

DENVER PRESCHOOL PROGRAM, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2013

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To the Board of Directors
Denver Preschool Program, Inc.

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Denver Preschool Program, Inc. (a Colorado nonprofit corporation), which comprise of the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Managements' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Denver Preschool Program, Inc. as of December 31, 2013, and the changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

KGC - Koll Gidan Cohen and Company PC

KGC – KOLL GIDAN COHEN AND COMPANY PC
Certified Public Accountants

Aurora, Colorado
February 17, 2014

DENVER PRESCHOOL PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL ALL
CASH	\$ 7,108,119	\$ -	\$ 7,108,119
PREPAID EXPENSES	9,915	-	9,915
INVESTMENT IN JOINT VENTURE	8,296	-	8,296
FIXED ASSETS, at cost	49,184	-	49,184
ACCUMULATED DEPRECIATION	<u>(38,944)</u>	<u>-</u>	<u>(38,944)</u>
TOTAL ASSETS	<u>\$ 7,136,570</u>	<u>\$ -</u>	<u>\$ 7,136,570</u>
LIABILITIES AND NET ASSETS			
ACCOUNTS PAYABLE	\$ 1,570,836	\$ -	\$ 1,570,836
ACCRUED EXPENSES	<u>4,612,164</u>	<u>-</u>	<u>4,612,164</u>
	6,183,000	-	6,183,000
NET ASSETS	<u>953,570</u>	<u>-</u>	<u>953,570</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 7,136,570</u>	<u>\$ -</u>	<u>\$ 7,136,570</u>

DENVER PRESCHOOL PROGRAM, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL ALL
SUPPORT AND REVENUE:			
Government contract revenue	\$ -	\$ 12,992,683	\$ 12,992,683
Public support	20,650	-	20,650
Investment income	2,623	-	2,623
Conference income (joint venture)	28,882	-	28,882
Net assets released from restrictions	<u>12,992,683</u>	<u>(12,992,683)</u>	<u>-</u>
 Total support and revenue	 <u>13,044,838</u>	 <u>-</u>	 <u>13,044,838</u>
EXPENSES:			
Program	11,543,981	-	11,543,981
Management and general	<u>506,259</u>	<u>-</u>	<u>506,259</u>
 Total expenses	 <u>12,050,240</u>	 <u>-</u>	 <u>12,050,240</u>
 CHANGE IN NET ASSETS	 994,598	 -	 994,598
NET ASSETS (DEFICIT), beginning	<u>(41,028)</u>	<u>-</u>	<u>(41,028)</u>
NET ASSETS, ending	<u>\$ 953,570</u>	<u>\$ -</u>	<u>\$ 953,570</u>

DENVER PRESCHOOL PROGRAM, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL ALL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	\$ 994,598	\$ -	\$ 994,598
Adjustments to reconcile net cash provided by operating activities:			
Depreciation	7,242	-	7,242
Net (income) from joint venture	(28,882)		(28,882)
Net loss from sale of fixed assets	257		257
Change in certain assets and liabilities	<u>(910,496)</u>	<u>-</u>	<u>(910,496)</u>
Cash flows from operating activities	<u>62,719</u>	<u>-</u>	<u>62,719</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	(724)	-	(724)
Distribution from joint venture	<u>37,450</u>	<u>-</u>	<u>37,450</u>
Cash flows from investing activities	<u>36,726</u>	<u>-</u>	<u>36,726</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	<u>99,445</u>	<u>-</u>	<u>99,445</u>
CASH, beginning	<u>7,008,674</u>	<u>-</u>	<u>7,008,674</u>
CASH, ending	<u>\$ 7,108,119</u>	<u>\$ -</u>	<u>\$ 7,108,119</u>

Ending cash will be applied to future tuition credit and quality improvement liabilities for the current year

DENVER PRESCHOOL PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	MANAGEMENT & GENERAL	PROGRAM	TOTAL
Parent tuition credit	\$ -	\$ 8,964,380	\$ 8,964,380
Quality improvement*	-	1,242,142	1,242,142
Parent eligibility	-	468,166	468,166
Evaluation	-	441,405	441,405
Community outreach	-	398,244	398,244
Salaries	289,342	-	289,342
Employee benefits	66,592	-	66,592
Professional fees	31,575	24,719	56,294
Rent and utilities	26,410	-	26,410
Taxes, payroll	20,716	-	20,716
Outside services	17,320	-	17,320
Insurance	12,610	-	12,610
Training, books & subscriptions	7,303	-	7,303
Depreciation	7,242	-	7,242
Supplies	6,733	-	6,733
Information technology	-	4,925	4,925
Meetings	4,358	-	4,358
Printing and copying	3,984	-	3,984
Equipment expense	3,857	-	3,857
Telephone, telecommunications	3,408	-	3,408
Payroll processing	2,499	-	2,499
Automobile expenses	1,796	-	1,796
Postage, mailing service	336	-	336
Bank charges	178	-	178
	<u>506,259</u>	<u>11,543,981</u>	<u>12,050,240</u>
	\$ <u>506,259</u>	\$ <u>11,543,981</u>	\$ <u>12,050,240</u>

* Quality improvement consists of two components: quality rating for providers and quality improvement grants that include coaching, coursework, professional development and classroom materials.

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

The Denver Preschool Program, Inc. (“DPP”) is a Colorado Non-Profit corporation. DPP is organized and operated as a tax-exempt charitable organization within the meaning of Internal Revenue Code Section 501(c)(3). The purpose of DPP is to administer the Denver Preschool Program as defined in Article III of Chapter 11, Denver Revised Municipal Code, as amended, and in accordance with any agreement for administration of the Denver Preschool Program entered into by and between DPP and the City and County of Denver. DPP is providing tuition credits for children of Denver families the year before the child is eligible for kindergarten. The family may use the tuition credit with any preschool provider who is licensed by the State of Colorado and has a contract with DPP, regardless of where the provider is located. DPP may also provide grants to assist the child care provider in increasing the quality of their programs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS – For purposes of cash flows, DPP considers all demand deposits and money market accounts as cash and cash equivalents.

CONTRIBUTIONS – Contributions are recorded as unrestricted, temporarily restricted or permanently restricted net assets depending on the existence or nature of any donor restrictions.

DONATED SERVICES AND PROPERTY – Contributions of services are recognized only if the services received either (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of property are recorded at their fair value on the date of contribution.

FINANCIAL STATEMENT PRESENTATION – Financial statement presentation follows the recommendations of the Accounting Standards Codification (“ASC”) as found in ASC 958.” Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

1. Unrestricted - net assets available for current activities.
2. Temporarily Restricted - net assets restricted by the donor for future use.
3. Permanently Restricted - net assets restricted by the donor with stipulations that they be invested to provide a permanent source of income.

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY AND EQUIPMENT - Amounts capitalized as property and equipment, including additions and improvements to existing assets, are recorded at cost. Fixed assets are depreciated using the straight-line method over 5 years.

Maintenance cost and repairs are expensed when incurred; renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the respective costs and accumulated depreciation are removed from the accounts. The resulting gain or loss is included in the statement of activities, except for non-monetary exchanges in which the basis of the asset acquired is adjusted for the gain or loss.

TEMPORARILY RESTRICTED RESOURCES – DPP reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

DPP also reports funds received from government contracts as temporarily restricted. As DPP incurs expenditures under the contract, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

DPP reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. To date, DPP has not received gifts of long-lived assets.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Some estimates are made based on management's expectation of what they believe to be expected future results. Actual amounts could differ from those estimates.

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

VALUATION OF INVESTMENTS - Investments are initially recorded at original cost or original donated value. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 2 - INCOME TAXES

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3); consequently, no provision or liability for income taxes has been provided in the accompanying financial statements. Because DPP is considered a component of the City and County of Denver, it is not required to file a tax return with the Internal Revenue Service.

NOTE 3 – RELATED PARTY TRANSACTIONS

Members of DPP's Board of Directors are selected by the City and County of Denver. Six members are appointed by the Mayor and one member is appointed by the City Council. All seven members of the board must be approved by a vote of the City Council of Denver. Accordingly, all support provided by the City is a related party transaction and the contract referred to in Note 6 below with the City should be considered as negotiated with a related party.

NOTE 4 – FIXED ASSETS

A summary of the fixed assets and the respective accumulated depreciation is as follows:

Description	Cost Basis	Accumulated Depreciation
Furniture and equipment	\$ 29,184	\$ 25,277
Leasehold improvements	<u>20,000</u>	<u>13,667</u>
Totals	<u>\$ 49,184</u>	<u>\$ 38,944</u>

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – JOINT VENTURE

DPP entered into an agreement with two other entities (Colorado Association for the Education of Young Children (“CAEYC”) and Early Childhood Education Association of Colorado (“ECEA”)) to organize and host a conference for early childhood education professionals in 2014.

All three entities each will have equal responsibility for organizing and hosting the conference. DPP also agreed to sign certain contracts on behalf of the Joint Venture and solicit sponsorships from various entities.

Upon the conclusion of the conference, the parties will distribute equally the net proceeds from the conference less an agreed upon reserve fund for any future conferences.

At December 31, 2013, the Joint Venture had net equity of \$30,890 which is planned to be used towards the 2014 conference. DPP’s share of that amount is reported as “Investment in Joint Venture” on the statement of financial position in the amount of \$8,296.

A summary of DPP’s share of income and expenses for calendar year 2013 is as follows:

Revenues:	
Conference revenues	\$ 91,885
Other revenues	<u>1,146</u>
Total revenues	93,031
Expenses	<u>64,149</u>
Net income from conference	<u><u>\$ 28,882</u></u>

The net income from the conference has been reported in the Statement of Activities as “Conference income (joint venture)”.

Also during 2013, the Joint Venture made a distribution to the members. The amount paid to DPP was \$37,450.

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CONCENTRATION OF RISK

CASH BALANCES: DPP maintains cash balances at one financial institution located in the Denver metropolitan area. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. In addition to any FDIC coverage, DPP has been notified by the State of Colorado, Department of Regulatory Agencies, Division of Banking that its deposits qualify under the Public Deposit Protection Act (“PDPA”). Under this act, all of DPP’s deposits are collateralized by an irrevocable letter of credit issued by the Federal Home Loan Bank of Cincinnati.

SUPPORT AND REVENUE: The City and County of Denver represents 99.6% of total support and revenue for the year December 31, 2013.

DENVER PUBLIC SCHOOLS: Denver Public Schools (“DPS”) provides a significant portion of the preschool services that families select for their children. During the year ended December 31, 2013, DPP incurred approximately \$6,810,000 in tuition credits to Denver Public Schools. This represents approximately 76% of total tuition credits incurred. Also as of December 31, 2013, included in accounts payable is approximately \$893,000 of tuition credits payable to DPS and estimated in accrued expenses is \$2,229,000 attributable to DPS.

As of December 31, 2013, DPP has also granted \$104,384 in quality improvement grants to various DPS ECE programs. Of this, \$80,262 is included in the accrued expenses as part of the accrued quality improvement grants.

NOTE 7 – TUITION CREDITS PAYABLE

DPP qualifies applicants for up to 9 months of tuition credits. As of December 31, 2013, DPP has recorded in accrued expenses future commitments for tuition credits in the amount of \$4,218,867. ASC 450 Accounting for Contingencies requires that if information is available and it indicates that it is probable that a liability had been incurred at the date of the financial statements, then the amount of the contingency be recorded based upon a reasonable estimate, if one can be determined.

The estimate is composed of two items: 1) amounts due under the contract between DPP and DPS and 2) amounts due to Community Programs. The amount due to DPS was estimated by reducing the total contract amount by the total tuition credits billed to DPP from DPS. For the Community Programs, DPP has calculated a “fulfillment” percentage based upon its experience using the historical data for awards and payments. Accordingly, included in the accrued expenses on the statement of financial position is an estimated amount of future commitments.

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – CITY AND COUNTY OF DENVER AGREEMENT

DPP entered into an agreement with the City and County of Denver to provide services under the Denver Preschool Program as provided in Article III of Chapter 11, Denver Revised Municipal Code. The initial term of the agreement was effective May 1, 2007 to December 31, 2007, and subject to unilateral options by the City and County of Denver for nine (9) additional one (1) year renewal options. The current incremental option expires December 31, 2014. The final conclusive termination date shall be the date DPP has expended all of the distributions received under the agreement and will have provided a final report to the City and County of Denver. The agreement provides that the City and County of Denver will notify DPP on or about August 1 of each year if it intends not to exercise a renewal for the next year.

Funding under the agreement is made through appropriation by City Council on an annual basis. During September of each year, the Executive Director of the Denver Mayor's Office of Children's Affairs can request a supplemental appropriation of funds if it determines that the tax collections are in excess of the original appropriation for the year. Also, in May of each subsequent year, the Executive Director of the Denver Mayor's Office for Education and Children and DPP will perform a reconciliation of actual tax receipts to amounts distributed. Any over or underpayment of funds are to be settled by the following September.

The agreement also provides that no more than 5% of the contract revenue can be expended on administration expenses. For the year ended December 31, 2013, DPP used 4.0% of the distributions for administration expenses, and pursuant to the September 9, 2013, Board Meeting minutes, the board agreed to move \$63,000 from administrative reserves to program expenditures for programmatic and contract support initiatives. The agreement does allow that any unexpended administrative funds can be carried forward to future years for use as either administrative funds or program funds. The following is a schedule of the unexpended funds as of December 31, 2013:

Unexpended funds from 2012	\$ 900,247
G&A amount allowed for 2013	649,634
Amount released for program expenditures	(63,000)
G&A expenses for 2013	<u>(506,259)</u>
Unexpended funds to 2014	<u>\$ 980,622</u>

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LONG TERM LEASE

DPP entered into a long term lease agreement for its office facilities. DPP is subleasing space under a Master Tenant agreement with the Denver Housing Authority (“Master Tenant”). The lease term is 5 years upon the Master Tenant’s completion of the improvements as evidenced by the issuance of certificates of occupancy for the Premises and Tenant’s acceptance thereof. Although the office space had only received a temporary certificate of occupancy, DPP occupied the space starting in September, 2010. The lease requires a base monthly rent starting at \$1,925 and will increase by 1.5% per year on the anniversary of the occupancy of the Premises.

A summary of the minimum future lease payments required under the lease is as follows:

Payments due for the year ended December 31,		
2014	\$	24,276
2015		<u>16,345</u>
Total	\$	<u>40,621</u>

In addition to the lease agreement, DPP has also entered into a joint operating agreement with the Urban Land Conservancy (“ULC”), a co-tenant in the office space. This agreement provides that DPP and ULC will pay their Pro Rata share of various joint expenses during their tenancy of the office space. These expenses include insurance premiums, utilities and janitorial services. Also, ULC will be reimbursed for the cost of sharing an office manager, who is an employee of ULC based upon a ratio of employees of each organization.

NOTE 10 – CASH FLOWS

The following is an analysis of the changes in certain assets and liabilities:

	UN- RESTRICTED	TEMPORARILY RESTRICTED
ASSETS (increase) decrease		
Prepaid expenses	\$ 2,441	\$ -
LIABILITIES increase (decrease)		
Accounts payable	(473,783)	-
Accrued expenses	<u>(439,124)</u>	<u>-</u>
	<u>\$ (910,496)</u>	<u>\$ -</u>

DENVER PRESCHOOL PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – QUALITY IMPROVEMENT GRANTS PAYABLE

DPP will award participating agencies grants towards improving the agency’s skill level of the teachers and materials and supplies for the benefit of the children. As of December 31, 2013, DPP has recorded in accrued expenses future commitments for quality improvement grants in the amount of \$384,362. ASC 450 Accounting for Contingencies requires that if information is available and it indicates that it is probable that a liability had been incurred at the date of the financial statements, then the amount of the contingency be recorded based upon a reasonable estimate, if one can be determined.

Each agency or, in the case of DPS, a school’s ECE Program, is awarded quality improvements credits based upon its program rating, number of DPP classrooms and the type of license the center holds. Providers must submit their completed Memorandum of Understanding to DPP by June 15th in order to access quality improvement resources.

NOTE 12 – LONG TERM CONTRACTS

DPP has entered into various contracts with vendors to provide services on behalf of DPP. These contracts terminate from June, 2014 through September, 2016. A summary of the estimated future payments under these agreements are as follows:

	<u>AMOUNT</u>
Payments due for the year ended December 31,	
2014	\$ 1,272,704
2015	936,991
2016	<u>334,500</u>
Total	<u>\$ 2,544,195</u>

These contracts do allow for downward adjustments or termination due to the service provider not attaining certain performance standards, if a reduction in scope of services is needed or if funding from the City is reduced.

NOTE 13 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 17, 2014, the date that the financial statements were available to be issued.



Denver Preschool Program Management Discussion and Analysis

Denver Preschool Program

Board of Directors

As of 12/31/2013

Theresa Peña, *Chair*
Hunger Free Colorado

Albus Brooks, *Secretary and Treasurer*
Denver City Council

David Cole
David J. Cole & Associates
Sarah Daily
Child Trends

Dr. Arthur Gonzalez
Denver Health and Hospitals Authority

Gloria Higgins
Executives Partnering to Invest in Children (EPIC)

Janice Sinden
Office of Denver Michael B. Hancock

Denver Preschool Program

Board of Advisors

As of 12/31/2013

Mike Yankovich, *Chair*

Linda Adams
Geta Asfaw
Charlotte Brantley
Betty C.de Baca
Gerie Grimes
Judy Ham
Anna Jo Haynes
Evi Bachrach Makovsky
Ginger Maloney
Penny May
Lee Reichert
Anne Rowe
Lem Smith
Susan Steele
David Suppes
Stephen Vogler

Denver Preschool Program Staff

As of 12/31/2013

Jennifer Landrum
President and Chief Executive Officer
Ellen Baskerville
Business Manager
Lionel Espinoza
Program Director

The year 2013 was marked by firsts. The first Preschool Showcase connected families with more than 100 preschools to explore all in one place. The first longitudinal analysis of DPP children showed children with DPP experience outperformed their Denver Public School peers who were not in DPP-supported classrooms on Colorado’s standardized reading test. After a year-long pilot, DPP began integrating the CLASS™ observation tool into classrooms along with the Qualistar Rating™ to measure classroom quality. This powerful tool aligns robust professional development with classroom observations of what really matters – how teachers interact with their students to support social development and academic achievement.

Denver Mayor Michael B. Hancock appointed four new members to the governing board of DPP, and the Board appointed Jennifer Landrum, former Vice President of Early Childhood Initiatives for the Colorado Children’s Campaign, as President and CEO after Eileen Piper stepped down in April. By the end of the 2012-2013 program year, DPP tuition support totaled more than \$40 million since voters approved the city initiative in 2006. Representing almost two-thirds of Denver’s eligible 4-year-olds, nearly 5,500 children enrolled in more than 552 classrooms during the 2012-2013 program year. Most of these children -- 89 percent – attended top quality classrooms, thanks to \$1.4 million in coaching, professional development, classroom materials and quality ratings for classrooms in 2013.

Children Benefit from High Quality Preschool

This audit highlights effective financial management and operations of the Denver Preschool Program. Our 2012-2013 evaluation conducted by Augenblick, Palaich and Associates (APA) in conjunction with Clayton Early Learning points to how these investments are helping to close the early achievement gap:

- The vast majority of children enrolled in the Denver Preschool Program leave the program academically and social emotionally ready for kindergarten.
- English language learners and other children at risk of falling behind in school due to poverty showed evidence of making progress toward closing the achievement gap by the end of preschool.

Student Enrollment

In collaboration with our preschool providers, the Denver Preschool Program has increased access to preschool well beyond expectation. A summary of year-end historical trends is below:

Year	Students	Tuition Credits
2008	4,500	\$ 4.5 M
2009	5,225	\$12.1 M
2010	5,950	\$11.3 M
2011	5,583	\$ 7.1 M
2012	5,343	\$ 7.2 M
2013	5,461	\$ 8.9 M

Denver Preschool Program’s continues its ongoing commitment to efficiently promote access to high quality preschool for all of Denver’s 4-year-olds and fulfilling our fiduciary responsibilities to the City and County of Denver and its residents.

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