

Uplift Education
Financial Statements
Year Ended June 30, 2021



uplifteducation

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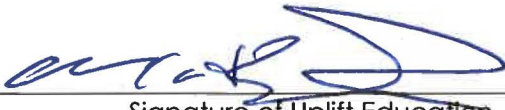
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Certificate of Board

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, 2021, at a meeting of the governing body of said charter schools on the 16th day of November, 2021.



Signature of Uplift Education
Board Secretary



Signature of Uplift Education
Board Chair



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Independent Auditor's Report

To the Board of Governors of
Uplift Education

Report on the Financial Statements

We have audited the accompanying financial statements of Uplift Education (the School), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uplift Education as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Governors of
Uplift Education

Other Matters

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 16, 2021



uplifteducation

Uplift Education

Statements of Financial Position

As of June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 53,343,098	\$ 52,471,275
Restricted cash and cash equivalents	32,993,990	40,033,555
Investments	998,301	691,400
Due from governments	42,074,515	37,514,919
Current portion of contributions receivable, net	1,139,191	2,429,762
Other current assets	1,323,304	2,046,400
	Total current assets	135,187,311
Non-current portion of contributions receivable, net	653,000	596,542
Lease Incentive	2,322,161	-
Operating Lease right-of-use assets	10,425,901	-
Capital assets, net	384,361,628	359,037,628
Other assets	336,152	352,796
	TOTAL ASSETS	\$ 495,174,277
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,269,555	\$ 10,743,159
Accrued expenses	11,838,940	8,261,335
Deferred revenue	2,946,568	2,794,195
Funds held for student and parent groups	1,539,000	1,852,973
Current portion of lease liabilities	730,668	-
Current portion of long-term debt, net	7,690,000	6,935,816
	Total current liabilities	30,587,478
Deferred rent	-	926,637
Non-current portion of lease liabilities	12,933,496	-
Non-current portion of long-term debt, net	428,577,013	415,224,182
	TOTAL LIABILITIES	\$ 446,738,297
NET ASSETS		
Without donor restrictions	2,068,133	10,166,255
With donor restrictions	49,377,868	38,269,725
	TOTAL NET ASSETS	48,435,980
	TOTAL LIABILITIES AND NET ASSETS	\$ 495,174,277

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

Uplift Education
 Statements of Activities
 For the Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
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, 2021 and 2020

	<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 Activities – Continued
 For the Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
REVENUES			
Local support:			
5700 Revenues from local sources	\$ 5,382,632	\$ 6,362,811	\$ 11,745,443
Total local support	5,382,632	6,362,811	11,745,443
State program revenues:			
5810 Foundation school program	-	201,724,306	201,724,306
5820 Other state aid	-	1,666,164	1,666,164
Total state program revenues	-	203,390,470	203,390,470
Federal program revenues:			
IDEA - Part B formula	-	2,283,828	2,283,828
IDEA - Part B preschool	-	6,429	6,429
IDEA - High cost	-	124,321	124,321
National school lunch/breakfast program	-	7,446,391	7,446,391
ESEA, Title I, Part A	-	6,240,009	6,240,009
ESEA, Title II, Part A	-	579,868	579,868
ESEA, Title III, Part A	-	578,003	578,003
ESEA, Title IV, Part A	-	350,487	350,487
ESEA, School improvement grant	-	63,871	63,871
Career/technical basis grant	-	189,762	189,762
Charter replication grant	-	938,597	938,597
Total federal program revenues	-	18,801,566	18,801,566
Net assets released from restrictions:			
Restrictions satisfied from payments	217,154,526	(217,154,526)	-
Total revenues	222,537,158	11,400,321	233,937,479

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

Uplift Education
 Statements of Activities – Continued
 For the Years Ended June 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
EXPENSES			
Program services:			
11 Instruction and instructional related services	\$ 114,480,725	\$ -	\$ 114,480,725
12 Instructional resources and media services	293,254	-	293,254
13 Curriculum and instructional staff development	5,336,443	-	5,336,443
21 Instructional leadership	3,297,145	-	3,297,145
23 School leadership	18,208,855	-	18,208,855
Supporting services:			
31 Guidance, counseling, and evaluation services	12,579,782	-	12,579,782
32 Social work services	105,219	-	105,219
33 Health services	1,911,557	-	1,911,557
34 Student transportation	2,977	-	2,977
35 Food services	8,615,998	-	8,615,998
36 Cocurricular/extracurricular activities	601,340	-	601,340
41 General administration	9,872,569	-	9,872,569
51 Plant maintenance and operations	31,288,637	-	31,288,637
52 Security and monitoring services	1,230,150	-	1,230,150
53 Data processing services	2,724,160	-	2,724,160
61 Community services	813,911	-	813,911
71 Debt service	16,085,852	-	16,085,852
81 Fund raising	2,162,868	-	2,162,868
Total expenses	<u>229,611,442</u>	<u>-</u>	<u>229,611,442</u>
Change in Net Assets	(7,074,284)	11,400,321	4,326,037
Loss on early extinguishment of debt (see Note 9)	<u>-</u>	<u>(10,072,438)</u>	<u>(10,072,438)</u>
NET ASSETS, BEGINNING OF YEAR	<u>17,240,539</u>	<u>36,941,842</u>	<u>54,182,381</u>
NET ASSETS, END OF YEAR	<u>\$ 10,166,255</u>	<u>\$ 38,269,725</u>	<u>\$ 48,435,980</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, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	\$ 869,824	\$ 4,326,037
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,767,682	13,885,891
Amortization of financing costs	558,548	511,450
Amortization of bond premium	(1,044,746)	(947,797)
Non-cash capital lease expense	(10,535)	-
Loss on the disposal of assets	405,849	505,693
Non-cash gain/(loss) on extinguishment of debt	2,140,197	(10,072,438)
(Increase) decrease in assets:		
Investments	(306,901)	(26,527)
Due from governments	(4,559,596)	(4,626,482)
Contributions receivable	1,234,113	(729,371)
Other assets	739,740	(1,692,283)
Increase (decrease) in liabilities:		
Accounts payable	(822,047)	(1,903,263)
Accrued expenses	3,577,605	1,099,639
Deferred revenue	152,373	329,086
Funds held for student and parent groups	(313,973)	64,835
Deferred rent	-	215
Net cash provided by operating activities	17,388,133	724,685
INVESTING ACTIVITIES		
Purchase of capital assets	(38,149,088)	(29,043,042)
Net cash used in investing activities	(38,149,088)	(29,043,042)
FINANCING ACTIVITIES		
Proceeds from bond issuance	28,725,000	91,090,000
Proceeds from notes payable	-	3,668,770
Premium on issuance of long term debt	1,927,801	1,872,873
Cash paid for debt issuance costs	(1,546,621)	(79,766)
Payments on long-term debt	(6,905,000)	(66,300,000)
Payments on notes payable	(7,607,967)	(400,000)
Net cash provided by financing activities	14,593,213	29,851,877
NET INCREASE (DECREASE) IN TOTAL CASH AND CASH EQUIVALENTS	(6,167,742)	1,533,520
TOTAL CASH AND CASH EQUIVALENTS, beginning of year	92,504,830	90,971,310
TOTAL CASH AND CASH EQUIVALENTS, end of year	\$ 86,337,088	\$ 92,504,830
NON-CASH ACTIVITIES		
Capital expenditures (including retainage) included in accounts payable	\$ 2,348,443	\$ 2,582,447
Non-cash loan forgiveness (included in Payments on notes payable)	\$ 2,140,197	\$ -

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

Uplift Education

Statements of Functional Expenses

For the Years Ended June 30, 2021 and 2020

	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

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

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

Uplift Education

Notes to Financial Statements

Note 1. Background

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

The School operated 20 campuses serving approximately 21,540 students during fiscal year 2021. 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.

As a result of the adoption of the new lease accounting guidance, the school recognized on July 1, 2020 a lease liability of \$4,519,015. 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%, and a right-of-use asset of \$3,635,152 which represents the Operating lease liability of \$4,519,015. The School reported 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.

Uplift Education

Notes to Financial Statements

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.

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.

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, 2021 and 2020, 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 2021 and 2020.

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, 2021 and 2020, the net book value of the grant-funded property and equipment was \$1,795,982 and \$2,319,491, 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.

Deferred Rent

To the extent of escalating lease payments or period of free rent, the School in the year ended June 30, 2020 recognized the lease payments ratably over the term of the lease. With the adoption of ASU No. 2016-02 on July 1, 2020, the School no longer needs to recognize this item.

Donated Services and Property

During the years ended June 30, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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 2018.

Uplift Education

Notes to Financial Statements

Federal Funding

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

Functional Allocation of Expenses

Expenses are reported by their functional classification as program services or supporting services. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the School exists. Supporting services are not directly identifiable with specific program activities. Expenses 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, and office 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 our office equipment leases. During the year ended June 30, 2021, there were only a small number of leases within this class of underlying asset that qualify for the exemption.

Uplift Education

Notes to Financial Statements

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.

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.

Note 4. Restricted Cash and Cash Equivalents

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

	<u>2021</u>	<u>2020</u>
Construction	\$ 15,031,744	\$ 20,639,122
Debt service	17,932,138	19,223,480
Other	30,108	170,953
	<u>\$ 32,993,990</u>	<u>\$ 40,033,555</u>

Note 5. Investments

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

	<u>2021</u>	<u>2020</u>
Mutual Funds:		
US equity funds	\$ 470,928	\$ 353,753
International equity funds	158,993	105,742
US fixed income	368,267	227,637
International fixed income	113	4,268
	<u>\$ 998,301</u>	<u>\$ 691,400</u>

Uplift Education

Notes to Financial Statements

Disclosures about Fair Value of Financial Instruments

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

Investments – Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models (Level 2), quoted prices of investments with similar characteristics (Level 2) or discounted cash flows or other valuation methodologies (Level 3). The School did not have, at June 30, 2021 or 2020, 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 tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	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
	<u>\$ 998,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 998,301</u>

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

Uplift Education

Notes to Financial Statements

Note 6. Due from Governments

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

	2021	2020
Texas Education Agency - Foundation School Program revenue	\$ 36,183,016	\$ 31,943,702
Federal grant revenue	5,581,483	3,802,651
Other government receivables	310,016	1,768,566
Due from governments	\$ 42,074,515	\$ 37,514,919

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, 2021 are as follows:

Financial assets at June 30, 2021:

Cash and cash equivalents	\$ 53,343,098
Restricted cash	32,993,990
Investments	998,301
Due from governments	42,074,515
Contributions receivable	1,792,191
Total financial assets	131,202,095
 Less financial assets not available for general expenditure:	
Contractually obligated financial assets	(939,042)
Cash restricted for long-term purposes	(32,993,990)
Donor-restricted assets not expected to be satisfied in coming year	(4,717,948)
Contributions receivable due in more than one year	(653,000)
Total financial assets not available for general expenditure	(39,303,980)
Total financial assets available for general expenditure	\$ 91,898,115

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:

	2021	2020
Contributions receivable	\$ 1,881,800	\$ 3,205,000
Less: discount to present value (discount rate of 5%)	(89,609)	(178,696)
Contributions receivable, net	\$ 1,792,191	\$ 3,026,304
Current portion of contributions receivable, net	\$ 1,139,191	\$ 2,429,762
Non-current portion of contributions receivable, net	\$ 653,000	\$ 596,542

The School has conditional promises to give contingent upon meeting certain criteria specified by donors. These amounts are not recorded in these financial statements as the conditions have not been met. As of June 30, 2021 and 2020, the amounts of conditional contributions were \$1,059,000 and \$970,000, respectively.

In addition, the School has received payment in advance from donors for various programs resulting in deferred revenue which totaled \$2,946,568 and \$2,794,195 at June 30, 2021 and 2020, respectively.

As of June 30, 2021, the School has approximately \$6,414,470 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:

	2021	2020
Building and improvements	\$ 406,053,244	\$ 371,288,604
Furniture and fixtures	19,290,630	15,023,374
Depreciable assets	425,343,874	386,311,978
Less accumulated depreciation	(88,249,680)	(73,749,130)
Total depreciable assets	337,094,194	312,562,848
Land	45,583,987	41,377,491
Construction in progress	1,683,447	5,097,289
Capital assets, net	\$ 384,361,628	\$ 359,037,628

For the years ended June 30, 2021 and 2020, the School capitalized interest in the amounts of \$665,404 and \$696,138, respectively.

Uplift Education

Notes to Financial Statements

For the years ended June 30, 2021 and 2020, the School charged \$14,767,682 and \$13,885,891 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	2021	2020
Bonds payable:			
Series 2012 bonds	4.875 - 8.000%	10,970,000	12,375,000
Series 2013 bonds	3.100 - 4.400%	39,195,000	39,990,000
Series 2014 bonds	3.375 - 4.600%	38,590,000	39,265,000
Series 2015 bonds	4.000 - 5.000%	41,175,000	41,785,000
Series 2016 bonds	2.750 - 5.000%	40,150,000	40,960,000
Series 2017A bonds	2.000 - 5.000%	70,420,000	71,700,000
Series 2017B bonds	3.000 - 5.000%	24,685,000	25,040,000
Series 2018 bonds	3.000 - 5.000%	38,930,000	39,450,000
Series 2019 bonds	2.050 - 4.000%	90,635,000	91,090,000
Series 2020 bonds	2.000 - 4.000%	28,725,000	-
Total bonds payable		423,475,000	401,655,000
Bond premium:			
Plus: Series 2015 bond premium		1,036,057	1,092,236
Plus: Series 2016 bond premium		4,099,380	4,337,824
Plus: Series 2017A bond premium		5,819,323	6,178,205
Plus: Series 2017B bond premium		1,432,982	1,506,702
Plus: Series 2018 bond premium		2,698,408	2,834,840
Plus: Series 2019 bond premium		1,715,586	1,803,488
Plus: Series 2020 bond premium		1,927,801	-
Total bond premium		18,729,537	17,753,295
Notes payable:			
Charter School Growth Fund	1.000 - 3.250%	2,900,000	2,900,000
Roosevelt Property Company, LLC	3.450%	-	2,140,197
Regions Commercial Equipment Finance, LLC	1.711%	-	5,467,770
Total notes payable		2,900,000	10,507,967
Total bonds and notes payable		445,104,537	429,916,262
Unamortized financing cost		(8,837,524)	(7,756,264)
Total long-term debt, net		436,267,013	422,159,998
Less: current portion, net		(7,690,000)	(6,935,816)
Non-current portion, long-term debt, net		<u>\$ 428,577,013</u>	<u>\$ 415,224,182</u>

Uplift Education

Notes to Financial Statements

Series 2012 A, B & Q Bonds

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

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

Series 2013 A & B Bonds

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

Series 2014 A & B Bonds

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

Series 2015 A & B Bonds

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

Series 2016 A & B Bonds

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

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

Series 2017A Bonds

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

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

Series 2017B Bonds

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

Uplift Education

Notes to Financial Statements

Series 2018 Bonds

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

Series 2019 A & B Bonds

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

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

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.

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

Interest paid for the fiscal years ended June 30, 2021 and 2020, was \$17,762,300 and \$16,752,970, respectively, of which the School capitalized \$665,404 and \$696,138, respectively.

The loan agreements or Supplemental Master Trust Indentures for each of the above issuances establishes a debt service coverage ratio, which stipulates that available revenues for each fiscal year must be equal to at least 1.10 times the annual debt service of the School as of the end of the first fiscal year after the date of issuance and thereafter until the individual bond or notes have been paid in full. During the years ended June 30, 2021 and 2020, the School was in compliance with this covenant and all other applicable covenants contained in the Supplemental Master Trust Indentures and loan agreement.

Notes Payable

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

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Notes to Financial Statements

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

On October 22, 2020, Roosevelt Property Company, LLC cancelled the School's Promissory Note in full after the Texas Senate passed a bill that enabled property leased to a charter school to be considered exempt from property taxes. Because of this action, payments on the note are no longer required. This cancellation resulted in the School recording a \$2,140,197 gain on extinguishment of debt.

On June 5, 2019, the School entered into loan agreements with Regions Commercial Equipment Finance, LLC for a term loan not to exceed \$50,000,000 to be used for capital expenditures ("Loan A") and for a term loan not to exceed \$10,000,000 to be used for working capital ("Loan B"). Both loans have draw periods expiring June 1, 2022. On July 1, 2019, Loan A had \$1,799,000 outstanding as a result of a draw to purchase real property during the previous year. On June 23, 2020 and June 25, 2020, the School drew \$2,233,062 and \$1,435,708, respectively, on Loan A, using proceeds to purchase real property and for construction costs. On August 8, 2021, the principal balance was completely paid down. The drawn portion of the note accrues interest at one-month LIBOR (London Interbank Offering Rate) plus 1.55%. During the year ended June 30, 2021, School's accrued interest on the drawn portion was 1.711%. During the year ended June 30, 2020, the School accrued interest on the drawn portion ranged between 1.723% and 3.98%.

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

Financing Costs

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

	2021	2020
Financing cost	\$ 11,039,990	\$ 9,493,369
Accumulated amortization	(2,202,466)	(1,737,105)
Unamortized financing cost	\$ 8,837,524	\$ 7,756,264

For the years ended June 30, 2021 and 2020, the School recorded \$558,548 and \$511,450, respectively, to amortization expense, which is included in debt service in the accompanying statements of activities.

Uplift Education

Notes to Financial Statements

Scheduled maturities of long-term debt are as follows at June 30, 2021:

Fiscal Year End	Principal	Interest	Total
2022	\$ 7,690,000	\$ 17,622,614	\$ 25,312,614
2023	10,055,000	17,739,408	27,794,408
2024	9,705,000	16,936,932	26,641,932
2025	9,040,000	16,515,976	25,555,976
2026	9,380,000	16,103,008	25,483,008
Thereafter	380,505,000	226,049,741	606,554,741
	<u>426,375,000</u>	<u>310,967,679</u>	<u>737,342,680</u>
Add amount representing premium	18,729,537	-	18,729,537
Less unamortized financing cost	<u>(8,837,524)</u>	<u>-</u>	<u>(8,837,524)</u>
	<u>\$ 436,267,013</u>	<u>\$ 310,967,679</u>	<u>\$ 747,234,693</u>

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.

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Notes to Financial Statements

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	\$184,361,870,581
Accumulated Benefit Obligations	\$218,974,205,084
% Funded	76%
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	\$6,295,715 (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>2020</u>	<u>2021</u>
· Member	7.70%	7.70%
· Non-Member Contributing Entity (State)	7.50%	7.50%
· Employers	1.50%	1.60%

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.

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Notes to Financial Statements

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:

	2021	2020
Private grants and contracts	\$ 2,486,762	\$ 3,218,623
Contributions receivable	2,590,000	1,560,000
Foundation School Program	212,638,113	193,173,310
Federally funded educational programs	23,404,473	19,202,593
Total	\$ 241,119,348	\$ 217,154,526

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

	2021	2020
Foundation School Program	\$ 39,560,183	\$ 27,779,043
Child Nutrition Program	1,650,720	894,062
Summer Feeding Program	10,391	34,084
Restricted contributions	6,364,384	6,536,233
Contributions receivable, net	1,792,190	3,026,303
Total net assets with donor restrictions	\$ 49,377,868	\$ 38,269,725

Note 13. Leases

The School has Operating leases for school facilities, land, and office space. Our leases have remaining lease terms of 1 year to 9 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.

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.

Total Operating lease Costs for the year ended June 30, 2021 were \$566,987.

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

	2021
Operating lease weighted average remaining lease term	15 years
Weighted average discount rate	5%

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Notes to Financial Statements

Supplemental cash flow information related to leases for the year ended June 30, 2021 was as follows:

	2021
Operating cash flows from operating leases	\$ 588,961
Right-of-use assets obtained in exchange for for operating lease obligations	\$ 10,425,901

Future minimum lease payments under non-cancellable leases as of June 30, 2021 were as follows:

	2021
2022	\$ 1,397,291
2023	1,399,085
2024	1,399,533
2025	1,399,533
2026	1,467,715
Thereafter	12,205,224
Total future minimum rental commitments	19,268,381
Less Imputed Interest	(5,604,217)
Total Lease Liability	\$ 13,664,164

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

At June 30, 2021, the School had commitments of approximately \$2,902,475 for construction and acquisition of property and equipment, all of which are expected to be incurred in fiscal year 2022. The School has Restricted Cash of \$15,031,744 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.

Uplift Education

Notes to Financial Statements

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.

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

Note 16. Economic Dependency

During the years ended June 30, 2021 and 2020, the School recognized revenue of \$246,312,714 and \$222,192,036 respectively, from the TEA and federal government. For the years ended June 30, 2021 and 2020, these amounts constitute approximately 97% and 95%, 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, 16, 2021, the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recoding or disclosure in the financial statements.

Supplementary Information



uplifteducation

Uplift Education
Schedule of Schools
For the Years Ended June 30, 2021 and 2020

Charter Schools Operated by Uplift Education:

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

Uplift Education
Schedules of Expenses
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
EXPENSES		
6100 Payroll costs	\$ 167,943,672	\$ 155,625,559
6200 Professional and contracted services	26,386,448	19,724,317
6300 Supplies and material	24,125,170	18,461,955
6400 Other operating costs	19,486,060	19,713,759
6500 Debt costs	<u>16,148,554</u>	<u>16,085,852</u>
Total expenses	<u>\$ 254,089,904</u>	<u>\$ 229,611,442</u>

Uplift Education
Schedules of Cash and Capital Assets
June 30, 2021 and 2020

	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	397,998,343	519,825	406,053,244
Furniture and equipment	55,344	14,958,058	4,277,228	19,290,630
Construction in progress	-	1,683,447	-	1,683,447
Total	<u>\$ 25,275,168</u>	<u>\$ 495,445,107</u>	<u>\$ 5,234,131</u>	<u>\$ 525,954,406</u>

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

Uplift Education

Budgetary Comparison Schedule

For the Year Ended June 30, 2021

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>From Final</u>
				<u>Amounts</u>	<u>Budget</u>
REVENUES					
Local support					
5740	Other revenues from local sources ¹	\$ 8,224,582	\$ 10,364,353	\$ 8,647,014	\$ (1,717,339)
	Total local support	8,224,582	10,364,353	8,647,014	(1,717,339)
State Program Revenues					
5810	Foundation School Program revenues	212,745,221	221,734,002	217,744,363	(3,989,639)
5820	State program revenues distributed by Texas Education Agency ²	2,533,483	4,432,998	3,268,133	(1,164,865)
	Total state program revenues	215,278,704	226,167,000	221,012,496	(5,154,504)
Federal program revenues					
5920	Federal revenues distributed by Texas Education Agency	22,521,897	21,676,133	22,839,659	1,163,526
5940	Federal revenues distributed directly from the federal government	200,000	2,514,867	2,460,559	(54,308)
	Total federal program revenues	22,721,897	24,191,000	25,300,218	1,109,218
	Total revenues	246,225,183	260,722,353	254,959,728	(5,762,625)
EXPENSES					
11	Instruction and instructional related services	126,214,150	131,659,159	130,878,003	781,156
12	Instructional resources and media services	222,532	231,515	231,515	-
13	Curriculum and instructional staff development	5,343,599	6,821,187	6,821,187	-
21	Instructional leadership	4,555,289	4,726,500	4,726,500	-
23	School leadership	19,042,127	18,800,775	18,800,775	-
31	Guidance, counseling and evaluation services	14,626,313	14,301,934	14,301,934	-
32	Social work services	-	230,453	230,453	-
33	Health services	2,014,215	2,877,439	2,877,439	-
34	Student transportation	-	-	-	-
35	Food services	10,903,063	5,057,925	4,961,424	96,501
36	Cocurricular/extracurricular activities	680,801	559,027	559,027	-
41	General administration	8,474,383	9,394,860	9,446,522	(51,662)
51	Plant maintenance and operations ³	32,210,267	37,467,587	36,779,279	688,308
52	Security and monitoring services	1,662,393	1,523,499	1,523,499	-
53	Data processing services	1,922,211	3,120,757	3,120,757	-
61	Community services	2,264,904	2,212,299	2,212,299	-
71	Debt service ³	15,568,108	15,878,590	16,137,115	(258,525)
81	Fund raising	433,765	482,176	482,176	-
	Total expenses	246,138,120	255,345,682	254,089,904	1,255,778
Change in net assets		\$ 87,063	\$ 5,376,671	\$ 869,824	\$ (4,506,847)

Uplift Education

Notes to Budgetary Comparison Schedule For the Year Ended June 30, 2021

Note 1:

The School's final budget included greater estimates of donor revenue and insurance proceeds from storm damages than what actually occurred.

Note 2:

The School's final budget classified revenue received in Fiscal Year 2021 for Coronavirus Relief Fund expenses incurred in Fiscal Year 2020 as State Program Revenues. The actual revenues are included in Federal Program Revenues

Note 3:

The School's adopted budgets did not include depreciation, bond cost amortization and bond premium amortization expenses that are now being included in the budget numbers. Depreciation expense of \$14,767,682 included in Function 51, Plant maintenance & operations; bond cost amortization expense of \$558,548 is included in Function 71, Debt service; and bond premium amortization expense of (\$1,041,788) is included in Function 71, Debt service.

Note 4:

As described in Note 10, Long-Term Debt, during the year ended June 30, 2021, the holder of a School Promissory Note cancelled the note in full, which resulted in noncash gain on extinguishment of debt of \$2,140,197.



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Uplift Education
 Series 2012 Bonds
 Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 1,430,000	\$ 730,306	\$ 2,160,306
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>\$ 10,970,000</u>	<u>\$ 3,265,756</u>	<u>\$ 14,235,756</u>

Uplift Education
Series 2013 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 820,000	\$ 1,634,853	\$ 2,454,853
2023	845,000	1,609,045	2,454,045
2024	875,000	1,578,666	2,453,666
2025	910,000	1,543,413	2,453,413
2026	950,000	1,506,678	2,456,678
2027	985,000	1,468,461	2,453,461
2028	1,025,000	1,428,764	2,453,764
2029	1,070,000	1,387,388	2,457,388
2030	1,110,000	1,344,333	2,454,333
2031	1,155,000	1,299,599	2,454,599
2032	1,200,000	1,253,088	2,453,088
2033	1,250,000	1,204,700	2,454,700
2034	1,305,000	1,151,629	2,456,629
2035	1,360,000	1,093,665	2,453,665
2036	1,420,000	1,033,200	2,453,200
2037	1,485,000	970,016	2,455,016
2038	1,550,000	904,005	2,454,005
2039	1,620,000	835,058	2,455,058
2040	1,690,000	763,065	2,453,065
2041	1,770,000	687,810	2,457,810
2042	1,845,000	609,184	2,454,184
2043	1,930,000	527,078	2,457,078
2044	2,015,000	440,770	2,455,770
2045	2,105,000	350,130	2,455,130
2046	2,200,000	255,420	2,455,420
2047	2,300,000	156,420	2,456,420
2048	2,405,000	52,910	2,457,910
Total	<u>\$ 39,195,000</u>	<u>\$ 27,089,348</u>	<u>\$ 66,284,348</u>

Uplift Education
Series 2014 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 700,000	\$ 1,677,620	\$ 2,377,620
2023	725,000	1,653,573	2,378,573
2024	750,000	1,628,683	2,378,683
2025	775,000	1,602,948	2,377,948
2026	805,000	1,572,764	2,377,764
2027	840,000	1,537,808	2,377,808
2028	875,000	1,501,364	2,376,364
2029	915,000	1,463,326	2,378,326
2030	955,000	1,423,589	2,378,589
2031	995,000	1,382,151	2,377,151
2032	1,040,000	1,338,908	2,378,908
2033	1,085,000	1,293,751	2,378,751
2034	1,130,000	1,246,683	2,376,683
2035	1,180,000	1,197,595	2,377,595
2036	1,230,000	1,144,845	2,374,845
2037	1,290,000	1,088,145	2,378,145
2038	1,345,000	1,028,858	2,373,858
2039	1,410,000	966,870	2,376,870
2040	1,475,000	901,958	2,376,958
2041	1,540,000	834,120	2,374,120
2042	1,615,000	763,133	2,378,133
2043	1,685,000	688,883	2,373,883
2044	1,765,000	611,258	2,376,258
2045	1,845,000	530,033	2,375,033
2046	1,930,000	444,130	2,374,130
2047	2,025,000	353,165	2,378,165
2048	2,120,000	257,830	2,377,830
2049	2,220,000	158,010	2,378,010
2050	2,325,000	53,475	2,378,475
Total	<u>\$ 38,590,000</u>	<u>\$ 30,345,476</u>	<u>\$ 68,935,476</u>

Uplift Education
Series 2015 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 635,000	\$ 2,011,650	\$ 2,646,650
2023	660,000	1,985,750	2,645,750
2024	685,000	1,958,850	2,643,850
2025	715,000	1,930,850	2,645,850
2026	745,000	1,901,650	2,646,650
2027	775,000	1,867,375	2,642,375
2028	815,000	1,827,625	2,642,625
2029	860,000	1,785,750	2,645,750
2030	900,000	1,741,750	2,641,750
2031	950,000	1,695,500	2,645,500
2032	995,000	1,646,875	2,641,875
2033	1,050,000	1,595,750	2,645,750
2034	1,100,000	1,542,000	2,642,000
2035	1,160,000	1,485,500	2,645,500
2036	1,220,000	1,426,000	2,646,000
2037	1,280,000	1,363,500	2,643,500
2038	1,345,000	1,297,875	2,642,875
2039	1,415,000	1,228,875	2,643,875
2040	1,490,000	1,156,250	2,646,250
2041	1,565,000	1,079,875	2,644,875
2042	1,645,000	999,625	2,644,625
2043	1,730,000	915,250	2,645,250
2044	1,820,000	826,500	2,646,500
2045	1,910,000	733,250	2,643,250
2046	2,010,000	635,250	2,645,250
2047	2,110,000	532,250	2,642,250
2048	2,220,000	424,000	2,644,000
2049	2,335,000	310,125	2,645,125
2050	2,455,000	190,375	2,645,375
2051	2,580,000	64,500	2,644,500
Total	<u>\$ 41,175,000</u>	<u>\$ 38,160,375</u>	<u>\$ 79,335,375</u>

Uplift Education
 Series 2016 Bonds
 Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 835,000	\$ 1,875,419	\$ 2,710,419
2023	855,000	1,852,181	2,707,181
2024	880,000	1,828,325	2,708,325
2025	905,000	1,803,781	2,708,781
2026	930,000	1,778,550	2,708,550
2027	955,000	1,752,631	2,707,631
2028	995,000	1,714,625	2,709,625
2029	1,045,000	1,663,625	2,708,625
2030	1,100,000	1,610,000	2,710,000
2031	1,150,000	1,553,750	2,703,750
2032	1,215,000	1,494,625	2,709,625
2033	1,280,000	1,432,250	2,712,250
2034	1,345,000	1,366,625	2,711,625
2035	1,410,000	1,297,750	2,707,750
2036	1,485,000	1,225,375	2,710,375
2037	1,560,000	1,149,250	2,709,250
2038	1,645,000	1,069,125	2,714,125
2039	1,040,000	1,002,000	2,042,000
2040	1,095,000	948,625	2,043,625
2041	1,150,000	892,500	2,042,500
2042	1,210,000	833,500	2,043,500
2043	1,270,000	771,500	2,041,500
2044	1,335,000	706,375	2,041,375
2045	1,405,000	637,875	2,042,875
2046	1,475,000	565,875	2,040,875
2047	1,550,000	490,250	2,040,250
2048	1,630,000	410,750	2,040,750
2049	1,715,000	327,125	2,042,125
2050	1,800,000	239,250	2,039,250
2051	1,895,000	146,875	2,041,875
2052	1,990,000	49,750	2,039,750
Total	<u>\$ 40,150,000</u>	<u>\$ 34,490,137</u>	<u>\$ 74,640,137</u>

Uplift Education
Series 2017A Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 1,345,000	\$ 3,149,088	\$ 4,494,088
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	\$ 70,420,000	\$ 51,320,030	\$ 121,740,030

Uplift Education
Series 2017B Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 365,000	\$ 999,225	\$ 1,364,225
2023	380,000	984,325	1,364,325
2024	395,000	968,825	1,363,825
2025	415,000	952,625	1,367,625
2026	430,000	935,725	1,365,725
2027	450,000	915,875	1,365,875
2028	475,000	892,750	1,367,750
2029	495,000	870,975	1,365,975
2030	520,000	850,675	1,370,675
2031	540,000	829,475	1,369,475
2032	560,000	807,475	1,367,475
2033	585,000	784,575	1,369,575
2034	610,000	760,675	1,370,675
2035	635,000	735,775	1,370,775
2036	660,000	709,875	1,369,875
2037	690,000	682,875	1,372,875
2038	720,000	654,675	1,374,675
2039	750,000	621,525	1,371,525
2040	790,000	583,025	1,373,025
2041	830,000	542,525	1,372,525
2042	875,000	499,900	1,374,900
2043	920,000	455,025	1,375,025
2044	965,000	412,725	1,377,725
2045	1,005,000	373,325	1,378,325
2046	1,045,000	332,325	1,377,325
2047	1,090,000	289,625	1,379,625
2048	1,135,000	245,125	1,380,125
2049	1,180,000	201,775	1,381,775
2050	1,225,000	159,688	1,384,688
2051	1,270,000	116,025	1,386,025
2052	1,315,000	70,788	1,385,788
2053	1,365,000	23,888	1,388,888
Total	<u>\$ 24,685,000</u>	<u>\$ 19,263,689</u>	<u>\$ 43,948,689</u>

Uplift Education
Series 2018 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 535,000	\$ 1,769,125	\$ 2,304,125
2023	555,000	1,750,000	2,305,000
2024	575,000	1,727,400	2,302,400
2025	605,000	1,700,775	2,305,775
2026	635,000	1,669,775	2,304,775
2027	665,000	1,637,275	2,302,275
2028	700,000	1,603,150	2,303,150
2029	735,000	1,567,275	2,302,275
2030	770,000	1,533,500	2,303,500
2031	800,000	1,502,100	2,302,100
2032	835,000	1,469,400	2,304,400
2033	870,000	1,435,300	2,305,300
2034	905,000	1,399,800	2,304,800
2035	940,000	1,362,900	2,302,900
2036	985,000	1,319,475	2,304,475
2037	1,035,000	1,268,975	2,303,975
2038	1,090,000	1,215,850	2,305,850
2039	1,145,000	1,159,975	2,304,975
2040	1,195,000	1,110,438	2,305,438
2041	1,235,000	1,067,913	2,302,913
2042	1,280,000	1,023,900	2,303,900
2043	1,325,000	978,313	2,303,313
2044	1,375,000	931,063	2,306,063
2045	1,435,000	871,125	2,306,125
2046	1,505,000	797,625	2,302,625
2047	1,585,000	720,375	2,305,375
2048	1,665,000	639,125	2,304,125
2049	1,750,000	553,750	2,303,750
2050	1,840,000	464,000	2,304,000
2051	1,935,000	369,625	2,304,625
2052	2,035,000	270,375	2,305,375
2053	2,140,000	166,000	2,306,000
2054	2,250,000	56,250	2,306,250
Total	\$ 38,930,000	\$ 37,111,927	\$ 76,041,927

Uplift Education
Series 2019 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ 825,000	\$ 2,951,310	\$ 3,776,310
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	\$ 90,635,000	\$ 54,727,134	\$ 145,362,134

Uplift Education
Series 2020 Bonds
Debt Service Requirements

Fiscal Year End	Principal	Interest	Totals
2022	\$ -	\$ 812,018	\$ 812,018
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>\$ 28,725,000</u>	<u>\$ 12,908,135</u>	<u>\$ 41,633,135</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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Uplift Education (the School), which comprise the Statement of Financial Position as of June 30, 2021, 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 16, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

The Board of Governors of
Uplift Education

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 16, 2021



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

To the Board of Governors of
Uplift Education
Dallas, Texas

Report on Compliance for Each Major Federal Program

We have audited Uplift Education's (the School) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 16, 2021

Uplift Education

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

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>Assistance Listing Number(s)</u>	<u>Name of Federal Programs or Cluster</u>
10.555	Child Nutrition Cluster
10.553	
20.019	Coronavirus Relief Fund
84.425D	Elementary & Secondary School Emergency Relief Fund (ESSER)

Threshold for distinguishing Type A and B programs: \$759,007

Auditee qualified as a low- risk auditee? Yes ___No

Uplift Education

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Section II - Financial Statement Findings

None noted.

Uplift Education

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs

None noted.

Uplift Education

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

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, 2021

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 U282M150004-20	\$ 549,769 1,291,182
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A	84.010A	21610101057803 20610101057803	7,117,353 718,889
ESEA, School improvement grant	84.010A	21610144057803 20610144057803	81,989 <u>11,441</u>
Total ESEA, Title I			7,929,672
ESEA, Title II, Part A	84.367A	21694501057803 20694501057803	393,761 196,530
ESEA, Title III, Part A, LEP	84.365A	21671001057803	587,118
ESEA, Title IV, Part A, Subpart 1	84.424A 84.424A	21680101057803 20680101057803	289,667 34,632
IDEA - Part B, Formula	84.027A	216600010578036000 206600010578036000	2,325,786 172,231
IDEA - Part B, Preschool	84.173A	216610010578036610	7,694
IDEA - Part B, High cost	84.027A	206600010578036000	<u>106,270</u>
Total Special Education Cluster			2,611,981
Career and Technical Education	84.048A	21420006057803	70,929
COVID-19 - ESSER - Elementary & Secondary School Emergency Relief Fund	84.425D	20521001057803	<u>2,460,559</u>
Total Passed Through State Department of Education			<u>14,574,849</u>
Total United States Department of Education			<u>16,415,800</u>
United States Department of Treasury			
<u>Coronavirus Relief Fund</u>			
COVID-19 - Coronavirus Relief Fund (PPRP) FY21	20.019		2,076,093
COVID-19 - Coronavirus Relief Fund (PPRP)- FY20	20.019		693,255
COVID-19 - Coronavirus Relief Fund (TDEM) FY20	20.019		<u>563,171</u>
Total Coronavirus Relief Fund			3,332,519
United States Department of Agriculture			
<u>Passed Through State Department of Agriculture</u>			
National School Lunch	10.555	71301401	2,259,380
Food Distribution Program (Noncash assistance)	10.555	71301401	695,145
School Breakfast Program	10.553	71401401	1,648,053
COVID 19 School Programs Emergency			
Operational Costs Reimbursement (EOC)	10.555		<u>949,321</u>
Total Child Nutrition Cluster			<u>5,551,899</u>
Total Expenditures of Federal Awards			<u>\$ 25,300,218</u>

Uplift Education

Notes to the Schedule of Expenditures of Federal Awards

Note 1: General

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the expenditures for all federal award programs received by the School for the fiscal year ended June 30, 2021.

Note 2: Basis of Accounting

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

Note 3: Expenditures of Federal Awards

Amounts reported in the Schedule of Expenditures of Federal Awards consists of the following:

Expenditures of Federal Awards in Fiscal Year 2020	\$ 1,256,426
Expenditures of Federal Awards in Fiscal Year 2021	<u>24,043,792</u>
Total Expenditures of Federal Awards	<u><u>\$ 25,300,218</u></u>

The \$1,256,426 of fiscal year 2020 expenditures consist of eligible expenditures incurred under the Coronavirus Relief Fund during the pre-award period.