

DENVER
PUBLIC
SCHOOLS

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020



SCHOOL DISTRICT NO.1

IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

PREPARED BY THE OFFICE OF THE CONTROLLER



School District No. 1 in the City and County of Denver
For the year ended June 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

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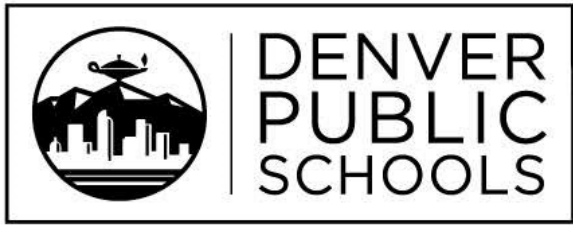
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INTRODUCTORY SECTION



November 19, 2020

Board of Education and Citizens of
School District No. 1 in the
City and County of Denver and
State of Colorado

The Comprehensive Annual Financial Report of School District No. 1 in the City and County of Denver and State of Colorado (the District) is submitted in compliance with 29-1-603 of the Colorado Revised Statutes and the applicable by-laws of the District's Board of Education. This Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020 was prepared by the Financial Services Department and includes the report of the independent auditors, BKD, LLP. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion on the financial statements for the year ended June 30, 2020 as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

The CAFR is presented in three sections: introductory, financial and statistical.

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of principal officials, a reproduction of the 2019 Government Finance Officers Association (GFOA) Certificate of Achievement and the 2019 Association of School Business Officials (ASBO) Certificate of Excellence.
- The financial section includes the MD&A, the basic financial statements, required supplementary information and other supplementary information, as well as the independent auditors' report on the financial statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The independent auditor's reports on the District's internal control over financial reporting and compliance and other matters are included in the Single Audit reports, which are included in this report.

PROFILE OF THE DISTRICT

The Districts' financial operations support Denver Public Schools' mission of *Every Child Succeeds*. Denver Public Schools (DPS) serves more than 93,000 students in more than 207 schools and has more than 12,000 employees in the City and County of Denver. Denver County is the largest county in Colorado with over 716,000 residents. Over 62% of students qualify for free/reduced priced lunch and approximately 76% are ethnic minorities. In the last ten years, DPS has increased the graduation rate by 28% and decreased the dropout rate by nearly 62%. DPS has continued to have significant achievement gaps, when comparing minority students and students in poverty with white and middle class students. Closing this achievement gap is one of the core tenants of the Denver Plan. The FY 2021 Adopted Budget is intended to provide the financial resources necessary to enable educators to further the academic goals of the Denver Plan: Great Schools in Every Neighborhood, School Readiness, Foundation for Success, Ready for College and Career and Support for the Whole Child.

The District is a fiscally and politically independent subdivision operating under the applicable laws of the State of Colorado governed by a seven-member Board of Education (the Board). The Board is empowered to establish annual operating and capital budgets; determine the K-12 educational programs and services to be carried on in the schools of the District; employ all personnel necessary to maintain District operations; determine staffing levels and compensation thereof; and to prescribe the curriculum of any course of instruction or study through the District's educational programs and services. The District receives funding from local, state and federal government sources and must comply with the requirements of such funding sources.

In defining and determining the District as an appropriate reporting entity, the District has considered the scope of public services of various associations and entities. Using the above considerations, the District included the Denver School Facilities Leasing Corporation, ProComp Trust Fund, Denver Public Schools Retiree Life Insurance Trust and Private Purpose Trust using the blended method, in its financial statements. Additionally, the Denver Public Schools Foundation and the District's charter schools are included as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

Limited state funding creates one of the largest obstacles for the District to provide financial resources necessary for educators to achieve the Denver Plan's academic goals. In November 2000, Colorado voters approved a constitutional amendment (commonly known as Amendment 23) that sets minimum levels of increase in the statewide base per pupil funding amount and the total state funding for categorical programs. Amendment 23 stipulates that the General Assembly must adjust the base each year by the rate of inflation increase plus one-percent for the ten-year period beginning FY 2002 and by at least the rate of inflation thereafter.

Colorado has a very complex public school funding formula that was developed in 1994 called the Public School Finance Act. School districts in Colorado are funded on a per pupil revenue basis (PPR). The state calculates each district's PPR based on a number of factors including at-risk enrollment (i.e. high poverty), size of the district, cost of personnel and cost of living. From a very high level, the state calculates each district's PPR, subtracts the amount of funding generated by local property taxes and then funds the remaining balance through an allocation entitled "State Equalization". This combined state equalization and local property tax funding amount is termed "Total Program".

Local property tax revenue makes up 33% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. State Equalization). Given that K-12 funding makes up close to 40% of the State of Colorado's budget, the state was forced to make a choice between fully funding K-12 education or

continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education and Human Services. Beginning in FY 2011, the state introduced the "Negative Factor", (which is now titled the Budget Stabilization Factor) to reduce school funding to a level that it could afford. For FY 2021, the Budget Stabilization Factor was increased to account for revenue reductions at the state from COVID-19, reducing annual funding for K-12 education by \$1.185 billion below fully funded or an estimated \$125 million for DPS.

State statute allows school districts to levy general fund taxes at a general or special Override Election mill levy. The maximum amount of the revenue increase may not exceed 25% of the District's formula funding, plus a cost of living adjustment from 2002. In 1988, 1998, 2003, 2005, 2012 and 2016 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 Override Election mill levies are fixed dollar amounts of \$12.1 million, \$17 million and \$20 million respectively. The 2005 Override Election mill levy, initially set at \$25 million, is adjusted annually for inflation as measured by the Denver-Boulder-Greeley consumer price index. The 2005 Override Election mill levy amount for the FY 2021 is forecasted at approximately \$35.8 million. The 2012 Override Election mill levy is fixed at 4.86 mills, which is forecasted to generate \$101.0 million for FY 2021. In future years, the mill rate of 4.86 will remain fixed regardless of changes to assessed valuation. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost-of-living adjustment.

The District has been able to limit the impact of these complications on our classrooms by using reserves built up over the last decade and by effectively managing costs. As a result of declining economic conditions due to COVID-19 and a resulting statewide increase of the Budget Stabilization Factor of \$612 million, Per Pupil Revenue (PPR) in FY 2021 is expected to decrease \$517 below the PPR for FY 2020 from \$8,743 to \$8,226. DPS manages the funding gaps and improves the educational offerings for our students through prudent fiscal management, the support of local voters through mill levy overrides (operating funding) and general obligation bonds (capital funding) and state, federal and private grants received. The District continues to manage fund balances to ensure that future uncertainties can be addressed without major interruptions to core educational services. In FY 2020, the general fund balance increased by \$548 thousand.

MAJOR INITIATIVES

Capital Improvements

At an election held in November 2016, district voters approved the issuance of General Obligation Bonds with a par amount of \$572 million to acquire, construct and improve capital assets. This will improve the teaching and learning environment by: maintaining, repairing and renovating existing school buildings; addressing critical health, safety and security concerns in district school buildings; improving environmental sustainability; providing technology for 21st century learning; constructing additions and making improvements to existing schools; constructing new buildings to reduce overcrowding; and accommodating the expansion of early childhood education and full-day kindergarten (collectively, the Projects).

With these funds the District has been able to continue the efforts of renovating existing schools, classroom cooling and building additions. In FY 2020, DPS completed a major addition at Montclair along with renovations at existing facilities such as Samsonite, Holm Elementary School, Merrill Middle School, North High School, Thomas Jefferson High School and John F. Kennedy High School which were all multi-million dollar projects. The District also invested significant funds in new gymnasiums at Pioneer Charter and KIPP Sunshine Peak Academy. Another highlight, the District completed installing light emitting diode (LED) field lights at John F. Kennedy High School, North High School and Thomas Jefferson High School, as well as some major HVAC work at Morey, Rishel and Pioneer.

FINANCIAL INFORMATION

Internal Control

The management team of the District is responsible for establishing and maintaining effective internal control to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The District's system of internal control is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the District is also responsible for maintaining effective internal control to ensure compliance with applicable laws and regulations related to those programs. This system of internal control is subject to periodic evaluation by management and the internal audit staff of the District.

As a part of the District's single audit, tests are made to determine the adequacy of its internal control, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Accounting and Budgetary Controls

The District maintains its records on the full accrual basis for proprietary funds and similar fiduciary fund types and modified accrual basis for all other funds. For financial statement presentation purposes, the modified accrual basis of accounting is followed for all governmental funds. The management's discussion and analysis and the notes to financial statements expand upon this and other accounting policies. The financial statements are prepared in accordance with the standards of the Governmental Accounting Standards Board. All of the District's funds are presented in this report and all opinion units consisting of those funds have been audited by the District's independent auditors, BKD, LLP, except for the ProComp Special Revenue Fund that is audited separately. The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant and be in accordance with generally accepted auditing standards. The auditor's role is to conduct an independent audit and render to outside parties an opinion on the fair presentation of the financial statements. Budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is maintained at the total fund level for each fund.

PERA Merger

As defined in Senate Bill 09-282, the Denver Public Schools Retirement System (DPSRS) merged with Colorado's Public Employee Retirement Association (PERA) on January 1, 2010. The entire DPSRS membership along with existing Denver Public Schools hourly employees and all future employees were placed into a new DPS division of PERA.

Financial Policies

Per Colorado Constitution Article X, section 20(5), the District maintains an emergency reserve of three percent of fiscal year spending and does so by designation of real property. The District also maintains an emergency cash reserve in the general fund equal to three percent of the amount of revenue budgeted to the general fund.

Long-term Financial Planning

The District continually develops and refines forward-looking financial projections as part of its budgetary process and considers it to be a critical component to successfully managing the finances of the District. This is especially true in the current economic environment as the District will continue to face funding

challenges related to the declines in state support. As a result, it is paramount that the District reviews its projected financial position to ensure that appropriate re-balancing and budget setting occurs proactively. This will mitigate and prepare for future financial pressures.

OTHER INFORMATION

Independent Audit

The laws of the State of Colorado require that the District's annual financial report be audited by independent Certified Public Accountants. The accounting firm BKD, LLP was selected by the District's Board of Education and performed the audit of this report which is included in the financial section.

Awards

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's CAFR for the fiscal year ended June 30, 2019. This was the thirty-fifth consecutive year that the District received this award. This award requires that a government publish an easily readable and efficiently organized CAFR. This CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. Although, the award is applicable only to the June 30, 2019 report, we believe that this report continues to meet the requirements for this award and will be submitted to the GFOA to determine its eligibility for this certificate of achievement for excellence.


The District received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its CAFR for the fiscal year ended June 30, 2019. This was the twentieth consecutive year that the District received this award. An expert ASBO review panel consisting of Certified Public Accountants and practicing school business officials grants the award after review of the CAFR. The award recognizes that the District met standards of excellence in school financial reporting. Although this award is applicable only to the 2019 report, we believe this report continues to meet the requirements for this award and will be submitted to the ASBO to determine its eligibility for this certificate of excellence.

Acknowledgement

The preparation of this report requires contribution from and the work of many people throughout the District. We would like to thank all those who played a part in the preparation of this report. Additionally, we express our appreciation to the Board of Education for its oversight of the financial aspects of the District during the year.

Respectfully submitted,


Jim Carpenter (Nov 11, 2020 16:58 MST)
Jim Carpenter
Chief Financial Officer


Stephen Clawson (Nov 11, 2020 16:57 MST)
Stephen A. Clawson, CPA
Controller



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**School District No. 1
in the City and County of Denver
and State of Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Merrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**School District No. 1 in the City and County
of Denver and State of Colorado**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

DISTRICT OFFICIALS

BOARD OF EDUCATION

Carrie A. Olson, PhD	President
Jennifer Bacon	Vice President
Angela Cobián	Treasurer
Tay Anderson	Secretary
Barbara O'Brien	Member
Scott Balderman	Member
Reverend Brad Laurvick	Member

SUPERINTENDENT

Susana Cordova

DEPUTY SUPERINTENDENT OF OPERATIONS

Mark Ferrandino

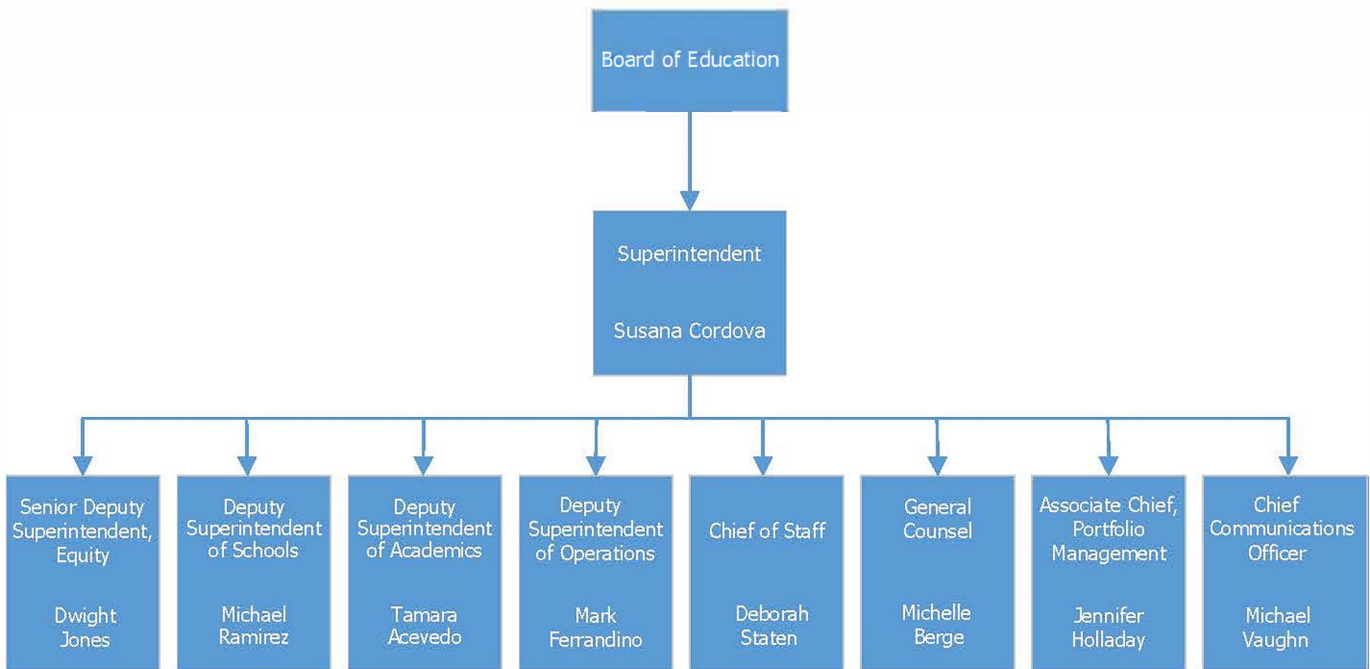
CHIEF FINANCIAL OFFICER

Jim Carpenter

CONTROLLER

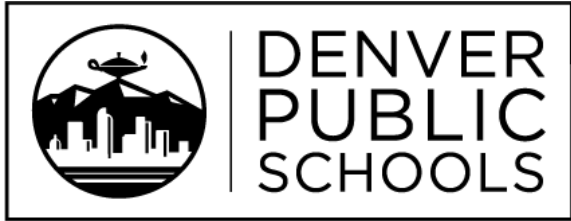
Stephen A. Clawson, CPA

Denver Public School Organization Chart-Senior Leadership Team As of June 30, 2020





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FINANCIAL SECTION



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Independent Auditor's Report

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust (ProComp) fund, which is part of the aggregate remaining fund information and represents 37.5% of total assets, and 44.7% of total revenues of the aggregate remaining fund information. Those statements were audited by another auditor whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the ProComp fund is based solely on the report of the other auditor. With the exception of the charter schools KIPP Colorado Schools and STRIVE Preparatory Schools, we also did not audit the financial statements of the other charter schools, as stated in Note 14 of the financial statements, included in the aggregate discretely presented component units, which represent 84.3% of total assets and 71.5% of total revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts of those other charter schools included in the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Rocky Mountain Preparatory Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, which were audited under *Government Auditing Standards*.

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the School District No. 1 in the City and County of Denver and State of Colorado as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 14 to the financial statements, the beginning net position of the aggregate discretely presented component units has been restated for a change in reporting entity and to correct misstatements. Our opinion on the aggregate discretely presented component units is not modified with respect to this matter.

As discussed in Note 15 to the financial statements, in 2020, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information including the combining fund statements – nonmajor funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, the schedule of expenditures of federal awards required by the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the other information including the introductory section and statistical section as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining fund statements – nonmajor funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards required by the Uniform Guidance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements – nonmajor funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards required by the Uniform Guidance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated November 19, 2020, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
November 19, 2020



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Management of School District No. 1 in the City and County of Denver and State of Colorado (the District), provides readers of the District's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that is presented in the letter of transmittal, which starts on page 10 of this report.

Financial Highlights

On the statement of net position, as of June 30, 2020, the District's net position for governmental activities is a deficit of \$1,129.5 million. The deficit net position is primarily the result of two factors. The first is the result of the District executing certificates of participation (COPs) to fund the District's pension plan known as Denver Public Schools Retirement System (DPSRS) prior to its merger as a separate division within the state's Public Employees Retirement Association (PERA). In July of 1997, the District executed \$384.2 million in COPs with the net proceeds contributed to DPSRS. In April of 2008, the District issued \$750 million in COPs to refund existing certificates and to fund an additional \$397.8 million contribution to DPSRS in anticipation of the merger with PERA. As a result of these contributions, the District's PERA division is 84.73% funded compared to the PERA School division of 64.52% as of December 31, 2019. Second, in order to fund the District's capital program, the voters of Denver authorized general obligation bonds. The proceeds of these bonds are used to fund capital and maintenance of the District's facilities. (See additional details in Note 5 and Note 6 to the financial statements).

Long-term liabilities decreased to \$3,354.9 million from \$3,644.0 million in FY 2020 primarily due to a reduction in the net pension liability based on actuarial assumptions related to GASB 68.

On the statement of activities, general revenues accounted for \$1,285.8 million or 82% of total revenues and program revenues were \$274.8 million or 18% of the total revenues of the primary government. The total revenues increased to \$1,560.6 million from \$1,531.5 million, or 5.9% when compared to prior year, primarily due to increased property taxes. Net position increased \$147 million partially due to a net pension credit of \$74 million, and a net OPEB credit of \$6 million.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information.

Government-wide Statements

The government-wide financial statements are designed to provide readers with information about the District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position to the exclusion of fiduciary funds. The statement of activities presents information on how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and retiree sick leave payable).

The government-wide financial statements consolidate the governmental and internal service activities that are supported from taxes and intergovernmental revenues. In the government-wide financial statements the District's activities are shown as:

Governmental activities: Most of the District's basic services are included here, such as instruction, transportation, operations and maintenance and administration. Taxes and intergovernmental revenues principally support these activities.

The government-wide financial statements encompass not only the District itself (the primary government) but also legally-separate entities including the ProComp Special Revenue Fund, Denver School Facilities Leasing Corporation, Denver Public Schools Retiree Life Insurance Trust and Private Purpose Trust as blended component units and Denver Public Schools Foundation and charter schools as discretely presented component units.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant or major funds, not the District as a whole. The District has three types of funds: governmental funds, proprietary funds and fiduciary funds.

Governmental funds: Most of the District's services are included in governmental funds, which generally focus on how cash and other financial assets that can readily be converted to cash flows and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities. The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Grants Special Revenue, Bond Redemption (debt service), Building and Capital Reserve, all of which are considered to be major funds. Data for the other four governmental funds (Pupil Activity Special Revenue, Food Services Special Revenue, ProComp Special Revenue and Permanent) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements included in this report.

Prior to the adoption of GASB 84, Fiduciary Activities, in 2020, the school-sponsored student activities managed at the school level were reported as an Agency Fund.

Proprietary funds: The District uses an internal service fund to account for its warehouse activity. Internal service funds allocate costs internally among the District's various functions while deriving

revenue from the other funds served. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds: The District has two Fiduciary funds which include the Other Employee Benefit Trust and the Private Purpose Trust Fund. Fiduciary funds are used to account for resources held by the District in a fiduciary capacity and can only be used for specified purposes. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements: The notes provide additional information essential to a full understanding of the data provided in the financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report presents required supplementary information concerning the District's annual appropriated budgets with comparison schedules that demonstrate compliance with budgets for the General Fund and Special Revenue Funds.

The budgetary comparison schedules required have two major funds; General Fund and Grants Special Revenue Fund. The schedule of changes in the collective net pension liability and OPEB liability are provided next, followed by notes to required supplementary information. The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

The required supplementary information section also includes the DPS Division schedules of changes in net pension liability and pension contributions, as well as net OPEB liability and OPEB contributions.

The final schedules in this report provide additional information on the District's fiduciary fund and capital assets.

Financial Analysis of the District

Increases or decreases in net position may serve as a useful indicator of the District's overall financial position. The District's net position increased \$147.5 million primarily due to a reduction in the net pension liability. Additionally, there are several other measures that indicate a sustainable financial position, including:

- The District has the largest and most diverse tax base in the State of Colorado with \$20.7 billion of net assessed value.
- General Fund increased \$0.55 million in FY 2020, with ending fund balance of \$119.1 million.
- In November of 2016, Denver voters approved a mill levy override of \$56.6 million and in the years following by the amount allowed by Colorado State law. The increased funding will go towards expanding early childhood reading programs, providing more mental health professionals and counselors for students, expanding student technology access, providing better training for teachers, developing a more diverse pool of teachers and expanding college and career programs.
- In November of 2016, Denver voters approved a \$572 million bond to invest in critical maintenance, constructing new schools and additions to existing schools, upgrading learning environments in older schools and increasing student technology access.
- The 2016 voted approved general bond obligations were issued in 2017 with the following ratings:
 - Moody's ratings of Aa2

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 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2020

- Fitch ratings of AA+
- S&P ratings of AA

A significant portion of the District's assets are its investment in capital assets (e.g., land, buildings, equipment and capital leases). The District uses these assets to provide instruction and related services to its students. Capital assets (net) increased to \$1,554.3 million in FY 2020 from \$1,439.5 million in FY 2019. The increase is primarily a result of capital spending from the District's general obligation bonds and certificates of participation. The District's capital assets will continue to increase as planned projects are completed in the Capital Reserve and Building Funds. Combined, these funds have available fund balance of \$256.4 million.

Current and other assets decreased to \$900.4 million from \$946.6 million primarily due to the 2020 COP issuance for Kepner and Energy Performance Contract spend.

The following table provides a summary of the District's net position as of June 30, 2020 and 2019, respectively (in millions):

	June 30, 2020	June 30, 2019
Current and other assets	\$ 900.4	\$ 946.6
Capital assets, net	1,554.3	1,439.5
Total assets	<u>2,454.7</u>	<u>2,386.1</u>
Deferred outflows of resources	<u>270.4</u>	<u>351.2</u>
Other liabilities	193.6	121.4
Long-term liabilities	3,354.9	3,644.0
Total liabilities	<u>3,548.5</u>	<u>3,765.4</u>
Deferred inflows of resources	<u>306.2</u>	<u>253.2</u>
Net position (deficit):		
Net investment in capital assets	(67.2)	(62.8)
Restricted	260.2	616.1
Unrestricted	<u>(1,322.5)</u>	<u>(1,834.6)</u>
Total net position (deficit)	<u>\$ (1,129.5)</u>	<u>\$ (1,281.3)</u>

To calculate net investment in capital assets, the original long-term debt was evaluated to ascertain the amount of proceeds spent on capital improvement versus non-capital expenditures. The percentage was then applied to the outstanding long-term debt to determine the amount applicable to capital assets.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

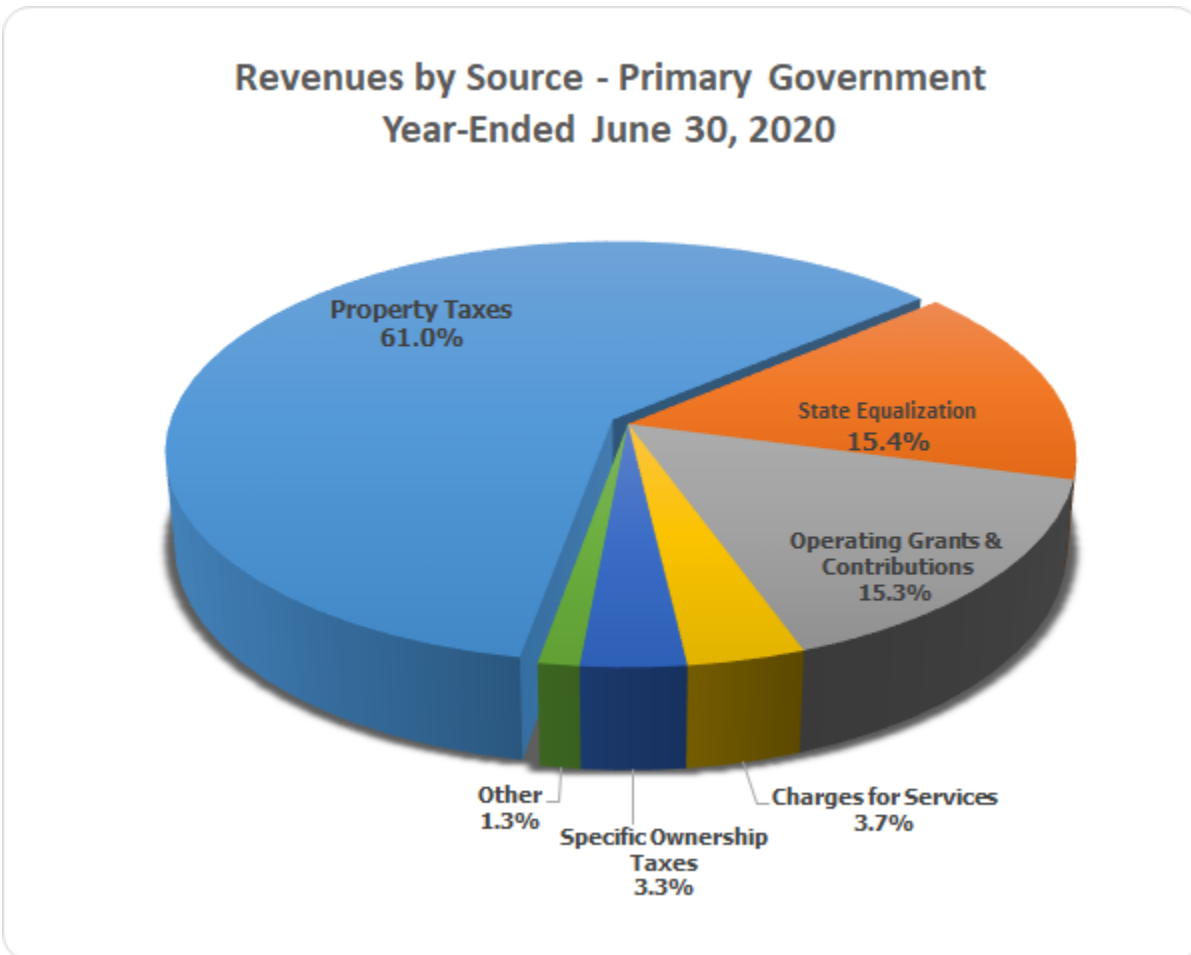
The following table provides a summary of the District's activities for the fiscal years ended June 30, 2020 and 2019, respectively (in millions).

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
REVENUES		
Program revenues		
Charges for services	\$ 77.7	\$ 84.5
Operating grants and contributions	187.0	264.8
Capital grants and contributions	10.1	-
General revenues		
Taxes	1,011.4	871.1
State equalization	239.0	279.5
Investment income	10.5	18.1
Other	24.9	13.5
Total revenues	<u>1,560.6</u>	<u>1,531.5</u>
EXPENSES		
Instruction	696.8	605.6
Support services	597.5	586.3
Interest on long-term debt	118.7	129.0
Total expenses	<u>1,413.0</u>	<u>1,320.9</u>
Change in net position	147.5	210.6
Net position - beginning, previously stated	<u>(1,281.3)</u>	<u>(1,491.9)</u>
Change in Accounting Principle	4.2	-
Net position - beginning as restated	<u>(1,277.0)</u>	<u>(1,491.9)</u>
Net position - ending	<u>\$ (1,129.5)</u>	<u>\$ (1,281.3)</u>

Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The District's adjusted total program funding for FY 2020 was \$796.9 million reflected as a combination of state equalization and a portion of property tax revenues in the Statement of Activity. This was based on a funded pupil count of 91,185 and per pupil total program funding of \$8,739, compared to total program funding of \$737.3 million funded pupil count of 87,644 and per pupil total program funding of \$8,412 in FY 2019. Of the adjusted total program funding, \$239.0 million was funded through state share compared to \$279.5 million in FY 2019. The remainder was funded through a combination of local property and specific ownership taxes.

The District generated \$956.9 million in property tax revenues in FY 2020 compared to \$814.6 million in FY 2019. Total property tax revenues include School Finance Act mills, override election mills, Tax Abatement mills and Bond Redemption Fund mills. Tax revenues increased by \$140.3 million and are attributable to the rising property valuations in the City and County of Denver, partially offset by a decrease in state equalization of \$40.5 million. The collection amount in 2020 increased to \$3.9 billion, based on the County Assessor. Total expenses for the primary government in FY 2020 were \$1,413.1 million compared to \$1,320.9 million in FY 2019. Total expenses increased by \$92.1 million partially due to an increase in PERA employer contributions as well as salary increases for hourly employees and teachers following the 2019 renegotiated teacher contract.

The following chart illustrates the District's revenues by source.



Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending.

Fund balance of all governmental funds is \$606.2 million compared to \$735.3 million, as restated in FY 2019.

The General Fund is the primary operating fund of the District. Fund balance of the General Fund at June 30, 2020 was \$119.1 million, compared to \$118.5 million as of June 30, 2019. This increase in fund balance is primarily due to the COVID-19 response to the implementation of the new guidelines to spending and hiring within the District. Constraints on use of the General Fund balance include a

restricted emergency reserve of \$33.6 million as required by the Taxpayer Bill of Rights (TABOR) and state statute.

Assigned fund balance includes \$13.8 million budgeted for subsequent year expenditure and \$23.5 million for special projects.

The Grant Special Revenue Fund balance as of June 30, 2020 was \$14.8 million compared to \$17.0 million at June 30, 2019. The fund balance is restricted to the District's grant funded programs that generated the fund balance.

The Bond Redemption Fund balance as of June 30, 2020 was \$201.8 million compared to \$167.6 million as of June 30, 2019. The Bond Redemption Fund is restricted for payment of the District's General Obligation Bond debt service as authorized by Denver voters.

The Building Fund as of June 30, 2020 was \$183.0 million compared to \$296.8 million as of June 30, 2019. The Building Fund consists of unspent proceeds from issuance of voter approved general obligation bonds and is restricted for financing projects as described in the respective ballot language.

The Capital Reserve Fund as of June 30, 2020 was \$73.4 million compared to \$118.6 million as of June 30, 2019. The Capital Reserve Fund consists of unspent COPs restricted for financing capital projects and for debt service. Additionally, a portion of Capital Reserve Fund is restricted for capital projects by Board authorization and assigned to debt service by Board adoption of the annual budget.

The Building Fund decreased by \$113.8 million as a result of the 2016 general obligation bond capital expenditures. Capital Reserve Fund decreased by \$45.2 million as a result of the certificates of participation capital expenditures. The Bond Redemption Fund increased \$34.2 million due to the increase in property tax. The Grant Special Reserve Fund decreased \$2.2 million, due to spending of funds for their intended purpose.

Proprietary funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The fund statements show the Internal Service Fund, the District's only proprietary fund, which is included with the governmental activities for the government-wide financial statements.

General Fund Budgetary Highlights

In accordance with state law, the District's budget is prepared on a GAAP basis. The most significant budgeted fund is the General Fund.

The difference between the General Fund original and final budget for expenditures increased by \$38.3 million to account for additional revenue received due to enrollment changes from original projections, specifically due to a higher enrollment in grades 1-12.

As a result of the spread of the COVID-19 coronavirus, the District faces economic uncertainties which impacts the budget. As classroom instruction shifted to 100% remote learning, the District realized savings in operational departments due to the closure of buildings, specifically in Transportation and Utilities. In addition, the District received federal funding of \$65 million as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act to help cover costs related to the District's response to COVID-19. The District had increased unplanned expenses for technology that were paid by the CARES

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YEAR ENDED JUNE 30, 2020

funding. In addition, as revenues for student meals went down, CARES funding helped cover these expenses to provide free breakfast and lunch to students and their families.

The Colorado State Board of Education voted to support legislation to provide state funding for full-day kindergarten throughout Colorado.

Capital Assets and Debt Administration

Capital assets

The District's investment in capital assets, net of accumulated depreciation for its governmental activities as of June 30, 2020 amounted to \$1,554.3 million. Investment in capital assets includes land, buildings and improvements, equipment, capital leases and construction in progress with an original cost greater than \$5,000 and an estimated useful life longer than one year.

The major capital events during the current fiscal year included spending on capital projects in the Building and Capital Reserve Funds. Such capital projects are used to make necessary improvements and critical repairs.

The District's total capital assets at June 30, 2020 and 2019, respectively, net of accumulated depreciation, were as follows (in millions).

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Buildings and improvements	\$ 1,246.1	\$ 1,207.8
Construction in progress	146.2	68.1
Land	97.1	87.3
Equipment	61.5	71.9
Capital leases	3.4	4.4
Total	<u>\$ 1,554.3</u>	<u>\$ 1,439.5</u>

(Please see additional details in Note 5 to the financial statements)

Long-Term Debt

At June 30, 2020 and 2019, respectively, the District's long-term debt consisted of the following (in millions).

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
General obligation bonds	\$ 1,758.5	\$ 1,860.6
Certificates of participation	1,105.6	1,091.3
Net pension liability	400.4	594.1
Net OPEB liability	54.1	62.7
Compensated absences	18.8	16.9
Accrued claims liability	12.7	12.3
Capital lease liability	3.3	4.6
Other obligation	1.5	1.5
Total	<u>\$ 3,354.9</u>	<u>\$ 3,644.0</u>

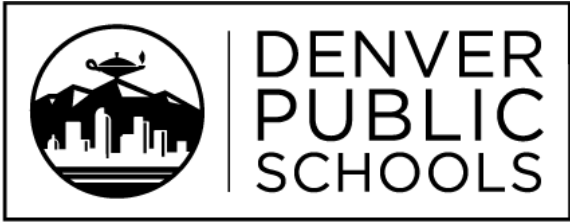
(Please see additional details in Note 6 to the financial statements)

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial Services Department, Denver Public School District, 1860 Lincoln Street, Denver, Colorado 80203.



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BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 257,942,194	\$ 112,694,804
Investments	3,982	-
Receivables (net of allowance):		
Taxes	65,852,822	-
Intergovernmental	23,910,384	-
Other	98,720,766	25,067,063
Inventory	5,847,242	144,029
Prepaid items	913,699	579,975
Held by fiscal agents	3,059,960	-
Restricted cash and cash equivalents	161,935,630	1,154,359
Restricted investments	282,235,037	1,829,121
Capital assets:		
Land and construction in progress	243,299,975	32,447,503
Buildings, improvements and equipment, net of acc	1,310,988,257	-
Total assets	<u>2,454,709,948</u>	<u>173,916,854</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	163,091,662	796,766
Related to pensions	103,333,394	25,779,463
Related to OPEB	3,994,960	1,363,441
Total deferred outflows of resources	<u>270,420,016</u>	<u>27,939,670</u>
LIABILITIES		
Accounts and interest payable	63,942,800	8,941,809
Accrued payroll and benefits	65,269,711	6,156,217
Unearned revenue	64,394,073	2,289,945
Due to fiduciary funds	8,649	-
Long-term liabilities:		
Due within one year	139,536,319	6,993,369
Due in more than one year	3,215,349,697	95,579,774
Total liabilities	<u>3,548,501,249</u>	<u>119,961,114</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refundings	2,246,082	-
Permanent endowment	-	161,888
Related to pensions	296,493,593	39,227,748
Related to OPEB	7,411,582	1,360,820
Total deferred inflows of resources	<u>306,151,257</u>	<u>40,750,456</u>
NET POSITION (deficit)		
Net investment in capital assets	(67,160,973)	6,550,354
Restricted for:		
Debt service	203,916,531	-
Performance-based teacher compensation	7,858,567	-
Higher education	12,819,754	-
Non-governmental grantor-designated purposes	1,043,138	-
Federal programs	965,054	-
Permanent fund and nonexpendable	58,871	-
Capital projects	-	339,215
Donor-designated purposes	-	13,311,889
TABOR Multi Year Obligations	-	2,155,529
Emergency reserve	33,618,750	14,593,620
Unrestricted (deficit)	(1,322,642,234)	4,194,347
Total net position (deficit)	<u>\$ (1,129,522,542)</u>	<u>\$ 41,144,954</u>

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue						
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions							
Primary government											
Governmental activities:											
Instruction:											
Regular	\$ 585,393,811	\$ 35,936,028	\$ 81,045,163	\$ 4,658,983	\$ (463,753,637)						
Special education	96,573,326	5,756,164	14,595,838	746,267	(75,475,057)						
Vocational	270,497	16,123	40,882	2,090	(211,402)						
Other instruction	14,609,243	870,770	2,208,002	112,892	(11,417,579)						
Total instruction	696,846,877	42,579,085	97,889,885	5,520,232	(550,857,675)						
Support services:											
Pupil support	83,180,894	4,957,921	12,571,741	642,777	(65,008,455)						
Instructional support	129,767,373	7,734,665	19,612,698	1,002,773	(101,417,237)						
General administration	8,188,423	488,063	1,237,577	63,276	(6,399,507)						
School administration	80,450,074	4,795,153	12,159,012	621,675	(62,874,234)						
Business services	14,857,663	885,577	2,245,548	114,812	(11,611,726)						
Operations and maintenance	102,853,799	6,090,113	15,442,627	789,562	(80,531,497)						
Pupil transportation	28,916,105	1,723,518	4,370,303	223,448	(22,598,836)						
Central services	49,694,958	2,962,022	7,510,765	384,016	(38,838,155)						
Other support services	51,852,458	3,090,618	7,836,843	400,688	(40,524,309)						
Community services	16,698,518	995,300	2,523,770	129,037	(13,050,411)						
Education for adults	23,954,101	1,427,762	3,620,360	185,104	(18,720,875)						
Principal payments	7,172,890	-	-	-	(7,172,890)						
Interest and fiscal charges	118,717,714	-	-	-	(118,717,714)						
Total support services	716,304,970	35,150,712	89,131,244	4,557,168	(587,465,846)						
Total governmental activities	1,413,151,847	77,729,797	187,021,129	10,077,400	(1,138,323,521)						
Component units											
Charter Schools	263,400,714	6,591,170	30,526,081	1,788,709	(224,494,754)						
DPS Foundation	7,817,629	-	6,772,191	-	(1,045,438)						
Total component units	\$ 271,218,343	\$ 6,591,170	\$ 37,298,272	\$ 1,788,709	\$ (225,540,192)						
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Primary Governmental Activities</th> <th style="text-align: center;">Component Units</th> </tr> </thead> <tbody> <tr> <td>Net (expense) revenue</td> <td style="text-align: right;">\$ (1,138,323,521)</td> <td style="text-align: right;">\$ (225,540,192)</td> </tr> </tbody> </table>							Primary Governmental Activities	Component Units	Net (expense) revenue	\$ (1,138,323,521)	\$ (225,540,192)
	Primary Governmental Activities	Component Units									
Net (expense) revenue	\$ (1,138,323,521)	\$ (225,540,192)									
General revenues:											
Property taxes	956,891,384	42,219,480									
Specific ownership taxes	50,937,342	182,314,350									
Payment in lieu of taxes	3,596,102	-									
State equalization	238,991,040	-									
Interest and investment income	10,546,065	1,141,819									
Other	24,855,144	14,899,035									
Total general revenues	1,285,817,077	240,574,684									
Changes in net position	147,493,556	15,034,492									
Net position (deficit) - beginning, as previously stated	(1,281,258,380)	24,058,750									
Prior period adjustment											
Change in accounting principle	4,242,282	-									
Change in reporting entity	-	1,213,826									
Correction of error	-	837,886									
Net position (deficit) - beginning, as restated	(1,277,016,098)	26,110,462									
Net position (deficit) - ending	\$ (1,129,522,542)	\$ 41,144,954									

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	General	Grants Special Revenue	Bond Redemption
ASSETS			
Assets:			
Cash and cash equivalents	\$ 243,627,167	\$ -	\$ -
Investments	-	-	-
Receivables (net of allowance):			
Taxes receivable	50,882,775	-	12,689,968
Intergovernmental	-	23,312,052	-
Other	4,457,496	9,021,228	-
Due from other funds	18,958,581	46,594,574	-
Inventory	1,238,552	-	-
Prepaid items	-	-	-
Cash with fiscal agents	3,059,960	-	-
Restricted cash and cash equivalents	1,212,303	-	-
Restricted investments	-	-	194,091,855
Total assets	<u>\$ 323,436,834</u>	<u>\$ 78,927,854</u>	<u>\$ 206,781,823</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 54,062,617	\$ 957,927	\$ -
Accrued payroll and benefits	63,052,508	-	-
Due to other funds	69,095,193	-	74,600
Unearned revenue	-	63,141,981	-
Total liabilities	<u>186,210,318</u>	<u>64,099,908</u>	<u>74,600</u>
Deferred inflows of resources:			
Property taxes	18,170,228	-	4,906,170
Unavailable revenues - long-term receivables	-	-	-
Total deferred inflows of resources	<u>18,170,228</u>	<u>-</u>	<u>4,906,170</u>
FUND BALANCES:			
Nonspendable:			
Inventory	1,238,552	-	-
Prepaid items	-	-	-
Permanent fund	-	-	-
Restricted for:			
Higher education	-	12,819,754	-
Non-governmental grantor-designated purposes	-	1,043,138	-
Federal programs	-	965,054	-
Performance-based teacher compensation	-	-	-
Debt service	-	-	201,801,053
Capital projects	-	-	-
Emergency reserve	33,618,750	-	-
Committed to:			
Pupil activities	1,448,767	-	-
Assigned to:			
Subsequent year expenditure	13,847,000	-	-
Special projects	23,478,391	-	-
Capital projects	-	-	-
Food service	-	-	-
Unassigned	45,424,828	-	-
Total fund balances	<u>119,056,288</u>	<u>14,827,946</u>	<u>201,801,053</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 323,436,834</u>	<u>\$ 78,927,854</u>	<u>\$ 206,781,823</u>

The notes to the financial statements are an integral part of this statement.

Continued next page

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 14,315,027	\$ 257,942,194
Investments	-	-	3,982	3,982
Receivables (net of allowance):				
Taxes receivable	-	-	2,280,079	65,852,822
Intergovernmental	-	-	598,332	23,910,384
Other	-	85,122,312	119,055	98,720,091
Due from other funds	-	16,683,835	5,404,006	87,640,996
Inventory	-	-	4,608,690	5,847,242
Prepaid items	-	913,699	-	913,699
Cash with fiscal agents	-	-	-	3,059,960
Restricted cash and cash equivalents	106,771,628	53,951,699	-	161,935,630
Restricted investments	86,295,972	1,847,210	-	282,235,037
Total assets	<u>\$ 193,067,600</u>	<u>\$ 158,518,755</u>	<u>\$ 27,329,171</u>	<u>\$ 988,062,037</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 55,020,544
Accrued payroll and benefits	-	-	2,217,203	65,269,711
Due to other funds	10,073,171	-	8,810,810	88,053,774
Unearned revenue	-	-	1,252,092	64,394,073
Total liabilities	<u>10,073,171</u>	<u>-</u>	<u>12,280,105</u>	<u>272,738,102</u>
Deferred inflows of resources:				
Property taxes	-	-	882,399	23,958,797
Unavailable revenues - long-term receivables	-	85,122,312	-	85,122,312
Total deferred inflows of resources	<u>-</u>	<u>85,122,312</u>	<u>882,399</u>	<u>109,081,109</u>
FUND BALANCES:				
Nonspendable:				
Inventory	-	-	504,881	1,743,433
Prepaid items	-	913,699	-	913,699
Permanent fund	-	-	58,871	58,871
Restricted for:				
Higher education	-	-	-	12,819,754
Non-governmental grantor-designated purposes	-	-	-	1,043,138
Federal programs	-	-	-	965,054
Performance-based teacher compensation	-	-	7,858,567	7,858,567
Debt service	-	2,115,478	-	203,916,531
Capital projects	182,994,429	53,683,431	-	236,677,860
Emergency reserve	-	-	-	33,618,750
Committed to:				
Pupil activities	-	-	4,808,712	6,257,479
Assigned to:				
Subsequent year expenditure	-	-	-	13,847,000
Special projects	-	-	-	23,478,391
Capital projects	-	16,683,835	-	16,683,835
Food service	-	-	935,636	935,636
Unassigned	-	-	-	45,424,828
Total fund balances	<u>182,994,429</u>	<u>73,396,443</u>	<u>14,166,667</u>	<u>606,242,826</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 193,067,600</u>	<u>\$ 158,518,755</u>	<u>\$ 27,329,171</u>	<u>\$ 988,062,037</u>

The notes to the financial statements are an integral part of this statement.



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SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020

Total fund balances for governmental funds	\$ 606,242,826
Capital assets including donated land used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,554,288,232
Deferred outflows of resources related to loss on refundings are not financial resources and therefore, are not reported in the funds.	163,091,662
Deferred outflows of resources related to pensions are not included in the funds.	103,333,394
Deferred outflows of resources related to OPEB are not included in the funds.	3,994,960
Accrued interest payable, is not due and payable in the current period and, therefore is not reported in the funds.	(8,922,256)
Long term liabilities, are not due and payable in the current period and, therefore are not reported in the funds.	(3,354,886,016)
Deferred inflows of resources related to gain on refundings are not financial resources and, therefore are not reported in the funds.	(2,246,082)
Deferred inflows of resources related to pensions are not financial resources and, therefore are not reported in the funds.	(296,493,593)
Deferred inflows of resources related to OPEB are not financial resources and, therefore are not reported in the funds.	(7,411,582)
Deferred inflows of resources related to property taxes and long-term receivables are economic resources and, therefore are recognized in governmental activities.	109,081,109
Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	404,804
Net position (deficit) of governmental activities	\$ (1,129,522,542)

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	Grants Special Revenue	Bond Redemption
REVENUES			
Taxes	\$ 769,149,008	\$ -	\$ 194,140,012
Intergovernmental:			
Revenue from state sources	303,212,342	22,176,132	-
Revenue from federal sources	1,195,373	77,079,561	-
Charges for services	61,185,131	9,803,256	-
Investment income	1,593,600	-	2,650,127
Other local sources	11,382,560	16,269,777	-
Total revenues	<u>1,147,718,014</u>	<u>125,328,726</u>	<u>196,790,139</u>
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	542,646,328	25,085,147	-
Special education	75,303,261	17,711,665	-
Vocational education	265,778	277	-
Other instruction	4,688,367	891,556	-
Total instruction	<u>622,903,734</u>	<u>43,688,645</u>	<u>-</u>
Support services:			
Pupil supporting services	69,814,604	10,238,902	-
Instructional support	99,003,429	27,134,772	-
General administration	7,539,801	397,050	-
School administration	77,047,427	2,898,947	-
Business services	13,294,858	984,786	-
Operations and maintenance	86,305,872	1,304,440	-
Pupil transportation	28,368,149	-	-
Central services	38,847,732	1,488,970	-
Other support services	51,261	13,502,976	-
Total support services	<u>420,273,133</u>	<u>57,950,843</u>	<u>-</u>
Community services	13,994,995	2,611,539	-
Education for adults	20,353	23,553,507	-
Capital outlay	1,603,160	449,872	-
Debt service:			
Principal payments	24,185,000	-	85,235,000
Interest and fiscal charges	46,185,341	-	77,386,002
Total debt service	<u>70,370,341</u>	<u>-</u>	<u>162,621,002</u>
Total expenditures	<u>1,129,165,716</u>	<u>128,254,406</u>	<u>162,621,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,552,298</u>	<u>(2,925,680)</u>	<u>34,169,137</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	718,829	-
Transfers out	(18,114,719)	-	-
Issuance of certificates of participation	-	-	-
Issuance of capital leases	110,658	-	-
Total other financing sources (uses)	<u>(18,004,061)</u>	<u>718,829</u>	<u>-</u>
Net change in fund balances	<u>548,237</u>	<u>(2,206,851)</u>	<u>34,169,137</u>
Fund balance - beginning	118,508,051	17,034,797	167,631,916
Change in accounting principles	-	-	-
Fund balance - beginning, as restated	118,508,051	17,034,797	167,631,916
Fund balance - ending	<u>\$ 119,056,288</u>	<u>\$ 14,827,946</u>	<u>\$ 201,801,053</u>

The notes to the financial statements are an integral part of this statement.

Continued next page

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 34,930,358	\$ 998,219,378
Intergovernmental:				
Revenue from state sources	-	-	769,239	326,157,713
Revenue from federal sources	-	3,279,544	27,700,836	109,255,314
Charges for services	-	157,978	4,426,432	75,572,797
Investment income	4,713,352	1,473,469	115,517	10,546,065
Other local sources	150,000	22,783,049	4,754,392	55,339,778
Total revenues	<u>4,863,352</u>	<u>27,694,040</u>	<u>72,696,774</u>	<u>1,575,091,045</u>
EXPENDITURES				
Current:				
Instruction:				
Regular instruction	-	-	31,062,987	598,794,462
Special education	-	-	3,042,015	96,056,941
Vocational education	-	-	2,996	269,051
Other instruction	-	-	8,951,203	14,531,126
Total instruction	<u>-</u>	<u>-</u>	<u>43,059,201</u>	<u>709,651,580</u>
Support services:				
Pupil supporting services	-	-	2,682,614	82,736,120
Instructional support	149,075	-	2,786,221	129,073,497
General administration	64,915	-	61,227	8,062,993
School administration	138,135	-	27,824	80,112,333
Business services	433,806	-	3,020	14,716,470
Operations and maintenance	8,015,547	6,609,581	15,609	102,251,049
Pupil transportation	-	393,289	-	28,761,438
Central services	3,116,350	5,555,539	669,928	49,678,519
Other support services	-	4,455,037	33,565,408	51,574,682
Total support services	<u>11,917,828</u>	<u>17,013,446</u>	<u>39,811,851</u>	<u>546,967,101</u>
Community services	-	-	2,695	16,609,229
Education for adults	-	-	-	23,573,860
Capital outlay	106,707,607	96,423,171	356,143	205,539,953
Debt service:				
Principal payments	-	5,060,000	-	114,480,000
Interest and fiscal charges	-	9,441,935	-	133,013,278
Total debt service	<u>-</u>	<u>14,501,935</u>	<u>-</u>	<u>247,493,278</u>
Total expenditures	<u>118,625,435</u>	<u>127,938,552</u>	<u>83,229,890</u>	<u>1,749,835,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,762,083)</u>	<u>(100,244,512)</u>	<u>(10,533,116)</u>	<u>(174,743,956)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,465,811	8,000,000	18,184,640
Transfers out	-	-	(69,921)	(18,184,640)
Issuance of certificates of participation	-	45,544,722	-	45,544,722
Issuance of capital leases	-	-	-	110,658
Total other financing sources (uses)	<u>-</u>	<u>55,010,533</u>	<u>7,930,079</u>	<u>45,655,380</u>
Net change in fund balances	<u>(113,762,083)</u>	<u>(45,233,979)</u>	<u>(2,603,037)</u>	<u>(129,088,576)</u>
Fund balance - beginning	296,756,512	118,630,422	12,527,422	731,089,120
Change in accounting principles	-	-	4,242,282	4,242,282
Fund balance - beginning, as restated	296,756,512	118,630,422	16,769,704	735,331,402
Fund balance - ending	<u>\$ 182,994,429</u>	<u>\$ 73,396,443</u>	<u>\$ 14,166,667</u>	<u>\$ 606,242,826</u>

The notes to the financial statements are an integral part of this statement.



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SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

Net change in fund balance - governmental funds	\$ (129,088,576)
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of capitalized assets is allocated over the estimated useful lives and reported as depreciation expense.</p>	
Capital asset additions	206,155,634
Capital donated land	10,077,400
Capital asset depreciation	(100,436,644)
Capital asset loss on disposal	(962,983)
<p>Issuance of debt - The issuance of debt and related premium provides current financial resources to the governmental funds, but has no effect on the change in net position of the governmental activities.</p>	
	(45,544,722)
<p>Principal retirements - Retirements of principal outstanding on the School District's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reductions against the long-term liability.</p>	
	114,480,000
<p>Amortization of premium on debt has no effect on the governmental funds, but increases the change in net position of governmental activities.</p>	
	18,880,788
<p>Amortization of deferred loss on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.</p>	
	(11,852,115)
<p>Amortization of deferred gain on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.</p>	
	299,478
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
Change in compensated absences	(1,878,978)
Change in capital lease liability	1,307,986
Change in accrued claims liability	(425,004)
Change in interest payable related to long-term liabilities	192,246
Net Pension Credit	74,493,535
Net OPEB Credit	5,608,043
<p>Change in deferred property tax and other revenues - revenues that do not provide current financial resources are deferred on the governmental fund financial statements but are recognized on the government-wide financial statements.</p>	
	6,249,513
<p>Internal service funds are used by management to charge costs of various activities to the general and other funds. The net gain of the internal service funds is included in the government-wide statement of activities</p>	
	(62,045)
Change in net position of governmental activities	\$ 147,493,556
<p>The notes to the financial statements are an integral part of this statement.</p>	

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AS OF JUNE 30, 2020

	<u>Warehouse Fund</u>
ASSETS	
Current assets:	
Receivables	\$ 675
Due from other funds	404,129
Total current assets	<u>404,804</u>
NET POSITION	
Unrestricted	<u>404,804</u>
Total net position	<u><u>\$ 404,804</u></u>

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUND
 YEAR ENDED JUNE 30, 2020

	Warehouse Fund
OPERATING REVENUES	
Billings to funds	\$ 328,753
Other revenue	19,028
Total operating revenues	347,781
OPERATING EXPENSES	
Cost of goods:	
Purchased	135,338
Salaries and employee benefits	38,099
Purchased property services	62,215
Other purchased services	97,046
Supplies	59,516
Other	17,612
Total operating expenses	409,826
OPERATING LOSS/CHANGE IN NET POSITION	(62,045)
Total net position - beginning	466,849
Total net position - ending	\$ 404,804

The notes to the financial statements are an integral part of this statement.



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SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Warehouse Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 409,826
Payments to suppliers	(371,727)
Payments to employees	(38,099)
Net cash provided by operating activities	<u>-</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (62,045)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Accounts receivable	(495)
Due from other funds	62,540
Net cash provided by operating activities	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AS OF JUNE 30, 2020

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Assets		
Cash and investments	\$ 13,946,188	\$ 1,002,804
Contribution Receivable	1,198,767	-
Due from other funds	-	8,649
	<u>15,144,955</u>	<u>1,011,453</u>
Total Assets		
	<u>15,144,955</u>	<u>1,011,453</u>
Net Position		
Restricted for		
Postemployment benefits other than pensions	15,144,955	-
Individuals	-	1,011,453
Total Net Position	<u>\$ 15,144,955</u>	<u>\$ 1,011,453</u>

The notes to the financial statements are an integral part of this statement.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

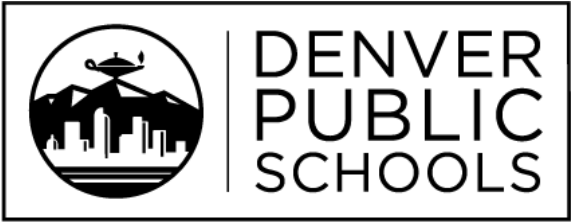
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Additions		
Employer contributions	\$ 3,178,767	\$ -
Interest income	397,523	1,790,768
Total Additions	<u>3,576,290</u>	<u>1,790,768</u>
Deductions		
Medical and life insurance for retirees	<u>2,363,168</u>	-
Total Deductions	<u>2,363,168</u>	-
Net increase (decrease) in fiduciary net position	1,213,122	1,790,768
Net position - beginning	<u>13,931,833</u>	<u>(779,315)</u>
Net position - ending	<u>\$ 15,144,955</u>	<u>\$ 1,011,453</u>

The notes to the financial statements are an integral part of this statement.



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NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of School District No. 1 in the City and County of Denver and State of Colorado (the District) is presented to assist in understanding the District's financial statements. A summary of the significant accounting policies applied in the preparation of the basic financial statements is described below.

Financial Reporting Entity

The District was created for the purpose of supervising and governing the public schools and public school property within the boundaries of the City and County of Denver.

The financial statements of the District include all of the integral parts of the District's operations. The District applied various criteria to determine if it is financially accountable for any legally separate organizations, which would require that organization to be included in the District's reporting entity. These criteria include fiscal dependency, financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

This report contains financial statements of the District (the primary government) and its component units. Refer to Note 14 and the basic financial statements for additional information on component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) display the information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds and component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and reported in this manner. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are also included in the program expense reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for major governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. General Fund, Grants Special Revenue, Bond Redemption, Building and Capital Reserve are major governmental funds and are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has generally been eliminated from the government-wide financial statements. Exceptions to this are charges between the District's governmental activities and component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers grant revenues to be available if they are collected within 180 days of the fiscal year-end. Property tax and other revenues are considered available if collected within 60 days of the year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

The District's fiduciary funds apply the accrual basis of accounting and the economic resources measurement focus.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

For governmental activities, when both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Governmental Funds

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds as detailed below. Primary revenue sources for the general fund include property taxes, state equalization, and tuition billing for early childhood education.

The Grants Special Revenue Fund is used for the revenues and expenditures related to federal, state, and local grants. Special Revenue funds are used to account for proceeds of special revenue sources that are legally or otherwise restricted to expenditures for specified purposes. Revenue restrictions in this fund are imposed by the grantor for the specific purposes of the grant.

The Bond Redemption Fund (debt service fund) accounts for and reports financial resources that are restricted for the payment of principal and interest on long-term general obligation debt of the District as a result of the issuance of general obligation bonds.

The Building Fund is a capital projects fund and accounts for construction and renovation projects funded by the sale of general obligation bonds.

The Capital Reserve Fund is a capital projects fund and accounts for ongoing capital outlay needs of the District such as repairs and maintenance including proceeds from the issuance of COP's.

The District reports the following nonmajor governmental funds:

The Food Services Special Revenue Fund accounts for the revenue and expenses related to providing students with healthy and nutritious meals. Revenue sources for this fund include federal and state grants and private sources.

The Pupil Activity Special Revenue Fund accounts for the revenue and expenditures of sponsoring athletic events at District middle and high schools. The fund also represents school sponsored student activities managed at the school level.

The ProComp Special Revenue Fund is a blended component unit used to account for the proceeds of voter approved taxes from the 2005 mill levy override. The investments and expenditures are the professional compensation system of the teachers.

The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings and not principal may be used for purposes that support the District's programs.

Internal Service and Fiduciary Funds

The Internal Service Fund is used to account for goods and services provided to departments and schools primarily within the District on a cost-reimbursement basis.

Proprietary (internal service) funds distinguish *operating* revenues and expenses from *non operating*. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to customers for sales and services. Operating expenses for the internal service fund include the cost of sales and services and administrative expenses.

The District has two Fiduciary funds which include the Other Employee Benefit Trust Fund and the Private Purpose Trust Fund. The Private Purpose Trust Fund is used to report all fiduciary activities that are not required to be reported in pension and other employee benefit trust funds or investment trust funds and are held in trust. The Other Employee Benefit Trust Fund is used to report the MetLife Retiree Life Insurance OPEB Plan since the assets are administered through a trust in which Denver Public Schools is not a beneficiary, dedicated to providing benefits to retirees or designated beneficiaries in accordance with the benefit terms, and legally protected from the creditors of Denver Public Schools. The District included the Retiree Life Insurance trust as a fiduciary component unit in its financial statements. The District's postemployment health benefits were transferred to PERACare on January 1, 2010.

Budgets and Budgetary Accounting

The District adopts an annual budget for all funds, following these procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Late in April, but no later than June 1, the Superintendent presents to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and projected revenue.
2. A public hearing is conducted at the administration building to obtain taxpayer comments.
3. A balanced budget and appropriation resolution must be adopted by June 30. The District cannot expend monies in excess of the amount appropriated for an individual fund unless an amended or supplemental budget is approved by resolution.
4. The District's Board of Education or management can modify the budget by line item within the total fund's appropriation.
5. Mill levies must be certified to the City and County of Denver by December 15.
6. Formal budgetary integration is employed as a management control device during the year for all funds.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Revenues are on the modified accrual basis.
8. Total appropriations are as amended.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Deposits and Investments

For the purposes of the government-wide financial statements, the fund financial statements and the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits held in banks and other securities with original maturities of less than three months.

Investments are reported at fair value in accordance with GASB Statement 72. Investments excluded from fair value measurement are:

1. Retiree Life Insurance which is reported at the cash surrender value.
2. Investments in external investment pool Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Statewide Investment Program (CSIP) Liquid Portfolio are reported at \$1 net asset value per share or amortized cost.
3. Investments in external investment pool Colorado Local Government Liquid Asset Trust (COLOTRUST) and CSIP Term Investments are reported at \$1 net asset value per share.
4. Stocks held by trust which are reported at cost.

Unearned Revenue

Unearned revenue is a combination of CARES funding and the change in accounting principles related to the Pupil Activity Fund Special Revenue. Unearned revenue consists of Special Revenue funds that have been received but the corresponding expenditures have not been earned. The district received the Federal Coronavirus Relief Funds (CRF) related to the COVID-19 pandemic to support the districts efforts for remote learning and health initiatives specifically related to COVID-19.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Inventories of governmental funds, except the Food Services Fund, are associated with nonspendable fund balance. In accordance with GASB Statement 54, nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, including items that are not expected to be converted to cash.

Food Services inventory consists of food items, including commodities donated by the federal government and cafeteria supplies held at the central warehouse for distribution to school lunchrooms. General Fund inventory consists of transportation and building maintenance parts and fuel. Expendable supplies issued to schools or other locations are not included in inventory.

The cost of inventory items is recorded as expenditures when consumed. Donated government commodities are recorded as inventory at the acquisition value at the time of donation.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The District records prepaid items using the consumption method.

Capital Assets

Capital assets are real, personal and intangible property that have a cost equal to or greater than an established capitalization threshold of \$5,000 and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

Due From and Due to Other Funds

A general disbursing account within the General Fund is used on an imprest basis to make expenditures on behalf of all funds. This account is periodically reimbursed by the applicable funds. Interfund balances at June 30, 2020 represent reimbursements and adjustments due but not transferred as of that date.

Indirect Costs

Indirect costs are allocated to grants in the Grant Special Revenue Fund based on an indirect cost rate established by the Colorado Department of Education. The indirect cost expenditure in the Grant Special Revenue Fund is offset against expenditures in the General Fund.

Accrued Payroll

The accrued payroll represents payment in arrears earned as of June 30 as well as the liability to teachers and certain other employees who earn their salaries over the school year but are paid over a twelve-month period from August 1 to July 31. Changes in the accrual are reflected in expenditures or expenses on the applicable fund's statement of revenues, expenditures and changes in fund balances. Certain payroll benefits and part-time salaries which are payable at June 30 are also included.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds.

Compensated Absences

The compensated absence liability including payroll taxes, reported on the government-wide financial statements consists of accumulated sick and vacation leave which vests and is payable upon termination or retirement. Accumulated sick leave vests only at qualified retirement and vests as a rate determined by contract, which is less than the normal rate of pay. A qualified retiree can be paid for up to one work-years' worth of accumulated sick leave. Retirees who accumulate vacation leave are compensated at their normal rate of pay for the balance at retirement. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses, as appropriate, when paid.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method. The appropriate obligations are reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance is reported as other financing sources while discounts on debt issuance is reported as other financing uses. In accordance with Section 22-45-103, CRS, the District's bond redemption fund custodian for FY 2020 was U.S. Bank.

Deferred Outflows of Resources and Deferred Inflows of Resources

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, the government-wide statements include deferred outflows of resources representing the deferred loss on refunding of the District's certificates of participation and bond obligations and items relating to the District's pension and OPEB obligations. Deferred inflows of resources relate to deferred gain on refunding, pension, and OPEB obligations. Additionally, the governmental fund financial statements include deferred inflows of resources for property taxes receivable and long-term receivables that have not met modified accrual revenue recognition criteria.

Net Position

In the government-wide statements, net position consists of net investment in capital assets, restricted and unrestricted net positions. Restricted net position includes amounts for debt service, performance-based teacher compensation, emergency reserve, higher education, non-governmental grantor-designated purposes, federal programs, permanent fund and capital projects.

Fund Balances

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For the classification of fund balances, the District considers amounts to have been spent when expenditure is incurred for purposes for which fund balance is both available and can be used. In accordance with GASB Statement 54, the fund balances of the District are classified into the following categories: nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, including items that are not expected to be converted to cash.

Restricted fund balance includes amounts where constraints have been placed on the use of resources by either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Education. Committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of formal action (for example, resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education adopted a fund balance policy and as part of the policy delegated the authority to the Superintendent or designee to assign amounts to be used for specific purposes.

Unassigned fund balance represents residual fund balance that has not been restricted, committed or assigned. Positive unassigned fund balance can only be reported in the general fund while negative unassigned fund balance may be reported in any governmental fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

2. CASH AND INVESTMENTS

Investments Authorized by the Colorado Statutes and District's Investment Policy

The table below identifies the investment types that are authorized by the District's investment policy or Colorado Revised Statutes (CRS), where more restrictive. The table also identifies certain provisions of the District's investment policy that address interest rate risk, credit risk and concentration of credit risk. The table does not address the investments of (a) debt proceeds that are governed by the provisions of the debt agreements of the District, or (b) Special Revenue ProComp Trust assets that are governed by the Trust's Investment Policy Statement rather than the general provisions of the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S Treasury Obligations	5 years	100%	N/A
Federal Agency and instrumentality Securities	5 years	100%	50%
Local Government Investment Pools	13 months	100%	50%
Money Market Mutual funds	13 months	100%	50%
Repurchase Agreements*	5 years	100%	N/A
Commercial Paper	9 months	35%	5%
Corporate Bonds	3 years	35%	5%
Municipal Bonds	5 years	25%	5%
Non-negotiable Certificates of Deposit	1 year	5%	2%
Negotiable Certificates of Deposit	3 years	35%	5%
Flexible Repurchase Agreements	5 years	100%	N/A
Guaranteed Investment Contracts	C.R.S. 24-75-601	N/A	N/A

*Other than repurchase agreements for investment of general obligation bond proceeds and certificates of deposit.

As of June 30, 2020 the District investments are in compliance with the investment policy.

Investments Authorized by Debt Agreements

The District invests in various investment securities that are exposed to interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The valuation is based on the inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs other than those within Level 1, that are directly or indirectly observable; and Level 3 inputs are significant unobservable inputs.

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The District has the following recurring fair value measurements as of June 30, 2020:

- Corporate Notes of \$7,233,892 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- U.S. Treasury securities of \$44,343,046 are valued using quoted price in active markets for identical assets (Level 1 inputs).
- Federal Agency Bonds/Notes of \$2,048,091 are valued using quoted market price or other observable inputs (Level 1 inputs).
- Repurchase Agreements of \$27,824,996 are valued using pricing models (Level 2 inputs).

Custodial Credit Risk

Colorado law requires the District to use eligible public depositories as defined by the Public Deposit Protection Act of 1989 (the Act). Under the Act, the depository is required to pledge eligible collateral having a market value at all times equal to 102% of the aggregate public depositories not insured by the Federal Deposit Insurance Corporation. Eligible collateral as defined by the Act primarily includes obligations of, or guarantees by, the U.S. government, the State of Colorado or any political subdivision thereof and obligations evidenced by notes secured by first lien mortgages of trust on real property.

Custodial credit risk is the risk that in the event of a bank failure, the District will not be able to recover its deposits nor the collateral securities that are in the possession of an outside party.

The District's deposits are with eligible public depositories and are considered to be held in the name of the District. These deposits have bank balances of \$14,689,406 and related carrying amount of \$6,534,057.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in interest rates. The District's investment policy addresses interest rate risk by requiring adherence to the Colorado Revised Statutes. The District manages its exposure to interest rate risk by purchasing a combination of shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is either maturing or close to maturing as necessary to provide the cash flow and liquidity needed by operations and debt service requirements.

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The following table shows the distribution of the District's cash and cash equivalents and investments by maturity, which displays the sensitivity of the fair values of the District's investments, including investments held by bond trustee, to market rate fluctuations:

Type of Security	Fair Value	Maturity			
		30 days or less	12 months or less	1 to 2 years	2 to 7 years
Certificate of Deposit	\$ 27,568,438	\$ -	\$ 27,568,438	\$ -	\$ -
Commercial Paper	11,425,274		11,425,274	-	-
U.S. Treasury Notes	44,343,046	16,900,256	27,442,789	-	-
Corporate Notes	7,233,892	-	7,233,892	-	-
Federal Agency Bonds/Notes	2,048,091	-	2,048,091	-	-
External Investment Pools	446,407,729	443,407,729	3,000,000	-	-
Money Market Funds	116,140,800	116,140,800	-	-	-
Repurchase Agreements	27,824,996	-	-	-	27,824,996
Forward Delivery Agreements:					
First American Treasury Obligations	21,902	-	21,902	-	-
U.S. Treasury Bills	16,627,526	-	16,627,526	-	-
Retiree Life Insurance	13,946,062	13,946,062	-	-	-
Total	\$ 713,587,756	\$ 590,394,847	\$ 95,367,912	\$ -	\$ 27,824,996

Stocks with an amount of \$3,982 are the only securities without maturity.

Reconciliation

The following is a reconciliation of cash and investments per this note to the basic financial statements:

Cash and investments per footnote presentation:	
Cash in bank - carrying amount	\$ 6,534,057
Investments	713,587,756
Stocks	3,982
Total	\$ 720,125,795
Cash and investments per government-wide statements of net position:	
Cash and cash equivalents	\$ 257,942,194
Investments	3,982
Restricted cash and cash equivalents	161,935,630
Held by fiscal agent	3,059,960
Restricted investments	282,235,037
Post Employment Benefit Trust Fund	13,946,188
Cash and investments per the fiduciary statements of net position:	
Private purpose trust	1,002,804
Total	\$ 720,125,795

Foreign Currency Rate Risk

Foreign currency rate risk is the risk that changes in monetary exchange rates will adversely affect the fair value of an investment or a deposit in terms of U. S. dollars. The District has no formal policy relating to foreign currency risk, nor are any deposits or investments exposed to foreign currency risk.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSROs). State law limits investments for school districts to U.S. Treasury instruments, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in Rule 2a-7, as amended, as long as such rule does not increase the remaining maturities beyond a maximum of three years. The District’s investment policy requires money market funds and local government investment pools to have a rating of AAAm or equivalent by one or more NRSROs. Corporate bonds must have a rating of at least AA- or equivalent by at least two NRSROs. General obligations must be rated at the time of purchase at least AA or the equivalent by two or more NRSROs, and revenue obligations at least AAA or the equivalent at the time of purchase. Commercial paper must have a rating of at least A-1 or the equivalent at the time of purchase by at least two NRSROs.

As of June 30, 2020, the money market funds that the District participated in were rated as follows by Standard and Poor’s:

<u>Financial Institution</u>	<u>Fund</u>	<u>Rating On June 30, 2020</u>
Wells Fargo	Government Money Market Fund	AAAm
Wells Fargo	Treasury Plus Money Market Fund	AAAm
MetLife	MetLife General Account	AA-

Standard and Poor’s rates all U.S. Agency Obligations as AA+.

The District invests \$75,059,624 in the Colorado Asset Surplus Fund Trust (CSAFE), \$96,194,159 in COLOTRUST, and \$275,153,946 in Colorado Statewide Investment Program (CSIP) which includes local government investment funds (LGIP). The Colorado Division of Securities regulates these local government investment pools. The District’s position is that these pools are the same as the value of pool shares. Standard and Poor’s rates COLOTRUST as AAAm, CSAFE as AAAm, and CSIP as AAAm.

The District has \$3,059,960 in the State of Colorado Treasury (“T-Pool”) as required by the Colorado Workers’ Compensation Act for self-insurance security. T-Pool is held by fiscal agents and considered a money market fund. The pool is not rated.

The District utilizes government investment pools for investment, when a high degree of liquidity is prudent. The pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST), the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Statewide Investment Program (CSIP) collectively, the Trusts. COLOTRUST and CSIP Term Investment are local government investment pools with a stable net asset value. CSAFE and CSIP Liquid Portfolio are considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralize by U.S. Treasury securities, certain obligations of U.S. government agencies and at least A-1 or equivalent commercial paper.

A designated custodial bank serves as custodian for the Trusts' portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals.

The District's investment policy requires that repurchase agreements and flexible repurchase agreements are collateralize as required by state law at a minimum of 102% of the purchase price plus accrued interest. For repurchase agreements, the collateral is to be delivered and held in a third party safekeeping account and the market value of the collateral securities marked-to-market daily.

Concentration of Credit Risk

Concentration of credit risk as defined by the Government Accounting Standards Board (GASB) is any investment that represents 5% or more of the total investments to any one issuer. The District's investments do not contain more than a 5% concentration in one issuer as of June 30, 2020.

The District's collateral securities of repurchase agreements contained concentration in Federal Farm Credit Consolidated System wide of Bond of \$12,384,926, Freddie Mac Agency Mortgage-backed Securities of \$11,647,607 and the US Treasury securities of \$3,792,463 representing 1.74%, 1.63% and .53% of the total securities held as of June 30, 2020.

3. REVENUE

Property Taxes

Property taxes are levied on December 15 and attach an enforceable lien on property as of January 1 of the following year. Taxes are payable in either one installment on or before April 30, or in two equal payments on or before February 28 and June 15 of each year. The mill levy is determined by the District in accordance with state laws and finance formulas. The assessments and collections are made by the City and County of Denver and remitted upon receipt to the District.

Property taxes levied for the General Fund totaled \$733,779,412 and for ProComp totaled \$34,930,359 in 2020. In 1988, 1998, 2003, 2005, 2012 and 2016 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 override election mill levies are fixed amounts of \$12.1 million, \$17.0 million and \$20.0 million, respectively. The 2005 override election mill levy initially set at \$25.0 million is adjusted annually for inflation as measured by the Denver-Boulder-Greeley consumer price index. The 2005 override election mill levy amount for the 2020 collection year was approximately \$35.1 million. The 2012 override will generate \$71.4 million for the 2020 property tax collection year which results in a levy of 3.446 mills. The 2016 override election mill levy is variable at 3.506 mills and will generate \$72.7 million for the 2020 property tax collection year.

Deferred inflow of resources in the General Fund and ProComp Special Revenue Fund included \$18,170,228 and \$882,399 of property taxes at June 30, 2020. In addition, property taxes levied for the Bond Redemption Fund totaled \$198,269,762 in 2020 and accounted for the entire deferred inflow of resources of \$4,906,170 at June 30, 2020. Property tax revenue is recorded in the General Fund, the ProComp Special Revenue Fund and the Bond Redemption Fund. The taxes receivable are recorded net of an estimated uncollectible amount of \$3,620,939 in the governmental activities, \$2,884,850 in the General Fund and \$736,089 in the Bond Redemption Fund.

Collection fees by the City and County of Denver amount to one-quarter of one percent of property taxes collected for the General Fund and no collection fees are charged for the Bond Redemption Fund. Collection fees are recorded as expenditures.

DURA

The District and the Denver Urban Renewal Authority (Authority) are parties to the Amended and Restated Stapleton School Funding Agreement (Funding Agreement). The Funding Agreement provides funding of various projects in the Stapleton Urban Redevelopment Area.

The Stapleton Urban Redevelopment Plan and Cooperation Agreement (Redevelopment Plan) authorize the Authority to receive and use certain incremental increases in sales and property tax revenues generated within the Stapleton Urban Redevelopment Area. The Authority and the District entered into the Funding Agreement which provides for the payment of the actual development costs of certain schools and other property identified therein from proceeds of obligations issued by the Authority.

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In accordance with the Funding Agreement, the District has performed work and is eligible for reimbursement with respect to an elementary school, a K-8 school and the acquisition and construction of a District high school and sports field. The District entered into a supplemental agreement with the Authority which included land for an elementary school and construction of a new fire station to accommodate the needs of the growing area. Per the supplemental agreement, the District also received donated land for a second school site. Reimbursement to the District is in accordance with the Redevelopment Plan and Funding Agreement including amendments. The following table summarizes the projects and outstanding reimbursable amounts as of June 30, 2020. The remaining balances are reflected as accounts receivable and deferred inflow of resources in the Capital Reserve Fund.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2020
Stapleton Redevelopment Plan	\$ 82,482,147	\$ 5,061,185	\$ 8,700,563	\$ 78,842,769
	<u>\$ 82,482,147</u>	<u>\$ 5,061,185</u>	<u>\$ 8,700,563</u>	<u>\$ 78,842,769</u>

The District has entered into agreements with National Jewish Health and I-25 and Broadway (McKinley Thatcher) urban redevelopment area. The agreement with National Jewish Health was amended during the current fiscal year and no payment was made; however, payments will be made in October of the next three fiscal years. The agreement for I-25 and Broadway (McKinley Thatcher) did not change. Those entities agreed to make yearly installments to DPS and the amount that remains is outlined below.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2020
National Jewish Health	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
I-25 & Broadway (McKinley Thatcher)	3,000,000	-	3,000,000	-
	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

Other Revenue

The District holds Build America Bonds comprised of 2009C, 2010A, 2010B and 2012C issuance which credits payments to issuers. During the current fiscal year the District earned credits that will be paid the following fiscal year as outlined below.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2020
U.S. Treasury Subsidy	\$ -	\$ 3,279,543	\$ -	\$ 3,279,543
	<u>\$ -</u>	<u>\$ 3,279,543</u>	<u>\$ -</u>	<u>\$ 3,279,543</u>

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4. INTERFUND BALANCES AND TRANSFERS

Balances of interfund receivables, payables and transfers at June 30, 2020 are as follows:

	Due From	Due To	Transfer In	Transfer Out
Major Funds				
General Fund - Due to Other Funds	\$ 18,958,581	\$ 69,095,193	\$ -	\$ 18,114,719
Grants Special Revenue	46,594,574	-	718,829	-
Bond Redemption	-	74,600	-	-
Building	-	10,073,171	-	-
Capital Reserve	16,683,835	-	9,465,811	-
Subtotal	<u>\$ 82,236,990</u>	<u>\$ 79,242,964</u>	<u>\$ 10,184,640</u>	<u>\$ 18,114,719</u>
Nonmajor Funds				
Food Service	-	3,229,319	2,500,000	-
Pupil Activity Fund	5,404,006	-	5,500,000	-
ProComp	-	5,519,324	-	-
Permanent	-	62,167	-	69,921
Subtotal	<u>\$ 5,404,006</u>	<u>\$ 8,810,810</u>	<u>\$ 8,000,000</u>	<u>\$ 69,921</u>
Fiduciary Funds				
Private Purpose Trust	8,649	-	-	-
Internal Service Funds				
	404,129	-	-	-
Total	<u>\$ 88,053,774</u>	<u>\$ 88,053,774</u>	<u>\$ 18,184,640</u>	<u>\$ 18,184,640</u>

The majority of the District transfers are from the General Fund to sustain the capital project fund, funding for student athletic programs, additional funding support for food services and to finance various programs accounted for in other funds in accordance with budgetary authorizations. All interfund receivables and payables are the result of normal business and are expected to be paid in the current fiscal year.



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5. CAPITAL ASSETS

Capital assets resulting from expenditures in the governmental funds are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost, or estimated historical cost and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated.

Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	5-39 years
Furniture and equipment	5 years
Computer equipment	3-5 years
Buses	7 years
Other vehicles	5 years

Following is a detail by function of depreciation expense for governmental activities reported in the government-wide statement of activities:

Instruction:	
Regular	\$ 45,674,481
Special education	7,534,990
Vocational	21,105
Other Instruction	1,139,864
Supporting services:	
Pupil support	6,490,066
Instructional support	10,124,906
General administration	638,890
School administration	6,276,997
Business services	1,159,247
Operations and maintenance	8,025,015
Pupil transportation	2,256,136
Central services	3,877,375
Other support services	4,045,711
Community services	1,302,877
Education for adults	1,868,983
Total Depreciation Expense	<u>\$ 100,436,644</u>

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A summary of changes in governmental capital assets is as follows:

Governmental assets:	Land	Buildings and Improvements	Equipment	Construction In-Progress	Capital Leases	Total
Balance July 1, 2019	\$ 87,231,235	\$ 1,919,785,398	\$ 272,018,581	\$ 68,061,287	\$ 6,918,637	\$ 2,354,015,138
Additions	10,077,400	-	2,918,247	203,126,729	110,658	216,233,034
Transfers	-	110,395,718	14,298,050	(124,953,951)	260,183	-
Less – Retirements	(242,725)	(314,850)	(6,626,999)	-	-	(7,184,574)
Balance June 30, 2020	97,065,910	2,029,866,266	282,607,879	146,234,065	7,289,478	2,563,063,598
Less – Accumulated Depreciation	-	783,795,921	221,136,306	-	3,843,139	1,008,775,366
Ending net capital assets	<u>\$ 97,065,910</u>	<u>\$ 1,246,070,345</u>	<u>\$ 61,471,573</u>	<u>\$ 146,234,065</u>	<u>\$ 3,446,339</u>	<u>\$ 1,554,288,232</u>
Accumulated depreciation – July 1, 2019		\$ 711,941,194	\$ 200,130,370		\$ 2,488,749	\$ 914,560,313
Increases		71,859,584	27,167,653		1,409,407	100,436,644
Decreases		(4,857)	(6,161,717)		(55,017)	(6,221,591)
Accumulated depreciation – June 30, 2020		<u>\$ 783,795,921</u>	<u>\$ 221,136,306</u>		<u>\$ 3,843,139</u>	<u>\$ 1,008,775,366</u>

Net investment in capital assets is estimated by first comparing the total building fund expenditures since 2011 to the capital outlay from the building fund for the same time frame which is 88.19% as of June 30, 2020. The calculation of net investment in capital assets is below and results in a negative net investment in capital assets as certain capital assets are depreciated over a shorter life than the related debt service.

Capital assets (net)	\$ 1,554,288,232
Outstanding bonds payable	\$ 1,758,455,749
Less fund balance restricted for capital	(182,994,429)
Less capital related deferred loss on refunding	(29,146,568)
Plus capital related deferred gain on refunding	2,246,082
Adjusted bonds payable	\$ 1,548,560,834
Percent of capitalized assets	88.19%
Bonds payable related to capital assets	<u>\$ 1,365,675,800</u>
Related Debt:	
Bonds payable	\$ 1,365,675,800
Certificates of participation	245,192,237
Capital lease liability	3,259,407
Retainage payable	7,321,761
Total related debt	<u>\$ 1,621,449,205</u>
Net investment in capital assets	<u>\$ (67,160,973)</u>

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6. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

	Balance June 30, 2019	Additions	Refunded/ Reductions	Balance June 30, 2020	Due Within One Year
Bonds payable	\$ 1,708,747,000	\$ -	\$ (85,235,000)	\$ 1,623,512,000	\$ 98,750,000
Premiums	151,813,351	-	(16,869,602)	134,943,749	-
Total bonds payable	1,860,560,351	-	(102,104,602)	1,758,455,749	98,750,000
Certificates of participation	1,076,255,000	35,225,000	(29,245,000)	1,082,235,000	32,310,000
Premiums	15,069,507	10,319,722	(2,011,186)	23,378,043	-
Total certificates of participation	1,091,324,507	45,544,722	(31,256,186)	1,105,613,043	32,310,000
Other long-term liabilities:					
Compensated absences	16,916,418	10,714,889	(8,835,911)	18,795,396	2,636,572
Capital Lease Liability	4,567,393	110,658	(1,418,644)	3,259,407	1,444,651
Accrued Claims Liability	12,314,907	1,731,929	(1,306,925)	12,739,911	4,395,096
Net OPEB obligation*	62,663,225	-	(8,541,146)	54,122,079	-
Net Pension Liability*	594,110,636	-	(193,710,207)	400,400,429	-
Other obligation	1,500,000	-	-	1,500,000	-
Total other long-term liabilities	692,072,579	12,557,476	(213,812,833)	490,817,222	8,476,319
Total long-term liabilities	\$ 3,643,957,437	\$ 58,102,198	\$ (347,173,621)	\$ 3,354,886,014	\$ 139,536,319

* In prior years the General Fund has been used to liquidate both pension and OPEB liabilities.

Bonds payable and certificates of participation at June 30, 2020 are comprised of the following:

Bonds:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2005A GO Refunding Bonds	\$ 130,290,000	\$ 95,860,000	5.00% - 5.50%	12/1/2023
2009B GO Qualified School Construction Bonds	24,022,000	24,022,000	1.39%	12/1/2024
2009C GO Taxable Build America New Money bonds	250,000,000	250,000,000	5.664%	12/1/2023
2009F GO Tax-Exempt Refunding Bonds	24,700,000	2,385,000	3.20%-5.00%	12/1/2023
2010A GO Qualified School Construction Bonds	29,260,000	29,260,000	4.73%	9/1/2027
2010B GO Taxable Build America New Money Bonds	1,545,000	1,545,000	4.93%	12/1/2028
2010C GO Tax-Exempt Refunding Bonds	85,390,000	68,540,000	2.50% - 5.00%	12/1/2023
2012A GO Refunding Bonds	129,870,000	61,215,000	3.50% - 5.00%	12/1/2028
2012B GO Tax-Exempt Bonds	428,600,000	159,830,000	3.00% - 5.00%	12/1/2032
2012C GO Taxable Qualified Zone Academy Bonds	16,000,000	16,000,000	3.773%	12/1/2035
2012D GO Taxable Refunding Bonds	67,220,000	3,560,000	1.680% - 3.154%	12/1/2028
2014A GO Bonds	21,400,000	17,870,000	5.00% - 5.50%	12/1/2034
2014B GO Refunding Bonds	149,170,000	130,805,000	3.50% - 5.00%	12/1/2029
2016A GO Refunding Bonds	143,280,000	139,825,000	1.75% - 5.00%	12/1/2031
2017 GO Bonds	466,675,000	455,395,000	4.00% - 5.00%	12/1/2041
2018A GO Bonds	105,325,000	100,285,000	5.00% - 5.50%	12/1/2041
2018B GO Refunding Bonds	106,130,000	67,115,000	2.297% - 3.587%	12/1/2032
Premium	-	134,943,749	-	-
Total bonds payable		\$ 1,758,455,749		

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Certificates of Participation:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2011B Taxable	\$ 396,235,000	\$ 376,605,000	6.22% - 7.017%	12/15/2037
2013B Taxable	536,855,000	472,260,000	2.018% - 4.242%	12/31/2037
2013C	58,740,000	53,280,000	3.25% - 5.00%	12/15/2033
2015B Tax-exempt	8,570,000	8,265,000	2.50% - 5.00%	12/15/2045
2017A	32,080,000	27,250,000	2.00% - 5.00%	12/1/2030
2017B	14,095,000	13,105,000	4.00% - 5.00%	12/1/2025
2017C	10,000,000	9,195,000	2.94%	12/1/2036
2018	7,710,000	7,220,000	3.000% - 5.000%	12/1/2037
2018B	79,830,000	79,830,000	5.000% - 5.250%	12/1/2040
2020A	35,225,000	35,225,000	5.000%	12/1/2041
Premium	-	23,378,043	-	-
Total certificates of participation		<u>\$ 1,105,613,043</u>		

In prior years, the registered voters of Denver authorized the School District to issue general obligation bonds. As of June 30, 2020, all previously authorized bonds had been issued.

On May 1, 2013, as authorized by Board resolution, the District executed \$58.7 million Certificates of Participation, Series 2013C. The certificates provided funding of various projects in the Stapleton Urban Redevelopment Area including the acquisition, improvement, and placement in service of one additional District elementary and K-8 schools. Also included were various improvements to the high school and sports field. The District and the Denver Urban Renewal Authority have entered into a 2013 Supplemental Denver Public Schools Funding Agreement to provide reimbursement to the District for the above listed projects which will serve as the source of repayment for the Series 2013C Certificates of Participation.

In September of 2015, as authorized by Board resolution, the District executed \$8.6 million Certificates of Participation, Series 2015B. The proceeds were used for the purchase of the parking garage located at 1855 Lincoln Street in downtown Denver and the land upon which it is located. The primary purpose is to provide affordable and long-term parking for the users of the Emily Griffith Campus. The Certificates explain undivided interests in the right to receive certain revenues payable by the District under an annually renewed Lease Purchase Agreement dated on October 5, 2015.

In May of 2017, as authorized by Board resolution, the District issued \$32 million Certificates of Participation, Series 2017A and \$14 million of Certificates of Participation, Series 2017B. The purpose of the 2017A issuance was to construct the Stapleton Park Street School, an elementary school located in the Stapleton neighborhood of Denver. The proceeds from 2017B issuance were used to purchase a school site for the Stapleton Park Street School and to help fund the design and construction cost of a fire station near the school site to meet safety standards for DPS schools within Stapleton.

In November of 2017, as authorized by the Board resolution, the District issued \$10 million Refunding Certificate of Participation, Series 2017C. The proceeds for the issuance in combination with the proceeds received from the sale of Emily Griffith Opportunity School properties were used for the refunding of \$35.2 million of 2013A Certificate of Participation.

In February of 2018, as authorized by Board resolution, the District issued \$7.7 million Certificates of Participation, Series 2018. The proceeds were used to purchase a building located at 1617 South Acoma Street in Denver and the site upon which it is located. The Acoma building currently houses 150 District employees in the Planning, Design and Construction, Library Services, JROTC, Extended Learning and Community Schools departments.

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In October of 2018, as authorized by Board resolution, the District issued \$79.8 million Certificates of Participation, Series 2018B. The proceeds from the 2018B Certificate financed the acquisition, construction and installation of capital improvements for school purposes.

In December of 2019 as authorized by Board resolution the District issued \$35.2 million Certificates of Participation, Series 2020A. The proceeds from the 2020A Certificate financed the Kepner Shared Campus improvements and expansion and the Energy Performance Contract Project (EPC).

Annual requirements to maturity are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2021	98,750,000	73,584,894	32,310,000	54,233,382
2022	76,040,000	69,865,344	36,970,000	52,888,778
2023	79,480,000	66,195,740	40,985,000	51,293,508
2024	82,425,000	62,290,512	43,925,000	49,484,150
2025	110,142,000	57,997,719	48,190,000	47,443,798
2026-2030	527,195,000	217,738,043	262,880,000	201,439,985
2031-2035	420,265,000	96,346,962	338,675,000	123,458,605
2036-2040	161,170,000	32,743,790	262,285,000	28,530,473
2041-2045	68,045,000	2,951,188	15,490,000	1,049,125
2046	-	-	525,000	13,125
Total	<u>\$ 1,623,512,000</u>	<u>\$ 679,714,192</u>	<u>\$ 1,082,235,000</u>	<u>\$ 609,834,929</u>

The bonds are general obligations of the District. The full faith and credit of the District are pledged for the payment of the principal of and interest on the bonds. The Board annually determines and certifies, to the City and County of Denver a rate of levy for general ad valorem taxes, on all of the taxable property in the District, sufficient to pay debt service on bonds when due. The COPs are secured by schools and administrative properties owned and operated by the District.

All bond obligations will be paid from the Bond Redemption Fund. The 2013C, 2017A, 2017B, 2017C, 2018B and 2020A COPs are to be paid from the Capital Reserve Fund; whereas the 2011B and 2013B taxable COPs are attributable to pension obligations and are paid from the General Fund. The 2015A taxable COPs and 2015B tax-exempt COPs are paid from General Fund.

The Building Fund ending fund balance of \$182,994,429 is from the issuance of Series 2017, and 2018 general obligation bonds and related interest earnings. At June 30, 2020, the Building Fund had capital expenditure purchase commitments outstanding of \$45,341,426.

Capital Lease Obligations

The District has multiple equipment lease arrangements for leasing and financing of various equipment. In accordance with generally accepted accounting principles, the leases have been capitalized at the present value of future minimum lease payments and the assets are reflected in the government-wide financial statements and as of June 30, 2020 were:

Capital Lease	Original Amount	Amount Outstanding	Interest Rate	Final Maturity
Ricoh copiers	\$ 5,205,771	\$ 2,357,526	3.50%	10/31/2023
Ricoh copiers	869,705	366,482	6.39%	5/30/2022
Ricoh copiers	113,411	58,856	3.80%	6/1/2022
Ricoh copiers	15,363	9,851	3.49%	12/1/2022
Ricoh copiers	266,324	171,762	3.27%	11/17/2022
Ricoh copiers	55,816	42,329	3.00%	9/23/2022
Ricoh copiers	54,842	49,986	2.10%	12/11/2022
Safety and Security Vehicles	48,060	38,311	4.59%	9/1/2025
Safety and Security Vehicles	187,364	125,295	3.34%	9/1/2024
Safety and Security Vehicles	75,096	39,009	3.19%	9/1/2022
Total Capital Lease	<u>\$ 6,891,752</u>	<u>\$ 3,259,407</u>		

At June 30, 2020, the collective net book value of assets under capital lease was \$3,501,41.

Annual debt service requirements to maturity for capital leases are as follows:

Year Ending June 30,	Total
2021	\$ 1,543,396
2022	1,526,424
2023	272,815
2024	38,181
2025	23,071
2026	3,981
Total Minimum Lease Payments	<u>\$ 3,407,868</u>
Less Interest	<u>148,461</u>
Present Value of Future Minimum Lease Payments	<u>\$ 3,259,407</u>

Defeasance of General Obligation Bonds

In prior years, the District advance refunded a portion of the District's general obligation bonds with the proceeds from the issuance of new general obligation bonds. The defeased bonds are not considered a liability of the District. At June 30, 2020, \$228,855,000 of refunded 2009F, 2012A, and 2012B bonds are considered in-substance defeased.

Compensated Absences Liability

Compensated absences liability consists of accumulated sick leave time which vests and is payable upon retirement and accumulated vacation leave time which vests and is payable upon retirement or termination. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid. The estimated cost for fiscal year 2021 is \$2,636,572. These expenditures are recognized in the fund where incurred.

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7. SHORT-TERM DEBT

The District participates in the State Treasurer’s Interest-Free Loan Program for Colorado School Districts authorized by Sections 29-15-112 and 22-54-110 of the Colorado Revised Statutes. The loan is secured by ad valorem taxes on real and personal property received by the District on and after March 1, 2020, to and including June 30, 2020. The District borrowed \$444,647,782 throughout the fiscal year to meet cash flow needs since the majority of property taxes are received starting in March. The loan was repaid during the months of March and May. In June of 2020, the Districts Board of Education authorized participation in the Fiscal Year 2021 State Interest Free Loan Program with a Maximum Principal Amount of \$490,000,000.

June 30, 2019 Balance	Borrowed	Repayment	June 30, 2020 Balance
<hr/> \$ 0	<hr/> \$ 444,647,782	<hr/> \$ 444,647,782	<hr/> \$ 0

8. PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions - The District participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The District's discretely presented component units also participate in the DPS Division, except for the employees of the Denver Public Schools Foundation, Denver School of Science and Technology schools and Ridge View Academy. All assumptions and information contained in this footnote apply to the District and its discretely presented component units that participate in the plan, unless otherwise noted. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the DPS Division have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

General Information about the Pension Plan

Plan description - Eligible employees of the District are provided with pensions through the Denver Public Schools Division Trust Fund (DPS Division)— a single-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2019 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- 15 times the first 10 years of service credit plus 20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of the highest average salary and also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2020 Eligible employees of the District, and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 through December 31, 2019	January 1, 2020 through June 30, 2020
Employer Contribution Rate	10.40%	10.40%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
PCOP offset as specified in C.R.S. § 24-51-412*	(13.60)%	(12.25)%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total Employer Contribution Rate to the DPS Division	5.78%	7.13%

*To conform with this presentation of contribution rates, the 2019 and 2020 annual PCOP offsets of 13.48 percent and 12.50 percent, respectively, have been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

Contribution rates for the DPS Division are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the DPS Division's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the District and the discretely presented component units were \$45,193,760 and \$6,026,081 respectively, for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the DPS Division was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The District's proportion of the net pension liability was based on the District's contributions to the DPS Division for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the District and its discretely presented component units reported a liability of \$400,400,429 and \$56,122,281, respectively, for their proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District and the discretely presented component units as their proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity and the total portion of the net pension liability that was associated with the District and its component units were as follows:

The District's proportionate share of the net pension liability	\$ 400,400,429
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	\$ 177,449,057
Discretely presented component units	\$ 56,122,281
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	\$ 24,872,233
Total	\$ 658,844,000

At December 31, 2019, the District's proportion was 60.77 percent, which was an increase of 2.69 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District and its discretely presented component units recognized a pension credit of \$29,283,091 and \$505,431 respectively, offset by revenue and pension expense of \$13,931,837 and \$1,952,763 respectively, for support from the State as a nonemployer contributing entity.

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At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (146,141,258)
Contributions subsequent to the measurement date	24,435,225	-
Difference between expected and actual experience	61,893,226	(235,192)
Changes in proportion	-	(149,979,188)
Changes of assumptions or other inputs	17,004,943	(137,955)
Total	<u>\$ 103,333,394</u>	<u>\$ (296,493,593)</u>

At June 30, 2020, the District's discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 412,882	\$ (20,896,820)
Contributions subsequent to the measurement date	3,479,751	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,828,043	(18,278,627)
Difference between expected and actual experience	8,675,282	(32,965)
Changes of assumptions or other inputs	2,383,505	(19,336)
Total	<u>\$ 25,779,463</u>	<u>\$ (39,227,748)</u>

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The District and the component units reported \$24,435,225 and \$3,479,751 respectively as deferred outflows of resources from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

District	
Year ended:	
2021	\$ (64,548,004)
2022	(83,803,813)
2023	(26,055,960)
2024	(43,187,647)
Total	<u>\$ (217,595,424)</u>

Component units	
Year ended:	
2021	\$ (2,807,947)
2022	(6,974,658)
2023	(1,332,078)
2024	(5,792,831)
2025	(20,695)
Thereafter	173
Total	<u>\$ (16,928,036)</u>

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)*	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)*	Financed by the Annual Increase Reserve

* For 2019, the annual increase was 0.00 percent.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS Division, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For

future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions for the DPS Division Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarial determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPS Division's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2019	\$ 4,207,343,000	\$ 3,184,442,000	\$ 1,022,901,000
Changes for the year:			
Service cost	91,764,000	-	91,764,000
Interest	301,210,000	-	301,210,000
Changes of benefit terms	(82,064,000)	-	(82,064,000)
Differences between expected and actual experience	86,001,000	-	86,001,000
Contributions - employer	-	43,340,000	(43,340,000)
Contributions - nonemployer	-	19,201,000	(19,201,000)
Contributions - employee	-	65,496,000	(65,496,000)
Net investment income	-	632,669,000	(632,669,000)
Benefit payments, including refunds of employee contributions	(288,984,000)	(288,984,000)	-
Administrative expense	-	(2,713,000)	2,713,000
Other changes	-	2,975,000	(2,975,000)
Net changes	107,927,000	471,984,000	(364,057,000)
Balances at 6/30/2020	\$ 4,315,270,000	\$ 3,656,426,000	\$ 658,844,000

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Sensitivity of proportionate share of the Net Pension Liability	1% Decrease (6.25)%	Current Discount Rate (7.25%)	1% Increase (8.25)%
District	\$ 710,255,510	\$ 400,400,429	\$ 142,656,524
Nonemployer - District	314,770,317	177,449,057	63,222,374
Component units	99,553,260	56,122,281	19,995,511
Nonemployer - Component units	44,119,913	24,872,233	8,861,591
	\$ 1,168,699,000	\$ 658,844,000	\$ 234,736,000

Pension plan fiduciary net position - Detailed information about the DPS Division's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Membership – Benefit recipients and members of PERA consisted of the following as of December 31, 2019. These numbers include all recipients and members for the DPS Division, including those from the District’s discretely presented component units.

Classification	Members
Retirees and beneficiaries	7,148
Terminated employees entitled to benefits but not yet receiving benefits	1,988
Inactive members	13,522
Active members	
Vested general employees	7,508
Non-vested general employees	8,171
Total Actives	15,679
Total	38,337

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the DPS Division may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended 2020, program members contributed \$3,252,612 for the Voluntary Investment Program.

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9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Denver Public Schools provides the following other postemployment benefit plans:

- Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)
- Colorado PERA's Denver Public Schools Health Care Trust Fund (DPS HCTF)

Aggregate OPEB items for the two plans are as follows for the District and its discretely presented component units (DPCU):

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
DPSRLIT				
District	\$ 21,813,145	\$ 120,169	\$ -	\$ 1,532,744
DPS HCTF				
District	32,308,934	3,874,791	(7,411,582)	2,363,431
DPCU	4,528,066	1,363,441	(1,360,820)	492,834
Plan Total	<u>36,837,000</u>	<u>5,238,232</u>	<u>(8,772,402)</u>	<u>2,856,265</u>
Combined OPEB				
District	54,122,079	3,994,960	(7,411,582)	3,896,175
DPCU	4,528,066	1,363,441	(1,360,820)	492,834
Combined OPEB Totals	<u>\$ 58,650,145</u>	<u>\$ 5,358,401</u>	<u>\$ (8,772,402)</u>	<u>\$ 4,389,009</u>

Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)

The district provides post-retirement life insurance benefits in accordance with the Board of Education Resolution 1643. The benefit is administered in a non-revocable trust by an independent trustee as a single-employer defined benefit OPEB plan. Separately audited GAAP-basis financial statements are not available for the plan.

Plan Descriptions and Contribution Information - DPSRLIT

The contributions and benefits are provided to certain employees who retired under the provisions of early, regular, or disability retirement who meet the other eligibility requirements. Contributions to the plan are paid from the general fund. Plan participants consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Number Retired	2,975
Number Disabled	138
Total	3,113

Plan Description Life insurance benefits are provided to retirees depending on the date they were eligible to retire. For participants eligible to retire prior to September 1, 1997, the Basic Life Benefit for retirees is two times base pay at retirement, subject to a maximum of \$100,000. Amounts in excess of \$2,000 are reduced by 15% beginning on the participant’s retirement date or age 70, if earlier. The same dollar reduction is applied on each of the next four anniversaries of the first reduction. All such reductions were completed by January 1, 2011. Participants eligible to retire on or after September 1, 1997 receive a \$10,000 retiree life insurance benefit. Life insurance benefits are not available to anyone who retires after January 1, 2006. Benefits are self-insured with a retiree plan trust administered by MetLife.

Contributions For the year ended June 30, 2020, the District’s average contribution rate was \$3.92 per \$1,000 coverage for premiums. MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates. Required contribution rates are established on an actuarial basis to account for claims charges, margin and retention charges. To calculate contribution rates, claims data is divided into yearly blocks, which are divided by the required contribution to determine the claim loss ratio. This ratio is then adjusted to reflect the demographics of the current group. The expected claim loss ratio for each year is then averaged into a single claim loss ratio and adjusted for margin and retention charges.

The District’s actual contribution amount for the year ended June 30, 2020 was \$3,178,767, which included optional contributions for dividends receivable from retiree LIFA OPEB plan of \$756,531 as well as dividends from the active employee life insurance plan (non-OPEB) of \$442,236. Should the plan structure change or the number of covered employees change by more than 10%, MetLife reserves the right to change plan contribution rates accordingly. Plan participants do not make contributions to the plan. In prior years, the general fund has been used to pay down the net plan liability.

Net OPEB Liability - DPSRLIT

The District’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

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Actuarial assumptions The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Last experience study	Not applicable since only standard tables are used due to credibility constraints for actual experience.
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	2.90 percent
Discount rate	2.90 percent

Mortality table - 2010 Pub General Healthy Retiree with 100% of MP Ultimate Scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate

The plan does not have enough credible data to develop a mortality assumption. As a result, the plan must rely on publicly available mortality tables. The Society of Actuaries recently published and recommends using both 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale.

Discount rate The discount rate used to measure the total OPEB liability was 2.90%. The discount rate is based on management assumptions and estimates of asset composition, and long-term expected interest rate returns. In estimating the discount rate the District is convinced the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current retirees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Plan assets The LIFA Fund is invested in the MetLife General Account and expected return on assets is based on a combination of the Bloomberg Barclays Capital Government/Credit Bond and the Bloomberg Barclays Capital Government/Credit Long Indices.

Asset Class	Allocation	Expected Real Rate of Return
MetLife General Account	100.00 percent	2.90 percent

Changes in the Net OPEB Liability - DPSRLIT

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2019	\$ 36,768,204	\$ 13,931,833	\$ 22,836,371
Changes for the year:	-	-	-
Service Cost	-	-	-
Interest on total OPEB liability	1,258,786	-	1,258,786
Benefit term changes	-	-	-
Difference between expected and actual experience	(1,231,536)	-	(1,231,536)
Changes in assumption or other inputs	1,782,321	-	1,782,321
Benefit Payments	(1,619,675)	(2,173,823)	554,148
Contributions ¹	-	3,178,767	(3,178,767)
Benefit payments in excess of premiums	-	-	-
Net investment income	-	397,523	(397,523)
Adjustment to reserves	-	-	-
Administrative expenses	-	(189,345)	189,345
Net changes during fiscal year	189,896	1,213,122	(1,023,226)
Balances at 6/30/2020	<u>\$ 36,958,100</u>	<u>\$ 15,144,955</u>	<u>\$ 21,813,145</u>

¹ Includes dividends payable by MetLife for DPS.

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the District as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.90%) or 1-percentage-point higher (3.90%) than the current discount rate:

	1% Decrease (1.90%)	Current Discount Rate (2.90%)	1% Increase (3.90%)
Net OPEB Liability	\$ 25,487,909	\$ 21,813,145	\$ 18,666,563

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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to OPEB - DPSRLIT**

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,532,744. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	120,169	-
Total	<u>\$ 120,169</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>District</u>	
Year Ended:	
2021	\$ 35,592
2022	35,592
2023	28,136
2024	20,849
Total	<u>\$ 120,169</u>

Colorado PERA's Denver Public Schools Health Care Trust Fund (DPS HCTF)

Summary of Significant Accounting Policies

OPEB – The District participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The District's discretely presented component units also participate in the DPS HCTF, except for the employees of the Denver Public Schools Foundation, Denver School of Science and Technology schools and Ridge View Academy. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description Eligible employees of the District are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR). www.copera.org/investments/pera-financial-reports.

Benefits provided. The DPS HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the Health Care Trust Fund (HCTF) and the DPS HCTF. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

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Membership Benefit recipients and members of PERA consisted of the following as of December 31, 2019. These numbers include all recipients and members for the DPS Division, including those from the District’s discretely presented component units.

Classification	Members
Retirees and beneficiaries	7,148
Inactive members eligible but not yet receiving benefits	1,988
Inactive members not eligible for benefits	13,522
Active members	
Vested general employees	7,508
Non-vested general employees	8,171
Total active members	15,679
Total	38,337

PERA Benefit Structure - HCTF

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual enrolled in PERACare, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure - HCTF

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the DPS HCTF. PERA reporting agencies of the DPS Division are required to contribute at a rate of 1.02 percent of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the District and its discretely presented component units were \$6,877,019 and \$970,777 for the year ended June 30, 2020.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - HCTF

At June 30, 2020 the District reported a liability of \$32,308,934 for its proportionate share of the net OPEB liability and the discretely presented component units reported an aggregate liability of \$4,528,066. The net OPEB liability for the DPS HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District proportion of the net OPEB liability was based on District contributions to the DPS HCTF for the calendar year 2019 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2019, the District's proportion was 87.71 percent, which is a decrease of 0.46 percent from its proportion measured as of December 31, 2018, and the discretely presented component units proportion was 12.29 percent, which is an increase of 0.46 from the proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,363,431 and the discretely presented component units recognized OPEB expense of \$492,834. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (5,435,254)
Changes of assumptions or other inputs	2,631	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,428,761)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(547,567)
Contributions subsequent to the measurement date	3,872,160	-
Total	\$ 3,874,791	\$ (7,411,582)

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At June 30, 2020, the District's discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	-	(761,746)
Changes of assumptions or other inputs	369	-
Net difference between projected and actual earnings on OPEB plan investments	-	(200,239)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	865,690	(398,835)
Contributions subsequent to the measurement date	497,382	-
Total	1,363,441	(1,360,820)

The District and its component units reported \$3,872,160 and \$497,382, respectively, as deferred outflow of resources from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the year ended 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

District	
Year Ended:	
2021	\$ (1,496,591)
2022	(1,497,468)
2023	(1,153,653)
2024	(1,612,365)
2025	(1,053,164)
Thereafter	(595,710)
Total	\$ (7,408,951)

Discretely Presented Component Units	
Year Ended:	
2021	\$ (67,232)
2022	(61,229)
2023	(17,170)
2024	(78,699)
2025	(55,662)
Thereafter	(214,769)
Total	\$ (494,761)

Actuarial assumptions The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in the aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

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In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan		Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$	562
Kaiser Permanente Medicare Advantage HMO		571

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the DPS Division were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following health care costs assumptions were updated and used in the measurement of the obligations for the DPS HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 32,301,917	\$ 32,308,934	\$ 32,315,950
Discretely Presented Component Units	\$ 4,527,083	\$ 4,528,066	\$ 4,529,050

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the DPS HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 38,191,498	\$ 32,308,934	\$ 27,287,660
Discretely Presented Component Units	\$ 5,352,502	\$ 4,528,066	\$ 3,824,340

OPEB plan fiduciary net position. Detailed information about the DPS HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Schedule of Changes in Net OPEB Liability - HCTF

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2019	\$ 69,199,000	\$ 24,029,000	\$ 45,170,000
Changes for the year:			
Service cost	1,342,000	-	1,342,000
Interest	4,970,000	-	4,970,000
Differences between expected and actual experience	(2,070,000)	-	(2,070,000)
Changes of assumptions or other inputs	-	-	-
Benefit payments	(3,968,000) ¹	(3,644,000)	(324,000)
Contributions - employer	-	7,649,000	(7,649,000)
Purchased service transfers	-	188,000	(188,000)
Net investment income	-	4,892,000	(4,892,000)
Administrative expense	-	(477,000)	477,000
Other additions and deductions	-	(1,000)	1,000
Balances at 6/30/2020	\$ 69,473,000	\$ 32,636,000	\$ 36,837,000

¹ Includes administrative and other health care claims processing fees.

10. RISK MANAGEMENT

The District's risk management program deals with the efficient operations of the commercial insurance programs that provide financial protection to the District. These programs include property insurance, several lines of liability insurance and workers' compensation insurance. There have been no significant changes in the insurance programs from the prior year. For the prior three years the amount of claim payments for property and liability insurance has not exceeded the amount of insurance coverage.

The District has the normal exposures to loss that are part of any large organization. The District is a public facility that teaches and supervises over 93,000 students, employs approximately 12,000 people to accomplish these functions and provides these services in over 207 facilities located throughout the City and County of Denver. Exposures to loss includes damages and theft of property, tort claims, errors and omissions on the part of District employees or Board members, on the job injuries and automobile liability claims.

The District participates in the Colorado School District Self-Insurance Pool (the Pool) for liability and property coverage. The Pool provides coverage, claims handling and loss prevention services to its members.

The District retains a certain level of all liability losses. For the year ended June 30, 2020 the District retained \$100,000 of each school entity liability loss and \$150,000 for each automobile liability loss. For the same period the retention level for each property claim was \$100,000. These deductible levels were arrived at after reviewing the average historical losses and determining the amount of each loss the District could pay directly.

The workers' compensation insurance program is a self-financed program, for the first \$550,000 of each loss. Risk Management funds for the workers' compensation program to pay expenses and claims costs, as well as premiums for excess insurance to cover losses above the \$550,000 self-insured retention. The District uses a third party claims administrator to process claims. Claim liabilities for automobile liability, school entity and workers' compensation, including incurred but not reported (IBNR) claims, were determined by Aon Global Risk Consulting (AGRC) at the request of the District. The estimated workers' compensation outstanding liability as of June 30, 2020 is \$10,283,801 and the amount was based on historical paid and incurred losses. The workers' compensation liability is not discounted.

The schedule below represents the claims activity for the fiscal year and the liability for accrued claims for property, liability and workers' compensation combined. The goal is to retain the highest level of each loss that makes economic sense. The liability for all claims is \$12,739,911 as of June 30, 2020.

Fiscal Year Ended	Beginning Liability	Current Year Claims and Change In Estimate	Claim Payments	Ending Liability
June 30, 2019	\$ 12,162,603	\$ 6,367,291	\$ 6,214,987	\$ 12,314,907
June 30, 2020	\$ 12,314,907	\$ 1,731,929	\$ 1,306,925	\$ 12,739,911



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11. RELATED PARTIES

The District has an intergovernmental agreement with Douglas County School District RE-1, Arapahoe County School District No. 6 (Littleton Public Schools), Cherry Creek School District No. 5 and Aurora Public Schools to create a board of cooperative educational services (BOCES) for the purpose of operating an expeditionary learning school. The Rocky Mountain School of Expeditionary Learning (RMSEL), a kindergarten through 12th grade school. RMSEL is a self-governing organization with its own Board of Education. The six Board members consist of one school Board member from each of the participating districts and one member appointed by the sponsoring districts from the public at large.

By contract, the maximum number of students the RMSEL may serve is 400. These students must be residents of one of the five participating school districts. All students at RMSEL are included in the District's enrollment number that is reported to the Colorado Department of Education for funding purposes. The District receives the funding related to the RMSEL students and passes 100% of that funding on to RMSEL along with a portion of state and federal categorical aid as appropriate. That funding was \$3,211,858 for FY 2020. RMSEL purchased special education services from the District for \$108,816 for the same year.

RMSEL is located at 1700 South Holly, Denver, in one of the District's buildings. RMSEL leases the facility from the District for \$150,000 per year.

12. COMMITMENTS AND CONTINGENCIES

The District is a party to pending or potential lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the District’s management has concluded that no significant adverse effect on the June 30, 2020 financial statements should result upon final disposition of these proceedings.

The District has a potential liability relating to the "Asbestos Hazard Emergency Response Act" (the Act), which is a federally-funded hazardous material/asbestos management program administered by the State Health Department. It is not possible to estimate the costs associated with the Act, therefore no liability has been accrued. It is expected that these expenditures will not have a significant impact on the financial position of the District.

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The District's management believes a disallowance, if any, will be immaterial.

For the year ended June 30, 2020, the District reported a deficit net position of \$1,129,522,542 in the government-wide statements. This deficit can be partially attributed to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requiring the recognition of a long-term liability for pensions and postemployment benefits other than pensions respectively. Liabilities related to the District’s Certificates of Participation and General Obligation bonds are to fund retirement and necessary capital and maintenance projects of the District’s facilities.

Encumbrances represent a contractual obligation and expenditures are recognized when the goods and services are delivered and/or received. As of June 30, 2020 encumbrances for the governmental funds were:

Fund	Encumbrances
General	79,157,425
Building	45,341,426
Capital Reserve	31,300,328
Grant Special Revenue Fund	14,376,723
Nonmajor Funds	401,283
Total	\$ 170,577,185

General Fund encumbrances include significant commitments to the District’s health care plans and utility costs as well as districtwide and school level operations.

Building Fund encumbrances include commitments towards major capital maintenance and construction projects such as but not limited to the HVAC mechanical upgrades at Hamilton, Beach Court, and Garden Place. In addition, there were commitments for Learning Landscape improvements across several locations.

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Capital Reserve Fund encumbrances include commitments towards major capital maintenance and construction projects such as the districtwide energy performance upgrades, additions at Paul Sandoval, Stapleton Park Street, and Kepner.

Grant Special Revenue Fund comprises commitments for offsite instructions and apprenticeship programs.

The District leases office facilities, educational facilities, warehouse, parking and office equipment under non-cancellable operating leases. Total expense for such facilities and equipment was \$2,771,383 for the fiscal year ended June 30, 2020. The future minimum operating lease obligations as of June 30, 2020 were as follows:

Year	Governmental Activities
2021	2,608,551
2022	2,431,157
2023	1,855,531
2024	1,468,169
2025	548,585
2026 - 2030	727,656
2031 - 2034	523,349
Total Minimum Lease Payments	<u>\$ 10,162,998</u>

13. CERTAIN CONSTITUTIONAL LIMITATIONS

At the general election held November 1992, voters approved the TABOR amendment to the Colorado Constitution limiting the ability of the state and local governments such as the District to increase revenues, debt and spending and restricting property, income and other taxes. In November 1999 the Denver voters gave the District approval to exceed the spending limits established in TABOR beginning with the 1999 fiscal year. The amendment also requires that the state and local governments obtain voter approval to create any "multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years." The amendment exempts from its restrictions the borrowings and fiscal operations of enterprises. Enterprises are defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their grants from all state and local government sources combined. The amendment also requires the establishment of an emergency reserve equal to three percent of fiscal year spending excluding debt service.

In accordance with TABOR, the District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. For fiscal year 2020, spending was \$1,261,408,507 and the 3% emergency reserve was \$37,842,255, which excludes multi-year obligations of \$264,116. Additionally, in accordance with C.R.S. Section 22-44-105, the District established an emergency cash reserve as a restricted fund balance in the General Fund for \$33,618,750 equal to 3% of budgeted General Fund revenues.

14. COMPONENT UNITS

The District has 30 component units consisting of 4 blended component units and 26 discretely presented component units. Charter schools are included in the component units as they are fiscally dependent upon revenues derived from the State per pupil revenue funding calculation.

Change in Reporting Entity

The component unit combining financial statements reflect changes in reporting entity. The changes in reporting entity include charter schools with expired charters that were not renewed.

Blended Component Units

Denver School Facilities Leasing Corporation

The DSFLC was formed in December 1985 as a not-for-profit corporation under Sections 501(c) (3) and 501(c) (4) of the Internal Revenue Code and exists solely to acquire real estate, buildings and equipment for schools for future lease to the District. The District is primarily responsible for the creation and continued management of the DSFLC, has influence over its operations and is ultimately responsible for any deficits or operating deficiencies. The certificates of participation issued by the DSFLC and its activities for the year are reflected in the accompanying government-wide financial statements of the District. An evaluation of the DSFLC using the above considerations results in its blended inclusion in the accompanying financial statements. There are no separate financial statements available for the DSFLC and the financial information of the DSFLC is blended with that of the primary government which is why DSFLC is not shown on the schedules in this note.

Denver Public Schools Professional Compensation System for Teachers

The Denver Public Schools Professional Compensation System (ProComp) was established following the approval of the 2005 Mill Levy Override as a groundbreaking compensation system that links teacher pay to the instructional mission of the District. Designed in a partnership between the Denver Classroom Teachers Association (DCTA) and the District, ProComp has received national attention because it rewards teachers for their professional accomplishments while linking pay to student achievement. The financial information of ProComp is blended with that of the primary government, which is why ProComp is not shown on the schedules in this note. ProComp is presented as a component unit because it is a separate legal entity and is financially accountable to the District.

Denver Public Schools Retiree Life Insurance Trust

The Denver Public Schools Retiree Life Insurance Trust provides benefits to participants eligible to retire prior to September 1, 1997. The eligible participants receive a \$10,000 retiree life insurance benefit. Life insurance benefits are not available to anyone who retires after January 1, 2006. Benefits are self-insured with a retiree plan trust administered by MetLife. DPSRLIT is considered a fiduciary component unit under the provisions of GASB 14. *The Financial Reporting Entity* as amended and GASB 84, *Fiduciary Activities*.

Discretely Presented Component Units

Denver Public Schools Foundation

In 1984 the Denver Public Schools Foundation (the Foundation) was incorporated as a widely based not-for-profit charitable organization whose educational purposes are to support the mission, goals and objectives of the District. Programs administered by the foundation provide a financial benefit to the District in the form of grants, scholarships and special projects which support innovative classroom initiatives and enhance the educational opportunities of District students and staff. In addition, donations to the foundation support various educational programs within the District. Even though the foundation is a separate legal entity and the District is not financially accountable for the foundation, the foundation's financial statements are included as part of the District's financial reporting entity because of the nature and significance of the relationship between the primary government and the foundation. The foundation solicits donations and manages those funds for the benefit of the students and District. Complete financial statements for this component unit may be obtained from 1860 Lincoln St, Denver, CO 80203.

Charter Schools

In 1993, the State of Colorado Legislature enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101," which permits the District to contract with individuals and organizations for the operation of charter schools within the District. The charter schools are financed by a portion of the District's School Finance Act Revenues (based on student enrollment), mill levy override property tax dollars and state and federal grants, as well as other revenues generated by the charter school. The District's Board of Education must approve all charter school applications; however, they have their own separate governing boards.

Separately issued financial statements for the District's 25 charter schools are available from the individual charter schools at the addresses noted below:

- 5280 High School, 899 Broadway, Denver, CO 80203
- Academy 360 Charter School, 12505 Elmendorf Place, Denver, CO 80239
- Academy of Urban Learning, 2417 W. 29th Avenue, Denver, CO 80211
- Colorado High School Charter, 1175 Osage Street, Suite #100, Denver, CO 80204
- Compass Academy, 2285 S. Federal Boulevard, Denver, CO, 80219
- Denver Justice High School, 300 E. 9th Avenue, Denver, CO 80203
- Denver Language School, 451 Newport Street, Denver, CO 80220
- Downtown Denver Expeditionary School, 1860 Lincoln Street, Denver CO 80295
- DSST Public Schools, 3401 Quebec St., Suite 7200, Denver, CO 80207
- Early College of Denver, 3001 South Federal Boulevard, Box 114, Denver, CO 80236
- Girls Athletic Leadership Schools, 750 Galapago Street, Denver CO 80204
- Highline Academy Schools, 2170 S. Dahlia Street, Denver, CO 80222
- KIPP Colorado Schools, 1390 Lawrence Street, Suite 200, Denver, CO 80204
- Monarch Montessori of Denver Charter, 4895 Peoria Street, Denver, CO 80239
- Odyssey School of Denver, 6550 E. 21st Avenue, Denver, CO 80207
- Omar D. Blair Charter School, 4905 Cathay Street, Denver, CO 80249
- REACH Charter School, 940 Fillmore Street, Denver, CO 80206
- Ridge View Academy, 28101 East Quincy Avenue, Watkins, CO 80137
- RiseUp Community School, 1801 Federal Boulevard, Denver, CO 80204
- Rocky Mountain Preparatory Schools, 7808 Cherry Creek South Drive, Denver, CO 80231
- SOAR Charter School, 4800 Telluride Street, #4, Denver, CO 80249

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- STRIVE Preparatory Schools, 2480 W. 26th Avenue, B-360, Denver, CO 80280
- University Preparatory Schools, 2409 Arapahoe Street, Denver, CO 80205
- Wyatt Academy, 3620 Franklin Street, Denver, CO 80205
- The Cube School, 3399 Holly Street, Denver, CO 80207

Pension Plan

Charter school employees participate in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 68 and is administered by the Colorado Public Employees' Retirement Association (PERA). The employees at all Denver School of Science and Technology schools and Ridge View Academy do not participate in the DPS Division pension plan.

OPEB Plan

Charter school employees participates in the Denver Public Schools Health Care Trust Fund (DPS HTCF), a single-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado as defined in Governmental Accounting Standards Board (GASB), except for the employees of the Denver Public Schools Foundation, Denver School of Science and Technology schools and Ridge View Academy.

Change in Reporting Entity and Correction of an Error:

Beginning net position for all discretely-presented component units in the aggregate differs with ending net position from the prior report as follows:

Ending net position for component units in the aggregate from prior report	\$ 24,058,750
Adjustments to beginning net position for:	
School closures:	
Roots Elementary School	1,213,826
Correction of an error:	
Highline Academy	612,324
Ridgeview Academy	31,214
Girls Athletic Leadership	194,348
Beginning net position, restated	<u>\$ 26,110,462</u>



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	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	Colorado High School Charter
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 12,899,248	\$ 233,385	\$ 592,590	\$ 756,897	\$ 3,284,945
Deposits	-	-	-	-	-
Receivables:					
Accounts	-	146,053	22,012	58,113	76,748
Grants	-	-	-	-	-
Other	2,608,650	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	37,105	925	-
Restricted cash	-	-	-	-	27,356
Restricted investments	1,829,121	-	-	-	-
Capital assets, net	2,189	762,790	823,168	8,252	6,029,609
Total assets	<u>17,339,208</u>	<u>1,142,228</u>	<u>1,474,875</u>	<u>824,187</u>	<u>9,418,658</u>
Deferred Outflows of Resources					
Related to pensions	-	361,940	433,529	273,486	1,017,023
Related to OPEB	-	24,801	20,430	6,403	58,497
Loss on refunding and deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>386,741</u>	<u>453,959</u>	<u>279,889</u>	<u>1,075,520</u>
LIABILITIES					
Liabilities:					
Accounts payable	47,398	11,927	8,988	2,569	50,451
Grants payable	4,498,457	-	-	-	-
Accrued interest	-	-	-	-	9,879
Accrued payroll	-	33,558	-	69,769	280,551
Compensated absences	-	-	-	-	48,327
Other liabilities	201,600	159,700	-	-	-
Accrued liabilities	-	-	113,682	-	-
Unearned revenue	-	-	62,229	10,000	-
Noncurrent liabilities:					
Due within one year	-	58,553	68,397	-	255,537
Due in more than one year	-	-	551,372	-	3,013,418
Pension liabilities	-	348,419	632,648	585,483	1,477,463
OPEB liabilities	-	28,113	51,047	47,243	119,212
Total liabilities	<u>4,747,455</u>	<u>640,270</u>	<u>1,488,363</u>	<u>715,064</u>	<u>5,254,838</u>
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	-	127,494	572,037	391,877	831,023
Related to OPEB	-	5,972	19,059	144,312	25,327
Total deferred inflows of resources	<u>-</u>	<u>133,466</u>	<u>591,096</u>	<u>536,189</u>	<u>856,350</u>
NET POSITION (deficit)					
Net investment in capital assets	-	616,925	203,399	8,252	3,212,609
Restricted for:					
Donor-designated purposes	8,475,064	-	-	-	-
Multi Year Obligations	-	159,700	-	-	141,980
Capital Construction	-	-	-	11,349	-
Emergency reserve	-	30,800	65,500	59,000	177,697
Unrestricted (deficit)	4,116,689	(52,192)	(419,524)	(225,778)	850,704
Total net position (deficit)	<u>\$ 12,591,753</u>	<u>\$ 755,233</u>	<u>\$ (150,625)</u>	<u>\$ (147,177)</u>	<u>\$ 4,382,990</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School	DSST Public Schools
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 1,476,030	\$ 481,505	\$ 2,383,151	\$ 1,450,066	\$ 31,518,606
Deposits	-	-	-	-	-
Receivables:					
Accounts	-	40,962	378,798	166,569	12,552,012
Grants	472,567	-	-	-	-
Other	-	-	-	-	3,933,226
Inventory	-	-	-	-	-
Prepaid items	7,573	6,021	3,000	4,769	153,948
Restricted cash	-	-	-	-	165,828
Restricted investments	-	-	-	-	-
Capital assets, net	-	7,101	39,495	142,010	520,827
Total assets	<u>1,956,170</u>	<u>535,589</u>	<u>2,804,444</u>	<u>1,763,414</u>	<u>48,844,447</u>
Deferred Outflows of Resources					
Related to pensions	885,303	156,200	729,257	577,183	-
Related to OPEB	62,339	7,254	47,791	19,715	-
Loss on refunding and deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>947,642</u>	<u>163,454</u>	<u>777,048</u>	<u>596,898</u>	<u>-</u>
LIABILITIES					
Liabilities:					
Accounts payable	14,073	32,568	12,182	998	190,060
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Accrued payroll	124,922	5,095	355,438	171,581	4,176,169
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	731	-	-	-	-
Unearned revenue	197,480	-	7,539	-	-
Noncurrent liabilities:					
Due within one year	225,803	76,418	-	-	-
Due in more than one year	281,797	105,893	-	-	-
Pension liabilities	1,252,066	430,371	2,355,114	1,335,710	-
OPEB liabilities	101,026	34,727	190,028	107,774	-
Total liabilities	<u>2,197,898</u>	<u>685,072</u>	<u>2,920,301</u>	<u>1,616,063</u>	<u>4,366,229</u>
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	161,888
Related to pensions	1,052,606	479,344	1,106,595	1,166,636	-
Related to OPEB	25,752	17,078	48,658	101,362	-
Total deferred inflows of resources	<u>1,078,358</u>	<u>496,422</u>	<u>1,155,253</u>	<u>1,267,998</u>	<u>161,888</u>
NET POSITION (deficit)					
Net investment in capital assets	-	7,101	39,495	142,010	520,827
Restricted for:					
Donor-designated purposes	-	-	-	-	4,836,825
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	34,680	-	-
Emergency reserve	124,000	43,000	263,000	116,500	3,360,876
Unrestricted (deficit)	(496,444)	(532,552)	(831,237)	(782,259)	35,597,802
Total net position (deficit)	<u>\$ (372,444)</u>	<u>\$ (482,451)</u>	<u>\$ (494,062)</u>	<u>\$ (523,749)</u>	<u>\$ 44,316,330</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020

	Early College of Denver	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 241,460	\$ 1,593,986	\$ 3,861,977	\$ 13,293,812	\$ 759,871
Deposits	-	-	-	-	-
Receivables:					
Accounts	-	-	243,853	-	242,911
Grants	-	477,247	-	511,162	-
Other	-	194,867	-	-	-
Inventory	-	-	28,197	-	-
Prepaid items	-	-	25,807	131,547	19,451
Restricted cash	-	-	43,803	-	315,715
Restricted investments	-	-	-	-	-
Capital assets, net	-	33,593	5,917,672	171,744	10,252,298
Total assets	<u>241,460</u>	<u>2,299,693</u>	<u>10,121,309</u>	<u>14,108,265</u>	<u>11,590,246</u>
Deferred Outflows of Resources					
Related to pensions	52,883	872,063	1,878,496	4,744,442	189,164
Related to OPEB	2,402	91,854	134,365	365,724	6,354
Loss on refunding and deferred charges	-	-	796,766	-	-
Total deferred outflows of resources	<u>55,285</u>	<u>963,917</u>	<u>2,809,627</u>	<u>5,110,166</u>	<u>195,518</u>
LIABILITIES					
Liabilities:					
Accounts payable	3,459	109,951	28,945	1,231,545	60,701
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	50,528
Accrued payroll	161,432	228,342	4,170	-	96,175
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	2,153	-	-	646,904	-
Unearned revenue	16,000	367,027	86,516	40,000	5,482
Noncurrent liabilities:					
Due within one year	-	419,272	174,217	1,790,414	-
Due in more than one year	-	422,428	7,723,829	1,803,886	8,325,000
Pension liabilities	199,804	2,441,786	3,733,953	9,810,691	732,547
OPEB liabilities	16,122	197,021	301,280	791,600	59,109
Total liabilities	<u>398,970</u>	<u>4,185,827</u>	<u>12,052,910</u>	<u>16,115,040</u>	<u>9,329,542</u>
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	406,118	947,874	2,332,501	5,866,068	653,914
Related to OPEB	20,124	41,857	64,007	168,175	22,926
Total deferred inflows of resources	<u>426,242</u>	<u>989,731</u>	<u>2,396,508</u>	<u>6,034,243</u>	<u>676,840</u>
NET POSITION (deficit)					
Net investment in capital assets	-	33,593	(1,936,571)	171,744	2,243,013
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	841,700	-	-	-
Capital Construction	-	-	-	293,186	-
Emergency reserve	-	203,379	377,760	878,242	87,375
Unrestricted (deficit)	(528,467)	(2,990,620)	40,329	(4,274,024)	(551,006)
Total net position (deficit)	<u>\$ (528,467)</u>	<u>\$ (1,911,948)</u>	<u>\$ (1,518,482)</u>	<u>\$ (2,930,852)</u>	<u>\$ 1,779,382</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	Ridge View Academy	RiseUp Community School
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 1,012,153	\$ 3,483,530	\$ 686,727	\$ 934,595	\$ 522,152
Deposits	-	-	-	-	10,000
Receivables:					
Accounts	231,687	183,157	45,413	168,866	56,009
Grants	-	-	-	-	-
Other	-	-	-	-	-
Inventory	2,735	-	-	-	-
Prepaid items	13,034	-	8,557	-	20,045
Restricted cash	-	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	95,223	117,883	-	21,415	63,778
Total assets	<u>1,354,832</u>	<u>3,784,570</u>	<u>740,697</u>	<u>1,124,876</u>	<u>671,984</u>
Deferred Outflows of Resources					
Related to pensions	297,291	574,181	255,092	-	378,883
Related to OPEB	13,223	30,847	11,123	-	6,912
Loss on refunding and deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>310,514</u>	<u>605,028</u>	<u>266,215</u>	<u>-</u>	<u>385,795</u>
LIABILITIES					
Liabilities:					
Accounts payable	10,845	27,543	1,289	62,151	5,442
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Accrued payroll	199	-	78,831	-	-
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	422,995	-	-	-
Unearned revenue	148,055	36,055	4,000	-	-
Noncurrent liabilities:					
Due within one year	-	-	-	10,071	34,720
Due in more than one year	-	-	-	-	174,972
Pension liabilities	835,305	2,085,384	579,140	-	467,249
OPEB liabilities	67,399	168,265	46,729	-	37,699
Total liabilities	<u>1,061,803</u>	<u>2,740,242</u>	<u>709,989</u>	<u>72,222</u>	<u>720,082</u>
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	610,500	1,480,653	439,981	-	472,599
Related to OPEB	14,318	45,814	19,338	-	16,284
Total deferred inflows of resources	<u>624,818</u>	<u>1,526,467</u>	<u>459,319</u>	<u>-</u>	<u>488,883</u>
NET POSITION (deficit)					
Net investment in capital assets	95,223	117,883	-	21,415	63,778
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	-	-
Emergency reserve	80,000	245,000	52,500	44,410	49,000
Unrestricted (deficit)	(196,498)	(239,994)	(214,896)	986,829	(263,964)
Total net position (deficit)	<u>\$ (21,275)</u>	<u>\$ 122,889</u>	<u>\$ (162,396)</u>	<u>\$ 1,052,654</u>	<u>\$ (151,186)</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020

	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 11,198,992	\$ 2,183,825	\$ 12,634,768	\$ 3,702,375	\$ 793,784
Deposits	-	-	-	-	-
Receivables:					
Accounts	1,246,730	102,706	71,397	62,115	-
Grants	-	-	200,219	350,887	164,760
Other	-	-	-	-	-
Inventory	-	-	80,795	32,302	-
Prepaid items	9,088	-	139,105	-	-
Restricted cash	601,657	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	5,780,423	-	-	53,569	1,502,060
Total assets	<u>18,836,890</u>	<u>2,286,531</u>	<u>13,126,284</u>	<u>4,201,248</u>	<u>2,460,604</u>
Deferred Outflows of Resources					
Related to pensions	3,038,990	412,075	6,220,646	1,523,265	207,073
Related to OPEB	131,495	11,347	236,738	21,392	7,274
Loss on refunding and deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>3,170,485</u>	<u>423,422</u>	<u>6,457,384</u>	<u>1,544,657</u>	<u>214,347</u>
LIABILITIES					
Liabilities:					
Accounts payable	607,349	2,258	290,404	136,048	4,578
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	1,255
Accrued payroll	-	248,497	-	-	121,488
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	146,060	987	46,062
Unearned revenue	889,938	20,377	154,909	-	126,838
Noncurrent liabilities:					
Due within one year	-	-	3,608,342	-	271,625
Due in more than one year	8,010,021	-	2,684,889	1,012,149	327,173
Pension liabilities	5,181,401	1,279,504	16,520,669	2,567,096	793,019
OPEB liabilities	418,073	102,942	1,333,016	207,131	63,987
Total liabilities	<u>15,106,782</u>	<u>1,653,578</u>	<u>24,738,289</u>	<u>3,923,411</u>	<u>1,756,025</u>
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	2,569,347	1,271,587	12,717,394	1,983,422	1,573,466
Related to OPEB	88,820	36,934	291,313	49,750	85,455
Total deferred inflows of resources	<u>2,658,167</u>	<u>1,308,521</u>	<u>13,008,707</u>	<u>2,033,172</u>	<u>1,658,921</u>
NET POSITION (deficit)					
Net investment in capital assets	(69,577)	-	-	53,569	903,262
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	1,012,149	-
Capital Construction	-	-	-	-	-
Emergency reserve	601,657	140,000	7,257,814	249,110	61,000
Unrestricted (deficit)	3,710,346	(392,146)	(25,421,142)	(1,525,506)	(1,704,257)
Total net position (deficit)	<u>\$ 4,242,426</u>	<u>\$ (252,146)</u>	<u>\$ (18,163,328)</u>	<u>\$ (210,678)</u>	<u>\$ (739,995)</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	The CUBE School	Total
ASSETS		
Assets:		
Cash, cash equivalents, and investments	\$ 714,374	\$ 112,694,804
Deposits	-	10,000
Receivables:		
Accounts	47,367	16,143,478
Grants	-	2,176,842
Other	-	6,736,743
Inventory	-	144,029
Prepaid items	-	579,975
Restricted cash	-	1,154,359
Restricted investments	-	1,829,121
Capital assets, net	102,404	32,447,503
Total assets	864,145	173,916,854
Deferred Outflows of Resources		
Related to pensions	700,998	25,779,463
Related to OPEB	45,161	1,363,441
Loss on refunding and deferred charges	-	796,766
Total deferred outflows of resources	746,159	27,939,670
LIABILITIES		
Liabilities:		
Accounts payable	67	2,953,789
Grants payable	-	4,498,457
Accrued interest	-	61,662
Accrued payroll	-	6,156,217
Compensated absences	-	48,327
Other liabilities	131,300	492,600
Accrued liabilities	-	1,379,574
Unearned revenue	117,500	2,289,945
Noncurrent liabilities:		
Due within one year	-	6,993,369
Due in more than one year	-	34,436,827
Pension liabilities	477,459	56,122,281
OPEB liabilities	38,523	4,528,066
Total liabilities	764,849	119,961,114
Deferred Inflows of Resources		
Permanent endowment	-	161,888
Related to pensions	174,712	39,227,748
Related to OPEB	8,185	1,360,820
Total deferred inflows of resources	182,897	40,750,456
NET POSITION (deficit)		
Net investment in capital assets	102,404	6,550,354
Restricted for:		
Donor-designated purposes	-	13,311,889
Multi Year Obligations	-	2,155,529
Capital Construction	-	339,215
Emergency reserve	26,000	14,593,620
Unrestricted (deficit)	534,154	4,194,347
Total net position (deficit)	\$ 662,558	\$ 41,144,954

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	Colorado High School Charter
Expenses:					
Instruction	\$ -	\$ 426,366	\$ 1,204,865	\$ 973,536	\$ 2,324,834
Supporting services	-	1,188,540	1,260,938	836,939	3,310,669
Interest	-	27,268	43,965	-	145,993
Program services	6,731,135	-	-	-	-
Fundraising	507,444	-	-	-	-
Management and general	579,050	-	-	-	-
Total expenses	<u>7,817,629</u>	<u>1,642,174</u>	<u>2,509,768</u>	<u>1,810,475</u>	<u>5,781,496</u>
Program revenues:					
Operating grants and contributions	6,772,191	973,994	306,969	239,691	643,046
Capital grants and contributions	-	29,537	45,727	-	120,603
Charges for services	-	-	61,827	-	-
Total program revenues	<u>6,772,191</u>	<u>1,003,531</u>	<u>414,523</u>	<u>239,691</u>	<u>763,649</u>
Net program expense	<u>(1,045,438)</u>	<u>(638,643)</u>	<u>(2,095,245)</u>	<u>(1,570,784)</u>	<u>(5,017,847)</u>
General revenues:					
Per pupil revenue	-	814,269	1,694,084	1,218,874	3,822,778
Property tax mill levy override	-	198,346	390,360	579,349	1,939,124
Investment earnings	123,230	-	-	-	-
Interest income	-	-	5,944	3,353	26,396
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	758,467	12,123	-	20,372	51,409
At-risk supplemental aid	-	-	-	-	-
Other	-	13,420	33,256	19,228	6,137
Transfers	88,000	-	-	-	-
Total general revenues	<u>969,697</u>	<u>1,038,158</u>	<u>2,123,644</u>	<u>1,841,176</u>	<u>5,845,844</u>
Change in net position	(75,741)	399,515	28,399	270,392	827,997
Net position (deficit) - beginning	<u>12,667,494</u>	<u>355,718</u>	<u>(179,024)</u>	<u>(417,569)</u>	<u>3,554,993</u>
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>12,667,494</u>	<u>355,718</u>	<u>(179,024)</u>	<u>(417,569)</u>	<u>3,554,993</u>
Net position (deficit) - ending	<u>\$ 12,591,753</u>	<u>\$ 755,233</u>	<u>\$ (150,625)</u>	<u>\$ (147,177)</u>	<u>\$ 4,382,990</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School	DSST Public Schools
Expenses:					
Instruction	\$ 1,771,482	\$ 565,760	\$ 4,957,401	\$ 2,561,751	\$ 40,399,145
Supporting services	2,474,299	736,444	4,041,631	1,712,453	38,393,159
Interest	-	-	-	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>4,245,781</u>	<u>1,302,204</u>	<u>8,999,032</u>	<u>4,274,204</u>	<u>78,792,304</u>
Program revenues:					
Operating grants and contributions	1,090,668	115,369	809,258	340,008	7,250,663
Capital grants and contributions	41,549	15,197	128,240	50,588	-
Charges for services	8,055	-	482,285	379,127	2,085,184
Total program revenues	<u>1,140,272</u>	<u>130,566</u>	<u>1,419,783</u>	<u>769,723</u>	<u>9,335,847</u>
Net program expense	<u>(3,105,509)</u>	<u>(1,171,638)</u>	<u>(7,579,249)</u>	<u>(3,504,481)</u>	<u>(69,456,457)</u>
General revenues:					
Per pupil revenue	2,713,532	980,504	7,149,436	2,878,174	54,636,296
Property tax mill levy override	583,082	459,019	1,014,837	488,997	11,734,287
Investment earnings	897	-	-	6,699	-
Interest income	-	30	25,509	-	685,535
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	-	-	81,946	-	-
At-risk supplemental aid	4,110	-	-	-	-
Other	-	22,709	91,317	175,010	2,880,134
Transfers	-	-	-	-	1,422,686
Total general revenues	<u>3,301,621</u>	<u>1,462,262</u>	<u>8,363,045</u>	<u>3,548,880</u>	<u>71,358,938</u>
Change in net position	196,112	290,624	783,796	44,399	1,902,481
Net position (deficit) - beginning	<u>(568,556)</u>	<u>(773,075)</u>	<u>(1,277,858)</u>	<u>(568,148)</u>	<u>42,413,849</u>
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>(568,556)</u>	<u>(773,075)</u>	<u>(1,277,858)</u>	<u>(568,148)</u>	<u>42,413,849</u>
Net position (deficit) - ending	<u>\$ (372,444)</u>	<u>\$ (482,451)</u>	<u>\$ (494,062)</u>	<u>\$ (523,749)</u>	<u>\$ 44,316,330</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	Early College of Denver	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter
Expenses:					
Instruction	\$ 67,058	\$ 3,928,436	\$ 7,610,974	\$ 15,772,686	\$ 1,127,864
Supporting services	194,159	3,118,860	4,558,025	15,284,260	1,401,775
Interest	-	-	488,028	-	462,541
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>261,217</u>	<u>7,047,296</u>	<u>12,657,027</u>	<u>31,056,946</u>	<u>2,992,180</u>
Program revenues:					
Operating grants and contributions	38,724	184,780	1,588,640	2,200,974	417,764
Capital grants and contributions	4,000	98,573	218,967	-	57,025
Charges for services	-	132,524	86,641	205,850	4,726
Total program revenues	<u>42,724</u>	<u>415,877</u>	<u>1,894,248</u>	<u>2,406,824</u>	<u>479,515</u>
Net program expense	<u>(218,493)</u>	<u>(6,631,419)</u>	<u>(10,762,779)</u>	<u>(28,650,122)</u>	<u>(2,512,665)</u>
General revenues:					
Per pupil revenue	78,658	4,806,367	8,815,181	21,544,927	1,794,657
Property tax mill levy override	20,553	870,997	1,747,835	5,909,893	398,749
Investment earnings	86	-	-	75,218	-
Interest income	-	6,974	18,625	-	11,650
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	-	560,052	-	3,140,369	-
At-risk supplemental aid	-	291,106	-	-	-
Other	2,500	9,470	1,261,366	66,853	315,115
Transfers	-	-	-	-	-
Total general revenues	<u>101,797</u>	<u>6,544,966</u>	<u>11,843,007</u>	<u>30,737,260</u>	<u>2,520,171</u>
Change in net position	(116,696)	(86,453)	1,080,228	2,087,138	7,506
Net position (deficit) - beginning	<u>(411,771)</u>	<u>(2,019,843)</u>	<u>(3,211,034)</u>	<u>(5,017,990)</u>	<u>1,771,876</u>
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	194,348	612,324	-	-
Net position (deficit) - beginning, as restated	<u>(411,771)</u>	<u>(1,825,495)</u>	<u>(2,598,710)</u>	<u>(5,017,990)</u>	<u>1,771,876</u>
Net position (deficit) - ending	<u>\$ (528,467)</u>	<u>\$ (1,911,948)</u>	<u>\$ (1,518,482)</u>	<u>\$ (2,930,852)</u>	<u>\$ 1,779,382</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	Ridge View Academy	RiseUp Community School
Expenses:					
Instruction	\$ 684,591	\$ 4,838,212	\$ 1,193,466	\$ 1,322,739	\$ 682,005
Supporting services	1,740,178	2,637,844	742,004	766,740	969,126
Interest	-	-	-	-	3,072
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>2,424,769</u>	<u>7,476,056</u>	<u>1,935,470</u>	<u>2,089,479</u>	<u>1,654,203</u>
Program revenues:					
Operating grants and contributions	220,204	995,242	477,462	465,785	191,693
Capital grants and contributions	32,486	99,549	21,449	32,819	32,386
Charges for services	-	-	61,521	-	-
Total program revenues	<u>252,690</u>	<u>1,094,791</u>	<u>560,432</u>	<u>498,604</u>	<u>224,079</u>
Net program expense	<u>(2,172,079)</u>	<u>(6,381,265)</u>	<u>(1,375,038)</u>	<u>(1,590,875)</u>	<u>(1,430,124)</u>
General revenues:					
Per pupil revenue	2,036,362	6,240,182	830,317	917,751	1,132,820
Property tax mill levy override	298,707	1,262,313	205,383	466,185	539,750
Investment earnings	13,383	-	-	322	-
Interest income	-	-	708	-	-
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	13,066	-	20,151	-	16,258
At-risk supplemental aid	-	-	-	55,603	-
Other	26,623	546	649,491	8,431	5,119
Transfers	-	-	-	-	-
Total general revenues	<u>2,388,141</u>	<u>7,503,041</u>	<u>1,706,050</u>	<u>1,448,292</u>	<u>1,693,947</u>
Change in net position	216,062	1,121,776	331,012	(142,583)	263,823
Net position (deficit) - beginning	<u>(237,337)</u>	<u>(998,887)</u>	<u>(493,408)</u>	<u>1,164,023</u>	<u>(415,009)</u>
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	31,214	-
Net position (deficit) - beginning, as restated	<u>(237,337)</u>	<u>(998,887)</u>	<u>(493,408)</u>	<u>1,195,237</u>	<u>(415,009)</u>
Net position (deficit) - ending	<u>\$ (21,275)</u>	<u>\$ 122,889</u>	<u>\$ (162,396)</u>	<u>\$ 1,052,654</u>	<u>\$ (151,186)</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020

	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
Expenses:					
Instruction	\$ 16,075,854	\$ 2,518,191	\$ 24,187,435	\$ 4,532,263	\$ 848,669
Supporting services	4,989,734	1,377,240	22,159,445	4,835,709	1,303,140
Interest	-	-	3,750	-	3,231
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>21,065,588</u>	<u>3,895,431</u>	<u>46,350,630</u>	<u>9,367,972</u>	<u>2,155,040</u>
Program revenues:					
Operating grants and contributions	4,747,535	531,956	3,513,276	1,567,718	228,508
Capital grants and contributions	-	62,627	531,070	91,881	49,635
Charges for services	<u>2,117,243</u>	<u>22,878</u>	<u>-</u>	<u>922,600</u>	<u>2,600</u>
Total program revenues	<u>6,864,778</u>	<u>617,461</u>	<u>4,044,346</u>	<u>2,582,199</u>	<u>280,743</u>
Net program expense	<u>(14,200,810)</u>	<u>(3,277,970)</u>	<u>(42,306,284)</u>	<u>(6,785,773)</u>	<u>(1,874,297)</u>
General revenues:					
Per pupil revenue	12,109,057	3,817,409	34,141,575	5,905,260	1,555,676
Property tax mill levy override	2,675,979	797,387	7,680,620	1,399,103	407,043
Investment earnings	-	11,644	110,482	-	-
Interest income	-	-	-	14,985	149
Insurance proceeds	-	-	-	-	6,958
Unrestricted grants and contributions	-	44,520	1,904,310	89,322	138,120
At-risk supplemental aid	-	-	-	-	73,411
Other	-	1,065	440,868	50,422	11,916
Transfers	-	-	-	-	-
Total general revenues	<u>14,785,036</u>	<u>4,672,025</u>	<u>44,277,855</u>	<u>7,459,092</u>	<u>2,193,273</u>
Change in net position	584,226	1,394,055	1,971,571	673,319	318,976
Net position (deficit) - beginning	<u>3,658,200</u>	<u>(1,646,201)</u>	<u>(20,134,899)</u>	<u>(883,997)</u>	<u>(1,058,971)</u>
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>3,658,200</u>	<u>(1,646,201)</u>	<u>(20,134,899)</u>	<u>(883,997)</u>	<u>(1,058,971)</u>
Net position (deficit) - ending	<u>\$ 4,242,426</u>	<u>\$ (252,146)</u>	<u>\$ (18,163,328)</u>	<u>\$ (210,678)</u>	<u>\$ (739,995)</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND THE STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

	The CUBE School	Total
Expenses:		
Instruction	\$ 899,053	\$ 141,474,636
Supporting services	714,919	120,748,230
Interest	-	1,177,848
Program services	-	6,731,135
Fundraising	-	507,444
Management and general	-	579,050
Total expenses	1,613,972	271,218,343
Program revenues:		
Operating grants and contributions	1,386,154	37,298,272
Capital grants and contributions	24,801	1,788,709
Charges for services	18,109	6,591,170
Total program revenues	1,429,064	45,678,151
Net program expense	(184,908)	(225,540,192)
General revenues:		
Per pupil revenue	680,204	182,314,350
Property tax mill levy override	151,582	42,219,480
Investment earnings	-	341,961
Interest income	-	799,858
Insurance proceeds	-	6,958
Unrestricted grants and contributions	-	6,850,485
At-risk supplemental aid	-	424,230
Other	15,680	6,106,676
Transfers	-	1,510,686
Total general revenues	847,466	240,574,684
Change in net position	662,558	15,034,492
Net position (deficit) - beginning	-	24,058,750
Prior period adjustment		
Change in reporting entity	-	1,213,826
Correction of error	-	837,886
Net position (deficit) - beginning, as restated	-	26,110,462
Net position (deficit) - ending	\$ 662,558	\$ 41,144,954

15. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

The District implemented GASB Statement No. 84 *Fiduciary Activities* (GASB 84) in 2020. The principal objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the prescribed criteria should be reported as a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four types of fiduciary funds that could be reported, if applicable: pension and other employee benefit trust funds, investment trust funds, private purpose trust funds and custodial funds. Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement.

The District previously reported the activity of the school-sponsored student activities managed at the school level as an Agency Fund. Beginning in FY 2019-2020, under GASB 84, the District has determined that such activity is more appropriately reported in a special revenue fund. The Pupil Activity Special Revenue Fund was restated by increasing beginning fund balance by \$4,574,402 for the assets of the school-sponsored student activities managed at the school level as of June 30, 2019. Additionally, the governmental activities financial statements beginning net position has been restated by the same amount.

16. SUBSEQUENT EVENTS

The District had two questions on the November 2020 ballot. First question was seeking approval for a general obligation bond for \$795 million. The primary areas of investment will be for capital construction, new instructional technology, existing technology upgrades, and maintenance needs of the District which will free up general fund revenue available for the District to use for other general fund purposes. Second question related to a mill levy override for \$32 million. The primary areas of investment will be for purposes such as adding and maintaining mental health professionals and school counselors to support students, adding and maintaining school nurses to support COVID-19 monitoring and prevention as well as other health education, increasing minimum wages for school support staff, and adding cost of living funds to pay educators a living wage. The voters approved both of these District initiatives by more than a 73% approval rate.

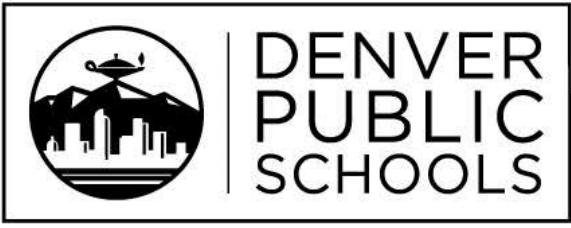
In fiscal year 2020 the country suffered through the global pandemic COVID-19, a virus caused by a coronavirus called SARS-CoV-2. Because of the high risk to contract the virus no social contact was allowed during this time which caused many social event programs like sports to be cancelled for the spring. This virus forced the District to enter into remote learning and remote work beginning in March 2020 and continued into the next fiscal year. It is expected that in fiscal year 2021 the District will be effected by a revenue reduction from the state estimated at \$125 million. The District has made appropriate budget adjustments and continues to monitor the future financial impact.

On November 13, 2020 Denver Public Schools announced the resignation of Superintendent Susana Cordova. The District's Board of Education will work with Susana to determine her last day, and will be selecting an interim superintendent. The Board will then build a timeline for the new Superintendent search with an emphasis on engaging staff, families, students, and our community.

On November 18, 2020 Denver Public Schools announced the resignation for Deputy Superintendent of Operations Mark Ferrandino.



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REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 712,152	\$ 777,580	\$ 769,149	\$ (8,431)
State sources	330,565	297,732	303,212	5,480
Federal sources	1,042	1,042	1,195	153
Local sources	44,270	44,271	56,047	11,776
Total revenues	<u>1,088,029</u>	<u>1,120,625</u>	<u>1,129,603</u>	<u>8,978</u>
EXPENDITURES				
Employee Salaries	596,134	615,260	607,329	7,931
Employee Benefits	95,913	117,585	106,610	10,975
Charter school*	195,470	193,388	225,024	(31,636)
Supplies and Materials	47,180	48,218	40,152	8,066
Purchased Services	42,577	47,475	69,397	(21,922)
Property	5,746	6,288	6,284	4
Other Expenses	40,557	32,188	4,000	28,188
Debt Service Principal	24,355	24,355	24,185	170
Debt Service Interest	44,549	44,549	46,185	(1,636)
Appropriated Reserves	84,255	85,687	-	85,687
Total expenditures	<u>1,176,736</u>	<u>1,214,993</u>	<u>1,129,166</u>	<u>85,827</u>
Excess (deficiency) of revenues over expenditures	<u>(88,707)</u>	<u>(94,368)</u>	<u>437</u>	<u>94,805</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(2,375)	(3,906)	-	3,906
Issuance of certification of participation	-	-	111	111
Total other financing sources (uses)	<u>(2,375)</u>	<u>(3,906)</u>	<u>111</u>	<u>4,017</u>
Net change in fund balance	<u>(91,082)</u>	<u>(98,274)</u>	<u>548</u>	<u>98,822</u>
Beginning fund balance	<u>113,886</u>	<u>118,508</u>	<u>118,508</u>	<u>-</u>
Ending fund balance	<u>\$ 22,804</u>	<u>\$ 20,234</u>	<u>\$ 119,056</u>	<u>\$ 98,822</u>

* The Charter School expense is presented net of Charges for Services to Charter Schools as presented in the Fund Financial Statements to align with the budget presentation.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 15,830	\$ 26,397	\$ 22,176	\$ (4,221)
Federal sources	67,107	74,614	77,080	2,466
Local sources	25,283	30,713	26,073	(4,640)
Total revenues	<u>108,220</u>	<u>131,724</u>	<u>125,329</u>	<u>(6,395)</u>
EXPENDITURES				
Employee Salaries	33,508	41,297	51,678	(10,381)
Employee Benefits	8,869	10,963	13,250	(2,287)
Charter school	8,437	9,674	12,690	(3,016)
Supplies and Materials	6,304	7,529	7,145	384
Purchased Services	34,326	36,688	20,570	16,118
Property	305	634	4,784	(4,150)
Other Expenses	8,819	18,545	18,138	407
Appropriated Reserves	17,510	24,078	-	24,078
Total expenditures	<u>118,078</u>	<u>149,408</u>	<u>128,255</u>	<u>21,153</u>
Excess (deficiency) of revenues over expenditures	<u>(9,858)</u>	<u>(17,684)</u>	<u>(2,926)</u>	<u>14,758</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(79)	649	719	70
Total other financing sources (uses)	<u>(79)</u>	<u>649</u>	<u>719</u>	<u>70</u>
Net change in fund balance	<u>(9,937)</u>	<u>(17,035)</u>	<u>(2,207)</u>	<u>14,828</u>
Beginning fund balance	9,937	17,035	17,035	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,828</u>	<u>\$ 14,828</u>



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SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30

	2020	2019	2018	2017	2016
Total pension liability					
Service cost at end of year	\$ 91,764,000	\$ 90,657,000	\$ 91,986,000	\$ 85,988,000	\$ 82,079,000
Interest	301,210,000	313,294,000	295,838,000	283,862,000	281,752,000
Changes of benefit terms	(82,064,000)	(318,480,000)	-	-	-
Difference between expected and actual experience	86,001,000	35,147,000	(47,121,000)	(2,839,000)	(45,767,000)
Changes of assumptions or other inputs	-	-	-	205,645,000	(113,772,000)
Benefit payments, including refunds of active member contributions and disability premiums	(288,984,000)	(287,825,000)	(281,844,000)	(272,071,000)	(263,323,000)
Net change in total pension liability	107,927,000	(167,207,000)	153,101,000	300,585,000	32,503,000
Total pension liability - beginning	4,207,343,000	4,374,550,000	4,221,449,000	3,920,864,000	3,888,361,000
Total pension liability - ending (a)	4,315,270,000	4,207,343,000	4,374,550,000	4,221,449,000	3,920,864,000
Plan fiduciary net position					
Contributions - employer	43,340,000	35,994,000	27,578,000	17,071,000	8,494,000
Contributions - nonemployer	19,201,000	18,621,000	56,820,000	54,852,000	53,558,000
Contributions - active member (includes purchased service)	65,496,000	61,098,000	-	-	-
Net investment income	632,669,000	(114,070,000)	548,585,000	218,415,000	49,172,000
Benefit payments (includes refunds and disability premiums)	(288,984,000)	(287,825,000)	(281,844,000)	(272,071,000)	(263,323,000)
Administrative expense	(2,713,000)	(2,919,000)	(2,857,000)	(2,754,000)	(2,599,000)
Other additions and deductions	2,975,000	(4,497,000)	3,781,000	3,135,000	(1,764,000)
Net change in plan fiduciary net position	471,984,000	(293,598,000)	352,063,000	18,648,000	(156,462,000)
Plan fiduciary net position - beginning	3,184,442,000	3,478,040,000	3,125,977,000	3,107,329,000	3,263,791,000
Plan fiduciary net position - ending (b)	3,656,426,000	3,184,442,000	3,478,040,000	3,125,977,000	3,107,329,000
Collective net pension liability - ending (a)-(b)	\$ 658,844,000	\$ 1,022,901,000	\$ 896,510,000	\$ 1,095,472,000	\$ 813,535,000
Plan fiduciary net position as a percentage of the total pension liability	84.73%	75.69%	79.51%	74.05%	79.25%
The District's proportionate share of the net pension liability	\$ 400,400,429	\$ 594,110,636	\$ -	\$ -	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	\$ 177,449,057	\$ 307,805,513	-	-	-
Discretely presented component units	\$ 56,122,281	\$ 79,695,199	-	-	-
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	\$ 24,872,233	\$ 41,289,652	-	-	-
Covered payroll	736,264,000	722,040,000	658,198,000	642,177,000	642,177,000
District's net pension liability as a percentage of covered payroll	89.48%	141.67%	136.21%	170.59%	126.68%

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 YEAR ENDED JUNE 30

	<u>2015</u>
Total pension liability	
Service cost at end of year	\$ 76,564,000
Interest	274,862,000
Changes of benefit terms	-
Difference between expected and actual experience	(174,000)
Changes of assumptions or other inputs	-
Benefit payments, including refunds of active member contributions and disability premiums	(255,434,000)
Net change in total pension liability	<u>95,818,000</u>
Total pension liability - beginning	<u>3,792,543,000</u>
Total pension liability - ending (a)	<u>3,888,361,000</u>
Plan fiduciary net position	
Contributions - employer	18,478,000
Contributions - nonemployer	49,409,000
Contributions - active member (includes purchased service)	
Net investment income	182,823,000
Benefit payments (includes refunds and disability premiums)	(255,434,000)
Administrative expense	(2,377,000)
Other additions and deductions	<u>(1,547,000)</u>
Net change in plan fiduciary net position	(8,648,000)
Plan fiduciary net position - beginning	<u>3,272,439,000</u>
Plan fiduciary net position - ending (b)	<u>3,263,791,000</u>
Collective net pension liability - ending (a)-(b)	<u>\$ 624,570,000</u>
Plan fiduciary net position as a percentage of the total pension liability	83.94%
The District's proportionate share of the net pension liability	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	-
Discretely presented component units	-
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	-
Covered payroll	584,319,000
District's net pension liability as a percentage of covered payroll	106.89%

Note: Information is not available for years prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the measurement date and include information for the reporting entity as a whole.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 70,421,044	\$ 57,730,581	\$ 31,585,070	\$ 21,625,469	\$ 12,672,704
Contributions in relation to the statutorily required contribution	\$ 70,421,044	\$ 57,730,581	31,585,070	21,625,469	12,672,704
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	759,247,080	725,751,189	677,633,712	649,296,499	626,445,854
Contributions as a percentage of covered payroll	9.28%	7.95%	4.66%	3.33%	2.02%

2020 and 2019 contributions include \$19.2 and \$18.6 million respectively from the special funding situation with the State of Colorado as a nonemployer contributing entity per SB 18-200.

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the District's fiscal year end.

Notes to Schedule

Valuation date:	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll
Amortization method	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open
Remaining amortization period	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market
Asset valuation method	2.40% annually 3.50% - 9.70%	2.40% annually 3.50% - 9.70%	2.40% annually 3.90% - 9.70%	2.80% annually 3.90% - 10.10%	2.80% annually 3.90% - 10.85%
Inflation	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation
Salary increases					
PERA benefit structure hired prior to 1/1/07 and DPS	1.25%	2.00%	2.00%	2.00%	2.00%
benefit structure	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR
PERA benefit structure hired after 12/31/06					
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.50%

Mortality

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year and females set back two years.

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
 YEAR ENDED JUNE 30

	2015
Statutorily required contribution	\$ 8,102,466
Contributions in relation to the statutorily required contribution	8,102,466
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	590,847,652
Contributions as a percentage of covered payroll	1.37%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the District's fiscal year end.

Notes to Schedule

Valuation date:	December 31, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Level Percentage of Payroll
Amortization method	Payroll
Remaining amortization period	30 Years, Open
Asset valuation method	4-year smoothed market
Inflation	2.80% annually 3.90% - 10.10% Inclusive of wage inflation
Salary increases	inflation
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	2.00%
PERA benefit structure hired after 12/31/06	0.00% as financed by the AIR
Investment rate of return	7.50%

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
DPS RETIREE LIFE INSURANCE TRUST
YEAR ENDED JUNE 30

DPS Retiree Life Insurance Trust	2020	2019	2018
Total OPEB liability			
Service cost at end of year	\$ -	\$ -	\$ -
Interest	1,258,786	1,288,036	1,289,505
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,231,536)	(620,709)	-
Changes of assumptions or other inputs	1,782,321	15,315	194,817
Benefit payments, including refunds of active member contributions and disability premiums	<u>(1,619,675)</u>	<u>(1,418,760)</u>	<u>(1,631,943)</u>
Net change in total OPEB liability	<u>\$ 189,896</u>	<u>(736,118)</u>	<u>(147,621)</u>
Total OPEB liability - beginning	<u>36,768,204</u>	<u>37,504,322</u>	<u>37,651,943</u>
Total OPEB liability - ending (a)	<u><u>36,958,100</u></u>	<u><u>36,768,204</u></u>	<u><u>37,504,322</u></u>
Plan fiduciary net position			
Contributions - employer	1,980,000 ¹	2,860,000	2,640,000
Contributions - active member (includes purchased service)	-	-	-
Net investment income	397,523	357,146	280,483
Benefit payments (includes refunds and disability premiums)	(2,173,823)	(2,234,262)	(2,302,539)
Administrative expense	(189,345)	(56,436)	(251,430)
Other additions and deductions	-	27,518	436,517
Net change in plan fiduciary net position	<u>14,355</u>	<u>953,966</u>	<u>803,031</u>
Contributions receivable	1,198,767 ²	1,770,266	1,689,004
Plan fiduciary net position - beginning	<u>13,931,833</u>	<u>11,207,601</u>	<u>8,715,566</u>
Plan fiduciary net position - ending (b)	<u><u>15,144,955</u></u>	<u><u>13,931,833</u></u>	<u><u>11,207,601</u></u>
Collective net OPEB liability - ending (a) - (b)	<u><u>21,813,145</u></u>	<u><u>\$ 22,836,371</u></u>	<u><u>\$ 26,296,721</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.98%	37.89%	29.88%
Covered payroll	N/A*	N/A*	N/A*
District's net OPEB liability as a percentage of covered payroll	N/A*	N/A*	N/A*

¹ Two Contribution payments for the current fiscal year were not received timely by MetLife

² Includes dividend payable by MetLife for DPS

* The DPS Retiree Life Insurance Trust is a closed plan. Plan eligibility and life insurance benefits are not available to anyone who retires after January 1, 2006.

Note: Information is not available for prior years. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the measurement date and include information for the reporting entity as a whole.

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
 DPS RETIREE LIFE INSURANCE TRUST
 YEAR ENDED JUNE 30

DPS Retiree Life Insurance Trust	2020	2019	2018
Actuarially determined contribution	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000
Contributions in relation to the actuarially determined contribution	3,178,767	\$ 4,681,325	\$ 4,329,004
Contribution deficiency (excess)	(538,767)	\$(2,041,325)	\$(1,689,004)

Note: Information is not available for prior years. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the measurement date and include information for the reporting entity as a whole.



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SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
DPS HEALTHCARE TRUST FUND
YEAR ENDED JUNE 30

DPS Health Care Trust Fund	2020	2019	2018
Total OPEB liability			
Service cost	\$ 1,342,000	\$ 1,420,000	\$ 1,591,000
Interest	4,970,000	5,245,000	5,057,000
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,070,000)	(6,045,000)	(35,000)
Changes of assumptions or other inputs	-	5,000	
Benefit payments	(3,968,000)	(4,693,000)	(6,191,000)
Net change in total OPEB liability	<u>274,000</u>	<u>(4,068,000)</u>	<u>422,000</u>
Total OPEB liability - beginning	<u>69,199,000</u>	<u>73,267,000</u>	<u>72,845,000</u>
Total OPEB liability - ending (a)	<u><u>69,473,000</u></u>	<u><u>69,199,000</u></u>	<u><u>73,267,000</u></u>
Plan fiduciary net position			
Contributions - employer	7,649,000	7,417,000	6,930,000
Other additions (includes purchased service)	188,000	(4,000)	242,000
Net investment income	4,892,000	(894,000)	3,305,000
Benefit payments	(3,644,000)	(4,158,000)	(5,694,000)
Administrative expense	(477,000)	(845,000)	(808,000)
Other deductions	(1,000)	205,000	(4,000)
Net change in plan fiduciary net position	<u>8,607,000</u>	<u>1,721,000</u>	<u>3,971,000</u>
Plan fiduciary net position - beginning	<u>24,029,000</u>	<u>22,308,000</u>	<u>18,337,000</u>
Plan fiduciary net position - ending (b)	<u><u>32,636,000</u></u>	<u><u>24,029,000</u></u>	<u><u>22,308,000</u></u>
Collective net OPEB liability - ending (a) - (b)	<u><u>\$ 36,837,000</u></u>	<u><u>\$ 45,170,000</u></u>	<u><u>\$ 50,959,000</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.98%	34.72%	30.45%
Covered payroll	736,264,000	722,040,000	658,198,000
District's net OPEB liability as a percentage of covered payroll	5.00%	6.26%	7.74%

Note: Information is not available for prior years. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the measurement date and include information for the reporting entity as a whole.

The notes are an integral part of the Required Supplementary Information.

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DPS DIVISION SCHEDULE OF OPEB CONTRIBUTIONS
DPS HEALTHCARE TRUST FUND
YEAR ENDED JUNE 30

DPS Health Care Trust Fund	2020	2019	2018
Actuarially determined contribution	\$ 4,418,000	\$ 4,838,000	\$ 4,476,000
Contributions in relation to the actuarially determined contribution	7,847,796	\$ 7,662,714	\$ 7,079,432
Contribution deficiency (excess)	<u>\$(3,429,796)</u>	<u>\$(2,824,714)</u>	<u>\$(2,603,432)</u>
Covered payroll	\$ 759,247,080	\$ 725,751,189	\$ 677,633,712
Contribution as a percentage of covered payroll	1.03%	1.06%	1.04%

Note: Information is not available for prior years. In future reports, additional years will be added until 10 years of historical data are presented. Information is presented as of the District and component unit fiscal year end for each year presented. The DPS HCTF was established on January 1, 2010, and received the balance for the Denver Public Schools Retiree Health Benefit Trust.



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1. SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION - PENSIONS

2019 Changes in Plan Provisions Since 2018

- Senate Bill (SB) 18-200 was enacted on June 4, 2018, which included the adoption of the automatic adjustment provision (AAP). The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
 - Member contribution rates increase by 0.50 percent.
 - Employer contribution rates increase by 0.50 percent.
 - Annual Increase (AI) cap is lowered from 1.50 percent per year to 1.25 percent per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2. OPEB

Denver Public Schools Retiree Life Insurance Trust

The actuarial assumptions used in the valuation are set forth below. Selection of the assumptions was performed in accordance with current actuarial standards. We believe that each assumption is reasonable and consistent with the other assumptions. Future valuation results may differ from the results shown in this report based on differences between the actual experience of the plan and the assumptions used in the valuation.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2020.
Valuation Date	6/30/2020
Measurement Date	6/30/2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Contribution Rate	MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates.
Inflation	2.20%
Discount Rate	2.90% was selected by Denver Public Schools based on the prevailing trust yields at the valuation date. MetLife is anticipated to set premium levels such that trust assets will be sufficient to pay future benefits.
Long-term expected rate of return net of investment expense	2.90%
Mortality	2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants.

The plan does not have enough credible data to develop a mortality assumption. As a result, the plan must rely on publically available mortality tables. The Society of Actuaries recently published and recommends using both 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale. Based on this recommendation, we believe these tables are appropriate for the plan's mortality assumption.

Changes since prior year The discount rate, 3.50%, selected in prior fiscal year changed due to COVID-19 and related events since the District's management is persuaded they might have a significant effect on the total OPEB liability for the benefits provided through the Retiree Life Insurance plan administered by MetLife.

The Healthy and Disabled mortality tables used for the assumptions have since changed from the RPH-2006 Healthy Annuitant Total Dataset Mortality Tables, separately for males and females and the RPH-2006 Disabled Retiree Mortality Table, separately for males and females respectively.

Denver Public Schools Health Care Trust Fund

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A



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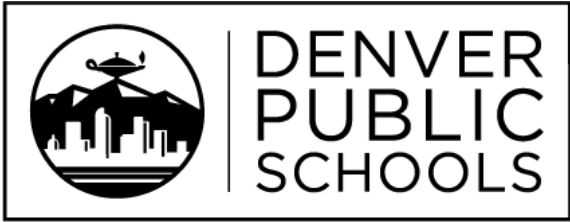


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OTHER SUPPLEMENTARY INFORMATION



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GOVERNMENTAL FUNDS

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2020

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Permanent Fund	Total
ASSETS					
Cash and cash equivalents	\$ 557	\$ -	\$ 14,197,414	\$ 117,056	\$ 14,315,027
Investments	-	-	-	3,982	3,982
Taxes receivable	-	-	2,280,079	-	2,280,079
Intergovernmental receivables	598,332	-	-	-	598,332
Other receivables	119,055	-	-	-	119,055
Due from other funds	-	5,404,006	-	-	5,404,006
Inventory	4,608,690	-	-	-	4,608,690
Total assets	<u>5,326,634</u>	<u>5,404,006</u>	<u>16,477,493</u>	<u>121,038</u>	<u>27,329,171</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued payroll and benefits	-	-	2,217,203	-	2,217,203
Due to other funds	3,229,319	-	5,519,324	62,167	8,810,810
Unearned revenue	656,798	595,294	-	-	1,252,092
Total liabilities	<u>3,886,117</u>	<u>595,294</u>	<u>7,736,527</u>	<u>62,167</u>	<u>12,280,105</u>
Deferred inflows of resources:					
Property taxes	-	-	882,399	-	882,399
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>882,399</u>	<u>-</u>	<u>882,399</u>
Fund balances:					
Nonspendable:					
Inventory	504,881	-	-	-	504,881
Permanent fund	-	-	-	58,871	58,871
Restricted for:					
Performance-based teacher compensation	-	-	7,858,567	-	7,858,567
Committed to:					
Pupil activities	-	4,808,712	-	-	4,808,712
Assigned to:					
Food service	935,636	-	-	-	935,636
Total fund balances	<u>1,440,517</u>	<u>4,808,712</u>	<u>7,858,567</u>	<u>58,871</u>	<u>14,166,667</u>
Total liabilities and fund balances	<u>\$ 5,326,634</u>	<u>\$ 5,404,006</u>	<u>\$ 16,477,493</u>	<u>\$ 121,038</u>	<u>\$ 27,329,171</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Permanent Fund	Total
REVENUES					
Taxes	\$ -	\$ -	\$ 34,930,358	\$ -	\$ 34,930,358
Intergovernmental:					
Revenue from state sources	769,239	-	-	-	769,239
Revenue from federal sources	27,700,836	-	-	-	27,700,836
Charges for services	3,989,783	436,649	-	-	4,426,432
Investment income	-	-	114,749	768	115,517
Other local sources	13,930	4,740,462	-	-	4,754,392
Total revenues	<u>32,473,788</u>	<u>5,177,111</u>	<u>35,045,107</u>	<u>768</u>	<u>72,696,774</u>
EXPENDITURES					
Instruction:					
Regular instruction	(3,701)	263,514	30,803,174	-	31,062,987
Special education	-	-	3,042,015	-	3,042,015
Vocational education	-	-	2,996	-	2,996
Other instruction	-	8,951,111	92	-	8,951,203
Total instruction	<u>(3,701)</u>	<u>9,214,625</u>	<u>33,848,277</u>	<u>-</u>	<u>43,059,201</u>
Support services:					
Pupil supporting services	-	-	2,682,614	-	2,682,614
Instructional support	-	1,228,176	1,558,045	-	2,786,221
General administration	-	-	61,227	-	61,227
School administration	-	-	27,824	-	27,824
Business services	-	-	-	3,020	3,020
Operations and maintenance	15,609	-	-	-	15,609
Central services	-	-	669,928	-	669,928
Other support services	33,565,408	-	-	-	33,565,408
Total support services	<u>33,581,017</u>	<u>1,228,176</u>	<u>4,999,638</u>	<u>3,020</u>	<u>39,811,851</u>
Community services	-	-	2,695	-	2,695
Capital outlay	356,143	-	-	-	356,143
Total expenditures	<u>33,933,459</u>	<u>10,442,801</u>	<u>38,850,610</u>	<u>3,020</u>	<u>83,229,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,459,671)</u>	<u>(5,265,690)</u>	<u>(3,805,503)</u>	<u>(2,252)</u>	<u>(10,533,116)</u>
OTHER FINANCING SOURCES					
Transfers in	2,500,000	5,500,000	-	-	8,000,000
Transfers out	-	-	-	(69,921)	(69,921)
Total other financing sources	<u>2,500,000</u>	<u>5,500,000</u>	<u>-</u>	<u>(69,921)</u>	<u>7,930,079</u>
Net change in fund balances	<u>1,040,329</u>	<u>234,310</u>	<u>(3,805,503)</u>	<u>(72,173)</u>	<u>(2,603,037)</u>
Fund balances - beginning	400,188	332,120	11,664,070	131,044	12,527,422
Change in accounting principles	-	4,242,282	-	-	4,242,282
Fund balance - beginning, as restated	400,188	4,574,402	11,664,070	131,044	16,769,704
Fund balances - ending	<u>\$ 1,440,517</u>	<u>\$ 4,808,712</u>	<u>\$ 7,858,567</u>	<u>\$ 58,871</u>	<u>\$ 14,166,667</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 173,810	\$ 198,263	\$ 194,140	\$ (4,123)
Local sources	1,200	1,200	2,650	1,450
Total revenues	<u>175,010</u>	<u>199,463</u>	<u>196,790</u>	<u>(2,673)</u>
EXPENDITURES				
Purchased Services	120	120	93	27
Debt Service Principal	85,235	85,235	85,235	-
Debt Service Interest	77,293	77,293	77,293	-
Appropriated Reserves	<u>167,810</u>	<u>204,447</u>	<u>-</u>	<u>204,447</u>
Total expenditures	<u>330,458</u>	<u>367,095</u>	<u>162,621</u>	<u>204,474</u>
Net change in fund balance	<u>(155,448)</u>	<u>(167,632)</u>	<u>34,169</u>	<u>201,801</u>
Beginning fund balance	<u>155,448</u>	<u>167,632</u>	<u>167,632</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,801</u>	<u>\$ 201,801</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
YEAR ENDED JUNE 30, 2020
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 2,728	\$ 2,728	\$ 4,864	\$ 2,136
Total revenues	<u>2,728</u>	<u>2,728</u>	<u>4,864</u>	<u>2,136</u>
EXPENDITURES				
Employee Salaries	7,500	7,500	7,928	(428)
Employee Benefits	1,878	1,878	1,856	22
Supplies and Materials	-	-	128	(128)
Purchased Services	-	-	5,862	(5,862)
Property	149,386	149,385	106,775	42,610
Other Expenses	-	-	(3,923)	3,923
Appropriated Reserves	30,000	47,973	-	47,973
Total expenditures	<u>188,764</u>	<u>206,736</u>	<u>118,626</u>	<u>88,110</u>
Net change in fund balance	<u>(186,036)</u>	<u>(204,008)</u>	<u>(113,762)</u>	<u>90,246</u>
Beginning fund balance	<u>278,784</u>	<u>296,756</u>	<u>296,756</u>	<u>-</u>
Ending fund balance	<u>\$ 92,748</u>	<u>\$ 92,748</u>	<u>\$ 182,994</u>	<u>\$ 90,246</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL RESERVE FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Federal sources	\$ 6,468	\$ 6,413	\$ 3,280	\$ (3,133)
Local sources	19,941	24,986	24,414	(572)
Total revenues	<u>26,409</u>	<u>31,399</u>	<u>27,694</u>	<u>(3,705)</u>
EXPENDITURES				
Employee Salaries	189	146	144	2
Employee Benefits	46	30	34	(4)
Supplies and Materials	6,653	6,859	5,875	984
Purchased Services	3,111	9,433	11,186	(1,753)
Property	70,969	103,468	96,198	7,270
Other Expenses	-	2,943	-	2,943
Debt Service Principal	4,965	4,890	5,060	(170)
Debt Service Interest	9,668	9,730	9,442	288
Appropriated Reserves	12,133	55,022	-	55,022
Total expenditures	<u>107,734</u>	<u>192,521</u>	<u>127,939</u>	<u>64,582</u>
Excess (deficiency) of revenues over expenditures	<u>(81,325)</u>	<u>(161,122)</u>	<u>(100,245)</u>	<u>60,877</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(2,474)	(2,408)	9,466	11,874
Issuance of certification of participation	20,000	44,900	45,545	645
Total other financing sources (uses)	<u>17,526</u>	<u>42,492</u>	<u>55,011</u>	<u>12,519</u>
Net change in fund balance	<u>(63,799)</u>	<u>(118,630)</u>	<u>(45,234)</u>	<u>73,396</u>
Beginning fund balance	<u>63,799</u>	<u>118,630</u>	<u>118,630</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,396</u>	<u>\$ 73,396</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF
COLORADO

BUDGETARY COMPARISON SCHEDULE
FOOD SERVICES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 763	\$ 763	\$ 769	\$ 6
Federal sources	35,899	35,899	27,701	(8,198)
Local sources	5,842	5,842	4,004	(1,838)
Total revenues	<u>42,504</u>	<u>42,504</u>	<u>32,474</u>	<u>(10,030)</u>
EXPENDITURES				
Employee Salaries	17,582	17,916	19,821	(1,905)
Employee Benefits	4,287	4,354	4,424	(70)
Supplies and Materials	19,980	19,989	16,330	3,659
Purchased Services	1,088	1,088	1,371	(283)
Property	210	210	451	(241)
Other Expenses	100	100	(8,464)	8,564
Total expenditures	<u>43,247</u>	<u>43,657</u>	<u>33,933</u>	<u>9,724</u>
Excess (deficiency) of revenues over expenditures	<u>(743)</u>	<u>(1,153)</u>	<u>(1,459)</u>	<u>(306)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	<u>743</u>	<u>753</u>	<u>2,500</u>	<u>1,747</u>
Total other financing sources (uses)	<u>743</u>	<u>753</u>	<u>2,500</u>	<u>1,747</u>
Net change in fund balance	<u>-</u>	<u>(400)</u>	<u>1,041</u>	<u>1,441</u>
Beginning fund balance	-	400	400	-
Change in accounting principles	-	-	-	-
Beginning fund balance, restated	-	400	400	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,441</u>	<u>\$ 1,441</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 PUPIL ACTIVITY SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 10,613	\$ 10,648	\$ 5,177	\$ (5,471)
Total revenues	<u>10,613</u>	<u>10,648</u>	<u>5,177</u>	<u>(5,471)</u>
EXPENDITURES				
Employee Salaries	2,964	2,956	3,270	(314)
Employee Benefits	632	671	690	(19)
Supplies and Materials	10,279	10,531	3,826	6,705
Purchased Services	1,371	621	2,029	(1,408)
Property	55	55	26	29
Other Expenses	1,079	1,056	602	454
Appropriated Reserves	5,500	4,245	-	4,245
Total expenditures	<u>21,880</u>	<u>20,135</u>	<u>10,443</u>	<u>9,692</u>
Excess (deficiency) of revenues over expenditures	<u>(11,267)</u>	<u>(9,487)</u>	<u>(5,266)</u>	<u>4,221</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	4,185	4,912	5,500	588
Total other financing sources (uses)	<u>4,185</u>	<u>4,912</u>	<u>5,500</u>	<u>588</u>
Net change in fund balance	<u>(7,082)</u>	<u>(4,575)</u>	<u>234</u>	<u>4,809</u>
Beginning fund balance	7,082	4,575	332	(4,243)
Change in accounting principles	-	-	4,242	4,242
Beginning fund balance, restated	7,082	4,575	4,574	1
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,808</u>	<u>\$ 4,808</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF
COLORADO

BUDGETARY COMPARISON SCHEDULE
PROCOMP SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2020
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 35,088	\$ 35,088	\$ 34,930	\$ (158)
Local sources	40	40	115	75
Total revenues	<u>35,128</u>	<u>35,128</u>	<u>35,045</u>	<u>(83)</u>
EXPENDITURES				
Employee Salaries	34,049	34,049	32,278	1,771
Employee Benefits	6,772	6,772	6,435	337
Supplies and Materials	1	1	2	(1)
Purchased Services	149	149	135	14
Appropriated Reserves	-	982	-	982
Total expenditures	<u>40,971</u>	<u>41,953</u>	<u>38,850</u>	<u>3,103</u>
Net change in fund balance	<u>(5,843)</u>	<u>(6,825)</u>	<u>(3,805)</u>	<u>3,020</u>
Beginning fund balance	10,682	11,664	11,664	-
Change in accounting principles	-	-	-	-
Beginning fund balance, restated	10,682	11,664	11,664	-
Ending fund balance	<u>\$ 4,839</u>	<u>\$ 4,839</u>	<u>\$ 7,859</u>	<u>\$ 3,020</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 PERMANENT FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES				
Supplies and Materials	\$ 131	\$ 131	\$ -	\$ 131
Purchased Services	-	-	3	(3)
Total expenditures	<u>131</u>	<u>131</u>	<u>3</u>	<u>128</u>
Excess (deficiency) of revenues over expenditures	<u>(131)</u>	<u>(131)</u>	<u>(3)</u>	<u>128</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	-	-	(69)	(69)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(69)</u>	<u>(69)</u>
Net change in fund balance	<u>(131)</u>	<u>(131)</u>	<u>(72)</u>	<u>59</u>
Beginning fund balance	<u>131</u>	<u>131</u>	<u>131</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>



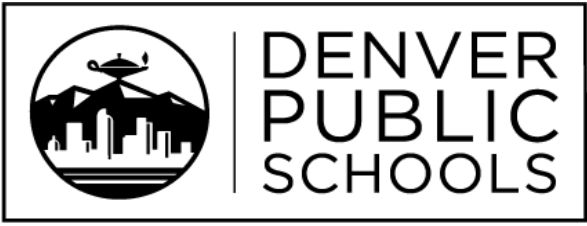
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INTERNAL SERVICE FUND

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 WAREHOUSE FUND
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources	\$ 536	\$ 536	\$ 348	\$ (188)
Total revenues	<u>536</u>	<u>536</u>	<u>348</u>	<u>(188)</u>
EXPENDITURES				
Employee Salaries	23	23	31	(8)
Employee Benefits	11	11	7	4
Supplies and Materials	232	232	195	37
Purchased Services	170	170	159	11
Property	100	100	-	100
Other Expenses	-	-	18	(18)
Appropriated Reserves	-	467	-	467
Total expenditures	<u>536</u>	<u>1,003</u>	<u>410</u>	<u>593</u>
Net change in fund balance	<u>-</u>	<u>(467)</u>	<u>(62)</u>	<u>405</u>
Beginning fund balance	<u>-</u>	<u>467</u>	<u>467</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405</u>	<u>\$ 405</u>



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FIDUCIARY FUND

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2020
 Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Employer contributions	\$ 2,040	\$ 2,040	\$ 3,179	\$ 1,139
Interest income	132	132	2,188	2,056
Total revenues	<u>2,172</u>	<u>2,172</u>	<u>5,367</u>	<u>3,195</u>
EXPENDITURES				
Medical and life insurance for retirees	2,380	2,380	2,363	17
Appropriated Reserves	<u>10,273</u>	<u>12,944</u>	-	<u>12,944</u>
Total expenditures	<u>12,653</u>	<u>15,324</u>	<u>2,363</u>	<u>12,961</u>
Net change in fund balance	<u>(10,481)</u>	<u>(13,152)</u>	<u>3,004</u>	<u>16,156</u>
Beginning fund balance	<u>10,481</u>	<u>13,152</u>	<u>13,152</u>	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,156</u>	<u>\$ 16,156</u>



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Colorado Department of Education
Auditors Integrity Report
 District: 0880 - Denver County 1
 Fiscal Year 2019-20
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	118,508,052		948,876,615		948,328,379		119,056,288
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Total	118,508,052		948,876,615		948,328,379		119,056,288
11 Charter School Fund	91,616,032		305,070,732		280,621,589		116,065,175
20,26-29 Special Revenue Fund	11,664,069		35,045,108		38,850,610		7,858,567
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
07 Total Program Reserve Fund	0		0		0		0
21 Food Service Spec Revenue Fund	400,185		34,973,788		33,933,456		1,440,517
22 Govt Designated-Purpose Grants Fund	17,034,797		126,047,555		128,254,406		14,827,946
23 Pupil Activity Special Revenue Fund	4,574,402		10,677,111		10,442,801		4,808,712
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	167,631,916		196,790,140		162,621,002		201,801,053
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	296,756,513		4,863,352		118,625,436		182,994,429
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	118,630,422		82,704,572		127,938,551		73,396,443
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	826,816,386		1,745,048,973		1,849,616,229		722,249,130
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	466,850		19,028		81,074		404,804
Totals	466,850		19,028		81,074		404,804
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	13,152,518		5,367,058		2,363,168		16,156,408
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34:Permanent Fund	131,044		-69,153		3,020		58,871
85 Foundations	12,667,494		7,741,888		7,817,629		12,591,753
Totals	25,951,056		13,039,793		10,183,817		28,807,032

FINAL



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STATISTICAL SECTION

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

STATISTICAL SECTION
YEAR ENDED JUNE 30, 2020

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District.

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
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Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
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SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets	\$ (67,160,973)	\$ (62,814,668)	\$ (48,797,256)	\$ 148,648,229	\$ 104,965,907
Restricted	260,280,665	616,186,143	650,615,101	648,556,477	290,705,891
Unrestricted (deficit)	<u>(1,322,642,234)</u>	<u>(1,834,629,855)</u>	<u>(2,093,681,026)</u>	<u>(2,154,349,495)</u>	<u>(1,652,698,513)</u>
Total governmental activities net position (deficit)	<u>(1,129,522,542)</u>	<u>(1,281,258,380)</u>	<u>(1,491,863,181)</u>	<u>(1,357,144,789)</u>	<u>(1,257,026,715)</u>
Business-type activities*					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-
Total business-type activities net position (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government					
Net investment in capital assets	(67,160,973)	(62,814,668)	(48,797,256)	148,648,229	104,965,907
Restricted	260,280,665	616,186,143	650,615,101	648,556,477	290,705,891
Unrestricted (deficit)	<u>(1,322,642,234)</u>	<u>(1,834,629,855)</u>	<u>(2,093,681,026)</u>	<u>(2,154,349,495)</u>	<u>(1,652,698,513)</u>
Total primary government net position (deficit)	<u>\$ (1,129,522,542)</u>	<u>\$ (1,281,258,380)</u>	<u>\$ (1,491,863,181)</u>	<u>\$ (1,357,144,789)</u>	<u>\$ (1,257,026,715)</u>
Governmental activities					
Net investment in capital assets	\$ 118,645,799	\$ 130,564,763	\$ 135,651,903	\$ 145,041,564	\$ 158,129,481
Restricted	391,653,002	175,105,064	192,765,619	254,525,804	249,496,173
Unrestricted (deficit)	<u>(1,702,868,865)</u>	<u>(961,343,671)</u>	<u>(977,859,419)</u>	<u>(1,051,331,251)</u>	<u>(1,008,068,262)</u>
Total governmental activities net position (deficit)	<u>(1,192,570,064)</u>	<u>(655,673,844)</u>	<u>(649,441,897)</u>	<u>(651,763,883)</u>	<u>(600,442,608)</u>
Business-type activities					
Net investment in capital assets	-	643,501	463,179	506,458	444,862
Unrestricted (deficit)	-	<u>(760,348)</u>	<u>(383,151)</u>	<u>1,747,768</u>	<u>4,413,742</u>
Total business-type activities net position (deficit)	<u>-</u>	<u>(116,847)</u>	<u>80,028</u>	<u>2,254,226</u>	<u>4,858,604</u>
Primary government					
Net investment in capital assets	118,645,799	131,208,264	136,115,082	145,548,022	158,574,343
Restricted	391,653,002	175,105,064	192,765,619	254,525,804	249,496,173
Unrestricted (deficit)	<u>(1,702,868,865)</u>	<u>(962,104,019)</u>	<u>(978,242,570)</u>	<u>(1,049,583,483)</u>	<u>(1,003,654,520)</u>
Total primary government net position (deficit)	<u>\$ (1,192,570,064)</u>	<u>\$ (655,790,691)</u>	<u>\$ (649,361,869)</u>	<u>\$ (649,509,657)</u>	<u>\$ (595,584,004)</u>

Source: School District annual financial reports for the respective years

* From FY 2015 the District will no longer have business type activities - Food Services moved to nonmajor Special Revenue Fund
Years prior to FY 2015 have not been restated for the effects of GASB 68

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Expenses:					
Governmental activities:					
Instructional services	\$ 696,846,877	\$ 605,647,740	\$ 647,048,830	\$ 661,536,065	\$ 668,873,429
Supporting services:					
Pupil support	83,180,894	71,532,274	66,443,705	58,337,272	45,246,471
Instructional support	129,767,373	124,605,828	125,760,427	114,572,496	111,594,016
General administration	8,188,423	6,123,865	7,526,400	6,964,963	6,096,731
School administration	80,450,074	78,604,576	78,617,586	77,079,051	69,544,540
Business services	14,857,663	14,842,975	14,882,801	12,957,204	8,609,001
Operations and maintenance	102,853,799	100,668,711	96,681,984	91,074,789	79,314,548
Pupil transportation	28,916,105	29,743,657	26,546,492	25,164,705	26,012,440
Central services	49,694,958	70,219,410	183,402,521	176,020,151	134,964,286
Other support services	51,852,458	51,903,765	46,450,521	51,052,612	48,582,600
Community services	16,698,518	15,982,204	17,638,447	16,515,410	14,366,660
Education for adults	23,954,101	21,951,395	22,244,905	20,508,759	17,828,984
Food services	-	-	-	-	-
Principal payments	7,172,890	-	-	-	-
Interest and fiscal charges	118,717,714	129,019,562	162,850,968	137,843,846	128,003,672
Total governmental activities expenses	1,413,151,847	1,320,845,962	1,496,095,587	1,449,627,323	1,359,037,378
Business-type activities:					
Food services	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Total primary government expenses	1,413,151,847	1,320,845,962	1,496,095,587	1,449,627,323	1,359,037,378
Program revenues:					
Governmental activities:					
Charges for services - Instructional	42,579,085	42,939,547	36,974,879	33,194,921	29,805,479
Charges for services - Other	35,150,712	41,558,397	33,989,449	30,514,695	27,398,922
Operating grants and contributions	187,021,129	264,820,334	220,120,675	214,428,461	212,702,661
Capital grants and contributions	10,077,400	-	-	-	-
Total governmental activities program revenues	274,828,326	349,318,278	291,085,003	278,138,077	269,907,062
Business-type activities:					
Food services	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-
Total primary government program revenues	274,828,326	349,318,278	291,085,003	278,138,077	269,907,062
Net Expenses					
Governmental activities	(1,138,323,521)	(971,527,684)	(1,205,010,584)	(1,171,489,246)	(1,089,130,316)
Business-type activities	-	-	-	-	-
Total primary government net expense	(1,138,323,521)	(971,527,684)	(1,205,010,584)	(1,171,489,246)	(1,089,130,316)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	956,891,384	814,556,942	796,450,648	671,768,786	623,495,039
Specific ownership taxes	50,937,342	52,944,185	51,821,726	44,805,199	40,303,943
Payment in lieu of taxes	3,596,102	3,604,926	2,990,033	2,828,616	2,522,094
State equalization	238,991,040	279,467,577	243,213,839	296,486,570	294,025,391
Interest and investment income	10,546,065	18,101,994	8,630,469	5,922,616	1,958,554
Other	24,855,144	13,456,861	38,472,898	49,559,385	62,368,644
Total governmental activities	1,285,817,077	1,182,132,485	1,141,579,613	1,071,371,172	1,024,673,665
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	1,285,817,077	1,182,132,485	1,141,579,613	1,071,371,172	1,024,673,665
Change in net position					
Governmental activities	147,493,556	210,604,801	(63,430,971)	(100,118,074)	(64,456,651)
Business-type activities	-	-	-	-	-
Total primary government	\$ 147,493,556	\$ 210,604,801	\$ (63,430,971)	\$ (100,118,074)	\$ (64,456,651)

Continued net page

Source: School District annual financial reports for the respective years

Note: From FY15 the District will no longer have business type activities - Food Services moved to nonmajor Special Revenue Fund

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Expenses:					
Governmental activities:					
Instructional services	\$ 606,202,845	\$ 525,401,180	507,722,226	477,604,430	474,240,486
Supporting services:					
Pupil support	36,294,290	30,804,590	29,638,062	29,312,499	25,659,390
Instructional support	113,735,904	89,761,367	81,086,728	78,847,455	68,357,869
General administration	5,299,658	5,862,233	6,652,309	6,873,428	4,692,577
School administration	65,203,286	57,364,780	58,734,139	52,697,622	44,700,293
Business services	6,971,488	9,069,995	7,487,603	6,442,027	6,276,830
Operations and maintenance	74,977,465	68,752,560	69,409,493	76,815,166	71,715,439
Pupil transportation	22,571,539	22,069,496	22,182,306	22,288,795	20,027,703
Central services	126,422,167	139,191,526	74,998,203	69,071,079	59,338,961
Other support services	47,742,261	4,570,465	4,045,531	4,628,895	5,273,195
Community services	12,899,167	11,611,773	10,497,464	9,483,230	7,289,515
Education for adults	17,810,825	14,527,846	14,790,637	15,775,918	11,622,217
Food services	-	43,974	96,963	153,482	227,602
Principal payments	-	-	-	-	-
Interest and fiscal charges	127,899,257	117,380,359	113,073,282	108,487,396	100,279,347
Total governmental activities expenses	<u>1,264,030,152</u>	<u>1,096,412,144</u>	<u>1,000,414,946</u>	<u>958,481,422</u>	<u>899,701,424</u>
Business-type activities:					
Food services	-	38,774,528	36,404,972	34,622,691	32,365,428
Total business-type activities expenses	<u>-</u>	<u>38,774,528</u>	<u>36,404,972</u>	<u>34,622,691</u>	<u>32,365,428</u>
Total primary government expenses	<u>1,264,030,152</u>	<u>1,135,186,672</u>	<u>1,036,819,918</u>	<u>993,104,113</u>	<u>932,066,852</u>
Program revenues:					
Governmental activities:					
Charges for services - Instructional	27,970,405	24,268,736	29,467,729	25,542,292	17,205,330
Charges for services - Other	25,712,014	22,309,227	12,389,843	15,989,891	10,770,817
Operating grants and contributions	221,919,647	170,631,292	163,451,886	178,115,194	232,977,735
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>275,602,066</u>	<u>217,209,255</u>	<u>205,309,458</u>	<u>219,647,377</u>	<u>260,953,882</u>
Business-type activities:					
Food services	-	4,388,602	4,026,244	3,715,616	3,592,685
Operating grants and contributions	-	34,152,589	30,190,114	28,273,108	25,787,342
Total business-type activities program revenues	<u>-</u>	<u>38,541,191</u>	<u>34,216,358</u>	<u>31,988,724</u>	<u>29,380,027</u>
Total primary government program revenues	<u>275,602,066</u>	<u>255,750,446</u>	<u>239,525,816</u>	<u>251,636,101</u>	<u>290,333,909</u>
Net Expenses					
Governmental activities	(988,428,086)	(879,202,889)	(795,105,488)	(738,834,045)	(638,747,542)
Business-type activities	-	(233,337)	(2,188,614)	(2,633,967)	(2,985,402)
Total primary government net expense	<u>(988,428,086)</u>	<u>(879,436,226)</u>	<u>(797,294,102)</u>	<u>(741,468,012)</u>	<u>(641,732,944)</u>
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	512,100,229	545,898,621	498,552,760	420,204,686	437,794,905
Specific ownership taxes	36,829,683	33,376,380	30,035,934	27,021,138	25,698,371
Payment in lieu of taxes	2,489,581	2,492,618	2,143,237	2,081,204	1,997,608
State equalization	331,479,392	282,036,930	257,727,049	234,783,298	201,316,796
Interest and investment income	2,481,057	7,214,663	5,904,892	2,486,539	7,476,851
Other	35,645,024	12,430,956	5,867,733	935,905	-
Total governmental activities	<u>921,024,966</u>	<u>883,450,168</u>	<u>800,231,605</u>	<u>687,512,770</u>	<u>674,284,531</u>
Business-type activities:					
Interest and investment income	-	-	-	-	1,240
Other	-	36,462	14,416	29,589	-
Total business-type activities	<u>-</u>	<u>36,462</u>	<u>14,416</u>	<u>29,589</u>	<u>1,240</u>
Total primary government	<u>921,024,966</u>	<u>883,486,630</u>	<u>800,246,021</u>	<u>687,542,359</u>	<u>674,285,771</u>
Change in net position					
Governmental activities	(67,403,120)	4,247,279	5,126,117	(51,321,275)	35,536,989
Business-type activities	-	(196,875)	(2,174,198)	(2,604,378)	(2,984,162)
Total primary government	<u>\$ (67,403,120)</u>	<u>\$ 4,050,404</u>	<u>\$ 2,951,919</u>	<u>\$ (53,925,653)</u>	<u>\$ 32,552,827</u>

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
General Fund					
Nonspendable:					
Inventory	\$ 1,238,552	\$ 1,107,816	\$ 892,874	\$ 761,736	\$ 704,168
Prepaid expenses	-	-	-	150,566	142,383
Restricted for:					
Emergency reserve	33,618,750	31,046,220	28,893,630	27,033,570	24,910,740
Preschool	-	-	-	-	-
Committed to:					
Pupil Activities	1,448,767	1,266,865	-	-	-
Emergency reserve	-	-	-	-	-
Assigned to:					
Special projects	23,478,391	25,093,990	22,869,037	15,923,740	17,397,322
Subsequent year expenditures	13,847,000	6,827,418	17,886,037	8,182,740	1,315,705
Unassigned	45,424,828	53,165,742	48,469,286	70,097,523	50,072,162
Total General Fund	<u>119,056,288</u>	<u>118,508,051</u>	<u>119,010,864</u>	<u>122,149,875</u>	<u>94,542,480</u>
All other governmental funds					
Nonspendable:					
Permanent fund	58,871	131,044	131,371	130,992	128,553
Inventory	504,881	393,196	2,935,450	332,113	3,485,663
Prepaid expenses	913,699	288,384	458,901	1,531,060	509,302
Restricted for:					
Debt service	203,916,531	173,213,859	160,157,619	130,144,786	140,280,738
Capital projects	236,677,860	381,306,757	443,137,420	470,254,135	87,492,008
Performance-based teacher compensation	7,858,567	11,664,070	8,590,764	11,837,366	18,345,329
Higher education	12,819,754	11,235,893	9,936,855	9,595,895	10,572,551
Non-governmental grantor-designated purposes	1,043,138	817,330	1,013,135	1,492,383	6,111,724
State programs	-	-	-	-	-
Federal programs	965,054	4,981,574	7,766,488	5,876,870	8,548,506
Special revenue fund	-	-	-	-	-
Committed to:					
Capital projects	-	-	28,005,130	35,949,286	5,554,771
Pupil activities	4,808,712	332,120	2,263,445	3,505,285	3,168,599
Assigned to:					
Encumbrances	-	-	-	-	-
Debt service	-	-	16,447,000	46,598,000	10,963,000
Capital projects	16,683,835	28,209,850	-	-	-
Food service	935,636	6,992	-	-	-
Unassigned	-	-	(737,940)	(46,913)	(3,344,733)
Total all other governmental funds	<u>487,186,538</u>	<u>612,581,069</u>	<u>680,105,638</u>	<u>717,201,258</u>	<u>291,816,011</u>
Total fund balances	<u>\$ 606,242,826</u>	<u>\$ 731,089,120</u>	<u>\$ 799,116,502</u>	<u>\$ 839,351,133</u>	<u>\$ 386,358,491</u>

Continued next page

Source: District annual financial reports for the respective years

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
General Fund					
Nonspendable:					
Inventory	\$ 824,309	\$ 73,575	\$ 866,501	\$ 847,557	\$ 759,089
Prepaid expenses	-	-	-	-	-
Restricted for:					
Emergency reserve	23,587,040	-	-	-	-
Preschool	-	-	-	-	-
Committed to:					
Pupil Activities	-	-	-	-	-
Emergency reserve	-	21,562,473	20,575,246	18,038,993	1,930,151
Assigned to:					
Special projects	15,920,181	12,483,461	10,737,052	11,752,585	11,276,833
Subsequent year expenditures	4,082,181	9,736,417	25,054,712	-	-
Unassigned	62,139,089	54,441,927	52,305,933	71,030,433	102,547,665
Total General Fund	<u>106,552,800</u>	<u>98,297,853</u>	<u>109,539,444</u>	<u>101,669,568</u>	<u>116,513,738</u>
All other governmental funds					
Nonspendable:					
Permanent fund	128,806	127,586	123,986	122,225	121,222
Inventory	3,059,757	16	-	-	-
Prepaid expenses	-	-	-	-	-
Restricted for:					
Debt service	109,761,547	109,621,401	109,580,300	72,084,732	66,657,069
Capital projects	202,717,436	428,287,451	600,539,662	92,538,729	187,110,425
Performance-based teacher compensation	31,352,361	44,698,850	52,566,684	-	-
Higher education	10,047,631	11,180,577	9,809,638	-	-
Non-governmental grantor-designated purposes	9,859,915	9,584,310	9,136,215	-	-
State programs	-	-	1,664,931	-	-
Federal programs	4,198,266	-	5,714	-	-
Special revenue fund	-	-	-	77,786,870	82,091,071
Committed to:					
Capital projects	17,390,944	7,438,353	16,273,544	20,816,392	13,429,620
Pupil activities	-	-	-	-	-
Assigned to:					
Encumbrances	-	-	-	-	-
Debt service	6,964,000	-	-	-	-
Capital projects	-	-	-	-	-
Food service	-	-	-	-	-
Unassigned	(3,059,757)	-	-	-	-
Total all other governmental funds	<u>392,420,906</u>	<u>610,938,544</u>	<u>799,700,674</u>	<u>263,348,948</u>	<u>349,409,407</u>
Total fund balances	<u>\$ 498,973,706</u>	<u>\$ 709,236,397</u>	<u>\$ 909,240,118</u>	<u>\$ 365,018,516</u>	<u>\$ 465,923,145</u>

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Revenues:					
Taxes	\$ 998,219,378	\$ 858,529,862	\$ 848,458,684	\$ 717,451,368	\$ 662,087,462
Intergovernmental:					
State sources	326,157,713	357,074,878	304,016,976	354,546,283	352,543,848
Federal sources	109,255,314	111,381,652	114,906,618	118,038,010	128,143,943
Charges for services	75,572,797	84,497,944	78,175,058	70,136,444	63,538,071
Investment income	10,546,065	18,101,994	8,440,469	5,697,617	1,703,554
Other local sources	55,339,778	53,325,393	55,720,801	72,195,800	45,033,043
Total revenue	<u>1,575,091,045</u>	<u>1,482,911,723</u>	<u>1,409,718,606</u>	<u>1,338,065,522</u>	<u>1,253,049,921</u>
Expenditures:					
Current:					
Instructional services	709,651,580	625,813,397	563,170,061	533,413,133	580,342,703
Supporting services:					
Pupil support	82,736,120	73,950,774	66,443,705	58,337,272	45,246,471
Instructional support	129,073,497	128,828,831	125,760,427	114,572,496	111,594,016
General administration	8,062,993	6,330,914	7,526,400	6,964,963	6,096,731
School administration	80,112,333	81,262,191	78,617,586	77,079,051	69,544,540
Business services	14,716,470	15,679,087	14,996,029	12,817,546	8,581,051
Operations and maintenance	102,251,049	104,354,778	95,181,985	91,074,789	79,314,548
Pupil transportation	28,761,438	30,768,374	26,546,492	25,164,705	26,012,440
Central services	49,678,519	72,593,522	96,964,007	104,428,614	67,066,399
Other support services	51,574,682	53,658,626	46,450,521	49,799,171	48,582,600
Total support services	<u>546,967,101</u>	<u>567,427,097</u>	<u>558,487,152</u>	<u>540,238,607</u>	<u>462,038,796</u>
Community services	16,609,229	16,522,561	17,638,447	16,515,410	14,366,660
Education for adults	23,573,860	22,693,569	22,244,905	20,508,759	17,828,984
Capital outlay	205,539,953	166,970,851	200,399,726	161,734,202	132,056,762
Debt service:					
Principal	114,480,000	101,926,321	75,815,765	90,105,000	62,663,175
Interest and fiscal charges	133,013,278	134,464,342	141,457,068	118,391,994	106,825,938
Total debt service	<u>247,493,278</u>	<u>236,390,663</u>	<u>217,272,833</u>	<u>208,496,994</u>	<u>169,489,113</u>
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>1,749,835,001</u>	<u>1,635,818,138</u>	<u>1,579,213,124</u>	<u>1,480,907,105</u>	<u>1,376,123,018</u>
Deficiency of revenues under expenditures	(174,743,956)	(152,906,415)	(169,494,518)	(142,841,583)	(123,073,097)
Other financing sources (uses):					
Transfers in	18,184,640	20,519,669	23,722,566	23,172,970	16,052,982
Transfers out	(18,184,640)	(20,519,669)	(23,722,566)	(23,256,436)	(16,052,982)
Issuance of capital leases	110,658	395,098	5,468,230	2,271,141	-
Issuance of certificates of participation	45,544,722	84,483,935	17,710,000	46,175,000	9,680,591
Issuance of bonds	-	-	105,325,000	466,675,000	-
Premium on issuance of debt	-	-	25,776,657	80,796,550	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	-	-	106,130,000	-	143,280,000
Premium on refunding bonds	-	-	-	-	26,500,712
Face Amount of COPs	-	-	-	-	-
Debt service principal	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	(131,150,000)	-	(169,003,421)
Total other financing sources	<u>45,655,380</u>	<u>84,879,033</u>	<u>129,259,887</u>	<u>595,834,225</u>	<u>10,457,882</u>
Special Items	-	-	-	-	-
Change in fund balances	<u>\$ (129,088,576)</u>	<u>\$ (68,027,382)</u>	<u>\$ (40,234,631)</u>	<u>\$ 452,992,642</u>	<u>\$ (112,615,215)</u>
Debt service as a percentage of noncapital expenditures	16.14%	16.09%	15.75%	15.89%	13.71%

Continued next page

Source: School District annual financial reports for the respective years

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Revenues:					
Taxes	\$ 549,453,629	\$ 549,095,824	\$ 527,488,569	\$ 451,643,564	\$ 463,701,678
Intergovernmental:					
State sources	386,841,732	321,083,838	292,811,118	270,460,213	236,070,398
Federal sources	135,266,941	91,110,827	94,585,766	114,213,045	136,925,043
Charges for services	58,485,884	46,577,962	41,857,571	23,430,483	27,976,147
Investment income	2,191,056	6,646,572	5,346,754	2,010,633	7,476,771
Other local sources	46,432,436	56,121,534	42,198,314	54,343,359	49,898,805
Total revenue	<u>1,178,671,678</u>	<u>1,070,636,557</u>	<u>1,004,288,092</u>	<u>916,101,297</u>	<u>922,048,842</u>
Expenditures:					
Current:					
Instructional services	545,258,244	524,717,767	474,740,668	445,586,238	450,508,108
Supporting services:					
Pupil support	36,294,290	30,750,759	29,191,916	28,952,897	25,115,010
Instructional support	113,735,903	89,657,359	80,726,483	78,919,561	67,909,790
General administration	5,299,657	5,855,666	6,621,029	6,888,188	4,632,034
School administration	65,203,286	57,265,795	58,420,495	52,621,612	44,306,838
Business services	6,700,984	8,511,434	7,049,603	5,715,778	5,863,130
Operations and maintenance	74,977,466	77,295,764	75,907,378	78,203,626	74,239,981
Pupil transportation	22,571,539	21,759,520	20,626,032	20,319,139	17,786,788
Central services	72,231,405	76,726,379	64,742,988	57,892,081	48,503,467
Other support services	47,742,261	4,570,465	4,045,531	4,628,895	5,273,195
Total support services	<u>444,756,791</u>	<u>372,393,141</u>	<u>347,331,455</u>	<u>334,141,777</u>	<u>293,630,233</u>
Community services	12,899,168	11,600,514	10,465,425	9,491,061	7,259,244
Education for adults	17,810,826	14,504,741	14,775,707	15,908,260	11,716,004
Capital outlay	207,594,348	209,752,895	88,411,292	78,774,655	127,088,070
Debt service:					
Principal	57,125,000	52,638,533	424,254,920	30,492,391	27,070,024
Interest and fiscal charges	284,599,941	115,257,640	243,687,187	102,268,418	133,286,320
Total debt service	<u>341,724,941</u>	<u>167,896,173</u>	<u>667,942,107</u>	<u>132,760,809</u>	<u>160,356,344</u>
Debt issuance costs	-	-	7,419,384	760,824	6,791,796
Total expenditures	<u>1,570,044,318</u>	<u>1,300,865,231</u>	<u>1,611,086,038</u>	<u>1,017,423,624</u>	<u>1,057,349,799</u>
Deficiency of revenues under expenditures	(391,372,640)	(230,228,674)	(606,797,946)	(101,322,327)	(135,300,957)
Other financing sources (uses):					
Transfers in	26,513,288	7,384,908	25,776,235	29,807,290	57,609,285
Transfers out	(26,513,288)	(7,384,908)	(25,776,235)	(29,807,290)	(57,609,285)
Issuance of capital leases	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Issuance of bonds	-	25,347,008	1,075,390,000	-	30,805,000
Premium on issuance of debt	-	-	-	-	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	149,170,000	-	67,220,000	129,870,000	85,390,000
Premium on refunding bonds	24,225,792	-	78,030,437	16,171,251	14,842,531
Face Amount of COPs	-	-	-	-	792,280,000
Debt service principal	-	-	-	-	(750,000,000)
Payment to Bond Escrow Agent	-	-	(66,816,759)	(145,623,553)	(99,667,264)
Total other financing sources	<u>173,395,792</u>	<u>25,347,008</u>	<u>1,153,823,678</u>	<u>417,698</u>	<u>73,650,267</u>
Special Items	-	-	-	-	-
Change in fund balances	<u>\$ (217,976,848)</u>	<u>\$ (204,881,666)</u>	<u>\$ 547,025,732</u>	<u>\$ (100,904,629)</u>	<u>\$ (61,650,690)</u>
Debt service as a percentage of noncapital expenditures	25.08%	15.39%	43.87%	14.14%	17.24%

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SUMMARY OF EXPENDITURES BY FUNCTION AND OTHER FINANCING USES - GENERAL FUND
 LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Expenditures:					
Instructional services	\$ 622,903,734	\$ 555,976,258	\$ 484,208,616	\$ 437,905,667	\$ 466,866,692
Supporting services:					
Pupil support	69,814,604	58,488,826	56,583,981	49,753,091	37,126,952
Instructional support	99,003,429	99,065,785	95,764,566	79,952,672	70,635,195
General administration	7,539,801	5,740,240	7,064,098	6,525,345	5,642,389
School administration	77,047,427	78,720,284	75,888,710	73,368,180	68,299,902
Business services	13,294,858	15,033,777	14,339,316	12,152,815	7,571,069
Operations and maintenance	86,305,872	86,106,056	79,691,394	77,568,148	71,563,249
Pupil transportation	28,368,149	30,726,808	26,546,492	25,102,779	25,724,818
Central services	38,847,732	61,936,798	86,356,839	89,188,409	53,956,802
Other support services	51,261	24,650	97,898	1,131,085	1,036,037
Total support services	<u>420,273,133</u>	<u>435,843,224</u>	<u>442,333,294</u>	<u>414,742,524</u>	<u>341,556,413</u>
Community services	13,994,995	14,539,363	15,120,743	13,587,690	11,021,566
Education for adults	20,353	124,599	952,581	1,750,462	2,256,856
Capital outlay	1,603,160	1,642,364	6,387,652	2,092,671	1,467,271
Debt service:					
Principal payments	24,185,000	24,138,012	21,891,858	18,945,000	14,730,000
Interest and fiscal charges	46,185,341	45,508,555	46,097,937	46,170,414	46,114,624
Issuance costs of debt	-	-	-	-	-
Total expenditures	<u>1,129,165,716</u>	<u>1,077,772,375</u>	<u>1,016,992,681</u>	<u>935,194,428</u>	<u>884,013,422</u>
Other financing uses:					
Transfers out	18,114,719	20,440,202	23,176,635	9,775,503	9,926,794
Debt service principal	-	-	-	-	-
Total other financing uses	<u>18,114,719</u>	<u>20,440,202</u>	<u>23,176,635</u>	<u>9,775,503</u>	<u>9,926,794</u>
Total expenditures and other financing uses	<u>\$ 1,147,280,435</u>	<u>\$ 1,098,212,577</u>	<u>\$ 1,040,169,316</u>	<u>\$ 944,969,931</u>	<u>\$ 893,940,216</u>

Continued next page

Source: School District annual financial reports for the respective years

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SUMMARY OF EXPENDITURES BY FUNCTION AND OTHER FINANCING USES - GENERAL FUND
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Expenditures:					
Instructional services	\$ 435,036,390	\$ 418,723,429	\$ 364,156,448	\$ 326,490,335	\$ 333,728,437
Supporting services:					
Pupil support	29,300,812	25,685,836	23,591,382	23,623,681	21,399,605
Instructional support	64,420,077	50,236,006	42,541,541	37,443,813	27,893,132
General administration	4,891,160	5,465,573	6,068,298	6,270,835	4,444,726
School administration	63,290,849	54,895,533	55,494,061	50,610,332	39,082,284
Business services	5,970,739	7,718,542	6,560,065	5,249,788	4,933,010
Operations and maintenance	57,100,385	56,461,321	51,263,651	50,770,339	44,906,919
Pupil transportation	21,942,671	20,913,687	19,627,160	19,006,911	16,751,083
Central services	54,801,151	54,075,641	45,444,542	37,757,510	34,067,358
Other support services	914,267	705,984	719,810	757,315	697,865
Total support services	<u>302,632,111</u>	<u>276,158,123</u>	<u>251,310,510</u>	<u>231,490,524</u>	<u>194,175,982</u>
Community services	8,555,867	7,790,165	6,651,925	5,641,526	4,250,529
Education for adults	629,177	1,173,530	823,417	622,852	1,556,938
Capital outlay	1,270,899	528,674	195,172	1,847,261	1,036,732
Debt service:					
Principal payments	13,360,000	9,305,000	401,540,000	3,985,000	2,635,000
Interest and fiscal charges	45,878,257	48,629,712	188,137,089	52,412,285	82,181,236
Issuance costs of debt	-	-	3,633,148	-	6,023,749
Total expenditures	<u>807,362,701</u>	<u>762,308,633</u>	<u>1,216,447,709</u>	<u>622,489,783</u>	<u>625,588,603</u>
Other financing uses:					
Transfers out	19,727,702	7,067,866	22,505,189	28,240,127	57,399,265
Debt service principal	-	-	-	-	750,000,000
Total other financing uses	<u>19,727,702</u>	<u>7,067,866</u>	<u>22,505,189</u>	<u>28,240,127</u>	<u>807,399,265</u>
Total expenditures and other financing uses	<u>\$ 827,090,403</u>	<u>\$ 769,376,499</u>	<u>\$ 1,238,952,898</u>	<u>\$ 650,729,910</u>	<u>\$ 1,432,987,868</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SUMMARY OF REVENUES BY SOURCE AND OTHER FINANCING SOURCES - GENERAL FUND
 LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Revenues:					
Property taxes	\$ 769,149,008	\$ 664,565,675	\$ 657,100,914	\$ 559,685,741	\$ 495,515,584
Intergovernmental:					
State sources	303,212,342	339,992,597	281,166,970	334,508,875	330,071,454
Federal sources	1,195,373	1,154,792	1,047,048	1,051,459	1,021,504
Charges for services	61,185,131	67,507,804	62,970,356	40,640,410	36,843,509
Investment income	1,593,600	2,442,363	1,967,899	1,243,941	876,883
Other local sources	11,382,560	21,571,968	25,694,780	20,344,239	8,669,688
Total revenue	<u>1,147,718,014</u>	<u>1,097,235,199</u>	<u>1,029,947,967</u>	<u>957,474,665</u>	<u>872,998,622</u>
Other financing sources:					
Transfers in	-	79,467	1,876,568	12,969,063	8,931,274
Face amounts of refunding COPs	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Capital lease proceeds	110,658	395,098	5,205,770	2,133,598	-
Total other financing sources	<u>110,658</u>	<u>474,565</u>	<u>7,082,338</u>	<u>15,102,661</u>	<u>8,931,274</u>
Total revenue and other financing sources	<u>\$ 1,147,828,672</u>	<u>\$ 1,097,709,764</u>	<u>\$ 1,037,030,305</u>	<u>\$ 972,577,326</u>	<u>\$ 881,929,896</u>

Continued next page

Source: School District annual financial reports for the respective years

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

SUMMARY OF REVENUES BY SOURCE AND OTHER FINANCING SOURCES - GENERAL FUND
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Revenues:					
Property taxes	\$ 408,845,811	\$ 409,088,016	\$ 390,026,018	\$ 343,058,887	\$ 389,289,312
Intergovernmental:					
State sources	367,131,089	307,706,457	279,032,257	256,289,344	222,522,302
Federal sources	1,017,755	922,508	7,573,147	7,863,578	28,261,677
Charges for services	33,656,565	28,913,976	23,888,965	6,127,453	13,427,191
Investment income	725,088	659,844	695,884	708,770	772,199
Other local sources	8,708,951	5,899,120	7,923,953	20,270,542	15,165,361
Total revenue	<u>820,085,259</u>	<u>753,189,921</u>	<u>709,140,224</u>	<u>634,318,574</u>	<u>669,438,042</u>
Other financing sources:					
Transfers in	6,785,586	67,042	3,631,681	1,567,163	13,043,507
Face amounts of refunding COPs	-	-	-	-	792,280,000
Bond proceeds	-	-	536,855,000	-	-
Capital lease proceeds	-	-	-	-	-
Total other financing sources	<u>6,785,586</u>	<u>67,042</u>	<u>540,486,681</u>	<u>1,567,163</u>	<u>805,323,507</u>
Total revenue and other financing sources	<u>\$ 826,870,845</u>	<u>\$ 753,256,963</u>	<u>\$ 1,249,626,905</u>	<u>\$ 635,885,737</u>	<u>\$ 1,474,761,549</u>

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

ASSESSED NET VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN TAX YEARS (Unaudited)
 Amount in 000's

	2019	2018	2017	2016	2015
Vacant property	\$ 352,077	\$ 231,259	\$ 259,521	\$ 186,774	\$ 219,528
Residential property	8,957,539	7,428,065	7,211,589	6,059,029	5,919,659
Commercial property	10,664,888	8,224,419	8,084,596	6,521,348	6,445,053
Industrial property	230,238	175,198	179,325	143,930	150,606
Agricultural property	133	356	92	138	79
Oil and Gas property	-	-	-	-	-
Personal property	988,926	918,036	887,721	827,331	825,798
State assessed property	914,200	947,791	925,503	920,535	824,187
Total taxable assessed value	22,108,001	17,925,124	17,548,347	14,659,085	14,384,910
Total direct tax rate	72.116	77.365	77.134	81.547	78.127
Estimated actual taxable value	\$ 171,449,490	\$ 139,408,175	\$ 134,744,419	\$ 105,772,919	\$ 100,203,607
Assessed value as a percentage of estimated actual value	12.9%	12.9%	13.0%	13.9%	14.4%

Continued next page

Source: December 31, 2019 - City and County of Denver CAFR
 (The most current information available)

Taxable assessed values are reported net of tax-exempt property

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

ASSESSED NET VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS (Unaudited)
Amount in 000's

	2014	2013	2012	2011	2010
Vacant property	\$ 181,758	\$ 212,668	\$ 193,826	\$ 194,051	\$ 218,132
Residential property	4,567,603	4,469,706	4,345,018	4,325,747	4,598,108
Commercial property	4,909,533	4,886,510	4,567,479	4,655,265	5,426,538
Industrial property	122,425	124,503	120,329	147,433	142,372
Agricultural property	69	69	55	120	44
Oil and Gas property	-	-	-	-	63
Personal property	765,486	741,538	722,513	726,354	739,224
State assessed property	838,378	829,207	808,218	888,485	835,603
Total taxable assessed value	11,385,252	11,264,201	10,757,438	10,937,455	11,960,084
Total direct tax rate	83.054	83.090	84.071	71.307	66.591
Estimated actual taxable value	\$ 80,891,083	\$ 79,581,379	\$ 76,697,449	\$ 77,142,543	\$ 83,151,295
Assessed value as a percentage of estimated actual value	14.1%	14.2%	14.0%	14.2%	14.4%

SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DISTRICT NET ASSESSED VALUATIONS AND MILLS
 LAST TEN TAX YEARS (Unaudited)

Levy Collection Year	Assessed Valuation	Tax Increment Valuation	Net Assessed Value	Percent Change
2020	\$ 16,824,261,116	\$ 3,897,912,991	\$ 20,722,174,107	18.81%
2019	\$ 16,576,650,104	247,611,012	16,824,261,116	1.47%
2018	\$ 13,460,852,897	3,115,797,207	16,576,650,104	18.80%
2017	\$ 13,221,694,094	239,158,803	13,460,852,897	1.78%
2016	\$ 10,517,386,669	2,704,307,425	13,221,694,094	20.45%
2015	\$ 10,454,481,228	62,905,441	10,517,386,669	0.60%
2014	\$ 10,007,267,892	447,213,336	10,454,481,228	4.28%
2013*	\$ 10,200,816,964	(193,549,072)	10,007,267,892	-1.93%
2012	\$ 11,165,147,081	(964,330,117)	10,200,816,964	-9.45%
2011	\$ 11,270,854,510	(105,707,429)	11,165,147,081	-0.95%

Levy Collection Year	General Fund Mills	Debt Service Mills	Mill Levy Override	Abatement Mills	Total Mill Levy
2020	25.541	9.568	11.014	0.541	46.664
2019	25.541	9.568	12.829	0.306	48.244
2018	25.541	9.650	12.547	0.506	48.244
2017	25.541	9.383	14.948	0.524	50.396
2016	25.541	10.250	10.976	0.630	47.397
2015	25.541	10.519	12.466	0.773	49.299
2014	25.541	10.446	12.431	0.881	49.299
2013*	25.541	10.913	12.714	1.320	50.488
2012	25.541	7.958	7.584	1.182	42.265
2011	25.541	6.800	6.884	0.747	39.972

For Fiscal Year Ended June 30, 2020

Taxing Entity	Mill Levy
City and County of Denver	24.455
Urban Drainage and Flood Control	0.997
Overlapping Mill Levy	25.452
School District #1	46.664
Total Mill Levy	72.116

Source: Certification of Levy for Current Year

Source: The taxing entity mill levy is from the City and County of Denver Assessor's Office

* Of the increase in mills from 2012 to 2013, 7.609 mills are due to voter approved 2012 ballot initiatives

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

PROPERTY TAX RATES PER \$1,000 OF ASSESSED VALUATION -
DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN YEARS (Unaudited)

<u>Tax Year</u>	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Total</u>	<u>Denver County</u>	<u>Police and Firemen Pension</u>	<u>Improvement and Services Districts</u>	<u>Total</u>
2019	37.096	9.568	46.664	15.760	2.285	7.407	72.116
2018	38.676	9.568	48.244	18.355	2.594	8.172	77.365
2017	38.594	9.650	48.244	18.377	2.598	7.915	77.134
2016	41.013	9.383	50.396	19.709	2.949	8.493	81.547
2015	37.147	10.250	47.397	19.764	2.960	8.006	78.127
2014	38.780	10.519	49.299	21.589	3.438	8.728	83.054
2013	38.853	10.446	49.299	21.618	3.447	8.726	83.090
2012	39.575	10.913	50.488	21.312	3.480	8.791	84.071
2011	34.307	7.958	42.265	17.385	3.331	8.326	71.307
2010	33.172	6.800	39.972	16.035	2.889	7.695	66.591

Source: December 31, 2019 - City and County of Denver CAFR
(The most current information available)

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

PRINCIPAL PROPERTY TAXPAYERS
 CURRENT COMPLETED CALENDAR YEAR AND NINE YEARS PRIOR (Unaudited)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Public Service Co.	\$ 317,319	1	1.44%	\$ 186,368	2	1.56%
Brookfield Properties	301,011	2	1.36%	100,168	5	0.84%
Invesco Realty Advisers Inc.	237,964	3	1.08%			
Beacon Capital Partners	161,004	4	0.73%			
Hines Securities Inc	154,517	5	0.70%			
Franklin Streen Properties	153,166	6	0.69%			
Taubman Centers Inc.	132,775	7	0.60%			
Columbia-Healthone, LLC	131,453	8	0.59%			
Kroenke Sports Enterprises	128,826	9	0.58%			
Shorenstein Properties LLC	116,229	10	0.53%			
LBA Realty Fund II Co. IV				100,259	4	0.84%
UBS Realty Investors				91,404	8	0.76%
Qwest Corp				201,904	1	1.69%
Callahan Capital Partners				126,063	3	1.05%
United Airlines, Inc.				92,569	6	0.77%
MPG Office Trust, Inc.				86,276	10	0.72%
Frontier Airlines				92,248	7	0.77%
Broadreach Capital Partners				91,236	9	0.76%
Totals	<u>\$ 1,834,264</u>		<u>8.30%</u>	<u>\$ 1,168,495</u>		<u>9.76%</u>

Source: December 31, 2019 - City and County of Denver CAFR
 (The most current information available)

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS (Unaudited)

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Taxes Collected (Taxes Refunded)</u>	<u>Total Taxes Collected</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2011	446,293,259	440,916,593	98.80	(4,907,177)	436,009,416	97.70
2012	431,137,524	422,713,147	98.05	(1,432,860)	421,280,287	97.71
2013	505,246,942	502,946,005	99.54	(809,506)	502,136,499	99.38
2014	515,395,470	511,059,056	99.16	460,277	511,519,333	99.25
2015	518,496,645	513,820,030	99.10	(1,163,514)	512,656,516	98.87
2016	626,668,635	621,313,860	99.15	160,185	621,474,045	99.17
2017	678,373,143	674,714,380	99.46	(620,259)	674,094,120	99.37
2018	799,723,908	793,052,267	99.17	557,110	793,609,377	99.24
2019**	811,669,653	807,221,301	99.45	(3,315,419)	803,905,882	99.04
2020*	966,979,533	947,752,473	98.01	(742,721)	947,009,752	97.93

Source: District financial records for the respective years

* Property taxes are levied on a calendar year basis. Tax collections for 2020 represent collections for January through September 2020.

** Current Tax Collections for 2019 have been updated with the full calendar year figures.

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Assessed value (prior year)	\$ 22,108,001,450	\$ 17,925,134,030	\$ 17,548,347,337	\$ 14,659,085,700	\$ 14,384,909,283
Actual value (prior year)	171,449,489,953	139,408,174,638	134,744,419,497	105,772,919,056	100,203,607,405
Debt limit is greater of:					
20% of assessed value	4,421,600,290	3,585,026,806	3,509,669,467	2,931,817,140	2,876,981,857
or 6% of actual value*	10,286,969,397	8,364,490,478	8,084,665,170	6,346,375,143	6,012,216,444
Debt limit	10,286,969,397	8,364,490,478	8,084,665,170	6,346,375,143	6,012,216,444
Amount of debt applicable to debt limits	1,623,512,000	1,708,747,000	1,783,592,000	1,718,072,000	1,321,607,000
Less: amount reserved for long-term debt	<u>(201,801,053)</u>	<u>(167,631,916)</u>	<u>(160,157,619)</u>	<u>(130,144,786)</u>	<u>(140,280,738)</u>
Net chargeable to bond limit	<u>1,421,710,947</u>	<u>1,541,115,084</u>	<u>1,623,434,381</u>	<u>1,587,927,214</u>	<u>1,181,326,262</u>
Legal debt margin	<u>\$ 8,865,258,450</u>	<u>\$ 6,823,375,394</u>	<u>\$ 6,461,230,789</u>	<u>\$ 4,758,447,929</u>	<u>\$ 4,830,890,182</u>
Total net debt applicable to the limit as a percentage of debt limit	13.82%	18.42%	20.08%	25.02%	19.65%

Continued next page

Sources: The Certification of Assessed Valuation is from the City and County of Denver Assessor's Office in early December, prior to the District's certification of the mill levies which can be no later than December 15th. The assessed valuation figure is inclusive of tax increment values.

* Section 22-42-104 of the Colorado School Law limits the amount of bonded indebtedness to the greater of 20% of the latest valuation for assessment of taxable property in such district, as verified by the Count Assessor to the Board of County Commissioners, or 6% of the most recent determination of the actual value of the taxable property in the district, as certified by the County Assessor to the Board of County Commissioners.

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Assessed value (prior year)	\$ 11,385,251,250	\$ 11,264,201,810	\$ 10,757,438,400	\$ 10,937,453,830	\$ 11,960,083,760
Actual value (prior year)	80,891,082,600	79,581,379,500	76,697,448,800	77,142,545,500	83,151,295,000
Debt limit is greater of:					
20% of assessed value	2,277,050,250	2,252,840,362	2,151,487,680	2,187,490,766	2,392,016,752
or 6% of actual value*	4,853,464,956	4,774,882,770	4,601,846,928	4,628,552,730	4,989,077,700
 Debt limit	 4,853,464,956	 4,774,882,770	 4,601,846,928	 4,628,552,730	 4,989,077,700
Amount of debt applicable to debt limits	1,364,745,175	1,408,510,175	1,430,390,175	1,002,395,175	1,032,125,175
Less: amount reserved for long-term debt	(109,761,547)	(105,629,590)	(102,079,673)	(72,084,732)	(66,657,069)
Net chargeable to bond limit	<u>1,254,983,628</u>	<u>1,302,880,585</u>	<u>1,328,310,502</u>	<u>1,002,395,175</u>	<u>978,012,133</u>
 Legal debt margin	 <u>\$ 3,598,481,328</u>	 <u>\$ 3,472,002,185</u>	 <u>\$ 3,273,536,426</u>	 <u>\$ 3,698,242,287</u>	 <u>\$ 4,011,065,567</u>
 Total net debt applicable to the limit as a percentage of debt limit	 25.86%	 27.29%	 28.86%	 21.66%	 19.60%

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE AND NET GENERAL BOND DEBT
 LAST TEN FISCAL YEARS (Unaudited)

Year	District Population*	Assessed Property Valuation*	General Bonded Debt	Certificates of Participation	Capital Leases	Gross Debt Primary Government
2020	727,211	\$ 22,108,001,450	\$ 1,758,455,749	\$ 1,105,613,043	\$ 3,259,407	\$ 2,867,328,199
2019	716,492	\$ 17,925,134,030	\$ 1,860,560,351	\$ 1,091,324,507	\$ 4,567,393	2,956,452,251
2018	693,292	17,548,347,337	1,953,095,785	1,034,383,784	5,430,536	2,992,910,105
2017	693,060	14,659,085,700	1,889,552,488	1,077,242,045	1,253,441	2,968,047,974
2016	682,545	14,384,909,283	1,433,272,568	1,044,456,762	-	2,477,729,330
2015	663,862	11,385,251,250	1,482,464,966	1,049,340,225	-	2,531,805,191
2014	649,495	11,264,201,810	1,513,418,866	1,062,149,172	-	2,575,568,038
2013	634,265	10,757,438,400	1,506,436,908	863,946,953	53,534	2,370,437,395
2012	619,968	10,937,453,830	1,018,114,694	720,556,945	298,454	1,738,970,093
2011	600,158	11,960,083,760	1,069,869,202	718,033,565	530,845	1,788,433,612

Continued next page

Source: School District Financials

Source: * December 31, 2019 - City and County of Denver CAFR
 (The most current information available)

** Personal income not available this year from data source.

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements.

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

RATIOS OF OUTSTANDING DEBT BY TYPE AND NET GENERAL BOND DEBT
LAST TEN FISCAL YEARS (Unaudited)

Year	Less Debt Service Funds Available	Net General Bonded Debt	Net General Bonded Debt to Assessed Value	Total Debt Per Capita	Net General Bonded Debt Per Capita	Personal Income (expressed in millions)	Percentage of Personal Income to O/S Debt
2020	\$ 203,916,531	\$ 1,554,539,218	7.03%	\$ 3,943	\$ 2,138	n/a	** n/a
2019	173,213,859	1,687,346,492	9.41%	4,126	2,355	57,211,000	5.17%
2018	160,157,619	1,792,938,166	10.22%	4,317	2,586	47,289,000	6.33%
2017	130,144,786	1,759,407,702	12.00%	4,283	2,539	46,612,000	6.37%
2016	140,280,738	1,292,991,830	8.99%	3,630	1,894	46,617,000	5.32%
2015	109,761,547	1,372,703,419	12.06%	3,814	2,068	41,743,000	6.07%
2014	109,621,401	1,403,797,465	12.46%	3,965	2,161	36,999,000	6.96%
2013	109,580,300	1,396,856,608	12.99%	3,737	2,202	35,271,000	6.72%
2012	72,084,732	946,029,962	8.65%	2,805	1,526	33,811,000	5.14%
2011	66,657,070	1,003,212,132	8.39%	2,980	1,672	30,515,000	5.86%

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DIRECT AND OVERLAPPING DEBT
 (Unaudited)

<u>Taxing Body</u>	<u>Total Debt Outstanding</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping Debt				
City and County of Denver	<u>2,785,002,000</u>	12/31/19	100%	<u>2,785,002,000</u>
School District No. 1 Denver	<u>2,867,328,199</u>	06/30/20	100%*	<u>2,867,328,199</u>
	<u>\$ 5,652,330,199</u>			<u>\$ 5,652,330,199</u>

Source: City and County of Denver 2019 CAFR - December 31, 2019

Source: School District Financials - June 30, 2020

*As per City and County of Denver 2019 CAFR, all overlapping debt for Denver Public Schools is considered overlapping at 100%

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (Unaudited)

Year Ended June 30,	Population	Total Personal Income	Median Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2020	727,211	N/A*	N/A*	35.8	92,039	2.5%
2019	716,492	\$ 57,211	\$ 79,849	35.4	93,356	3.0%
2018	693,292	\$ 47,289	\$ 69,862	35.1	92,686	3.0%
2017	693,060	\$ 46,612	\$ 67,256	34.9	92,331	3.0%
2016	682,545	\$ 46,617	\$ 68,299	34.7	91,429	3.7%
2015	663,862	\$ 41,743	\$ 62,880	34.5	90,150	4.3%
2014	649,495	\$ 36,999	\$ 56,967	34.3	87,398	7.0%
2013	634,265	\$ 35,721	\$ 56,318	34.2	84,424	8.2%
2012	619,968	\$ 33,811	\$ 54,537	33.9	81,870	9.2%
2011	600,158	\$ 30,515	\$ 50,845	33.8	79,423	10.0%

Source: December 31, 2019 - City and County of Denver CAFR
(The most current information available)

*Total personal income and Median per capita income not available this year from data sources

Certain data on this table are only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

SCHOOL DISTRICT NO.1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

PRINCIPAL EMPLOYERS
 CURRENT COMPLETED CALENDAR YEAR AND NINE YEARS PRIOR (Unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	13,051	1	2.7%	10,698	1	3.0%
City and County of Denver	11,695	2	2.5%	9,879	2	2.8%
State of Colorado Central Payroll	9,879	3	2.1%	9,503	3	2.7%
Denver Health & Hospital Authority	7,396	4	1.6%	5,512	4	1.6%
Deloitte Consulting LLP	7,314	5	1.6%	-	-	-
United Airlines, Inc	6,744	6	1.5%	4,204	5	-
CHC Payroll Agent, Inc. (HCA Health One)	4,698	7	1.0%	3,477	8	1.0%
University of Denver	4,241	8	0.9%	3,448	9	-
USDA National Finance Center	3,904	9	0.8%	3,925	6	1.1%
University of Colorado Central	3,435	10	0.7%	-	-	-
Qwest Corporation	-	-	-	3,524	7	1.0%
Frontier Airlines	-	-	-	3,445	10	1.0%
Total	72,357		15.4%	57,615		14.2%

Source: December 31, 2019 - City and County of Denver CAFR
 (The most current information available)
 Based on 2019 and 2010 Principal Employers.



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SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NUTRITION SERVICES - FACTS AND FIGURES
LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
Number of schools participating in:					
Lunch - regular schedule	246	201	201	196	190
Breakfast program	244	201	205	196	187
Student lunches served:					
Free	3,951,058	5,188,252	5,543,297	5,790,913	6,039,463
Reduced	730,590	755,021	842,383	766,864	710,818
Fully paid	1,259,076	1,657,770	1,492,549	1,308,708	1,262,199
Total	5,940,724	7,601,043	7,878,229	7,866,485	8,012,480
Adult lunches served	307,522	19,463	18,795	21,142	25,558
Student breakfasts served:					
Free	2,746,512	3,569,110	4,051,403	4,181,279	4,360,853
Reduced	499,217	544,058	670,302	613,974	555,004
Fully paid	935,579	1,233,206	1,277,618	1,226,889	1,143,377
Total	4,181,308	5,346,374	5,999,323	6,022,142	6,059,234
Number of serving days:					
Regular schedule	174.5	174.5	173	173.5	173.5
Average daily participation:					
Student lunch	34,044	43,559	45,539	45,340	46,181
Adult lunch	1762	112	109	122	147
Student breakfast	23,962	30,638	34,678	34,710	34,924
October 1 pupil count	93,815	93,356	93,403	92,754	91,860
Percentage of students daily eating school lunch	36.29%	46.66%	48.76%	48.88%	50.27%
October 1 count of benefits					
Students on free lunch	48,474	51,467	53,167	53,734	55,505
Students on reduced lunch	10,041	8,235	9,053	8,469	7,430
Percentage of students on:					
Free lunch	51.67%	55.13%	56.92%	57.93%	60.42%
Reduced lunch	10.70%	8.82%	9.69%	9.13%	8.09%
Total	62.37%	63.95%	66.61%	67.06%	68.51%

Continued next page

Source: School District Planning Department

**2020 Food Nutrition Services (FNS) had 40 sites participate in the SSO (Emergency Feeding) between 3/16-6/30. During SSO (Emergency Feeding), FNS served an additional 106 days which included weekend service (3/16-6/30). FNS served 297,670 adult lunches during the SSO (Emergency Feeding). The office did receive reimbursements from the DPS Foundation for these meals.*

SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NUTRITION SERVICES - FACTS AND FIGURES
LAST TEN FISCAL YEARS (Unaudited)

	2015	2014	2013	2012	2011
Number of schools participating in:					
Lunch - regular schedule	178	170	167	154	136
Breakfast program	176	164	163	146	121
Student lunches served:					
Free	6,321,861	6,545,540	6,157,279	6,247,801	5,873,222
Reduced	740,182	560,806	498,219	531,509	584,553
Fully paid	1,229,486	1,104,247	1,009,743	1,097,105	1,127,243
Total	<u>8,291,529</u>	<u>8,210,593</u>	<u>7,665,241</u>	<u>7,876,415</u>	<u>7,585,018</u>
Adult lunches served	40,205	47,833	50,983	52,596	67,645
Student breakfasts served:					
Free	4,598,757	3,915,825	3,200,617	2,660,621	2,074,211
Reduced	564,425	365,988	282,440	228,977	197,429
Fully paid	1,080,075	826,957	614,875	527,877	390,855
Total	<u>6,243,257</u>	<u>5,108,770</u>	<u>4,097,932</u>	<u>3,417,475</u>	<u>2,662,495</u>
Number of serving days:					
Regular schedule	172.5	172.5	171	171	170
Average daily participation:					
Student lunch	48,067	47,598	44,826	46,061	44,618
Adult lunch	233	277	298	308	398
Student breakfast	36,193	29,616	23,965	19,985	15,662
October 1 pupil count	90,591	87,398	84,424	81,870	79,423
Percentage of students daily eating school lunch	53.06%	54.46%	53.10%	56.26%	56.18%
October 1 count of benefits					
Students on free lunch	55,755	56,945	55,415	53,994	48,545
Students on reduced lunch	7,382	6,032	5,512	5,369	5,520
Percentage of students on:					
Free lunch	61.55%	65.16%	65.64%	65.95%	61.12%
Reduced lunch	8.15%	6.90%	6.53%	6.56%	6.95%
Total	<u>69.69%</u>	<u>72.06%</u>	<u>72.17%</u>	<u>72.51%</u>	<u>68.07%</u>

SCHOOL DISTRICT NO, 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

FULL-TIME EQUIVALENT EMPLOYEES
LAST TEN FISCAL YEARS (Unaudited)

	2020	2019	2018	2017	2016
All Funds					
Instruction	6,340	6,575	6,439	6,686	6,948
Pupil support	1,089	1,177	1,173	849	792
Instructional support	1,200	1,240	1,160	1,355	1,361
General administration	61	58	46	39	40
School administration	878	849	865	833	827
Business services	138	128	124	122	118
Operation & maintenance	1,002	1,115	1,089	1,073	964
Pupil transportation	461	469	502	527	523
Central services	641	561	537	628	619
Community services	156	171	183	315	246
Education for adults	207	343	163	422	240
Food services	768	764	772	790	675
	12,941	13,450	13,053	13,639	13,353

	2020	2019	2018	2017
Degree Held				
Bachelor's	3,760	3,834	3,761	3,730
Master's	4,408	4,271	4,449	4,421
Doctoral / Master's plus	229	211	217	224
Other	595	620	630	713

	2015	2014	2013	2012	2011
All Funds					
Instruction	7,495	6,911	4,893	5,277	6,694
Pupil support	533	448	386	422	498
Instructional support	1,133	803	812	786	1,089
General administration	37	36	26	28	26
School administration	756	37	699	705	612
Business services	131	108	114	124	97
Operation & maintenance	917	1,011	722	717	720
Pupil transportation	544	579	190	190	194
Central services	589	602	384	362	314
Community services	205	283	121	100	139
Education for adults	130	20	77	141	62
Food services	676	581	156	145	146
	13,146	11,419	8,580	8,997	10,591

Source: School District financial reports for the respective years. Full-time equivalent employees are the number of budgeted employees for the respective years.

As of June 30, 2020 the degree held data is for 12,401 actual FTE's (9,898 of whom are full-time and 2,503 of whom are part-time) and reflect degrees disclosed for the respective year.

SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS - SCHOOLS (Unaudited)

Enrollment is as of October 1 in fiscal year.					
	2020	2019	2018	2017	2016
Elementary & K-8 Schools:**	111	111	110	111	121
Total Square Feet	8,227,573	8,176,304	8,055,067	7,848,747	6,694,908
Total Capacity (Students)	74,214	74,214	73,575	73,200	67,050
Enrollment	43,530	43,994	45,426	46,002	46,388
Middle Schools:**	14	14	14	13	29
Total Square Feet	1,651,073	1,651,073	1,651,073	1,647,064	1,955,193
Total Capacity (Students)	12,325	12,325	12,325	12,425	14,825
Enrollment	9,443	9,271	12,157	10,185	9,921
High Schools:**	44	43	43	43	35
Total Square Feet	5,778,945	5,683,459	5,683,459	5,660,945	4,843,312
Total Capacity (Students)	44,593	44,025	44,025	44,425	39,050
Enrollment	19,046	18,711	14,786	17,082	16,679
Alternative Schools:***	14	14	13	14	18
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	1,743	1,791	1,852	1,884	1,727
Charter Schools:***	58	58	58	54	60
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	20,053	19,589	18,763	17,178	16,714
	2015	2014*	2013	2012	2011
Elementary & K-8 Schools:**	120	136	82	82	82
Total Square Feet	6,694,908	6,694,908	5,651,281	5,596,588	5,401,362
Total Capacity (Students)	67,050	67,050	42,226	42,226	42,226
Enrollment	48,153	46,658	44,391	39,673	40,119
Middle Schools:**	29	15	15	14	14
Total Square Feet	1,955,193	1,955,193	2,114,045	2,114,543	2,026,369
Total Capacity (Students)	14,825	14,825	14,364	14,364	14,364
Enrollment	9,146	9,738	9,551	8,613	8,610
High Schools:**	27	38	12	12	12
Total Square Feet	4,824,362	4,824,362	3,793,938	3,774,707	3,522,950
Total Capacity (Students)	39,050	39,050	21,385	21,385	21,385
Enrollment	16,053	15,822	15,608	13,492	13,636
Alternative Schools:***	18	13	4	5	6
Total Square Feet	-	-	263,581	263,581	253,399
Total Capacity (Students)	-	-	1,006	1,006	1,006
Enrollment	1,774	1,613	1,597	923	861
Charter Schools:***	51	43	18	18	19
Total Square Feet	-	-	11,414	11,414	53,517
Total Capacity (Students)	-	-	-	-	-
Enrollment	15,024	13,567	11,567	5,391	5,349

Sources: School District Research and Planning Office, and Facilities Planning Department

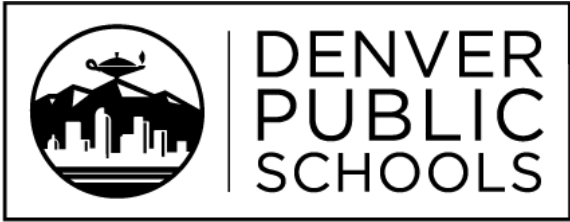
* The District has changed the presentation of this schedule. For the Alternative and Charter Schools located in DPS owned buildings, square footage and capacity are reflected in the K-12 building data and enrollment data is reflected within the Alternative and Charter Schools program categories.

** Building Count - In 2017 changed presentation by counting multi grade sites as single sites within their respective grade categories and we are now counting eight middle schools as high schools since their program changed to grades 6-12

*** Program Count



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SINGLE AUDIT REPORT

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*

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado
Denver, Colorado

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 the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2020 which contained an emphasis of matter paragraph regarding a change in reporting entity and to correct misstatements and a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust Fund (the ProComp fund), a blended component unit. Our report also includes a reference to other auditors who audited the financial statements of all of the charter schools, except for KIPP Colorado Schools and STRIVE Preparatory Schools, that are included as remaining aggregate discretely presented component units. The component units included as remaining aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Rocky Mountain Preparatory, KIPP Colorado Schools and STRIVE Preparatory Schools. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
November 19, 2020

**Independent Auditor's Report on Compliance
For Each Major Federal Program and Report on
Internal Control Over Compliance**

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado
Denver, Colorado

Report on Compliance for Each Major Federal Program

We have audited School District No. 1 in the City and County of Denver and State of Colorado's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District'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 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 District'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 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

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 District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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 for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs 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 District'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 a 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.

Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

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.

BKD, LLP

Denver, Colorado
February 24, 2021

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
Department of Agriculture				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	Colorado Department of Education	4553	10.553	\$ 6,007,560
National School Lunch Program	Colorado Department of Education	4555	10.555	14,336,146
COVID-19- National School Lunch Program	Colorado Department of Education	4555	10.555	3,956,699
Donated Commodities	Colorado Department of Human Services	None	10.555	2,265,499
Summer Food Service Program for Children	Colorado Department of Education	4559	10.559	275,951
<i>Child Nutrition Cluster Subtotal</i>				<u>26,841,855</u>
Child and Adult Care Food Program	Colorado Department of Public Health- Environment	193CO301N1090	10.558	19,729
Farm to School Grant Program	Colorado Department of Education	4575	10.575	1,295
Fresh Fruit and Vegetable Program	Colorado Department of Education	4582	10.582	858,981
Total Department of Agriculture				<u>27,721,860</u>
Department of Defense				
JROTC Career Academy			12.000	887,102
Total Department of Defense				<u>887,102</u>
Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Program	Colorado Department of Public Safety	2017-DJ-17-03-50-3	16.738	20,603
Total Department of Justice				<u>20,603</u>
Department of Labor				
<i>WIA/WIOA Cluster</i>				
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201735302-00	17.259	591
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201842412-00	17.259	43,156
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201948967-00	17.259	273,680
<i>WIA/WIOA Cluster Subtotal</i>				<u>317,427</u>
Total Department of Labor				<u>317,427</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
National Science Foundation				
<i>Research and Development Cluster</i>				
Education and Human Resources	University of Colorado	1742053	47.076	54,873
<i>Research and Development Total</i>				<u>54,873</u>
Total National Science Foundation				<u>54,873</u>
Department of Treasury				
COVID-19 - Coronavirus Relief Fund	Colorado Department of Education	4012	21.019	12,442,209
Total Department of Treasury				<u>12,442,209</u>
Department of Education				
Adult Education - Basic Grants to States	Colorado Department of Education	5002	84.002	411,778
Adult Education - Basic Grants to States	Colorado Department of Education	6002	84.002	100,045
<i>Adult Education-Basic Grants to States Subtotal</i>				<u>511,823</u>
<i>Federal Student Financial Aid Cluster</i>				
Federal Supplemental Educational Opportunity Grants			84.007	90,500
Federal Pell Grant Program			84.063	1,247,064
<i>Federal Student Financial Aid Cluster Subtotal</i>				<u>1,337,564</u>
Title I Grants to local Educational Agencies	Colorado Department of Education	4010	84.010A	29,060,228
Title I Grants to local Educational Agencies	Colorado Department of Education	5010	84.010A	2,520,324
Title I Grants to local Educational Agencies	Colorado Department of Education	7010	84.010A	453,375
<i>Title I Grants to Local Educational Agencies Subtotal</i>				<u>32,033,927</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education Grants to States	Colorado Department of Education	4027	84.027	18,177,071
Special Education Preschool Grants	Colorado Department of Education	4173	84.173	454,561
<i>Special Education Cluster Subtotal</i>				<u>18,631,632</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
Department of Education (Continued)				
Career and Technical Education -- Basic Grants to States	Colorado Community College System	1869	84.048	741,715
Career and Technical Education -- Basic Grants to States	Colorado Community College System	2004	84.048	443,943
Career and Technical Education -- Basic Grants to States	Colorado Community College System	1906	84.048	(4,800)
<i>Career and Technical Education--Basis Grants to States Subtotal</i>				1,180,858
Indian Education Grants to Local Education Agencies			84.060	182,608
Special Education- Grants for Infants and Families	Colorado Department of Education	5181	84.181A	66,020
School Safety National Activities	Colorado Department of Education	8174	84.184F	7,000
Education for Homeless Children and Youth	Colorado Department of Education	5196	84.196	960
Charter Schools	Colorado Department of Education	5282	84.282A	689,951
Twenty-First Century Community Learning Centers	Colorado Department of Education	5287	84.287	387,327
Twenty-First Century Community Learning Centers	Colorado Department of Education	6287	84.287	580,986
Twenty-First Century Community Learning Centers	Colorado Department of Education	5287	84.287C	186,911
Twenty-First Century Community Learning Centers	Colorado Department of Education	6287	84.287C	126,430
<i>Twenty- First Century Community Learning Centers Subtotal</i>				1,281,654
Teacher Quality Partnership Grants	University of Colorado at Boulder	FY15.733.001	84.336	50,921
English Language Acquisition State Grants	Colorado Department of Education	4365	84.365A	2,035,903
English Language Acquisition State Grants	Colorado Department of Education	7365	84.365A	158,312
<i>English Language Acquisition State Grants Subtotal</i>				2,194,215

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
Department of Education (Continued)				
Supporting Effective Instruction State Grants	Colorado Department of Education	4367	84.367A	2,618,300
Title I Grants to Local Educational Agencies	Colorado Department of Education	7377	84.377A	(3,407)
Student Support and Academic Enrichment Program	Colorado Department of Education	4424	84.424	1,466,836
COVID-19- Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4425	84.425D	94,816
COVID-19- Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	Colorado Department of Higher Education	A942502	84.425E	653,520
<i>Education Stabilization Fund Subtotal</i>				<u>748,336</u>
Total Department of Education				<u>62,999,198</u>
Department of Health and Human Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Denver Health and Hospital Authority	E4573-2A	93.243	2,959
Teenage Pregnancy Prevention Program	Colorado Youth Matter	None	93.297	4,258
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	18 IHGA 104544	93.558	49,800
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	19 IHGA 127101	93.558	372,995
<i>Temporary Assistance for Needy Families (TANF) Subtotal</i>				<u>422,795</u>
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	Colorado Department of Human Services	19 IHGA 12701	93.566	98,642
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	Colorado Department of Human Services	20 IHGA 140833	93.566	295,757
<i>Refugee and Entrant Assistance State/Replacement Designee Administered Programs Subtotal</i>				<u>394,399</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
Department of Health and Human Services (Continued)				
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	19 IHGA 129622	93.576	67,446
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	20 IHGA 140833	93.576	84,483
<i>Refugee and Entrant Assistance Discretionary Grants Subtotal</i>				<u>151,929</u>
Head Start	City and County of Denver	MOEAI-201950748-01	93.600	1,981,706
Head Start	City and County of Denver	PO-00073767	93.600	1,100
<i>Head Start Subtotal</i>				<u>1,982,806</u>
Opioid STR	Colorado Department of Human Services	20 IHJA 140936	93.788	56,913
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services	19 IHJA 108972	93.959	49,380
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services	20 IHJA 129291	93.959	78,879
<i>Block Grants for Prevention and Treatments of Substance Abuse Subtotal</i>				<u>128,259</u>
Total Department of Health and Human Services				<u>3,144,318</u>
Total Federal Expenditures				<u>\$ 107,587,590</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the District. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the District through the state of Colorado or other non-federal entities. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

The District's basic financial statements include the operations of the Denver School of Science and Technology, Inc., a discretely presented component unit, which received \$475,460 in federal awards which are not included in the District's schedule of expenditures of federal awards for the year ended June 30, 2020.

2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following, as applicable, either the cost principles contained in Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass through grantors. The District utilizes the indirect cost rate established for it by the Colorado Department of Education, therefore it has not used the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. Certain grant programs have not been assigned Catalog of Federal Domestic Assistance (CFDA) numbers by the federal government, or the numbers are not obtainable. These programs are identified in the Schedule by the federal agency number followed by three zeros (for example, 12.000).
4. During the year ended June 30, 2020, the District did not pass through any federal funds to subrecipients.
5. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
6. Commodities donated to the District by the U.S Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The District takes possession of all inventory, including commodity items when they reach the District's dock or cold storage facility, and title passes at that time. The majority of commodity items are stored in the district warehouse or off-site cold storage facility. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (CFDA 10.555) on the Schedule. The District recognized noncash awards of \$2,265,499 for the year ended June 30, 2020.

**School District No. 1 in the
City and County of Denver and State of Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

7. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor’s report on internal control over financial reporting disclosed:

Significant deficiency(ies)? Yes None Reported
Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

Federal Awards

4. The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? Yes None Reported
Material weakness(es)? Yes No

5. The opinions expressed in the independent auditor’s report on compliance for major federal award programs were:

Unmodified Qualified Adverse Disclaimer

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2020**

7. The District's major programs were:

CFDA Number	Name of Federal Program or Cluster
84.027, 84.173 21.019	Special Education Cluster (IDEA) Coronavirus Relief Fund

8. The threshold used to distinguish between Type A and Type B programs: \$3,000,000.

9. The District qualified as low-risk auditee? Yes No

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2020**

Section II – Financial Statement Findings

Reference Number	Findings
	No Findings Noted.

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2020**

Section III – Federal Awards Findings

Reference Number	Findings
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No Findings Noted.

**School District No. 1 in the
City and County of Denver and State of Colorado
Status of Prior Year Audit Findings
Year Ended June 30, 2020**

Reference Number	Summary of Finding	Status
2019-001	<i>Revenue Recognition</i> – We recommend that the District compile a summary listing of all such agreements and applicable terms. In addition, we recommend the Controller’s Office review all agreements at the time of inception for any eligibility requirements which the District may be subject to. Furthermore, a member of the Controller’s Office should be present at the discussion of any new agreements.	Implemented.



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