			
National School Breakfast and Lunch Programs	10.553	71301401	10,595,292
Food Distribution Program (Noncash assistance)	10.555	71301401	1,035,605
School Breakfast Program	10.559	71401401	4,337,109
Total Child Nutrition Cluster			15,968,006
Total United States Department of Education			49,551,019
Federal Communications Commission			
<u>Passed through Universal Service Administration Company</u>			
Covid-19 Emergency Connectivity Fund	32.009	ECF202107455	621,000
Total Federal Communications Commission			621,000
Total Expenditures of Federal Awards			\$ 50,172,019

Uplift Education

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

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, 2022.

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 financial statements. The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.