

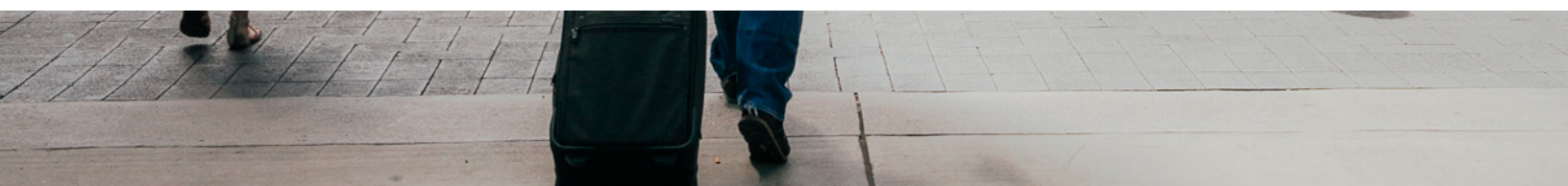
Comprehensive Annual Financial Report 2020

Year Ended December 31, 2020

City and County of Denver, Colorado



DENVER
THE MILE HIGH CITY



Comprehensive Annual Financial Report

City and County of Denver, Colorado | Year Ended December 31, 2020

prepared by

Department of Finance

Controller's Office

Brendan Hanlon, Chief Financial Officer

William Riedel, CGFM, Controller

Available online at www.denvergov.org/finance

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Introduction





June 25, 2021

Citizens of the City and County of Denver,
Honorable Mayor, Honorable Auditor,
Honorable Clerk and Recorder,
Honorable Members of City Council, and
Audit Committee



Brendan Hanlon
Chief Financial Officer

State law requires the City and County of Denver (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is prepared by the Controller's Office under the Department of Finance according to Article 2, Part 5 of the City's Charter. Pursuant to the requirements, I hereby issue the Comprehensive Annual Financial Report of the City for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making those representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

BKD, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's basic financial statements as of and for the year ended December 31, 2020. The independent Auditors' report is presented as the first component of the financial section of this report.

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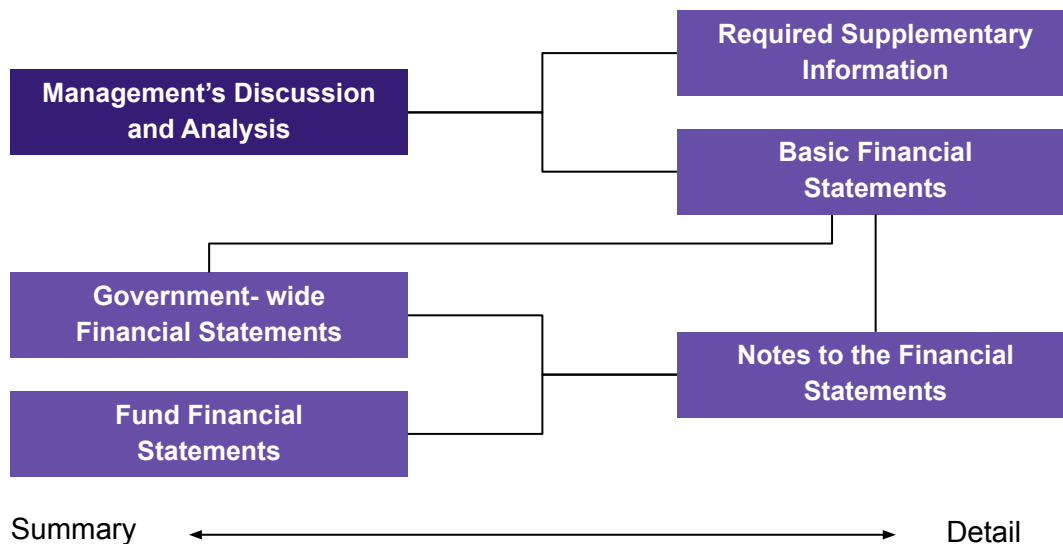
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The Report

The Comprehensive Annual Financial Report is presented in three sections:

- The **Introduction section** includes this letter of transmittal, Mayor, Auditor, District Attorney, Clerk and Recorder, and City Council introductions, the City’s organization chart, and certificates of achievement.
- The **Financial section** includes the report of the independent auditors, Management’s Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, the component units financial statements, and the combining individual funds financial statements for the nonmajor governmental funds and the internal service funds. Required supplementary information other than the MD&A is also included in the financial section.
- The **Statistical section** includes selected financial and demographic information, on a multi-year basis.

This transmittal letter is designed to complement the MD&A and should be read in conjunction with the MD&A.



This Comprehensive Annual Financial Report (Financial Report) includes all funds of the City. The City provides a full range of services including: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The Financial Report also includes the City’s component units, which are legally separate organizations and for which the City is financially accountable or whose relationship with the City is of a nature and significance that would cause the City’s financial statements to be incomplete were they not included.

The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget submitted by the Mayor and adopted by the City Council. All activities of the General Fund and Human Services special revenue fund are included in the annual appropriated budget except for capital outlay. Project-length budgets are adopted for the remaining special revenue funds and capital project funds. Budgetary control (the level at which expenditures and encumbrances cannot legally exceed the appropriated amount) is established at the department level within individual funds, except for special revenue and capital project funds, which are at the funded project level. Disbursements that would result in an overrun of funded project balances (budgets) are not released until additional appropriations are made available. At year-end, if additional monies have not been appropriated where needed, expenditures are properly reflected in the current period causing an over budget condition to exist.

In addition to the financial audit, the City undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor's reports on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City's separately issued single audit report.

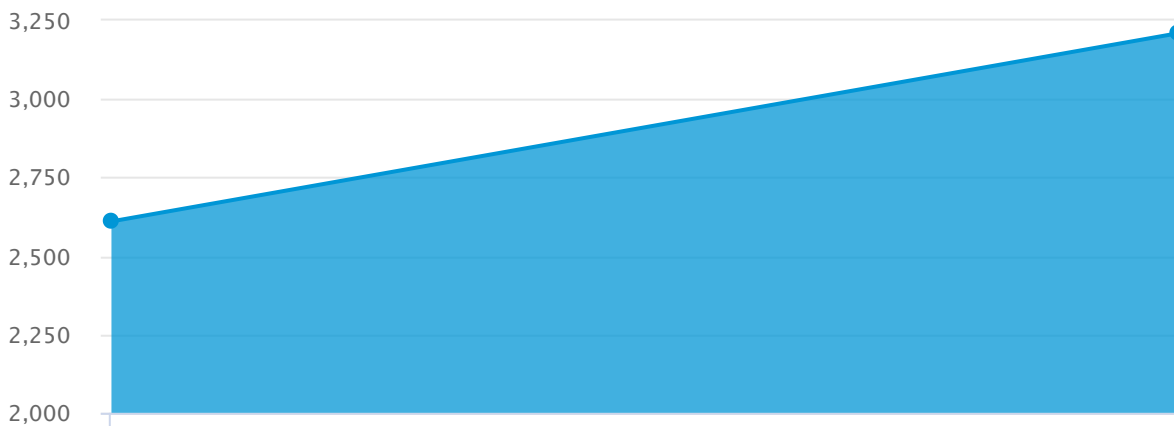


City Profile

The City is located at the eastern base of the Rocky Mountains in the north-central part of Colorado, encompassing 154.63 square miles. The City is the capital of the state, and it is also the cultural, distribution, entertainment, financial, service and transportation hub of the Rocky Mountain region. With an elevation of 5,280 feet the “Mile High City” has a cool, dry, sunny climate that makes it a magnet for health seekers and those enjoying outdoor recreation all year round. In 2020, Denver had an estimated population of 749,103 for the core City and County. It is estimated that over 3 million people reside in the Denver metro area, which includes the suburban counties of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson. Denver was founded November 22, 1858, after a gold discovery at the confluence of Cherry Creek and the South Platte River. Town founder William H. Larimer, Jr. named the city for James W. Denver, Governor of Kansas Territory, of which east central Colorado was then a part.

Denver Metro Area's Suburban Population

(numbers in thousands)



Numerous gold discoveries sparked a mass migration of some 100,000 in 1859-1861, leading the federal government to establish Colorado Territory in 1861. The City was incorporated on November 7, 1861, by a special act of the first session of the Legislative Assembly of Colorado Territory. In 1867 the City became the Capital of Colorado Territory and remained the capital after Colorado became a state on August 1, 1876. Denver became a City and County with

home rule when Article XX was added to the Colorado Constitution in 1902. The City's charter was enacted on March 29, 1904 establishing a strong mayor/city council form of government and an independent, elected city auditor.

The mayor and 13-member council, elected in non-partisan elections govern the City. The Mayor is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The legislative powers of the City are vested in the City Council. The City has an elected Auditor and an elected Clerk and Recorder. All elected officials' terms are concurrent and last four years, and each position is subject to term limits of 12 years.

The Charter establishes an audit committee consisting of seven members; two members appointed by the Mayor, two members appointed by the City Council and two members appointed by the Auditor, with the Auditor as the Chair. The audit committee, among other things, is responsible for the selection and management of the external auditor. During the course of the annual city-wide audit the audit committee monitors the progress of the audit and discusses with the external auditor any matters related to the audit. The audit committee also accepts the results of the audit.

Regional Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City is the center of economic activity of the region, serving as a business, recreational, higher educational and cultural hub. Major features of the economy include the central business district, state capitol building, Denver International Airport, extensive library facilities, several professional sports teams, institutions of higher learning, and numerous museums and other cultural facilities.

The economy of the metropolitan area generally mirrors that of the state. The economy is experiencing a steady recovery from the worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic. According to the Colorado Office of State Budget and Planning (OSBP), starting in January 2021 the state has experienced employment growth with the expectation that this will continue as declining COVID caseloads have allowed the easing of public health restrictions and more people are vaccinated.

Labor Market

Per the OSBP, the Colorado labor market is expected to continue to grow in 2021 as vaccinations increase and there is significant federal stimulus and relief spending. After stabilizing at 6.9 percent from October through December, Colorado's unemployment rate dropped to 6.6 percent in January, just slightly above the U.S. rate of 6.3 percent. This was primarily driven by gains in the leisure and hospitality industries after loosening of the public health restrictions. No industries experienced significant declines in January, signaling positive employment trends across the board in Colorado.

Tourism

In 2020, COVID-19 severely influenced the State and Denver's heavily service-reliant tourism industry. Mass gathering restrictions, safer-at-home mandates, loss in personal and business income, and an unprecedented level of public health concern contributed to a precipitous drop in travel and its related spending for the region. The brunt of COVID-19's economic impact was felt in this sector which translated into a 51.1% decline in DIA passenger traffic, 22.6% decline in employment, 40.7% decline in Sales and Use Tax collections, and occupancy rates in Denver-area lodging facilities shrinking by 33% from 2019 levels. Coupled with this loss of demand were falling room rates, further compounding Denver's lodgers' tax shortfall. Preliminary, unaudited year-end actuals show that the City's 2020 lodgers' tax revenue fell by 62 percent year-over-year, the steepest rate of decline on record.

Activity and spending due to leisure travel is expected to recover starting in Q3 2021. What remains uncertain is the outlook for business travel as well as how long it will take for international travel restrictions to be lifted.

Consumer Spending

According to the OSBP, retail spending in Colorado grew 1.9% in 2020 over 2019 levels. Overall, Colorado retail sales are expected to pick up throughout 2021, bolstered by additional federal stimulus, a lower unemployment rate, and tourism picking back up in late spring and through the rest of the year. Denver's sales and use tax revenue, which makes up half of the General Fund revenue stream, decreased by 11.3% in 2020 due to the effects of the pandemic. The City anticipates that due to the economic recovery expected in 2021, core sales and use tax revenue will increase approximately 15.30% over 2020.

City Financial Policies and Planning

The City's economy, as with the rest of the nation and most of the world, experienced a significant financial downturn due to the COVID-19 pandemic, causing the largest decline in revenues in its history. Formal financial policies, as well as operating practices, enabled the City to maintain core services and minimize the impact to citizens and employees wherever possible. Formal policies exist in areas such as balanced budgets, revenue diversification and use of one-time and unpredictable revenues, operating expenditures, reserves, investments, and debt.

Revenue Administration

The City's main source of revenue for operating expenditures is sales and use tax, which typically averages 50.00% of total General Fund revenues, including transfers in. This is less than the 70.00% average for most local governments in the region. In addition, the City reviews all fees, fines, and charges for services on a rotating basis to ensure they are meeting cost recovery goals. One-time and unpredictable revenues are spent on one-time costs, such as equipment replacement, or transferred to capital improvement funds for repair and rehabilitation projects.

Expenditure Administration

Expenditure budgets are carefully reviewed by both the implementing departments and the Budget and Management Office. Careful attention is paid to ensure departments are meeting projected vacancy savings and that excess budget cannot be transferred to non-personnel line items without approval of the Finance Department. For 2020, there was \$3,000,000 in additional expenditures due to the CARES grant spending deadline extension. The revised budget anticipated using CARES to offset general fund expenditures to assure the original grant spending deadline was met. Overall, as a result of implementing midyear reductions in 2020, the actual expenditures reflected more than \$126,000 in savings from the original 2020 budget. City agencies did not backfill positions and reduced overall spending.

Reserves

The City has multiple reserves in its General Fund to address budgetary shortfalls. A Contingency Reserve of no less than 2.00% of total estimated expenditures, an Emergency Reserve mandated by the State Constitution equal to 3.00% of covered funds, and an unassigned Fund Balance minimum of 10% and target of 15.00% of total budgeted expenditures. The City's budget policy concerning the use of reserves varies depending on the reserve type but generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, or severe economic downturn. In 2020, almost \$90 million of the unassigned Fund Balance was leveraged to address the severe revenue shortfall in the general fund.

Debt Administration

The City's debt policy establishes guidelines and parameters for the issuance and management of debt. The primary objectives of the policy are to ensure that debt is issued prudently and is affordable. The Taxpayer's Bill of Rights (TABOR) under the State Constitution requires the City to obtain voter approval prior to issuing any multi-year fiscal debt or obligations. Certain exceptions apply for refunding of outstanding bonds and debt issued by enterprises of the City. The City's Charter further restricts general obligation bonded debt to 3.0% of the actual value of the taxable property within the City. General obligation water bonds issued by Denver Water are excluded from this limitation. At December 31, 2020, the City's general obligation bonded debt of \$842,370,000, net amounts reserved for debt service and subject to this restriction, was 13.58% of the \$4,986,103,000 three-percent limitation amount, not including compound interest of the general obligation mini-bonds.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed ratios, debt per capital, etc.), the City's level of direct debt obligations are considered moderate but manageable in comparison with similarly sized cities. Rating agencies cite the City's strong financial management and prudent fiscal policies as credit strengths. As of December 31, 2020, the City is rated triple-A (AAA) by all three of the major rating agencies: Standard & Poor's, Fitch, and Moody's Investors Service.

Cash Management

The City's Charter regulates the securities in which the City may invest its funds. Permissible investments under the Charter are obligations of the United States Government, its agencies, and sponsored corporations, prime bankers' acceptances, prime commercial paper, certificates of deposit issued by banks and savings and loan institutions, local government investment pools, repurchase agreements, forward purchase agreements, security lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS),

money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The City Council has adopted an ordinance authorizing the investment of City moneys in Resolution Funding Corporation (REFCORP) Securities, Forward Purchase Agreements, and Debt Service Reserve Fund Put Agreements, all of which are either issued by a U.S. Government Corporation or are collateralized by surety types already authorized by the Charter. The City is not permitted to leverage its investment portfolio.

The objectives of the City's investment policy, in order of priority are to maintain principal, to ensure the availability of funds to meet obligations promptly, and to maximize yield on the investment portfolio. Bank deposits are either insured by federal deposit insurance or collateralized according to state law. Investments are held at a third-party bank in a safekeeping account in the City's name.

Long-Term Financial Planning

The City has a six-year long-range capital planning process and document that is updated each year and helps drive annual capital funding decisions as well as periodic general obligation bond issues for larger investments. For operations, expenditures and revenues are forecasted out for five years to account for planned changes to existing revenues, such as sunseting revenues, and to project any future deficits between revenues and expenditures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (Financial Report) for the year ended December 31, 2019. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Financial Report. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the fortieth consecutive year that the city has received this award. A Certificate of Achievement is valid for one year only. We believe this 2020 Financial Report continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Furthermore, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ending on December 31, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. To receive this award a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal. This is the eighth year that the city has received this award. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Additionally, GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year beginning January 1, 2020. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our 2021 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another year.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated service of a highly qualified staff in the Controller's Office. The Cash, Risk, and Capital Funding Division and the Budget and Management Office were also instrumental in the AFR's completion. Their cooperation and continued assistance is necessary and appreciated. I would like to thank all personnel who helped and contributed to the preparation of this report. I also want to acknowledge the thorough and professional way our independent auditors, BKD, LLP, conducted their audit.

Respectfully submitted,



Brendan Hanlon
Chief Financial Officer



Honorable
Michael B. Hancock
Mayor

Dear Denver residents:

In 2020 we experienced unprecedented financial challenges due to the COVID-19 pandemic. In a matter of months, we had the worst drop in city revenue since 1933. The impact was nearly equal to the entire 2020 operating budgets of Parks and Recreation, Community Planning and Development, Denver Public Library, Trash Collection, Public Health and Environment, Human Rights and Community Partnerships, and the Office of Climate Action, Sustainability and Resiliency combined. Especially during times of financial stress, it is imperative we provide residents with a clear view of how their tax dollars were invested.

Prior to the pandemic, we placed considerable emphasis on building and maintaining our cash reserves. Much like a savings account, these funds exist to help us sustain our core services during economic downturns. In 2020, we were able to maintain essential city services, while responding to the pandemic, thanks in part to those reserves. We were able to continue our emphasis on caring for those experiencing homelessness while facing the extraordinary challenges COVID-19 presented. We were able to distribute personal protective equipment and other critical goods to partners throughout the city. Support to the community also included rental assistance, grants to local small businesses that were negatively affected by closures due to COVID-19 public health orders, support for restaurant and hotel workers who live in Denver and were laid off, furloughed or had a severe reduction in income due to COVID-19, and many other efforts to aid our residents and businesses during the pandemic. We ensured Federal funds were leveraged to support those most impacted by the pandemic. All of our funds were evaluated through an equity lens to ensure our historically marginalized communities, many of whom were deeply impacted by the pandemic, were not left behind.

While this Consolidated Annual Financial Report officially closes the books on 2020, I am writing this letter at the close of our books in May of 2021. Our city continues to experience the impact of the COVID-19 pandemic, but we have charted our path to recovery through the RISE Denver initiative to rebuild an inclusive and sustainable economy that works for everyone. We are continuing to prioritize support for our community, workers, small businesses and public health response, and preparing to invest in our workforce through job creating infrastructure.

While this has been a period of both tremendous loss and tremendous sacrifice, it has carried with it lessons learned around who we are, where we want to go as a city and as a community, and how we can work together to reach higher and recover as a stronger city than we were before.

Mayor's Cabinet and Chief of Staff

Don Mares Deputy Mayor and Executive Director of Human Services	Brendan Hanlon Executive Director of Finance
Alan Salazar Chief of Staff	Kami Johle Deputy Director of General Services, acting Executive Director
Kristin Bronson City Attorney	Happy Haynes Executive Director of Parks and Recreation
Kim Day Executive Director of Aviation	Bob McDonald Executive Director of Public Health and Environment
Laura Aldrete Executive Director of Community Planning and Development	Eulois Cleckley Executive Director of Public Works
Ashley Kilroy Executive Director of Excise and Licenses	Murphy Robinson Executive Director of Public Safety

Timothy M. O'Brien is the Auditor for the City and County of Denver. Mr. O'Brien was elected Auditor in May 2019. Mr. O'Brien's term will expire on the third Monday in July 2023.



Honorable

Timothy M. O'Brien,

CPA Auditor



Honorable

Beth McCann

District Attorney

Beth McCann is the District Attorney for the Second Judicial District. The District Attorney is a state official. She is the chief law enforcement officer in the district and is responsible for prosecuting all felonies, misdemeanors, and serious traffic offenses arising in the district. Ms. McCann became District Attorney in January 2017; her current term will end January 8, 2021.

Paul D. López was elected Clerk and Recorder in July 2019. Mr. López also serves as Public Trustee, City Clerk, and Ex-Officio Clerk of the City and County of Denver. Mr. López's term will expire on the third Monday in July 2023.



Honorable

Paul D. López

Clerk and Recorder

There are 13 city council members - 11 from equally-populated districts and two elected at-large. Council members, who must be 25 years of age, US citizens, and two-year Denver residents, are all elected at the same time every four years. All terms expire on the third Monday in July 2024.



Honorable
President Stacie Gilmore
Council District 11



Honorable
Robin Kniech
Council At-Large



Honorable
Deborah Ortega
Council At-Large



Honorable
Amanda Sandoval
Council District 1



Honorable
Kevin Flynn
Council District 2



Honorable
Jamie Torres
Council District 3



Honorable
Kendra Black
Council District 4



Honorable
Amanda Sawyer
Council District 5



Honorable
Paul Kashmann
Council District 6



Honorable
Jolon Clark
Council District 7



Honorable
Christopher Herndon
Council District 8

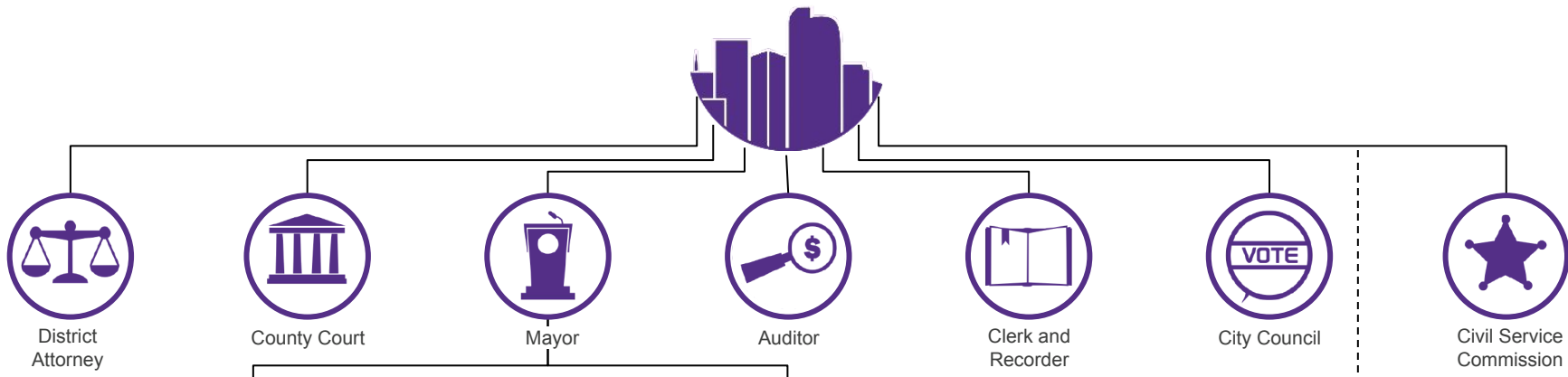


Honorable
Candi CdeBaca
Council District 9



Honorable
Chris Hinds
Council District 10

The People of the City and County of Denver



Departments

Can only be created or abolished by an amendment to the City Charter, which is voted on by the people

Offices and Agencies

Are established by order of the mayor, or by City ordinance, and can be abolished without a vote of the people

Independent Offices & Agencies

Operate independently and include both city offices and agencies that report to independent boards, and outside offices and agencies that receive City support

- | | |
|------------------------------------|-----------------------------------|
| Aviation | City Attorney |
| Community Planning and Development | Transportation and Infrastructure |
| Excise and Licenses | Finance |
| General Services | Human Services |
| Parks and Recreation | Public Safety |

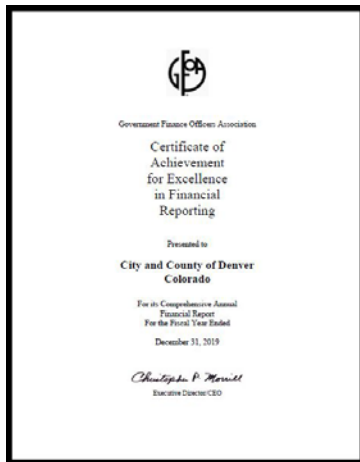
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|--|---|
| Board of Ethics | Denver Economic Development and Opportunity |
| Emergency Management and Homeland Security | Human Rights and Community Partnerships |
| Children's Affairs | Climate Action, Sustainability and Resiliency |
| Independent Monitor | Special Events |
| Technology Services | Housing Stability |

- | | |
|--|-------------------------------|
| Board of Adjustment for Zoning Appeals | Denver Zoological Gardens |
| Denver Art Museum | Career Service Hearing office |
| Denver Botanical Gardens | Museum of Nature and Science |
| Denver Public Library | Human Resources |
| Denver Health | Municipal Public Defender |

Public Health and Environment

Performance-Based Infrastructure

The City and County of Denver is proud to have been recognized with an award for Outstanding Achievement for Excellence in Financial Reporting, Outstanding Achievement in Popular Annual Financial Reporting and the Distinguished Budget Presentation Award offered by the Government Finance Officers Association of the United States and Canada (GFOA)



Outstanding Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and County of Denver for its Annual Report for the fiscal year ended December 31, 2019.

The Certificate of Achievement is the highest form of recognition for excellence in state or local government financial reporting. The Certification of Achievement Program was established to encourage municipal governments to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Certification of Achievement, a government unit must publish an easily-readable and efficiently-organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and

demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs. A Certificate of Achievement is valid for a period of one year only.

Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City and County of Denver for its Popular Annual Financial Report for the fiscal year ended December 31, 2019. The Award for Outstanding Achievement in popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding in Popular Annual Financial Reporting is valid for a period of one year only.

Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the City and County of Denver for its annual budget for the fiscal year beginning January 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

The Distinguished Budget Presentation Awards Program is specifically designed to encourage state and local governments to prepare and issue budget documents of the highest quality. Top-quality documents are essential if citizens and others with an interest in a government's finances are to be fully informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

The Distinguished Budget Presentation Awards Program allows the public finance profession a welcome opportunity to recognize those governments that have, in fact, succeeded in preparing a high-quality budget document.

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Financial





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Independent Auditor's Report

Audit Committee
City and County of Denver
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City and County of Denver (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City'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 Downtown Denver Business Improvement District (BID), Cherry Creek North BID No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, or the Colfax BID, all of which are included as discretely presented component units, which represent 45.55 percent of total assets, 27.68 percent of total revenues, and 0.09 percent of net position (deficit) of the aggregate discretely presented component units as of and for the year ended December 31, 2020. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for the Downtown Denver BID, Cherry Creek North BID No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation and the Colfax BID, is based solely on the reports of the other auditors. Additionally, we did not audit the financial statements of the Denver 14th Street General Improvement District (GID), Gateway Village GID, or RiNo GID which are included as blended component units, Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan Trust Fund, a fiduciary fund of the City, which represent 49.15 percent of total assets, 31.91 percent of total revenues and 66.40 percent of net position/fund balance of the aggregate remaining fund information as of and for the year ended December 31, 2020. Those financial statements were audited by other auditors, whose reports have

Audit Committee
City and County of Denver
Page 2

been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Denver 14th Street GID , Gateway Village GID , RiNo GID, Denver Employee Retirement Plan and the Deferred Compensation Plan Trust Fund, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Wastewater Management Enterprise Fund, which is a major enterprise fund of the City, and represents 12.83 percent, 14.82 percent and 36.26 percent, respectively, of the total assets, total revenues and net position of the business-type activities as of and for the year ended December 31, 2020. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinions on the Wastewater major fund and the business-type activities, insofar as they relate to the amounts included for the Wastewater Management Enterprise Fund, are based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and County of Denver as of December 31, 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 Matter

As discussed in Note I.E to the financials statements, in 2020 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No.84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Audit Committee
City and County of Denver
Page 3

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, pension and other postemployment 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 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 City's basic financial statements. The accompanying introduction section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relates 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended December 31, 2019, which are not presented with the accompanying financial statements. In our report dated June 30, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the general fund balance sheet as of December 31, 2019 and related statement of revenues, expenditures, and changes in fund balance for the year then ended shown as supplementary information are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2019, taken as a whole.

Audit Committee
City and County of Denver
Page 4

The introduction section and statistical section listed in the table of contents 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 them.

BKD, LLP

Denver, Colorado
June 25, 2021

Management's Discussion and Analysis



Management of the City and County of Denver (City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,177,358,000 (net position). Of this amount, \$493,599,000 represents a deficit of unrestricted net position.
- The City's total net position increased by \$46,748,000, including the restatement amount, or 1.13%, over the prior year amount.
- As of close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,973,703,000, a decrease of \$42,474,000, including the restatement due to implementing GASB Statement No. 84, in comparison with the prior year. Approximately 6.23% or \$122,907,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$163,016,000, which represents 11.83% of total General Fund expenditures, including transfers out.
- The City's total bonded debt decreased by \$234,602,000 during the year. General obligation bonds decreased by \$486,000 and revenue bonds decreased by \$234,116,000.
- The City implemented GASB Statement No. 84, *Fiduciary Activities*. This statement enhances guidance for identifying fiduciary activities and financial reporting of those activities, which allows for increased consistency and comparability between reporting entities. The financial statements for governmental activities for the year ended December 31, 2020 have been restated as a result of the implementation.
- The City implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement requires recognition of a liability and deferred outflow of resources related to certain asset retirement activities. There was no financial impact due to implementing this standard.
- The City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The implementation of this statement impacted both the governmental activities and business-type activities footnote disclosures.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities reports how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 earned but unused vacation and sick leave).

The governmental activities reflect the City's basic services, including police, fire, public works, sanitation, economic development, culture, and recreation. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector-type operations, such as Wastewater Management; the Denver Airport System, including Denver International Airport (DEN); and Golf Courses, where fees for services typically cover all or most of the cost of operations, including depreciation.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. Financial information for most of these component units are reported separately from the financial information presented for the primary government itself. A few component units, although legally separate, function essentially as an agency of the City and, therefore, are included as an integral part of the City.

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 City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Human Services special revenue fund, each of which is considered to be a major fund. Data from the other 20 governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund and Human Services special revenue fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets for the General Fund and Human Services fund in accordance with U.S. GAAP.

The City maintains two different types of **proprietary funds**: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater Management, Denver Airport System, Environmental Services, and Golf Course funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for employee self-insurance benefits and asphalt plant operations. The internal service funds provide services which predominantly benefit governmental rather than business-type functions. They have been included within governmental activities with an adjustment to reflect the consolidation for internal service fund activities related to the enterprise funds in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Wastewater Management and the Denver Airport System, both of which are considered to be major funds of the City. Data for the other two enterprise funds and all of the internal service funds are combined into their respective single aggregated presentations. Individual fund data for the nonmajor enterprise funds and all of the internal service funds are provided in the form of combining statements elsewhere in this report.

The City uses **fiduciary funds** to account for assets held on behalf of outside parties, including other governments. The City uses fiduciary funds to account for pension, health and other employee benefits trust funds. In addition to employee related trust funds, the City accounts for private purpose trust funds and custodial funds in the fiduciary funds.

Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The **notes to basic financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information concerning the City's budgetary comparison schedules the net pension liability, the net OPEB liability, and the implicit rate subsidy on other postemployment benefits.

The combining statements supplementary information referred to earlier in connection with nonmajor funds, internal service funds, and nonmajor component units are presented immediately following the budgetary comparison required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$4,177,358,000 at the close of the most recent fiscal year. Net position of \$2,613,295,000 (62.56%) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net positions of the City also include \$2,057,662,000 (49.26%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

Table 1 reflects the City's net position (dollars in thousands) as of December 31, 2020 and 2019:

Table 1

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Other Assets	\$ 2,924,429	\$ 2,848,629	\$ 3,291,979	\$ 4,005,054	\$ 6,216,408	\$ 6,853,683
Capital Assets	3,511,321	3,360,227	5,794,889	5,136,803	9,306,210	8,497,030
Total Assets	6,435,750	6,208,856	9,086,868	9,141,857	15,522,618	15,350,713
Deferred Outflows	398,413	545,152	123,589	149,888	522,002	695,040
Noncurrent Liabilities	3,972,348	3,889,421	6,602,324	6,834,923	10,574,672	10,724,344
Other Liabilities	399,732	288,776	313,820	368,317	713,552	657,093
Total Liabilities	4,372,080	4,178,197	6,916,144	7,203,240	11,288,224	11,381,437
Deferred Inflows	566,456	524,081	12,582	9,625	579,038	533,706
Net Position						
Net Investment In Capital Assets	2,002,667	1,955,118	610,628	517,177	2,613,295	2,472,295
Restricted	1,396,675	1,745,453	660,987	496,582	2,057,662	2,242,035
Unrestricted	(1,503,715)	(1,648,841)	1,010,116	1,065,121	(493,599)	(583,720)
Total Net Position	\$ 1,895,627	\$ 2,051,730	\$ 2,281,731	\$ 2,078,880	\$ 4,177,358	\$ 4,130,610

Table 2 reflects the City's changes in net position (dollars in thousands) for the years ended December 31, 2020 and 2019

Table 2

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 311,005	\$ 438,336	\$ 801,253	\$ 1,151,174	\$ 1,112,258	\$ 1,589,510
Operating grants and contributions	329,212	214,280	-	-	329,212	214,280
Capital grants and contributions	104,157	108,236	42,872	26,053	147,029	134,289
General revenues:						
Facilities development admissions tax	1,808	15,859	-	-	1,808	15,859
Lodgers tax	47,149	134,047	-	-	47,149	134,047
Motor vehicle ownership fee	25,921	32,020	-	-	25,921	32,020
Occupational privilege tax	50,669	54,940	-	-	50,669	54,940
Property tax	510,841	479,346	-	-	510,841	479,346
Sales and use tax	791,510	896,924	-	-	791,510	896,924
Specific ownership tax	82	88	-	-	82	88
Telephone tax	13,107	13,208	-	-	13,107	13,208
Investment income	97,767	83,806	162,114	181,626	259,881	265,432
Other revenues	74,434	57,196	343,704	70,781	418,138	127,977
Total revenues	2,357,662	2,528,286	1,349,943	1,429,634	3,707,605	3,957,920
Expenses						
General government	594,462	553,292	-	-	594,462	553,292
Public safety	855,496	724,031	-	-	855,496	724,031
Transportation and Infrastructure	306,170	378,125	-	-	306,170	378,125
Human services	159,248	163,930	-	-	159,248	163,930
Health	130,305	112,395	-	-	130,305	112,395
Parks and recreation	106,702	111,776	-	-	106,702	111,776
Cultural activities	123,649	168,960	-	-	123,649	168,960
Community development	178,505	64,884	-	-	178,505	64,884
Economic opportunity	12,385	9,873	-	-	12,385	9,873
Interest on long-term debt	60,650	74,432	-	-	60,650	74,432
Wastewater management	-	-	151,126	138,617	151,126	138,617
Denver airport system	-	-	964,700	1,059,258	964,700	1,059,258
Other enterprise funds	-	-	28,552	25,818	28,552	25,818
Total expenses	2,527,572	2,361,698	1,144,378	1,223,693	3,671,950	3,585,391
Change in net position before transfers and special item	(169,910)	166,588	205,565	205,941	35,655	372,529
Transfers	4,964	1,324	(4,964)	(1,324)	-	-
Transfers of Capital Assets	(2,250)	1,282	2,250	(1,282)	-	-
Special item	-	-	-	(65,793)	-	(65,793)
Change in net position	(167,196)	169,194	202,851	137,542	35,655	306,736
Net position - January 1, as previously reported	2,051,730	1,882,536	2,078,880	1,941,338	4,130,610	3,823,874
Implementation of GASB Statement No. 84	11,093	-	-	-	11,093	-
Net Position - January 1, as restated	2,062,823	1,882,536	2,078,880	1,941,338	4,141,703	3,823,874
Net position - December 31	\$ 1,895,627	\$ 2,051,730	\$ 2,281,731	\$ 2,078,880	\$ 4,177,358	\$ 4,130,610

Governmental activities decreased the City's net position by \$167,196,000 for the year ended December 31, 2020. Key elements of the decrease are as follows:

- Property tax and sales and use taxes totaled 90.37% of all tax revenues and 55.24% of all governmental activities' revenues. Property tax recorded in the governmental funds totaled \$510,841,000 for an increase of \$31,495,000 (6.57%) while sales and use tax revenues of \$791,510,000 were down \$105,414,000 (11.75%)

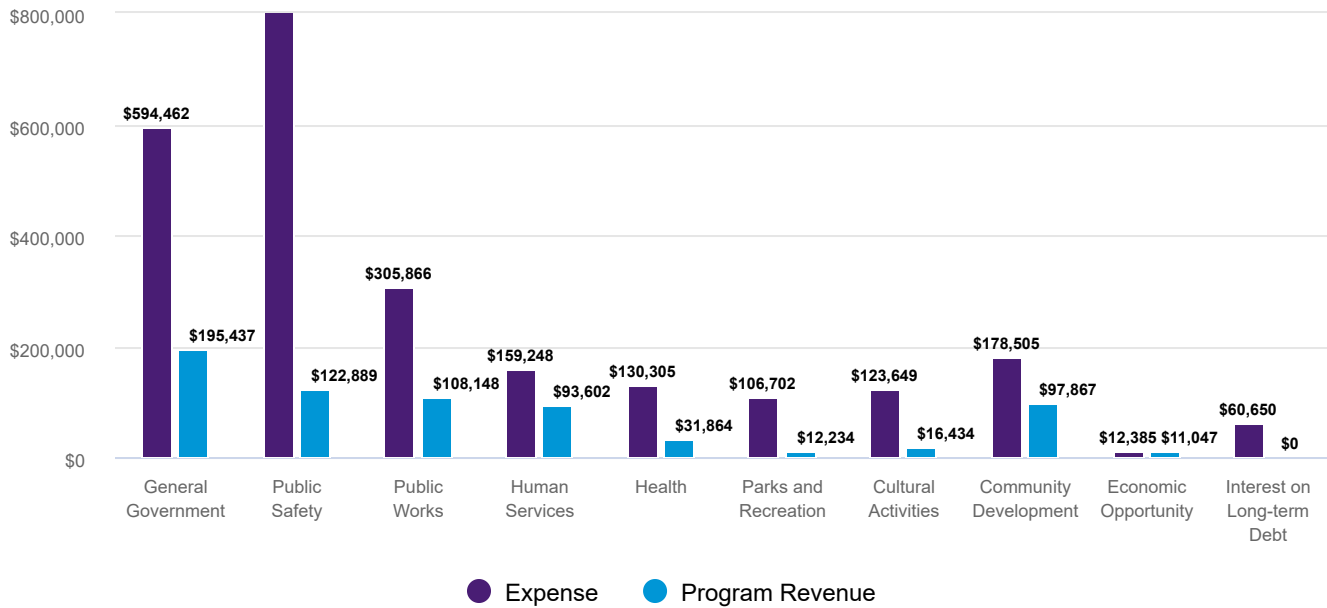
compared to 2019, reflecting a significant drop in consumer spending for retail and food services as a result of the COVID-19 pandemic.

- Lodgers tax decreased \$86,898,000 (64.83%) due to Denver’s economy being heavily impacted by the decrease in tourism due to the COVID-19 pandemic.
- Total governmental activities expenses increased \$165,874,000 (7.02%) primarily due to costs related to the city’s response to the COVID-19 pandemic, which was supported by federal and state funds of approximately \$189,000,000. These costs included supporting emergency sheltering, PPE, testing, and workplace safety purchases, as well as programs assisting with economic recovery, housing support, public health needs, food assistance and other programs. General government expenses increased \$41,170,000 (7.44%), again mainly due to costs associated with responding to the pandemic that were funded by federal grants. Public Safety expenses increased \$131,465,000 (18.16%), in part due to hiring additional deputies and enhanced staffing, technology, training, equipment, and facilities. Transportation and Infrastructure expense decreased \$71,955,000 (19.03%), mainly due to a decrease in personnel costs and capital project activity costs related to the construction of the National Western Center. Human Services expenses decreased \$4,682,000 (2.86%) in part, due to a reorganization in the City that resulted in the formation of a new agency. Monies were transferred to that agency when they took over Denver’s Road Home program and other related activities. Pension and other post-employment benefits (OPEB) also contributed to the increase in expense in each functional area.

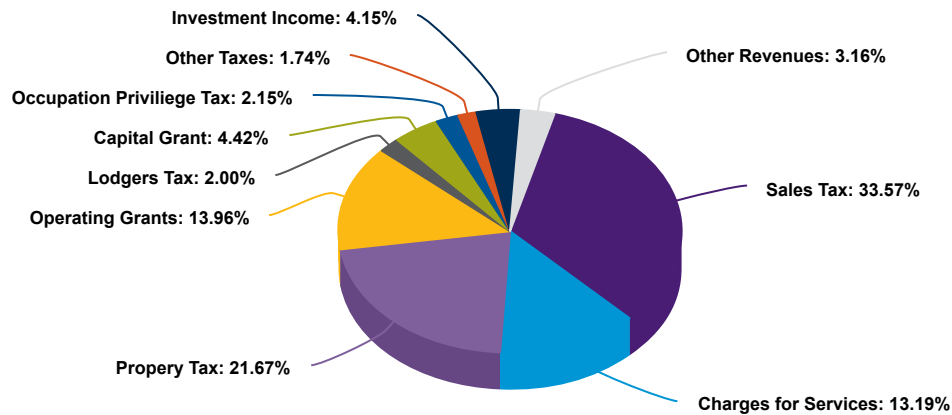
General government expenses in 2020 were \$594,462,000 (23.52%) of total expenses. Public safety expenses \$855,496,000 (33.85%) of total expenses. Transportation and Infrastructure’ expenses were \$306,170,000 (12.11%) of total expenses. Cultural activities were \$123,649,000 (4.89%) of total expenses. Human services’ expenses were \$159,248,000 (6.30%) of total expenses. The remainder of the governmental activities expenses is comprised of health with \$130,305,000 (5.16%), parks and recreation with \$106,702,000 (4.22%) community development with \$178,505,000 (7.06%), economic opportunity with \$12,385,000 (0.49%), and interest on long-term debt of \$60,650,000 (2.40%).

Expenses and Program Revenues - Governmental Activities

(dollars in thousands)



Revenues by Sources - Governmental Activities

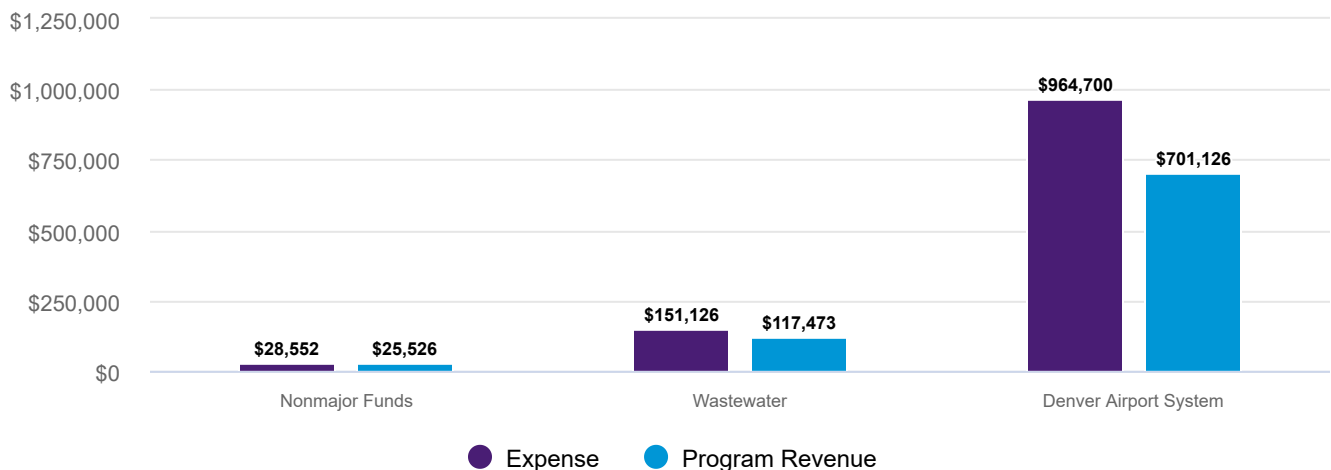


Business-type activities increased the City's net position by \$202,851,000. Key elements of this increase are as follows:

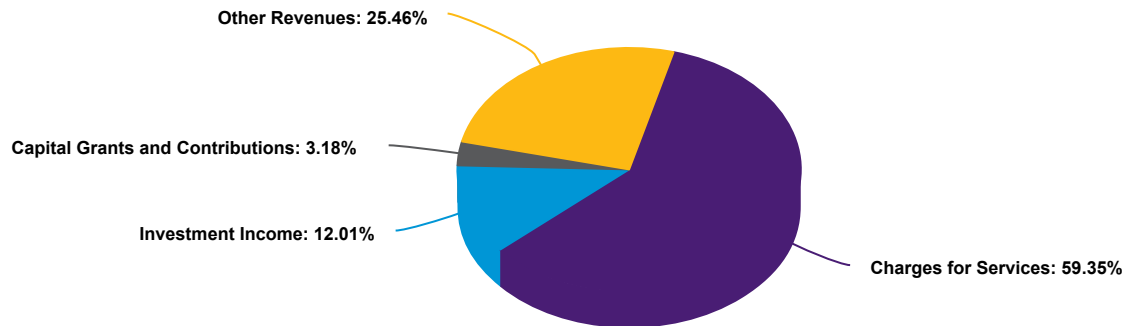
- Total revenues of \$1,349,943,000 were \$79,691,000 (5.57%) lower compared to prior year amounts. For the Denver Airport System, the change was primarily due to a significant reduction in air travel due to the COVID-19 pandemic. The Airport also received federal funding of \$269,100,000 in CARES Act funds to pay debt service on its outstanding bonds. For Wastewater Management, there was a slight increase in revenue due to rate increases.
- Total expenses of \$1,144,378,000 decreased by \$79,315,000 (6.48%) when compared to the prior year. For the Denver Airport System, their expenses decreased primarily due to a reduction in non-essential contractual services, a reduction in legal claim/reserve and reduced hotel expenses associated with decreased occupancy. For Wastewater Management, there was a slight increase in expenses primarily due to contractual services associated with several large projects with the Mile High Flood District.

Expenses and Program Revenues - Business-Type Activities

(dollars in thousands)



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$1,973,703,000, a decrease of \$42,474,000, in comparison with the prior year. Approximately 6.23% or \$122,907,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. As of December 31, 2020, unassigned fund balance of the General Fund was \$163,016,000 while total fund balance was \$289,881,000. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11.83% of total General Fund expenditures, including transfers out, of \$1,378,282,000 while total fund balance represents 21.03% of the same amount.

The total fund balance of the City's General Fund decreased by \$80,200,000 (21.67%) during the year ended December 31, 2020. This is due to the effects of the COVID-19 pandemic that resulted in a significant decrease to the City's primary source of revenue, sales and use tax.

With the exception of property tax revenue, almost every revenue source decreased slightly in 2020 due to the impact of the COVID-19 pandemic on the economy. General Fund revenues including transfers in, totaled \$1,294,024,000, a decrease of \$134,041,000 or 9.39%. Certain revenues in the General Fund that changed from 2019 to 2020 include:

- Sales and use taxes earned were lower by \$81,620,000. This decrease is directly related to a decrease in retail and services consumer spending as a result of the pandemic.
- Property taxes were higher by \$21,260,000 due primarily to increases in the assessed value of property taxed during 2020.
- Investment and interest income was higher by \$2,420,000 due in part to growth in the financial markets from a slower market in 2019.

Fine and forfeitures revenue in the General Fund decreased of \$8,985,000 largely due to a decrease in parking fine revenue.

Total General Fund expenditures, including transfers out, decreased by \$70,358,000 or (4.86%). The primary drivers of this decrease are reduced hiring and holding vacant positions, reduced support for capital improvement programs and citywide furlough days.

The Human Services special revenue fund had a total fund balance of \$82,503,000. This amounts to a net decrease in fund balance of \$2,997,000 during the current year. The primary reasons for the change include a decrease in expenses of approximately \$10,000,000 offset by an increase in transfers out of approximately \$14,667,000 to provide funding for homeless services and capital improvements.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of Wastewater Management was \$827,290,000 and for the Denver Airport System net position was \$1,407,188,000. Net position for all enterprise funds was \$2,281,949,000. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final amended budget include a revision to both the projected revenues and expenditures.

Original revenue estimates for 2020, prepared in the summer of 2019, assumed moderate growth in the local and national economies. Sales and use tax revenue was originally projected to grow by 5.8% over the 2019 revised forecast and total General Fund revenue was projected to increase by 6.7% over 2019 revised figures. In the summer of 2020, the original General Fund revenue forecast, including transfers in, was revised downward by \$220,673,000 or 14.9% to account for the pandemic's projected impact on the City's revenue collections. To close this projected budget gap, the City deployed multiple tools to minimize impacts to core city services, especially in traditionally under-resourced communities, while maintaining our financial stability, including:

- using \$94 million in reserves which the city maintains to ensure services continue even during severe economic downturns;
- requiring Career Service employees and appointees to take eight furlough days, for a budget savings of \$16 million;
- generating \$127 million in savings from their budgets including suspending personnel hiring.

Capital Assets and Bonded Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2020, were \$9,306,210,000 (net of accumulated depreciation). This investment in capital assets includes land and land rights, collections, buildings and improvements, equipment and other, park facilities, and, for governmental activities, infrastructure (including streets, alleys, traffic signals, bridges, fiber optic cable, and trails). Infrastructure-type assets of business-type activities are reported as buildings and improvements. The City's capital assets by type at December 31, 2020 and 2019 are shown in **Table 3** (dollars in thousands)

Table 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and construction in progress	\$ 874,536	\$ 861,940	\$ 1,783,242	\$ 1,327,706	\$ 2,657,778	\$ 2,189,646
Buildings and Improvements	2,589,148	2,462,462	7,045,533	6,709,916	9,634,681	9,172,378
Equipment and other	352,458	357,375	1,073,964	1,000,708	1,426,422	1,358,083
Collections	51,539	48,712	-	21	51,539	48,733
Intangibles	29,080	59,193	38,890	38,807	67,970	98,000
Infrastructure	2,023,267	1,833,295	-	-	2,023,267	1,833,295
Less accumulated depreciation	(2,408,707)	(2,262,750)	(4,146,740)	(3,940,355)	(6,555,447)	(6,203,105)
Total	\$ 3,511,321	\$ 3,360,227	\$ 5,794,889	\$ 5,136,803	\$ 9,306,210	\$ 8,497,030

Major capital asset activity for the year ended December 31, 2020, included the following:

- Governmental Activities - Work on the National Western Center (NWC) commenced and includes costs related to land acquisition within the NWC campus boundaries, preparation for rail consolidation, environmental analysis, preliminary design, engineering and construction.
- Business-type Activities - Wastewater's net capital assets increased approximately \$78,008,000 primarily due to the spending of bond proceeds, which increased collection system assets. The Denver Airport System had a 10.40% increase in capital assets due to additional capital assets entering service and additions to construction in progress related to the 2019-2022 capital program.

Additional information on the City's capital asset activity for the year can be found in **Note III-D** in the notes to basic financial statements.

Bonded Debt

At December 31, 2020, the City had total bonded indebtedness of \$7,213,810,000. Of this amount, \$ 842,370,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt, \$ 6,371,440,000 represents bonds and commercial paper notes secured by specified revenue sources (i.e., revenue bonds of the Denver Airport System, Wastewater Management, and excise tax revenue bonds). The City has no outstanding commercial paper notes as of December 31, 2020.

As of December 31, 2020, the City's general obligation debt is rated AAA by Standard & Poor's rating agency, Fitch Ratings, and Moody's Investors Service. Outstanding bonded debt at December 31, 2020, and 2019, is reflected in **Table 4** (dollars in thousands).

Table 4

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 842,370	\$ 842,856	\$ -	\$ -	\$ 842,370	\$ 842,856
Revenue bonds	589,430	611,596	5,782,010	5,993,960	6,371,440	6,605,556
Total	\$ 1,431,800	\$ 1,454,452	\$ 5,782,010	\$ 5,993,960	\$ 7,213,810	\$ 7,448,412

Additional information on the City's bonded debt for the year can be found in **Note III-G** in the notes to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Controller's Office
201 W Colfax Avenue, Dept 1109
Denver, CO 80202

This report is available online at www.denvergov.org/finance.

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Basic Financial



Statement of Net Position

December 31, 2020 (dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash on hand	\$ 8,640	\$ -	\$ 8,640	\$ -
Cash and cash equivalents	1,881,506	49,822	1,931,328	109,094
Investments	-	1,075,924	1,075,924	6,685
Receivables (net of allowances of \$156,539):				
Taxes	630,402	-	630,402	189,505
Notes	73,780	-	73,780	-
Accounts	29,826	99,058	128,884	2,364
Accrued interest	8,947	9,157	18,104	376
Other	-	-	-	2,866
Due from other governments	69,768	-	69,768	-
Internal balances	6,396	(6,396)	-	-
Inventories	217	9,474	9,691	-
Prepaid items and other assets	14,969	22,626	37,595	1,916
Restricted assets:				
Cash and cash equivalents	152,586	196,157	348,743	563
Investments	-	1,784,924	1,784,924	257,887
Accounts receivable	-	9,054	9,054	-
Accrued interest receivable	-	6,134	6,134	-
Pension asset	17,721	-	17,721	-
Long-term receivables (net of allowances of \$5)	28,940	31,158	60,098	-
Prepaid expense	-	114	114	-
Interest rate swaps	-	4,773	4,773	-
Assets held for disposition	731	-	731	-
Capital assets:				
Land and construction in progress	874,536	1,783,242	2,657,778	41,471
Buildings, improvements, infrastructure, collections, and equipment, net of accumulated depreciation	2,636,785	4,011,647	6,648,432	145,837
Total Assets	6,435,750	9,086,868	15,522,618	758,564
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	31,845	3,029	34,874	-
Deferred loss on refundings	9,746	64,443	74,189	15,737
Items related to OPEB and pension plans	356,822	56,117	412,939	-
Total Deferred Outflows of Resources	398,413	123,589	522,002	15,737

See accompanying notes to basic financial statements

Statement of Net Position, continued

December 31, 2020 (dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Vouchers payable	162,361	111,949	274,310	5,427
Accrued liabilities	82,801	26,508	109,309	17,864
Unearned revenue	116,648	18,528	135,176	6,743
Interest rate swaps	34,087	20,112	54,199	-
Advances and advance rent	3,419	40,535	43,954	2,173
Due to taxing unit	416	-	416	-
Due to other governments	-	-	-	2,044
Liabilities payable from restricted assets	-	96,188	96,188	-
Noncurrent liabilities:			-	
Due within one year	270,345	247,170	517,515	43,475
Due in more than one year	3,702,003	6,355,154	10,057,157	626,983
Total Liabilities	4,372,080	6,916,144	11,288,224	704,709
Deferred Inflows of Resources				
Property taxes	486,321	-	486,321	174,402
Deferred gain on refunding	3,287	4,620	7,907	-
Items related to pension and OPEB plans	76,848	7,962	84,810	-
Total Deferred Inflows of Resources	566,456	12,582	579,038	174,402
Net Position				
Net investment in capital assets	2,002,667	610,628	2,613,295	(86,797)
Restricted for:	-			
Capital projects and grants	1,096,331	24,577	1,120,908	128,493
Emergency use	51,223	-	51,223	20,254
Debt service	212,729	636,410	849,139	41,723
Pension asset	17,721	-	17,721	-
Donor and other restrictions:				
Expendable	-	-	-	65,398
Nonexpendable	3,000	-	3,000	-
Other purposes	15,671	-	15,671	-
Unrestricted (deficit)	(1,503,715)	1,010,116	(493,599)	(273,881)
Total Net Position (Deficit)	\$ 1,895,627	\$ 2,281,731	\$ 4,177,358	\$ (104,810)

See accompanying notes to basic financial statements

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Statement of Activities

For the Year Ended December 31, 2020 (dollars in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 594,462	\$ 99,453	\$ 79,325	\$ 16,659
Public safety	855,496	93,350	27,279	2,260
Transportation and infrastructure	306,170	65,050	24,886	73,064
Human services	159,248	432	92,925	245
Health	130,305	1,421	29,626	817
Parks and recreation	106,702	2,829	892	8,513
Cultural activities	123,649	11,379	3,023	2,032
Community development	178,505	37,091	60,518	258
Economic opportunity	12,385	-	10,738	309
Interest on long-term debt	60,650	-	-	-
Total Governmental Activities	2,527,572	311,005	329,212	104,157
Business-type Activities:				
Wastewater management	151,126	108,374	-	9,099
Denver airport system	964,700	667,353	-	33,773
Environmental services	13,671	11,904	-	-
Golf course	14,881	13,622	-	-
Total Business-type Activities	1,144,378	801,253	-	42,872
Total Primary Government	\$ 3,671,950	\$ 1,112,258	\$ 329,212	\$ 147,029
Component Units	\$ 265,925	\$ 21,096	\$ 5,447	\$ -

General Revenues and Transfers

Taxes
Facilities development admissions
Lodgers
Motor vehicle ownership fee
Occupational privilege
Property
Sales and use
Specific ownership
Telephone
Investment and interest income
Other revenues
Transfers in (out)
Capital asset transfer in (out)
Total General Revenues and Transfers
Change in net position
Net position (deficit) - January 1, as previously reported
Implementation of GASB Statement No. 84
Net Position (deficit) - January 1, as restated
Net Position (deficit) - December 31

See accompanying notes to basic financial statements

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (399,025)	\$ -	\$ (399,025)	
(732,607)	-	(732,607)	
(143,170)	-	(143,170)	
(65,646)	-	(65,646)	
(98,441)	-	(98,441)	
(94,468)	-	(94,468)	
(107,215)	-	(107,215)	
(80,638)	-	(80,638)	
(1,338)	-	(1,338)	
(60,650)	-	(60,650)	
(1,783,198)	-	(1,783,198)	
-	(33,653)	(33,653)	
-	(263,574)	(263,574)	
-	(1,767)	(1,767)	
-	(1,259)	(1,259)	
-	(300,253)	(300,253)	
\$ (1,783,198)	\$ (300,253)	\$ (2,083,451)	
			\$ (239,382)
1,808	-	1,808	-
47,149	-	47,149	143,065
25,921	-	25,921	-
50,669	-	50,669	-
510,841	-	510,841	60,866
791,510	-	791,510	-
82	-	82	3,514
13,107	-	13,107	-
97,767	162,114	259,881	2,300
74,434	343,704	418,138	69,488
4,964	(4,964)	-	-
(2,250)	2,250	-	-
1,616,002	503,104	2,119,106	279,233
(167,196)	202,851	35,655	39,851
2,051,730	2,078,880	4,130,610	(144,661)
11,093	-	11,093	-
2,062,823	2,078,880	4,141,703	(144,661)
\$ 1,895,627	\$ 2,281,731	\$ 4,177,358	\$ (104,810)

Balance Sheet - Governmental Funds

December 31, 2020 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	\$ 183	\$ 80	\$ 8,377	\$ 8,640
Cash and cash equivalents	243,788	83,974	1,481,580	1,809,342
Receivables (net of allowances of \$156,390):				
Taxes	242,482	76,998	310,922	630,402
Notes	2,677	-	71,103	73,780
Accounts	28,432	188	28,234	56,854
Accrued interest	2,162	-	6,518	8,680
Interfund receivable	19,059	-	90	19,149
Due from other governments	3	10,519	59,246	69,768
Prepaid items and other assets	14,254	-	715	14,969
Restricted assets:				
Cash and cash equivalents	20,044	-	132,542	152,586
Assets held for disposition	-	-	731	731
Total Assets	\$ 573,084	\$ 171,759	\$ 2,100,058	\$ 2,844,901
Liabilities and Fund Balances				
Liabilities:				
Vouchers payable	\$ 43,724	\$ 5,743	\$ 109,733	\$ 159,200
Accrued liabilities	55,240	4,928	3,667	63,835
Due to taxing units	416	-	-	416
Interfund payable	1,147	919	10,850	12,916
Unearned revenue	606	-	116,042	116,648
Advances	98	329	2,992	3,419
Compensated absences	-	-	60	60
Total Liabilities	101,231	11,919	243,344	356,494
Deferred Inflows of Resources:				
Unavailable revenues - property tax	167,016	77,337	241,411	485,764
Unavailable revenues - long-term receivables	14,956	-	13,984	28,940
Total Deferred Inflows of Resources	181,972	77,337	255,395	514,704
Fund Balances:				
Nonspendable	14,254	-	3,686	17,940
Restricted	71,056	82,503	1,611,992	1,765,551
Committed	41,555	-	24,712	66,267
Assigned	-	-	1,038	1,038
Unassigned	163,016	-	(40,109)	122,907
Total Fund Balances	289,881	82,503	1,601,319	1,973,703
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 573,084	\$ 171,759	\$ 2,100,058	\$ 2,844,901

See accompanying notes to basic financial statements

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

December 31, 2020 (dollars in thousands)

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance-governmental funds.	\$ 1,973,703
Capital assets used in governmental activities, excluding internal service funds of \$2,322 are not financial resources, and therefore, are not reported in the funds.	3,508,999
Pension asset	17,721
Accrued interest payable not included in the funds.	(18,523)
Deferred inflow of resources are not available to pay for current period expenditures and therefore, are not recorded in the funds.	
Pensions	(72,007)
Gain on refunding	(3,287)
OPEB	(4,841)
Long term receivables	28,940
Property tax	(557)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Accumulated decrease in fair value of hedging derivatives	31,845
Pensions	316,124
Loss on refunding	9,746
OPEB	40,698
Interest rate swap liability.	(34,087)
Internal service funds are used by management to charge the cost of these funds to their primary users-governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	34,738
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds (this excludes internal service liabilities of \$38,763).	(3,933,585)
Net position of governmental activities	<u>\$ 1,895,627</u>

See accompanying notes to basic financial statements

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Facilities development admissions	\$ -	\$ -	\$ 1,808	\$ 1,808
Lodgers	13,400	-	33,749	47,149
Motor vehicle ownership fee	25,921	-	-	25,921
Occupational privilege	50,669	-	-	50,669
Property	152,554	72,503	285,784	510,841
Sales and use	638,796	-	152,714	791,510
Specific ownership	-	-	82	82
Telephone	1,206	-	11,901	13,107
Special assessments	-	-	1,858	1,858
Licenses and permits	62,032	-	1,539	63,571
Intergovernmental revenues	41,263	92,924	255,454	389,641
Charges for services	181,083	530	43,962	225,575
Investment and interest income	29,335	1	68,019	97,355
Fines and forfeitures	30,197	-	273	30,470
Contributions	269	245	7,071	7,585
Other revenue	9,296	64	58,318	67,678
Total Revenues	1,236,021	166,267	922,532	2,324,820
Expenditures				
Current:				
General government	328,610	-	167,233	495,843
Public safety	629,422	-	93,139	722,561
Transportation and infrastructure	148,705	-	164,653	313,358
Human services	1,350	148,456	14	149,820
Health	57,646	-	68,979	126,625
Parks and recreation	68,916	-	22,054	90,970
Cultural activities	52,133	-	58,216	110,349
Community development	51,170	-	104,411	155,581
Economic opportunity	1,773	-	13,284	15,057
Debt service:				
Principal retirement	12,991	1,785	136,018	150,794
Interest	6,995	47	69,095	76,137
Capital outlay	-	-	171,176	171,176
Total Expenditures	1,359,711	150,288	1,068,272	2,578,271
Excess (deficiency) of revenues over (under) expenditures	(123,690)	15,979	(145,740)	(253,451)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	5,980	5,980
Issuance of certificates of participation	19,670	-	-	19,670
Issuance of capital leases	3,341	-	-	3,341
Bond premium	-	-	21,323	21,323
Bond premium - refunding	-	-	72,902	72,902
Payment to paying agent	(19,511)	-	(294,572)	(314,083)
Issuance of bonds	-	-	169,925	169,925
Issuance of bonds - refunding	-	-	222,700	222,700
Insurance recoveries	574	-	202	776
Transfers in	58,003	566	84,634	143,203
Transfers out	(18,571)	(19,542)	(96,631)	(134,744)
Total Other Financing Sources (Uses)	43,506	(18,976)	186,463	210,993
Net change in fund balances	(80,184)	(2,997)	40,723	(42,458)
Fund balances - January 1, as previously reported	370,081	85,500	1,560,596	2,016,177
Implementation of GASB Statement No. 84	(16)	-	-	(16)
Fund balances - January 1, as restated	370,065	85,500	1,560,596	2,016,161
Fund Balances - December 31	\$ 289,881	\$ 82,503	\$ 1,601,319	\$ 1,973,703

See accompanying notes to basic financial statements

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020 (dollars in thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (42,458)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and capital related expenditures exceeded depreciation expense in the current period:

Capital expenditures excluding capital transfer	\$ 376,909
Depreciation expense	(213,544)
Loss on disposal of assets	(29,055)
Write off of construction in progress	(19,360)

Certain revenues are recorded in the funds under modified accrual but not considered revenue in the statement of activities.

Donation of capital assets from enterprise funds	2,250
Donation of capital assets from others	36,143

The issuance of long-term debt and other obligations (e.g., bonds, certificates of participation, and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

These differences in the treatment of long-term debt and related items consist of:

General obligation bonds and certificates of participation	(392,625)
Capital lease obligations	(23,011)
Premium on debt issued in current year	(94,225)
Principal retirement on bonds	410,614
Amortization of premium, discounts, and deferred gain (loss) on refunding	(4,907)
Capital lease principal payments	48,656

Some expenses reported in the statement of activities do not impact current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences (excluding internal service)	(17,394)
Accrued interest payable	5,914
Legal liability	(32,865)
Amortization of imputed debt-swap	412
Portion of pension expense that do not require current financial resources	50,009
Pension amortization	(224,547)
Portion of OPEB and OPEB implicit expense that do not require current financial resources	(13,025)
OPEB and OPEB implicit amortization	6,682

Internal service funds are used by management to charge their cost to individual funds. The net expense of certain activities of internal service funds is reported within governmental activities.

2,231

Change in net position of governmental activities	\$ (167,196)
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See accompanying notes to basic financial statements

Statement of Net Position - Proprietary Funds

December 31, 2020 (dollars in thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Wastewater Management	Denver Airport System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 5,522	\$ 19,761	\$ 24,539	\$ 49,822	\$ 72,164
Investments	32,000	142,453	-	174,453	-
Receivables (Denver Airport System is net of allowance for uncollectibles of \$2,726)					
Accounts	29,859	66,166	3,033	99,058	1,912
Accrued interest	1,070	7,953	134	9,157	267
Inventories	-	9,297	177	9,474	217
Interfund receivable	58	1,146	-	1,204	9
Prepaid items and other assets	-	21,041	1,585	22,626	-
Restricted assets:					
Cash and cash equivalents	-	189,631	6,526	196,157	-
Investments	4,531	280,004	-	284,535	-
Accounts receivable	-	9,054	-	9,054	-
Accrued interest receivable	-	6,102	32	6,134	-
Total Current Assets	73,040	752,608	36,026	861,674	74,569
Noncurrent assets:					
Investments - restricted	21,079	1,479,310	-	1,500,389	-
Investments - unrestricted	148,871	752,600	-	901,471	-
Capital assets:					
Land and construction in progress	70,257	1,708,552	4,433	1,783,242	-
Buildings and improvements	17,965	4,459,137	40,608	4,517,710	5,075
Improvements other than buildings	1,182,642	1,345,181	-	2,527,823	-
Machinery and equipment	15,032	1,048,021	10,911	1,073,964	2,769
Collections	-	-	-	-	-
Intangibles	6,375	32,515	-	38,890	-
Accumulated depreciation	(369,740)	(3,755,046)	(21,954)	(4,146,740)	(5,522)
Net capital assets	922,531	4,838,360	33,998	5,794,889	2,322
Long-term receivables (net of allowances for uncollectible of \$5):					
Prepaid expense and other assets	-	31,152	6	31,158	-
Interest rate swaps	-	114	-	114	-
Interest rate swaps	-	4,773	-	4,773	-
Total Noncurrent Assets	1,092,481	7,106,309	34,004	8,232,794	2,322
Total Assets	1,165,521	7,858,917	70,030	9,094,468	76,891
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging activities	-	3,029	-	3,029	-
Deferred loss on refundings	153	64,290	-	64,443	-
Items related to pension and OPEB plans	10,451	41,605	4,061	56,117	-
Total Deferred Outflows of Resources	10,604	108,924	4,061	123,589	-

See accompanying notes to basic financial statements

Statement of Net Position - Proprietary Funds, continued

December 31, 2020 (dollars in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Wastewater Management	Denver Airport System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities					
Current liabilities:					
Vouchers payable	\$ 2,813	\$ 108,481	\$ 655	\$ 111,949	\$ 3,161
Revenue bonds payable	7,735	-	-	7,735	-
Revenue credit payable	-	29,439	-	29,439	-
Accrued Liabilities	2,665	8,179	585	11,429	165
Unearned revenue	17,931	-	597	18,528	-
Interfund payable	302	7,004	76	7,382	64
Advance rent	-	40,535	-	40,535	-
Capital lease obligations	815	-	1,015	1,830	-
Compensated absences	823	2,524	459	3,806	158
Claims reserve	-	-	-	-	10,027
Construction payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Construction payable	11,485	-	-	11,485	-
Due to other governments	3,594	-	-	3,594	-
OPEB implicit rate subsidy	159	590	781	1,530	-
Current liabilities (payable from restricted assets):					
Vouchers payable	-	3,295	603	3,898	-
Retainages payable	-	58,870	-	58,870	-
Notes payable	-	2,235	-	2,235	-
Accrued interest and other liabilities	-	27,005	-	27,005	-
Other accrued liabilities	-	6,415	-	6,415	-
Revenue bonds payable	-	200,595	-	200,595	-
Total Current Liabilities	48,322	495,167	4,771	548,260	13,575
Noncurrent liabilities:					
Interest rate swaps	-	20,112	-	20,112	-
Revenue bonds payable, net	241,184	5,729,750	-	5,970,934	-
Net pension and OPEB liability	51,704	220,904	18,080	290,688	-
Capital lease obligations	2,765	-	2,118	4,883	-
Compensated absences	3,508	9,573	1,055	14,136	169
Legal and claims reserve	-	74,513	-	74,513	28,409
Total Noncurrent Liabilities	299,161	6,054,852	21,253	6,375,266	28,578
Total Liabilities	347,483	6,550,019	26,024	6,923,526	42,153
Deferred Inflows of Resources					
Deferred gain on refunding of debt	-	4,620	-	4,620	-
Items related to pension and OPEB plans	1,352	6,014	596	7,962	-
Total Deferred Inflows of Resources	1,352	10,634	596	12,582	-
Net Position					
Net investment in capital assets	684,310	(104,547)	30,865	610,628	2,322
Restricted for:					
Capital projects	-	18,622	5,955	24,577	-
Debt service	-	636,410	-	636,410	-
Unrestricted	142,980	856,703	10,651	1,010,334	32,416
Total Net Position	\$ 827,290	\$ 1,407,188	\$ 47,471	\$ 2,281,949	\$ 34,738
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				(218)	
Net position of business-type activities				\$ 2,281,731	

See accompanying notes to basic financial statements

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Wastewater Management	Denver Airport System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charges for services	\$ 108,374	\$ 591,810	\$ 25,526	\$ 725,710	\$ 88,265
Other revenue	70,040	-	2,262	72,302	893
Total Operating Revenues	178,414	591,810	27,788	798,012	89,158
Operating Expenses					
Personnel services	34,423	198,582	14,718	247,723	2,749
Contractual services	26,895	193,606	7,678	228,179	2,043
Supplies and materials	1,176	19,092	1,118	21,386	7,347
Depreciation and amortization	24,335	210,513	2,507	237,355	122
District water treatment charges	55,421	-	-	55,421	63,527
Other operating expenses	370	46,607	2,510	49,487	1,076
Legal and claims reserve	-	18,013	-	18,013	8,962
Total Operating Expenses	142,620	686,413	28,531	857,564	85,826
Operating income	35,794	(94,603)	(743)	(59,552)	3,332
Nonoperating Revenues (Expenses)					
Investment and interest income	10,403	150,043	1,668	162,114	2,555
Passenger facility charges	-	64,922	-	64,922	-
Customer facility fee	-	10,621	-	10,621	-
Intergovernmental revenue	2,161	-	197	2,358	-
Disposition of assets	(40)	-	(2)	(42)	-
Interest expense	(8,506)	(247,293)	(21)	(255,820)	-
CARES Act funds	-	269,074	-	269,074	-
Other income (expense)	-	(30,994)	-	(30,994)	406
Net Nonoperating Revenues (Expenses)	4,018	216,373	1,842	222,233	2,961
Income before capital grants, contributions, and transfers	39,812	121,770	1,099	162,681	6,293
Capital grants and contributions	9,099	33,773	-	42,872	-
Transfers in (out)	83	-	(5,047)	(4,964)	(3,495)
Capital asset transfer	2,287	-	(37)	2,250	-
Change in net position	51,281	155,543	(3,985)	202,839	2,798
Net position - January 1 , as previously stated	776,009	1,251,645	51,456	2,079,110	20,831
Implementation of GASB Statement No. 84	-	-	-	-	11,109
Net position - January 1 , as restated	776,009	1,251,645	51,456	2,079,110	31,940
Net Position - December 31	\$ 827,290	\$ 1,407,188	\$ 47,471	\$ 2,281,949	\$ 34,738
Change in net position of enterprise funds				\$ 202,839	
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds				12	
Change in net position of business-type activities				\$ 202,851	

See accompanying notes to basic financial statements

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Wastewater Management	Denver Airport System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities					
Receipts from customers	\$ 176,439	\$ 572,139	\$ 27,185	\$ 775,763	\$ 87,504
Payments to suppliers	(73,679)	(241,153)	(14,606)	(329,438)	(8,465)
Payments to employees	(29,297)	(174,629)	(12,111)	(216,037)	(2,677)
Additions from Custodial Activities	13,975	-	-	13,975	-
Deductions from Custodial Activities	(13,341)	-	-	(13,341)	-
Other receipts	-	-	2,262	2,262	508
Interfund activity	(12,104)	(23,852)	-	(35,956)	-
Claims paid	-	-	-	-	(63,527)
Net Cash Provided by (Used in) Operating Activities	61,993	132,505	2,730	197,228	13,343
Cash Flows From Noncapital Financing Activities					
Operating grants received	-	-	197	197	-
Transfers (out)	83	-	(5,047)	(4,964)	(3,495)
Net Cash (Used In) Noncapital Financing Activities	83	-	(4,850)	(4,767)	(3,495)
Cash Flows From Capital and Related Financing Activities					
Insurance proceeds	-	-	-	-	404
Principal payments	(9,052)	(210,282)	(655)	(219,989)	-
Interest payments	(7,406)	(258,274)	(21)	(265,701)	-
Passenger facility charges	-	71,653	-	71,653	-
Capital grant receipts	-	27,657	-	27,657	-
CARES Act grant receipts	-	262,672	-	262,672	-
Car rental customer facility charges	-	12,311	-	12,311	-
Payments on capital assets acquired through construction payables	(23,317)	-	-	(23,317)	-
Acquisition and construction of capital assets	(51,569)	(871,672)	(1,239)	(924,480)	(29)
Cash received for capital projects	3,442	-	-	3,442	-
Payments to escrow for current refunding of debt	-	(19,945)	-	(19,945)	-
Payments to escrow for advance refunding of debt	-	(2,111)	-	(2,111)	-
Proceeds from sale of capital assets	(40)	670	-	630	-
Payment of special item	-	(24,534)	-	(24,534)	-
Intergovernmental revenues	2,161	-	-	2,161	-
Transfer of capital assets	-	-	-	-	-
Net Cash Provided by (Used In) Capital and Related Financing Activities	(85,781)	(1,011,855)	(1,915)	(1,099,551)	375
Cash Flows From Investing Activities					
Purchases of investments	(312,638)	(503,465)	-	(816,103)	-
Proceeds from sale of investments	324,060	1,325,208	-	1,649,268	-
Payments to maintain assets held for disposition	-	(99)	-	(99)	-
Interest received	10,478	150,607	1,670	162,755	2,591
Net Cash Provided by (Used In) Investing Activities	21,900	972,251	1,670	995,821	2,591
Net increase (decrease) in cash and cash equivalents	(1,805)	92,901	(2,365)	88,731	12,814
Cash and cash equivalents - January 1	7,327	116,491	33,430	157,248	59,350
Cash and Cash Equivalents - December 31	\$ 5,522	\$ 209,392	\$ 31,065	\$ 245,979	\$ 72,164

See accompanying notes to basic financial statements

Statement of Cash Flows - Proprietary Funds, continued

For the Year Ended December 31, 2020 (dollars in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Wastewater Management	Denver Airport System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 35,794	\$ (94,603)	\$ (743)	\$ (59,552)	\$ 3,332
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	24,335	210,513	2,507	237,355	122
Changes in Assets and Liabilities					
Accounts receivable, net of allowance	(4,333)	4,849	(162)	354	(772)
Interfund receivable	397	(1,146)	1,723	974	11
Capital asset	-	-	(54)	(54)	-
Inventories	-	1,316	(15)	1,301	(17)
Prepaid items and other assets	180	1,333	(1,565)	(52)	-
Vouchers payable	563	16,165	(246)	16,482	1,689
Unearned revenue	1,961	534	98	2,593	-
Accrued and other liabilities	(2)	1,939	544	2,481	72
Interfund payable	(2,664)	(24,463)	(1,568)	(28,695)	2
Due to Metro Wastewater Reclamation District	634	-	-	634	-
Legal and claims reserved	-	18,013	-	18,013	8,904
Deferred outflows of resources pension and OPEB related	-	10,559	659	11,218	-
Deferred inflows of resources pension and OPEB related	-	1,733	243	1,976	-
Net pension and OPEB liability	5,128	8,185	1,309	14,622	-
Other operating liabilities	-	(22,422)	-	(22,422)	-
Net Cash Provided by (Used in) Operating Activities	\$ 61,993	\$ 132,505	\$ 2,730	\$ 197,228	\$ 13,343
Noncash Activities					
Assets acquired through capital contributions	\$ 6,188	\$ -	\$ -	\$ 6,188	\$ -
Unrealized gain on investments	-	131,418	-	131,418	-
Unrealized gain on derivatives	-	5,445	-	5,445	-
Proceeds from bond issuance	-	660,608	-	660,608	-
Payments to escrow agent:					
Current refunding	-	(247,853)	-	(247,853)	-
Advanced refunding	-	(399,452)	-	(399,452)	-
Swap termination	-	(9,645)	-	(9,645)	-
Cost of issuance	-	(3,569)	-	(3,569)	-
Capital assets acquired through accounts payable	11,485	119,659	-	131,144	-
Amortization of bond premiums and deferred losses and prepaid bond insurance	35	23,575	-	23,610	-
Net gain (loss) on disposal of capital assets	(83)	(40,950)	-	(41,033)	-
Capital assets transferred to other City departments/agencies	2,287	-	(37)	2,250	-

See accompanying notes to basic financial statements

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2020 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 56,449	\$ 464	\$ 35,757
Securities lending collateral	82,052	-	-
Receivables (net of allowance for uncollectibles of \$6,764):			
Taxes	-	-	1,256,172
Accounts	270	-	973
Accrued interest	1,420	-	-
Investments:			
U.S. Government obligations	155,040	-	-
Domestic stocks and bonds	982,011	-	-
International stocks	529,657	-	-
Mutual funds	634,942	-	-
Alternative investments	518,458	-	-
Real estate	168,606	-	-
Other	272,478	-	-
Total Investments	3,261,192	-	-
Prepaid and other assets	11,113	-	-
Capital assets, net of accumulated depreciation	2,716	-	-
Total Assets	3,415,212	464	1,292,902
Liabilities			
Vouchers payable	2,042	-	1,234
Securities lending obligation	82,442	-	-
Other accrued liabilities	-	188	2,968
Due to taxing units	-	-	1,284,239
Total Liabilities	84,484	188	1,288,441
Net Position			
Net position restricted for pensions	2,366,685	-	-
Net position restricted for OPEB benefits	75,006	-	-
Net position held in trust for deferred compensation benefits	889,037	-	-
Net position held in trust for other purposes	-	276	4,461
Net Position Restricted for Pensions, OPEB and Other Purposes	\$ 3,330,728	\$ 276	\$ 4,461

See accompanying notes to basic financial statements

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Pension, Health, And Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
City and County of Denver	\$ 107,776	\$ -	\$ -
Denver Health and Hospital Authority	4,958	-	-
Plan members	117,310	-	-
Foreclosure deposits and inmate deposits	-	-	17,780
Tax collections	-	-	1,295,312
Unclaimed payments and wages	-	-	1,111
Court deposits and police confiscation monies	-	-	6,551
Total Contributions	230,044	-	1,320,754
Investment Earnings:			
Net appreciation in fair value of investments	310,336	-	-
Interest and dividends	16,323	-	-
Real estate, alternative investments, and absolute absolute return income	(17,550)	-	-
Total Investment Earnings	309,109	-	-
Less Investment Expense	(13,395)	-	-
Net Investment Earnings	295,714	-	-
Securities Lending Income (Expense):			
Securities lending income	616	-	-
Borrower rebates	(222)	-	-
Agent fees	(98)	-	-
Net Earnings From Securities Lending	296	-	-
Total Net Investment Earnings	296,010	-	-
Total Additions	526,054	-	1,320,754
Deductions			
Benefits	295,123	-	-
Refunds Of contributions	4,987	-	-
Administrative expenses	5,403	-	-
Payments for disclosure activities and payments to inmates	-	-	17,294
Distributions of taxes to outside entities	-	-	1,295,312
Unclaimed payments and wages claimed	-	-	1,111
Distribution of court deposits and police confiscation monies	-	-	6,215
Total Deductions	305,513	-	1,319,932
Change In Net Position	220,541	-	822
Net Position - January 1, as previously reported	3,110,187	367	-
Implementation of GASB Statement No. 84	-	(91)	3,639
Net Position - January 1, as restated	3,110,187	276	3,639
Net Position - December 31	\$ 3,330,728	\$ 276	\$ 4,461

See accompanying notes to basic financial statements

Statement of Net Position - Component Units

December 31, 2020 (dollars in thousands)

	Caring for Denver Foundation	Denver Convention Center Hotel Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	National Western Center Authority	Other Component Units	Total
Assets							
Cash and cash equivalents	\$ 52,435	\$ 1,028	\$ 8,363	\$ 8,492	\$ 1,388	37,388	\$ 109,094
Investments	-	-	-	-	425	6,260	6,685
Receivables (net of allowances):							
Taxes	-	-	131,152	42,363	-	15,990	189,505
Accounts	811	628	443	-	5	477	2,364
Accrued interest	-	-	376	-	-	-	376
Other	-	-	2,735	-	-	131	2,866
Prepaid items and other assets	82	1,524	94	-	4	212	1,916
Restricted Assets:							
Cash and cash equivalents	-	-	-	-	-	563	563
Investments	-	94,379	163,508	-	-	-	257,887
Capital Assets:							
Land and construction in progress	-	23,421	-	-	-	18,050	41,471
Buildings and improvements	-	242,392	94	-	32	647	243,165
Machinery and equipment	-	34,711	220	-	47	8,353	43,331
Accumulated depreciation	-	(128,200)	(200)	-	(22)	(12,237)	(140,659)
Net Capital Assets	-	172,324	114	-	57	14,813	187,308
Total Assets	53,328	269,883	306,785	50,855	1,879	75,834	758,564
Deferred Outflows of Resources							
Deferred amount on refunding	-	4,530	10,090	-	-	1,117	15,737
Total Deferred Outflows of Resources	-	4,530	10,090	-	-	1,117	15,737
Liabilities							
Vouchers payable	127	526	-	-	3	4,771	5,427
Accrued liabilities	105	9,605	7,273	-	57	824	17,864
Unearned revenue	-	6,743	-	-	-	-	6,743
Advances	136	1,849	188	-	-	-	2,173
Due to other governments	-	-	1,966	-	-	78	2,044
Noncurrent liabilities:							
Due within one year	2,974	2,985	21,610	9,729	-	6,177	43,475
Due in more than one year	1,636	290,318	205,225	118,069	-	11,735	626,983
Total Liabilities	4,978	312,026	236,262	127,798	60	23,585	704,709
Deferred Inflows of Resources							
Property taxes	-	-	116,028	42,363	-	16,011	174,402
Total Deferred Inflows of Resources	-	-	116,028	42,363	-	16,011	174,402
Net Position							
Net investment in capital assets	-	(89,752)	114	-	-	2,841	(86,797)
Restricted for:							
Capital projects	-	34,697	93,755	-	-	41	128,493
Emergency use	-	19,791	-	-	-	463	20,254
Debt service	-	1,344	40,022	-	-	357	41,723
Donor and other restrictions:							
Expendable	47,604	11,849	5,940	-	5	-	65,398
Unrestricted (deficit)	746	(15,542)	(175,246)	(119,306)	1,814	33,653	(273,881)
Total Net Position (Deficit)	\$ 48,350	\$ (37,613)	\$ (35,415)	\$ (119,306)	\$ 1,819	\$ 37,355	\$ (104,810)

See accompanying notes to basic financial statements

Statement of Activities - Component Units

For the Year Ended December 31, 2020 (dollars in thousands)

	Caring for Denver Foundation	Denver Convention Center Hotel Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	National Western Center Authority	Other Component Units	Total
Expenses	\$ 18,852	\$ 64,377	\$ 124,281	\$ 5,363	\$ 2,216	\$ 50,836	\$ 265,925
Program Revenues							
Charges for services	-	20,993	-	-	-	103	21,096
Operating grants and contributions	-	-	2,773	-	1,578	1,096	5,447
Total Program Revenues	-	20,993	2,773	-	1,578	1,199	26,543
Net expenses	(18,852)	(43,384)	(121,508)	(5,363)	(638)	(49,637)	(239,382)
General Revenues							
Taxes:							
Lodgers	-	-	143,065	-	-	-	143,065
Property	-	-	-	33,631	-	27,235	60,866
Specific ownership	-	-	3,039	-	-	475	3,514
Investment and interest income	91	587	1,439	38	3	142	2,300
Other revenues	34,994	11,450	-	-	549	22,495	69,488
Net General Revenues	35,085	12,037	147,543	33,669	552	50,347	279,233
Change in net position	16,233	(31,347)	26,035	28,306	(86)	710	39,851
Net position: January 1	32,117	(6,266)	(61,450)	(147,612)	1,905	36,645	(144,661)
Net Position (Deficit) - December 31	\$ 48,350	\$ (37,613)	\$ (35,415)	\$ (119,306)	\$ 1,819	\$ 37,355	\$ (104,810)

See accompanying notes to basic financial statements

Notes to Basic Financial Statements



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I. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. A summary of the City and County of Denver's significant accounting policies applied in the preparation of these financial statements follows.

Note A – Reporting Entity

The City and County of Denver (City) was incorporated in 1861 and became a Colorado Home Rule City on March 29, 1904, under the provisions of Article XX of the Constitution of Colorado, as amended, when the people of the City ratified a Charter providing for a Mayor-Council form of government. The City is operated by authority of the powers granted by its Charter. The City provides typical municipal services except for education, public housing, and sewage treatment that are administered by other governmental entities.

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14. Certain amounts reported in the individual component unit financial statements have been reclassified to conform to the City's accounting policies. Each component unit has a December 31 year-end, with the exception of Denver College Success Corporation who has a September 30 year-end.

1. Blended Component Units

Gateway Village, Denver 14th Street, and RiNo General Improvement District (GID) – The districts were created by the City as separate legal entities pursuant to state statute. Per statute, the City Council serves as ex officio Board of Directors for the districts. District Advisory Boards, appointed by the City Council, conduct and manage all affairs of the districts, which provide capital improvement and maintenance services entirely to the City, subject to overall approval and supervision of the ex officio Board of Directors. The districts are reported herein in the City's special revenue and debt service funds.

2. Discretely Presented Component Units

Cherry Creek North, Cherry Creek Subarea, Colfax, Downtown Denver, Old South Gaylord, West Colfax, Federal Boulevard, Bluebird, Colfax-Mayfair, Five Points, Santa Fe, and RiNo Business Improvement Districts (BID) – Each BID was created by the City as a separate legal entity pursuant to state statute for the purpose of maintaining public improvements and planning development activities within each BID's geographic boundaries. The City appoints the governing boards of the BIDs and is able to impose its will through the approval of the BID's operating budgets.

Caring for Denver Foundation (CDF) - The CDF was organized as a nonprofit corporation resulting from a City ordinance, which also provides for an increase of sales tax of .25 percentage points to supplement mental health programs. CDF utilizes a portion of this tax to address Denver's mental health and substance misuse needs by growing community informed solutions, dismantling stigma, and turning the community's desire to help into action. Of CDF's thirteen-member Board of Directors six are appointed by the Mayor, two are appointed by the Denver District Attorney, and the remaining five are appointed by City Council.

Denver College Success Corporation (DCSC) - The DCSC was organized as a nonprofit corporation resulting from a City ordinance, which also provides for an increase of sales and use tax of .08 percentage points. This tax is utilized by DCSC to increase post-secondary institution enrollment and completion for City residents by expanding the capacity of scholarship-granting nonprofit organizations to support scholarship recipients. By City ordinance, DCSC is obligated to have a seven-member Board of Directors, of which six members are appointed by the Mayor and confirmed by City Council. The remaining Board member is a member of City Council and appointed by City Council.

Denver Convention Center Hotel Authority (DCCHA) – The DCCHA was organized by the City as a nonprofit corporation in accordance with State law for the purpose of owning, acquiring, constructing, equipping, operating and financing a hotel adjacent to the City's convention center. The Mayor appoints the Board of Directors of the DCCHA, subject to City Council confirmation, and a financial benefit/burden relationship exists as a result of an economic development agreement between the City and DCCHA. According to the agreement DCCHA distributes

certain excess revenues to the City, makes payments in lieu of taxes to the City, and has entered into a room block agreement which coordinates the reservation of hotel room blocks with events scheduled at the City's convention center. The City makes semi-annual economic development payments to the DCCHA, which totaled \$11,000,000 in 2020. The City also has the right to purchase the hotel at the purchase option price per the agreement.

Denver Downtown Development Authority (DDDA) – The DDDA was created for the purpose of promoting public health, safety, prosperity, security, and general welfare in order to halt or prevent deterioration of property values or structures within the central business district and to assist in the development and redevelopment of the central business district, especially to benefit the property within the boundaries of the Authority. The City entered into a cooperation agreement with DDDA in 2009 authorizing the Authority to collect and disburse property and sales tax increment revenues. Historically the DDDA collected property and sales tax increment revenue from the City and disbursed it to the Denver Union Station Project Authority (DUSPA) and the DUS Metropolitan Districts. In 2017, all of the outstanding debt of DUSPA was refinanced, a portion was assumed by the DDDA, and DUSPA was dissolved. Post-refinancing, the DDDA generates revenue from property tax increment, sales tax increment, and pledged revenues from the DUS Metropolitan Districts, Urban Drainage and Flood Control District (d/b/a Mile High Flood District), and School District No. 1 in the City and County of Denver and the State of Colorado. The Central Platte Valley Metropolitan District, Cherry Creek Subarea Business Improvement District, and Market Station Metropolitan Districts also exist within the boundaries of the DDDA and receive property tax revenue from the DDDA. The Board of Directors is appointed by the Mayor and confirmed by City Council, and City Council may remove any director at will. These appointments and the ability of the City to impose its will on the Authority make the City financially accountable for the Authority.

Denver Preschool Program, Inc. (DPP) – DPP is a nonprofit corporation organized to administer the Denver Preschool Program that provides tuition credits for children of Denver families the year before the child is eligible for kindergarten. The City is legally obligated to provide financial support to DPP, as the program is funded by a sales and use tax increase of fifteen one-hundredths of one percent (0.15%) that was voter-approved through December 2026. The Mayor appoints 10 of the 11 DPP board members and City Council appoints a council member as the other board member. The City appointments to the governing body and its financial obligations to DPP make the City financially accountable for the DPP.

Denver Urban Renewal Authority (DURA) – DURA was created as a separate legal entity by the City pursuant to the state Urban Renewal Law to acquire, clear, rehabilitate, conserve, develop or redevelop identified slum or blighted areas existing within the City and to prevent future blight from developing. In addition, for health and safety purposes, DURA provides housing rehabilitation assistance in the form of low-interest loans to low-income Denver homeowners through two City housing rehabilitation programs.

The Mayor appoints the DURA board of directors subject to City Council approval. Any urban renewal project undertaken by DURA must receive prior approval by the City. A significant amount of DURA's financing comes from incremental property and sales tax revenue from the City. In 2009, DURA established Denver Neighborhood Revitalization, Inc. (DNRI), a registered State of Colorado not-for-profit organization and component unit of DURA, to address the needs in the Denver community related to foreclosed and/or abandoned homes through the administration of the Neighborhood Stabilization Program (NSP) funds awarded by the City and County of Denver. DNRI administered this program under contract with the City. The contract ended in March 2019 and management of DNRI are evaluating further operations for additional ways DNRI can continue its mission of neighborhood revitalization. For presentation purposes, DURA and DNRI financial activity is combined.

National Western Center Authority – The National Western Center Authority is a Colorado nonprofit corporation that partners with the City to program, operate, and maintain the year-round campus for agricultural education, innovation, and entertainment. The actions of the Authority are guided by a 13-person board, made up of 11 voting directors and two non-voting directors. The voting directors include six appointments by the Denver mayor: two Colorado State University appointees, two Western Stock Show Association appointees, and one Globeville, Elyria, or Swansea resident mayoral appointee. A second Globeville, Elyria, or Swansea resident will be appointed by the mayor as a non-voting director. The City Chief Financial Officer will also serve as a non-voting director and Treasurer of the Board. The funding for the Authority's work comes from the partners as defined in the Framework agreement between the City and County of Denver, Western Stock Show Association, and Colorado State University.

Complete financial statements, as applicable, for the following individual component units can be obtained from their respective administrative offices:

Bluebird BID

8005 South Chester Street, Suite 150
Centennial, Colorado 80112

Cherry Creek North BID

2401 E. 2nd Ave., Suite 150
Denver, CO 80206

Colfax BID

P. O. Box 18853
Denver, Colorado 80218

Downtown Denver BID

1515 Arapahoe St, Tower 3, Suite 100
Denver, Colorado 80202

Denver College Success Corporation

789 Sherman Street, Suite 610
Denver, CO 80203

Denver Downtown Development Authority

201 West Colfax Avenue, Department 1109
Denver, Colorado 80202

Denver Urban Renewal Authority

1555 California Street, Suite 200
Denver, Colorado 80202

Five Points BID

1515 Arapahoe St, Tower 3, Suite 100
Denver, Colorado 80202

National Western Center Authority

4701 Marion St, Suite 401
Denver, Colorado 80216

RiNO BID/GID

3525 Walnut Street
Denver, Colorado 80205

West Colfax BID

3275 West 14th Avenue, Suite 202
Denver, Colorado 80204

Caring for Denver Foundation

Kaleidoscope Collaborative Center
1035 Osage Street, 8th Floor
Denver, Colorado 80204

Cherry Creek Subarea BID

1700 Lincoln Street, Suite 3800
Denver, Colorado 80203-4538

Colfax-Mayfair BID

P. O. Box 202161
Denver, Colorado 80220

Denver 14th Street GID

1515 Arapahoe Street, Tower 3, Suite 100
Denver, Colorado 80202

Denver Convention Center Hotel Authority

1225 17th Street, Suite 3050
Denver, Colorado 80202

Denver Preschool Program, Inc.

305 Park Avenue West, Suite B
Denver, Colorado 80205

Federal Boulevard BID

P. O. Box 11817
Denver, Colorado 80211

Gateway Village GID

8390 E. Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

Old South Gaylord BID

1076 South Gaylord Street
Denver, Colorado 80209

Santa Fe BID

725 Santa Fe Drive
Denver, Colorado 80204

3. Fiduciary Component Unit.

Denver Employees Retirement Plan (DERP) – The DERP is a separate legal entity established by City ordinance to provide pension benefits for substantially all City employees, except police officers and firefighters. The Mayor appoints the members of the DERP governing board. The DERP is presented herein in the City's fiduciary funds as Pension and Health Benefits Trust Funds. The net position of the DERP is held for the sole benefit of the participants and is not available for appropriation by the City.

4. Related Organizations.

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

Denver Health and Hospital Authority (Authority) – The Authority is a political subdivision and body corporate of the State of Colorado. The Authority is governed by a nine-member board, all appointed by the Mayor. The Authority entered into contractual agreements with the City to obtain and operate the City's existing hospital system. In accordance with the contractual agreements between the Authority and the City, the City paid the

Authority \$82,044,000 for providing various health related services to the City and its residents during 2020. In addition, the Authority made payments in the amount of \$2,089,000 to the City for human services, fleet, sheriff, and various human resources services.

Denver Housing Authority (DHA) – The DHA was created by ordinance in accordance with U.S. Department of Housing and Urban Development (HUD) regulations. Its five-member board, appointed by the Mayor, controls the daily administration and operations of the DHA. The DHA is dependent on Federal funds from HUD and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control over the DHA.

Denver Public Library Trust (DPL Trust) – The DPL Trust is a charitable entity formed by the Library Commission and the DPL Friends Foundation to accept inherited interests through a bequest. All assets of the DPL Trust derive from a percentage of an interest in two real estate partnerships. The Library Commission appoints the trustees of the DPL Trust. All funds received by the DPL Trust are deposited into a bank account managed by the DPL Trust and quarterly transferred to the DPL Friends Foundation. The monies may be requested during the Denver Public Library's annual budget request from the DPL Friends Foundation.

Denver Water Board – The Denver Water Board was created pursuant to the City Charter as a separate legal entity to oversee the City's water system. The Denver Water Board's five-member governing body is appointed by the Mayor, but the City is not financially accountable for the Denver Water Board because the Denver Water Board has the power to levy property taxes to support general obligation bonds issued by the Denver Water Board and the Denver Water Boards' determination of the necessity for the mill levy would be subject to approval or modification by the City. The Denver Water Board had no general obligation bonds outstanding as of December 31, 2020, and no longer has authority to issue general obligation bonds.

Lowry Economic Redevelopment Authority (Lowry) – Lowry was created as a public entity by contract between the City and another local government under the Colorado Governmental Immunity Act, CRS Section 24-10-01. Lowry is a separate legal entity intended to maintain, manage, promote, and implement economic redevelopment of the former Lowry Air Force Base. The City is not fiscally accountable for Lowry. Lowry is governed by a nine-member board of directors of which the Mayor appoints seven.

Stapleton Development Corporation (SDC) – The City and DURA created a nonprofit corporation whose objectives would include, but not be limited to, planning an orderly public purpose assessment and redevelopment program for the former Stapleton International Airport property and implementing the redevelopment plan for the property. The SDC board of directors is composed of 11 voting members; the Mayor appoints 9 and 2 are appointed by DURA. All 11 members are confirmed by the City Council. Neither the City nor DURA is financially accountable for SDC, as the City and DURA cannot impose their will on SDC, nor does a financial benefit or burden exist between the entities.

Note B – Government-Wide and Fund Financial Statements

The government-wide financial statements, which include the statement of net position and statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely generally on fees and charges to external parties. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference being presented as net position.

The statement of activities demonstrates the extent to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services provided by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, fiduciary funds (even though fiduciary funds are excluded from the government-wide financial statements), and component units. The emphasis of fund financial statements is on major governmental funds, enterprise funds, and component units,

each reported as a separate column. All remaining governmental funds, enterprise funds, and component units, are aggregated and reported as nonmajor funds.

Note C – Measurement Focus, Basis of Accounting, and 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 and fiduciary funds, and discretely presented component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The City considers all revenue as available, if collected within 60 days after year end. Property taxes, sales and use taxes, franchise taxes, occupational privilege taxes, interest revenue, fines, and charges for services are susceptible to accrual. Other receipts, licenses, permits, and parking meter revenues become measurable and available when cash is received by the City and are recognized as revenue at that time. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and certain compensated absences, claims and judgments, pension and OPEB obligations which are recognized when the payment is due.

The City reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund. This fund is financed primarily by sales tax, property tax, and charges for services.
- The **Human Services special revenue fund** is used to account for proceeds of restricted revenue to be used for public assistance and welfare activities. This fund is financed primarily by intergovernmental revenue and property taxes.

The City reports the following major proprietary funds:

- The **Wastewater Management fund** accounts for the City's storm and sewer operations. This fund is financed primarily by sanitary sewer and storm drainage charges.
- The **Denver Airport System fund** accounts for the operation of the City's airport system which includes Denver International Airport. This fund is financed primarily by facility rentals, parking revenues, and landing fees.

The City reports the Caring for Denver Foundation, Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, Denver Downtown Development Authority, and the National Western Center Authority component units as major component units.

Additionally, the City reports the following fund-types:

- **Internal service funds** account for asphalt plant and employee insurance benefits provided to the various departments and agencies of the City on a cost reimbursement basis.
- **Pension trust funds** account for the Denver Employees Retirement Plan, which accumulate resources for pension and health benefit payments to qualified City retirees.
- **Other employee benefits trust fund** accounts for the Deferred Compensation Fund, which holds and administers resources to qualified city employees who participate in the plan. Assets are reserved solely for deferred compensation benefits.
- **Private-purpose trust funds** are used to account for resources legally held in trust by the City for use by various organizations for various purposes. All resources of the funds, including any earnings on invested resources, may be used to support the various activities of the organizations. There is no requirement to preserve the resources as capital.
- **Custodial funds** account for treasury collections and court fees, and collected receipts being temporarily held for allocation to other entities. These funds are custodial in nature and do not involve measurement of results of operations. The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the City's enterprise funds

and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, the City uses the restricted resources first, then unrestricted resources as needed. If no other restrictions exist, the order of spending of resources will be committed, assigned, and lastly unassigned.

Note D – Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances

- 1. Cash and Investments.** For the primary government, except when prohibited by trust agreements, the operating cash in each fund is maintained in one consolidated pool by the City. Cash in excess of operating requirements is invested by the City. The City Charter, Section 2.5.3(C) and the Denver Revised Municipal Code, Section 20-21, authorize that investments may be made in U.S. Government obligations, its agencies and sponsored corporations, prime commercial paper, prime bankers' acceptances, certificates of deposit issued by eligible banks and savings and loan associations, local government investment pools, repurchase agreements, forward purchase agreements, securities lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The pension trust funds and component units maintain deposits and investments outside of the City's investment pools. These are primarily in demand deposits and equities, and U.S. Government obligations.
Investments, unless otherwise noted, are stated at fair value, which is primarily determined based upon quoted market prices or other significant, observable inputs, at year end. Fair values of real estate and other investments are determined by independent periodic appraisals. Investments in repurchase agreements and the guaranteed investment contract are stated at cost, while investments in the local government investment pools and certain investments in the Fiduciary Funds are stated at net asset value (NAV).
- 2. Cash Equivalents.** The City's investments held in the consolidated pool with original maturities of three months or less from the purchase date are classified as cash equivalents. For investments owned by wastewater, the airport system, the pension trust funds, and the component units, investments with original maturities of three months or less from the date of purchase are considered cash equivalents.
- 3. Property Taxes Receivable.** Property taxes are reported as a receivable and as deferred inflows of resources when the levy is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes receivable is reduced by an allowance for uncollectible taxes. Included in property taxes receivable is an amount of assessed property tax that is expected to be reimbursed to the City by the State for the State's Senior Veteran Property Tax Exemption program rather than being paid by the taxpayer themselves. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Tax rate levy authority for the 2020 fiscal year was approved when Resolution 1070, Series of 2020, was adopted by the City Council and approved by the Mayor.
- 4. Water and Wastewater Service Accounts.** Sanitary sewer accounts are maintained, billed, and collected by the Water Board in connection with its water accounts. The Wastewater Management enterprise fund is responsible for billing and collecting storm drainage charges using a cycle billing system. Flat rate accounts and certain cycle billings are billed in advance on a monthly basis and revenues relating to future years are classified as unearned revenue. Metered accounts are billed in arrears and have been accrued.
- 5. Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances from these transactions are classified as "interfund receivable" or "interfund payable" on the balance sheet/statement of net position. Other interfund receivables/payables between individual funds have occurred because some funds have overdrawn their equity share of pooled cash.

6. **Due from Other Governments.** Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are unearned. In the governmental funds, revenue recognition also depends on the timing of cash collections (availability).

7. **Inventories and Prepaid Items.** The City values inventories at cost, which approximates market, and accounts for them using either the weighted average method or the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items in the governmental funds are recorded as an expense when consumed.

8. **Restricted Assets.** Certain assets of the General Fund, General Government special revenue fund and certain component units are classified as restricted assets because their use is completely restricted by State statute. In the General Fund, certain monies related to COPs and capital leases (see **Note III-E-1**) are classified as restricted in accordance with lease requirements.

Certain resources of the governmental activities and the Denver Airport System enterprise fund are classified as restricted assets because their use is limited by applicable bond covenants. These covenants require the accumulation of resources for current principal and interest on both bonds and subordinate bonds, principal and redemption price on term bonds subject to mandatory redemption, principal and interest emergency reserve, and operating and maintenance emergency reserve.

Certain assets of the Environmental Services enterprise fund have been restricted by external parties to be used for future plant and equipment expenditures and payment of certain liabilities.

9. **Capital Assets.** Land, collections, construction in progress, buildings, equipment, infrastructure, and intangible assets are reported in the applicable governmental or business-type activities, or component unit columns of the government-wide financial statements. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The capitalization threshold of the City is \$5,000 except for internally-generated software, which has a threshold of \$50,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Assets under capital leases are recorded at the present value of future minimum lease payments and are amortized over the shorter of the lease term or the estimated useful life of the asset.

Capital assets of the City and certain component units are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 50 years
Motor vehicles and motorized equipment	5 to 20 years
Furniture, machinery, and equipment	3 to 20 years
Collections, excluding library books	15 years
Library books	4 years
Infrastructure	6 to 50 years
Intangibles	3 to 5 years

Physical library books are depreciated over a four-year life and digital books are depreciated over a two-year life both using the composite method. The Western History artwork collection is not capitalized because these assets are held for public exhibition rather than financial gain and the value cannot be determined. They are protected and preserved and proceeds from any sales must be used to acquire other items for collection. In addition, artwork acquired through the Estate of Clyfford Still is not capitalized because the collection must be held for public exhibition and sale of the collection, or any piece of the collection, is prohibited, under the terms of the will and the donation agreement. A value has not been assigned to the Clyfford Still collection and due to the rarity of the collection combined with restrictions within the will for its ownership and exhibition, its ultimate value may be impossible to establish with any certainty.

Assets held for disposition in governmental funds consist of foreclosed property and land pending future sale. No depreciation is recorded for assets held for disposition.

10. **Long-term Obligations.** The City records long-term debt and other long-term obligations as liabilities in the government-wide and proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method or the straight-line method, which is not materially different than the effective-interest method, over the term of the debt. Bond premiums and discounts are presented as an addition or reduction (net) of the face amount of the bond payable. With few exceptions, bonds issued by the City are tax-exempt and subject to federal arbitrage regulations.

In the fund financial statements for governmental fund-types, bond issuance costs, other than prepaid insurance, are recognized as expenditures during the current period even if withheld from actual net proceeds. Bond proceeds and bond premiums are reported as an other financing source. Bond discounts are reported as an other financing use.

11. **Compensated Absences.** The City has vacation, sick, and paid time off leave policies covering substantially all its employees, as follows:

- Career Service Authority
- Fire and Police Departments' Classified Service
- Undersheriff
- District Attorney and Judges

Employees may accumulate earned but unused benefits up to a specified maximum. The City has recorded an accrued liability for compensated absences in the government-wide and proprietary fund financial statements that was calculated using the vesting method.

12. **Unearned Revenues.** Unearned revenues reflect amounts that have been received before the City has a legal claim to the funds. In subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed from the statement of net position/balance sheet and revenue is recognized.

13. **Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP) the Statewide Defined Benefit Plan and Old Hire Fire and Police Pension Plans, administered by the Fire and Police Pension Association of Colorado (FPPA) and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various pension plan's fiduciary net position have been determined on the same basis as they are reported by DERP, FPPA, and PERA. 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.

14. **Other Post-Employment Benefits (OPEB).** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP), Police Retiree Health Fund (PRHF) and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various OPEB plan's fiduciary net position have been determined on the same basis as they are reported by DERP, PRHF and PERA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. **Deferred Outflows of Resources and Deferred Inflows of Resources.** A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate. The City reports deferred outflows of resources for pension and OPEB related amounts for the City's share of the difference between projected and actual earnings for the City's share of the difference between contributions to the individual plans and the proportionate share of the contributions, for changes of assumptions or other inputs, the difference between expected and actual experience, and contributions subsequent to the measurement date. Deferred outflows of resources of the City also consist of the accumulated decrease in fair value of hedging derivatives and the deferred loss on refunding.

The City reports deferred inflows of resources for pension and OPEB related amounts in the government wide financial statements or the City's share of the difference between expected and actual experience and for the City's share of the difference between contributions to the individual plans proportionate share of the contributions and the difference between projected and actual earnings. The City also reports deferred inflows of resources for property tax receivables that are levied for the next fiscal year, and deferred gain on refunding.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

16. **Net Position.** In the government-wide and fund financial statements, net position is the difference between assets, liabilities, deferred inflows of resources, and deferred outflows of resources. Net investment in capital assets, represents capital assets; less accumulated depreciation; and less any outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for capital projects, emergency use, debt service, and by donor restrictions.
17. **Fund Balance.** In the governmental fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balance classifications based on the nature and extent of the constraints placed on the fund balances.
18. **Encumbrances.** Encumbrances for contracts and purchase orders are unencumbered at year end and reappropriated against the subsequent year's budget. As of December 31, 2020, the encumbrances reflected in **Table 1** (dollars in thousands) were reappropriated against the 2021 budget for remaining prior year encumbrances.

Table 1

Governmental Activities:

General Fund	\$ 64,280
Human Services Fund	9,845
Other Governmental Funds	471,362
Internal Service Funds	2,102
Total Governmental Activities	\$ 547,589

Business-type Activities:

Wastewater Management	\$ 44,811
Denver Airport System	614,968
Other Enterprise Funds	2,328
Total Business-type Activities	\$ 662,107

19. **Special Incentive Program.** In 2020, the City offered a special incentive to Career Service employees who were eligible to retire effective August 31, 2020. In exchange for the employee's voluntary retirement, the employee received two incentive payments. The first incentive payment of \$5,000 was paid in two installments with \$2,500 paid in 2020 and \$2,500 paid in January 2021. The second incentive payment was a calculation of one week of salary for each year of service up to a maximum of \$40,000. One-third of this calculated amount was paid in 2020 and two-thirds was paid in January 2021. Per the agreement, these incentive payments are excluded under the definition of compensation used in calculating an employee's retirement benefit under the Denver Employee Retirement Plan and therefore would not affect future retirement benefits. A total of 266 employees participated in the special incentive plan resulting in total payments of \$9,398,000, of which \$7,458,000 was paid in 2021 and recorded as a liability in the applicable funds in 2020.

Note E – Implementation of New Accounting Principles

Governmental Accounting Standards Board Statement No. 83. In 2020, the City implemented provisions of GASB Statement No. 83 (Statement No. 83), *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs) and requires governmental entities to identify and value AROs and record a liability and corresponding deferred outflow of resources for the current value of outlays expected to be incurred for those tangible capital assets that the entity has a legal obligation to perform asset retirement activities. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Retirement may include sale, abandonment, recycling, or other types of disposal. It does not apply to temporary idling of an asset. An analysis of the impact of this statement has determined that the liability is immaterial to the City's financial statements and therefore there was no financial impact due to implementing this standard.

Governmental Accounting Standards Board Statement No. 84. In 2020, the City implemented provisions of GASB Statement No. 84 (Statement No. 84), *Fiduciary Activities*. The 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. An activity meeting the criteria should be reported in 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 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The financial statements for governmental activities for the year ended December 31, 2020 have been restated as a result of the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of the restatement on the beginning balances is reflected in **Table 2** (in thousands):

Table 2

Funds Moved To	Funds Moved From		
	Private Purpose Trust Funds	Custodial Funds	Total
General Fund	\$ -	\$ (16)	\$ (16)
Employee Insurance Benefits Internal Service Fund	-	11,109	11,109
Custodial Funds	(91)	-	(91)
Total	(91)	11,093	11,002

Governmental Accounting Standards Board Statement No. 88. In 2020, the City implemented provisions of GASB Statement No. 88 (Statement No. 88), *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation of this statement impacted both the governmental activities and business-type activities of the City. See Note E - Lease Obligations and Note G - Long-Term Debt for the updated footnote disclosures.

II. Stewardship, Compliance, and Accountability

Note A – Deficit Fund Equity

At December 31, 2020, the Denver Convention Center Hotel Authority (DCCHA), the Denver Urban Renewal Authority (DURA), and the Downtown Denver Development Authority component units had deficit net position in the amounts of \$37,613,000, \$35,415,000 and \$119,306,000, respectively.

The DCCHA component unit will use revenue from its hotel facility to fund its deficit net position. DDDA receives sales and property tax revenue to fund its deficit net position. The DURA component unit uses Tax Increment Financing (TIF), which is additional incremental property and sales taxes generated by redevelopment projects, to fund its deficit net position.

Note B – Excess Expenditures Over Authorizations

As of December 31, 2020, the budget to pay Denver Public Schools related to the mill levy at the Stapleton redevelopment area was exceeded by \$1,306,000 and the budget related to Annual Rental Payments for certificates of participation was exceeded by \$166,000. Both were due to the timing of the accrual of payments and when the budget was available.

III. Detailed Notes for All Funds

Note A – Deposits and Investments

1. **Deposits.** The City Charter, Section 2.5.3(c), requires all banking or savings and loan institutions to pledge sufficient collateral as required by law (Public Deposit Protection Act (CRS, 11-10.5-101)) before any public funds are deposited. In addition, the City's Investment Policy requires that certificates of deposit be purchased from institutions that are certified as Eligible Public Depositories by the appropriate state regulatory agency. Under the Colorado Public Deposit Protection Act (PDPA), all deposits exceeding the amount insured by the FDIC are to be fully collateralized at 102.00% of the deposits with specific approved securities identified in the act. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institutions' trust department or agent in the "City's name."

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the City would not be able to recover its deposits, investments or collateral securities. At December 31, 2020, the bank balance and carrying amounts of accounts managed by the Manager of Finance (the Manager) were \$3,948,000 and (\$9,298,000) respectively. The negative carrying amount represents outstanding checks that are in excess of current operating bank account balances on December 31. This is due to a large amount of checks issued at the end of December to meet the CARES Act spending deadline. The funding of these checks, which would happen through the liquidation of investments, occurred in 2021 when the checks were presented at the bank. The City's deposits, except for the pension trust fund and certain component units' deposits are subject to, and in accordance with PDPA.

All deposits for DURA, DDDA, DCCHA, and Caring for Denver were not subject to custodial credit risk at December 31, 2020, since they were covered by FDIC or PDPA. The National Western Center Authority maintains a bank account at one institution, which is insured by the FDIC up to \$250,000. The funds in this account may, at times, exceed the amounts insured by the FDIC. The Authority has never experienced any losses related to these amounts.

2. **Investments.** It is the policy of the City to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. The City's Investment Policy applies to all investment activity of the City under the control of the Manager, including investments of certain monies related to all governmental and business-type activities, and trust and custodial funds. The City's Investment Policy does not apply to the investments of the deferred compensation plan, the Denver Employee Retirement Plan or component units. The City's investment Policy does not apply to the investments of the deferred compensation plan, the Denver Employee Retirement Plan, or component units. Other monies that may from time to time be deposited with the Manager for investment shall also be administered in accordance with the Investment Policy.

The City Charter, Section 2.5.3(c), and Revised Municipal Code, Section 20-21, authorize the investments that the City can hold. The Investment Policy requires that investments shall be managed in accordance with portfolio theory management principles to compensate for actual or anticipated changes in market interest rates. To the extent possible, investment maturity will be matched with anticipated cash flow requirements of each investment portfolio. Additionally, to the extent possible, investments will be diversified by security type, market sector, and institution. This diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolios. Deviations from expectations shall be reported in a timely fashion and appropriate action taken to control adverse developments.

At December 31, 2020, the City's investment balances, including fiduciary funds were as shown in **Table 3**.

Table 3**City Investment Balances**

December 31, 2020 (dollars in thousands)

	Fair Value
Money market funds	\$ 1,000
Local government investment pool	123,152
Common stock	273,670
Mutual funds	1,401,206
Municipal bonds	163,857
U.S. Treasury securities	1,104,326
U.S. agency securities	1,815,060
Corporate bonds	1,072,475
Structured products ⁽¹⁾	464,832
Multinational fixed income ⁽²⁾	548,649
Annuity contracts	228,235
Real estate	168,606
Other	1,071,871
Total Investments	\$ 8,436,939

⁽¹⁾ Includes asset backed securities, collateralized mortgage obligations, and mortgage backed securities.

⁽²⁾ Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

The DERP pension trust fund had securities lending collateral of \$82,052,000 at December 31, 2020; see **Note 7** of the DERP comprehensive annual financial report (available at <https://www.derp.org>) for additional discussion related to this balance.

At December 31, 2020, the investment balances of the discretely presented component units were as shown in **Table 4**.

Table 4**Component Units Investment Balances**

December 31, 2020 (dollars in thousands)

	Fair Value
Money market funds	\$ 145,193
Local government investment pool	3,141
Certificates of deposit	10,880
Municipal bonds	7,013
Commercial paper	8,784
U.S. Treasury securities	41,220
U.S. agency securities	29,954
Corporate bonds	6,127
Multinational fixed income ⁽¹⁾	6,714
Other ⁽²⁾	5,546
Total Investments	\$ 264,572

⁽¹⁾ Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

⁽²⁾ Includes 425,000 equity investment and 5,121,000 fixed income securities.

A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2020, is shown in **Table 5**.

Table 5**Reconciliation of Cash and Investments**

December 31, 2020 (dollars in thousands)

Governmental and Business-type Activities	Primary Government	Component Units	Total
Cash on hand	\$ 8,640	\$ -	\$ 8,640
Cash and cash equivalents	1,931,328	109,094	2,040,422
Investments	1,075,924	6,685	1,082,609
Restricted cash and cash equivalents	348,743	563	349,306
Restricted investments	1,784,924	257,887	2,042,811
Total Governmental and Business-type Activities	\$ 5,149,559	\$ 374,229	\$ 5,523,788
Fiduciary			
Cash on hand	\$ -	\$ -	\$ -
Cash and cash equivalents	92,670	-	92,670
Investments	3,261,192	-	3,261,192
Total Fiduciary	\$ 3,353,862	\$ -	\$ 3,353,862
Total	\$ 8,503,421	\$ 374,229	\$ 8,877,650
Less deposit balance ⁽¹⁾	(66,482)	(109,657)	(176,139)
Total	\$ 8,436,939	\$ 264,572	\$ 8,701,511

⁽¹⁾ The carrying amount of the City's deposits of \$17,429,000, less outstanding checks of \$22,851,000, plus petty cash of \$108,000, plus fiduciary cash of \$56,449,000, plus General Improvement District cash of \$1,156,000 and plus cash on hand of \$14,155,000 and plus an adjustment of \$36,000 equals \$66,482,000

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Equities within all asset classes that are classified in Level 1 are valued using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. The City currently does not maintain equity securities classified as Level 3. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing issued to value securities based on the securities' relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate and agency bonds, bank loans, and structured products. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. The city currently does not maintain fixed income securities classified as Level 3.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a proxy are not classified in the fair value hierarchy. See **Table 7** for further detail. Short-term securities generally include investments in money market-type securities reported at amortized cost, which approximates market or fair value but are not classified in the fair value hierarchy.

Investment derivative instruments determination of fair value consists of a two-step process. First settlement prices are determined by utilizing the income approach under GASB 72 from "mid-market" pricing data available from public and subscription source. The second step is to determine the credit valuation adjustment for the derivative instrument. The purpose of the credit valuation adjustment is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Fair value is then determined as the settlement price of the derivative instrument adjusted by the credit valuation adjust of both the reporting entity's payment obligation and the counterparty's payment obligations.

The City has the following recurring fair value measurements as of December 31, 2020 as shown in **Table 6**:

Table 6

Fair Value Measurements

December 31, 2020 (Dollars In Thousands)

Governmental And Business-Type Activities	Fair Value	Level 1	Level 2	Level 3
Municipal bonds	\$ 162,018	\$ -	\$ 162,018	\$ -
Mutual funds	53	53	-	-
U.S. Treasury securities	1,064,675	-	1,064,675	-
U.S. agency securities	1,721,485	-	1,721,485	-
Corporate bonds	741,546	-	741,546	-
Structured products	459,286	-	459,286	-
Multinational fixed income	541,988	-	541,988	-
Governmental And Business-Type Activities	\$ 4,691,051	\$ 53	\$ 4,690,998	\$ -
Total Investments Measured At The Nav ⁽¹⁾	121,458	-	-	-
Total Other Investments Not Valued At Fair Value	304,394	-	-	-
Total Governmental And Business-Type Activities	\$ 5,116,903	\$ -	\$ -	\$ -
Fiduciary	Fair Value	Level 1	Level 2	Level 3
Municipal Bonds	\$ 1,839	\$ -	\$ 1,839	\$ -
Common stock	273,670	273,670	-	-
U.S. Treasury securities	39,651	26,337	13,314	-
U.S. agency securities	93,575	-	93,575	-
Corporate bonds	330,929	-	330,929	-
Structured products	5,546	-	5,546	-
Multinational fixed income	6,661	-	6,661	-
Mutual funds	1,401,153	1,401,153	-	-
Other (self directed brokerage)	120,329	120,329	-	-
Total Fiduciary	\$ 2,273,353	\$ 1,821,489	\$ 451,864	\$ -
Total Investments Measured At The Nav ⁽²⁾	\$ 818,432	\$ -	\$ -	\$ -
Total Other Investments Not Valued At Fair Value ⁽³⁾	228,251	-	-	-
Total Fiduciary	\$ 3,320,036	\$ -	\$ -	\$ -
Total Investments	\$ 8,436,939	\$ -	\$ -	\$ -
Major Component Units	Fair Value	Level 1	Level 2	Level 3
Municipal bonds	\$ 7,013	\$ -	\$ 7,013	\$ -
Commercial paper	8,784	-	8,784	-
U.S. Treasury securities	41,220	41,220	-	-
U.S. agency securities	29,954	-	29,954	-
Corporate bonds	6,127	6,127	-	-
Multinational fixed income	6,714	-	6,714	-
Major Component Units	\$ 99,812	\$ 47,347	\$ 52,465	\$ -
Total Investments Measured At The Nav ⁽⁴⁾	745	-	-	-
Total Other Investments Not Valued At Fair Value ⁽⁵⁾	157,755	-	-	-
Total Major Component Units	\$ 258,312	\$ -	\$ -	\$ -
Police Retiree Health Fund	Fair Value	Level 1	Level 2	Level 3
Stocks, Options, And Etf's	\$ 5,122	\$ 5,122	\$ -	\$ -
Mutual Funds	\$ 1,655	\$ 1,655	\$ -	\$ -
Total Police Retiree Fund	\$ 6,777	\$ 6,777	\$ -	\$ -
Governmental And Business-Type Activities	Fair Value	Level 1	Level 2	Level 3
Investment Derivative Instruments:				
Interest rate swaps ⁽⁶⁾	\$ 49,426	\$ -	\$ -	\$ -
Total Governmental And Business-Type Activities	\$ 49,426	\$ -	\$ -	\$ -

(1) Balance held at Colotrust \$82,830,000, balance held at CSAFE of \$38,628,000.

(2) Colotrust and Csafe balance in City fiduciary plus DERP NAV equal \$818,432,000. See Table 7 for DERP investment measured at the NAV.

(3) Includes Deferred Compensation Plan amounts of \$228,235,000 of synthetic guaranteed investment contracts and includes \$16,000 of money market funds.

(4) December 31, 2020 balance held at Colotrust of \$745,000.

(5) Includes \$146,874,000 of money market funds and \$10,880,000 of Certificates of Deposit.

(6) Net of \$4,773,000 of interest rate swaps at an asset position and \$54,199,000 in a liability position, which \$34,087,000 is for governmental activities and \$20,112,000 is business type interest rate swaps at a liability positions. Refer to Tables 37 and 41.

Synthetic Guaranteed Investment Contracts – An option in the City’s deferred compensation plan includes a custom stable value fund that includes synthetic guaranteed investment contracts (SGICs). The contracts provide a stable rate of return to the participants. The value of the underlying investments is \$228,235,000 as of December 31, 2020.

Table 7

Fiduciary Investments Measured at the NAV

December 31, 2020 (dollars in thousands)

	December 31	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Investments				
Private debt	\$ 153,530	\$ 54,518	Not eligible	n/a
Emerging market debt	52,231	-	Monthly	3 days
Total Fixed Income Investments	\$ 205,761	\$ 54,518		
Real Estate Investments				
Real estate - open-end	\$ 139,235	\$ -	Quarterly	20-90 days
Real estate - closed-end	29,371	23,202	Not eligible	n/a
Total real estate investments	\$ 168,606	\$ 23,202		
Alternative Investments				
Private equity	\$ 313,504	\$ 80,985	Not eligible	n/a
Energy investments	62,028	26,835	Not eligible	n/a
Timber	37,377	-	Not eligible	n/a
Total alternative investments	\$ 412,909	\$ 107,820		
Absolute Return				
Hedge Fund	\$ 29,461	\$ -	Quarterly	65 days
Total Absolute Return	\$ 29,461	\$ -		
Total Investments Measured at the NAV	\$ 816,737	\$ 185,540		
LGIP				
Colotrust	\$ 1,155			
Csafe	540			
Total LGIP	\$ 1,695			
Total Investments Measured at the NAV	\$ 818,432			

Fixed Income Investments

- Private debt investments are intended to generate returns by lending money to various businesses and enterprises, or by purchasing loans originated by other lenders. There are six commingled investment pools, each taking the form of a partnership or similar structure. The debt may be secured or unsecured, and various yield enhancing techniques may be used, such as royalty sharing, equity options, or the application of leverage. Liquidity of these closed-end funds is determined by the monetization of underlying investments, and subject to reinvestment terms.
- Investments in emerging market debt seek to purchase the publicly traded sovereign or corporate debt obligations of developing nations.

Real Estate Investments

- Real Estate Investments - Open end real estate investments are pooled investments that own and operate commercial property. Returns are generated from income and price appreciation. These funds have perpetual life, and periodically accept contributions or honor redemptions.
- Closed end real estate investments consist of pooled funds to own and operate commercial property. These funds have a finite life, and funds are returned as investments are liquidated.

Alternative Investments

- Private equity utilizes a fund of funds approach to make investments in venture capital, buyouts, and other corporate finance transactions.

- Energy investments are a diversified portfolio of energy assets, including interests in oil, natural gas, power generation, and renewables
- Timber investments are made in both domestic and international timberland. Returns are generated through the acquisition, management, harvesting and sale of timber.
- Liquidity of these closed-end funds is determined by the monetization of underlying investments, and subject to reinvestment terms.

Absolute Return Investments

- Absolute Return Investments - A hedge fund of funds is used to generate returns that are higher than core fixed income, with significantly lower risk than public equities. A multi strategy approach is used to improve consistency of returns while limiting downside risk.

Interest Rate Risk. Interest rate risk is the risk that changes in financial market interest rates will adversely affect the value of an investment. The City's Investment Policy limits interest rate risk for investments under the control of the Manager by limiting the maximum maturity of investments. Investments in commercial paper have a maximum maturity of 270 days. Corporate debt obligations have a maximum maturity of five years. U.S. Treasury, agency, and supranational, municipal, and asset-backed securities can have a maximum maturity of 10 years. Agency mortgage-backed securities have a maximum maturity of 31 years with an average life limitation of 20 years. Agency collateralized mortgage obligations have a maximum maturity of 31 years with an average life limitation of 10 years. To further mitigate interest rate risk, the investment policy limits investments in asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations to a combined maximum of 20.00% of the City's overall investments. The City also minimizes interest rate risk by maintaining a concentration of its portfolio invested in short-term and extremely liquid investments. The Manager is authorized to waive certain portfolio constraints when such action is deemed to be in the best interest of the City. The Manager has waived the maximum maturity for certain investments in U.S. agency securities that are part of the Denver Airport System structured pool created to facilitate an economic defeasance of a portion of the future debt service payments due on certain airport system bonds, and also the investments held for the Cable Land Trust and Workman's Compensation. Maturities of the underlying investments in the local government investment pool are limited by the pool's investment policies to less than one year.

At December 31, 2020, the City's investment balances and maturities for those investments subject to interest rate risk are shown in **Table 8** and **Table 9** (dollars in thousands):

Table 8

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For the City					
Local government investment pool	121,113	\$ 121,113	\$ -	\$ -	\$ -
Money market funds	986	986	-	-	-
Municipal bonds	162,019	26,106	124,379	9,839	1,695
U.S. Treasury securities	1,064,676	326,570	543,953	194,153	-
U.S. agency securities	1,721,485	238,725	1,222,209	258,745	1,806
Corporate bonds	741,546	117,935	623,611	-	-
Multinational fixed income	541,987	40,878	423,710	77,399	-
Structured products	459,287	25,882	376,795	56,610	-
Total	\$ 4,813,099	\$ 898,195	\$ 3,314,657	\$ 596,746	\$ 3,501

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For the City fiduciary					
Local government investment pool	1,695	\$ 1,695	\$ -	\$ -	\$ -
Money market funds	14	14	-	-	-
Municipal bonds	1,839	280	1,512	47	-
U.S. Treasury securities	13,313	4,376	6,868	2,069	-
U.S. agency securities	20,403	3,128	14,564	2,711	-
Corporate bonds	9,372	1,420	7,952	-	-
Multinational fixed income	6,661	541	5,193	927	-
Structured products	5,546	362	4,400	784	-
Total	\$ 58,843	\$ 11,816	\$ 40,489	\$ 6,538	\$ -

Table 9

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For DERP					
U.S. Treasury securities	\$ 26,337	\$ -	\$ 20,317	\$ 6,020	\$ -
U.S. agency securities	73,172	-	27,865	36,222	9,085
Asset backed	50	-	-	-	50
Corporate	32	26	-	-	6
For Deferred Compensation Plan					
Mutual funds	\$ 59,354	\$ -	\$ -	\$ 59,354	\$ -
Total	\$ 158,945	\$ 26	\$ 48,182	\$ 101,596	\$ 9,141

Investments with undetermined or without maturity dates:	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For Police Retiree Health Fund					
Stocks, Options, and ETFs	\$ 5,122	\$ -	\$ -	\$ -	\$ -
Mutual Funds	1,655	-	-	-	-
Total	\$ 6,777	\$ -	\$ -	\$ -	\$ -

The City's portfolio of investments includes callable securities. As of December 31, 2020, the City owned agency, corporate bond, structured product, and municipal bond callable securities with a fair value of \$4,964,000, \$390,003,000, \$446,224,000 and \$5,401,000 respectively.

Credit Quality Risk. Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the City. Moody's, Standard & Poor's, and Fitch Ratings are the three primary

Nationally Recognized Securities Rating Organizations (NRSRO) that assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are assigned credit quality ratings of AAA by Fitch and Aaa by Moody's, both with stable outlooks as of December 31, 2020. Standard and Poor's rate securities of the U.S. Government AA+ also with a stable outlook. Of the City's investments at December 31, 2020, commercial paper, municipal bonds, corporate debt obligations, structured products, local government investment pools, and supranational securities were subject to credit quality risk

The City's Investment Policy requires that commercial paper be rated by at least two NRSRO with a minimum short-term rating of A-1, P-1, or F-1 at the time of purchase. The Investment Policy requires that the municipal bonds have a minimum underlying issuer rating from at least two of the three rating agencies of A+ or its equivalent. The Investment Policy requires that corporate debt obligations have a minimum underlying issuer rating from at least two of the NRSRO or A- or its equivalent. The Investment Policy requires that asset-backed securities have a minimum underlying issuer rating from at least two of the NRSRO of AA- or its equivalent. The Investment Policy requires that mortgage-backed securities and collateralized mortgage obligations that had ratings of at least Aaa by Moody's, AAA by Fitch and AA+ by Standard & Poor's. The Investment Policy also requires local government investment pools to be in compliance with Title 24 Part 7 of Article 24 of the Colorado Revised Statutes. The Investment Policy also requires supranational securities by issued by institutions with debt obligations rated AAA, or the equivalent, by at least two NRSROs.

Information on the credit ratings associated with the City's investments including City managed fiduciary and excluding DERP as of December 31, 2020, is shown in **Table 10** (dollars in thousands).

Table 10

S&P	Municipal Bonds	Corporate Debt Obligations	Asset Backed Securities	Collateralized Mortgage Obligations	Local Government Investment Pools	Money Market Funds	Multinational Fixed Income	Total
AAA	\$ 36,348	\$ 121,135	\$ 210,995	\$ 12,282	\$ 122,808	\$ 1,000	\$ 519,723	\$ 1,024,291
AA+ to AA-	118,210	213,963	-	9,341	-	-	-	341,514
A+ to A-	2,803	408,154	-	-	-	-	-	410,957
A-1+ to A-1	-	-	-	-	-	-	-	-
BBB+	-	7,638	-	-	-	-	-	7,638
NR	6,522	-	63,618	168,596	-	-	28,929	267,665
Total	\$ 163,883	\$ 750,890	\$ 274,613	\$ 190,219	\$ 122,808	\$ 1,000	\$ 548,652	\$ 2,052,065
Moody's								
Aaa	\$ 35,315	\$ 121,135	\$ 193,779	\$ 35,333	\$ -	\$ 1,000	\$ 548,652	\$ 935,214
Aa1 to Aa2	101,595	168,887	-	-	-	-	-	270,482
Aa3 to A1	15,687	166,955	-	-	-	-	-	182,642
A2 to A3	-	293,913	-	-	-	-	-	293,913
P-1	-	-	-	-	-	-	-	-
NR	11,286	-	80,834	154,886	122,808	-	-	369,814
Total	\$ 163,883	\$ 750,890	\$ 274,613	\$ 190,219	\$ 122,808	\$ 1,000	\$ 548,652	\$ 2,052,065
U.S. Treasury securities								\$ 1,077,989
U.S. Agency securities								1,741,888
Total								\$ 4,871,942

The DERP manages credit risk through the constraints on investments specified in each manager's investment guidelines included in the Plan's Investment Policy. Securities implicitly governed by the U.S. Government are included.

Information on the credit ratings associated with the DERP investments in debt securities at December 31, 2020, is shown in **Table 11** (dollars in thousands).

Table 11

Credit Ratings for DERP

December 31, 2020 (dollars in thousands)

S&P	Moody's	Asset Backed	Corporate Bonds	Implicit U.S. Government Bonds	Total
AA+ to AA-	Aa3 to A1	\$ -	\$ -	\$ 73,172	\$ 73,172
CC+ to CC-	Ca	50	-	-	50
NR	NR	-	32	-	32
Total		\$ 50	\$ 32	\$ 73,172	\$ 73,254
U.S. Government				\$ 26,337	26,337
Non-rated funds					527,236
Total				\$ 626,827	626,827

NR - no rating available

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2020, were subject to custodial credit risk.

In accordance with the City's Investment Policy, all of the City's repurchase agreements are collateralized at 102.00% of the market value of the portfolio by U.S. agency securities at the time of purchase. Collateral valuation is calculated and adjusted at least once per week and adjusted on an as needed basis. Collateral for all investments, including repurchase agreements, are held in the City's name by the City's custodian, Principal Financial Group.

DERP has no formal policy for custodial credit risk. At December 31, 2020, there were no investments, repurchase agreements, or collateral securities subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's Investment Policy states that a maximum of 5.00% of the portfolio may be invested in commercial paper, municipal securities, corporate debt obligations, certificates of deposit, asset-backed securities, or mortgage-backed securities issued by any one obligor. The City's Investment Policy states that a maximum of 10.00% of the portfolio may be invested in an individual supranational obligor, local government investment pool, money market mutual fund, or collateralized mortgage obligation. The City's Investment Policy also limits investments in U.S. agency securities to 80.00% of total investments and no more than 25.00% in a single issue. The City's Investment Policy also limits investments in U.S. agency securities to 25.00% of total investments. The City's Investment Policy limits concentrations even further with a combined maximum of 50.00% of the portfolio that can be invested in corporate debt obligations, commercial paper, and certificates of deposit as well as a combined maximum of 20.00% of the portfolio that can be invested in structured products. As of December 31, 2020, all investments were in compliance with this policy. More than 5.00% of the City's investments are in individual issuers: Federal Home Loan Bank (14.52%), Federal National Mortgage Association (12.66%), International Bank for Reconstruction and Development (6.38%), and Federal Home Loan Mortgage Corp (5.23%).

The DERP Investment Policy mandates that no managed account may invest more than 5.00% of managed assets in the securities of a single issuer. As of December 31, 2020, all DERP investments were in compliance with this policy.

Foreign Currency Risk. Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The City's Investment Policy, excluding the DERP pension trust fund, does not allow for investments in foreign currency. The DERP pension trust fund Investment Policy allows 16.00% to 26.0% of total investments to be invested in international equities and 1.00% to 4.00% of total investments to be invested in international fixed income. The DERP pension trust fund exposure to foreign currency risk as of December 31, 2020, is reflected in Table 12 (dollars in thousands).

Table 12

Foreign Currency	Equities	Fixed Income	Total
Argentine Peso	\$ 6,722	-	\$ 6,722
Australian Dollar	14,955	-	14,955
Brazilian Real	10,401	6,863	17,264
British Pound Sterling	39,650	-	39,650
Canadian Dollar	22,021	-	22,021
Chilean Peso	1,309	898	2,207
Chinese Yuan	61,586	2,941	64,527
Czech Koruna	-	42	42
Columbian Peso	1,035	6,195	7,230
Danish Krone	6,548	-	6,548
Egyptian Pound	254	-	254
Euro	98,361	-	98,361
Hong Kong Dollar	25,045	-	25,045
Hungarian Forint	2,012	945	2,957
Indian Rupee	22,329	-	22,329
Indonesian Rupiah	2,071	3,651	5,722
Japanese Yen	50,428	-	50,428
Malaysian Ringgit	2,618	5,662	8,280
Mexican Peso	4,034	8,174	12,208
New Israeli Shekel	3,907	-	3,907
New Zealand Dollar	571	-	571
Norwegian Krone	872	-	872
Pakistani Rupee	273	-	273
Peru Sole	-	16	16
Philippine Peso	332	146	478
Polish Zloty	1,817	2,293	4,110
Qatari Riyal	957	-	957
Romanian Leu	-	1,024	1,024
Russian Ruble	5,459	5,834	11,293
Singapore Dollar	3,887	-	3,887
South Korean Won	31,966	992	32,958
South African Rand	9,298	5,646	14,944
Swedish Krona	9,346	-	9,346
Swiss Franc	35,288	-	35,288
Taiwan Dollar	31,766	-	31,766
Thai Baht	4,923	491	5,414
Turkish Lira	2,364	-	2,364
United Arab Emirati Dirham	1,973	-	1,973
Other	934	-	934
Total Foreign Deposits and Investments	\$ 517,312	\$ 51,813	\$ 569,125

- Denver Convention Center Hotel Authority (DCCHA).** DCCHA's investments were not subject to custodial credit risk at December 31, 2020, since they consisted solely of money market funds that are not evidenced by securities and are in DCCHA's name.
- Denver Urban Renewal Authority (DURA).** DURA'S investment policy limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. At December 31, 2020, DURA's investment balances and maturities are shown **Table 13** (dollars in thousands).

Table 13

Investment Type	Investment Maturities in Years		
	Fair Value	Less than 1	1 - 5
U.S. Treasury securities	\$ 41,220	\$ 17,930	\$ 23,290
Structured products	1,397	67	1,330
U.S. agency securities	28,557	1,969	26,588
Corporate bonds	6,127	5,232	895
Multinational fixed income	6,715	533	6,182
Municipal bonds	7,013	247	6,766
Commercial paper	8,784	8,784	
Total	\$ 99,813	\$ 34,762	\$ 65,051

Securities Lending. Although the City is authorized to enter into securities lending programs with certain qualified dealers, it had no security lending transactions in 2020. Under this program, investment securities owned by the City are loaned to the dealer up to a maximum of one year in exchange for a predetermined fee. The City continues to receive interest earnings on the loaned securities. The securities are collateralized by the dealer. The collateral is held in the City's name by Principal Financial Group, the City's custodian. Collateral for these transactions is limited to permissible investments included in the City's Investment Policy with maturities not exceeding one year from the date of settlement. The initial market value of the collateral for each investment position maintained with a dealer shall be 102.00% of the market value of the securities being collateralized. Market value includes investment principal plus accrued interest. Collateral valuation levels with each dealer must be determined on at least a weekly basis, and deficiencies from the required 102.00% level must be cured no later than the following business day. The City had no securities on loan as of December 31, 2020.

The DERP pension trust fund participates in a securities lending program to augment income. The program is administered by the DERP custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. Government securities, defined letters of credit or other collateral approved by the DERP Loans of domestic securities are initially collateralized at 102.00% of the fair value of securities lent. Loans of international securities are initially collateralized at 105.00% of the fair value of securities lent. The DERP continues to receive interest and dividends during the loan period as well as a fee from the borrower. There are no restrictions on the amount of securities that can be lent at one time. The duration of securities lending loans generally matches the maturation of the investments made with cash collateral. At December 31, 2020, the fair value of underlying securities lent was \$137,788,434. The fair value of associated collateral was \$145,163,822 of this amount, \$82,051,725 represents the fair value of cash collateral and \$63,112,097 is the fair value of non-cash collateral not reported on the financial statements. The DERP pension trust fund does not have the ability to pledge or sell non-cash collateral unless the borrower defaults, therefore it is not reported on the financial statements.

Note B – Receivables

1. **Accounts Receivables and Allowances.** The City reviews its accounts receivables periodically and allowances for doubtful accounts are established based upon management's assessment of collection.

Table 14 represents the accounts receivables and allowances for doubtful accounts at December 31, 2020.

Table 14

Accounts Receivables and Allowances Summary

December 31, 2020 (dollars in thousands)

Receivable	Governmental Activities				Total
	General	Human Services	Other Governmental Funds	Internal Service Funds	
Property taxes	\$ 167,058	\$ 77,997	\$ 291,530	\$ -	\$ 536,585
Other taxes	76,369	59	21,600	-	98,028
Notes	16,763	-	163,472	-	180,235
Accounts	13,906	188	13,862	1,912	29,868
Long-term accounts	58,334	-	16,438	-	74,772
Accrued interest	2,162	-	6,518	267	8,947
Gross Receivable	334,592	78,244	513,420	2,179	928,435
Allowances	(58,839)	(1,058)	(96,643)	-	(156,540)
Net Receivable	\$ 275,753	\$ 77,186	\$ 416,777	\$ 2,179	\$ 771,895

Receivable	Business-type Activities			Total	Fiduciary Funds Custodial and DERP
	Wastewater Management	Denver Airport System	Nonmajor Business-type		
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,260,115
Other taxes	-	-	-	-	2,821
Accounts	29,859	77,946	3,033	110,838	1,243
Long-term accounts	-	31,152	11	31,163	-
Accrued interest	1,070	14,055	166	15,291	1,420
Gross Receivable	30,929	123,153	3,210	157,292	1,265,599
Allowances	-	(2,726)	(5)	(2,731)	(6,764)
Net Receivable	\$ 30,929	\$ 120,427	\$ 3,205	\$ 154,561	\$ 1,258,835

2. **Notes Receivable.** The special revenue funds', General Fund, related organizations, and component unit notes receivable balance at December 31, 2020 is shown in **Table 15** (dollars in thousands).

Table 15

	December 31	Percent of Total Related Notes Receivable
Neighborhood Development Loans	\$ 11,523	n/a
Economic Development Loans	19,414	n/a
Housing Development Loans	149,298	n/a
Total Office of Economic Development	180,235	
Less allowances for delinquent loans	11,660	n/a
Less allowances for forgivable loans	94,795	n/a
Notes Receivable, Net	\$ 73,780	
Denver Housing Authority	10,011	5.55%
Total Related Organizations Notes Receivable	\$ 10,011⁽¹⁾	
Denver Urban Renewal Authority	\$ 4,541 ⁽¹⁾	2.52%
Denver Building Housing	\$ 2,838 ⁽¹⁾	1.57%

⁽¹⁾ Amounts included in the notes receivable balance above.

Allowance for uncollectables for notes receivable of \$106,455,000 is included in the accounts receivable allowance of \$156,540,000 in **Table 14**. The Neighborhood, Economic and Housing Development loans are funded from both federal U.S. Housing and Urban Development grants and City monies designated for affordable housing. Recipients of affordable housing loans target low- and moderate-income households, special needs and the homeless. Rental and occupancy covenants are recorded on these properties for affordability periods of 20 years or more. Housing loans may be fully forgivable at the end of the affordability period, due and payable in full, or due and payable based on occupancy rates or other conditions. The Economic Development loans are made to qualified program recipients under the Community Development Block Grant to provide business owners with funds to promote job creation and growth in targeted areas. Loans are collateralized by the underlying properties.

3. **Long-Term Receivables Allowance.** Included in long-term receivables are amounts related to reimbursement for construction costs, parking fines and court fines. The City recorded an allowance for uncollectible accounts for governmental activities of \$45,838,000. The DURA component recorded an allowance of \$608,000.
4. **Operating Leases.** The Airport leases portions of its buildings and improvements to airline and concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases with the concession tenants require rental payments equal to the greater of a fixed minimum amount per square foot or percentage of gross receipts. Under the 2020 COVID-19 Relief Policy, the monthly minimum annual guaranteed payments for certain concessions leases were waived for March 2020 through December 2020. Effective January 1, 2021, the Airport implemented relief policies (2021 COVID-19 Relief Policies) for revenue contracts providing certain fee waivers. For the concessionaires and rental car companies, the minimum annual guarantees, contractually due on a monthly basis, were waived for the year 2021. Accordingly, the future minimum rentals due from concession tenants for 2021 is \$0. The concessionaires under these policies are required to pay contractually determined percentage rents monthly based on their concession sales and/or services activity during 2021. Rental income under operating leases for 2020 was \$33,000,000. The United Airlines lease provides it can be terminated by the airline if the airline's cost per enplaned passenger exceeds \$20 in 1990 dollars. Current costs per enplaned passenger did not approach this limit for 2020. Rental rates for airlines are established using the rate making methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet rate maintenance covenants per governing bond ordinances. Minimum future rentals due from concessions under operating leases are shown in **Table 16** (dollars in thousands).

Table 16

Year	
2021	\$ -
2022	41,100
2023	34,768
2024	30,006
2025	21,941
2026-2030	68,388
2031-2034	13,169
Total	\$ 209,372

Note C – Interfund Receivables, Payables, and Transfers

Tables 17 and **18** (dollars in thousands) reflect the City's interfund balances as of December 31, 2020.

1. Interfund Payables/Receivables.

These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, some balances result from the overdraft of cash balances in the payable funds.

Table 17

Receivable Fund	Payable Fund							Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Denver Airport System	Nonmajor Business-type	Internal Service	
General Fund	\$ -	\$ 919	\$ 10,841	\$ 302	\$ 6,857	\$ 76	\$ 64	\$ 19,059
Human Services		-						-
Nonmajor Governmental	1	-	-	-	89	-	-	90
Wastewater Management	-	-	-	-	58	-	-	58
Denver Airport System	1,146	-	-	-	-	-	-	1,146
Nonmajor Business-type	-	-	-	-	-	-	-	-
Internal Service			9					9
Total	\$ 1,147	\$ 919	\$ 10,850	\$ 302	\$ 7,004	\$ 76	\$ 64	\$ 20,362

2. Transfers.

Transfers are used to move revenues from the fund in which the City budget requires collection to the fund required to expend the monies, and to move unrestricted revenues collected in the General Fund to finance various activities accounted for in other funds.

The majority of transfers are transfers from the General Fund to special revenue funds for alternative transportation, business incentives, affordable housing, crime prevention, the Senior and Disabled Property Tax Refund Program and the Wastewater Affordability Program. Additionally, General Fund transfers in consist mainly of transfers out of capital improvement funds.

Table 18

Transfers In	Transfers Out						Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Nonmajor Business-type	Internal Service Fund	
General Fund	\$ -	\$ 2,862	\$ 47,099	\$ 12	\$ 5,096	\$ 2,934	\$ 58,003
Human Services	200	-	-	-	-	366	566
Nonmajor Governmental	18,371	16,680	49,532	-	-	51	84,634
Wastewater Management	-	-	-	-	-	95	95
Nonmajor Business-type	-	-	-	-	-	49	49
Total out	\$ 18,571	\$ 19,542	\$ 96,631	\$ 12	\$ 5,096	\$ 3,495	\$ 143,347

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2020, are shown in **Tables 19** and **20**.

1. Governmental Activities

Table 19

Governmental Activities

For the Year Ended December 31, 2020 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 663,088	\$ 40,991	\$ (22,858)	\$ -	\$ 681,221
Construction in progress	198,852	178,790	(19,360)	(164,967)	193,315
Total capital assets not being depreciated	861,940	219,781	(42,218)	(164,967)	874,536
Capital assets being depreciated:					
Buildings and improvements	2,462,462	44,237	(1,222)	83,671	2,589,148
Equipment and other	357,375	24,660	(32,438)	2,861	352,458
Collections	48,712	4,831	(3,111)	1,107	51,539
Intangibles	59,193	794	(31,052)	145	29,080
Infrastructure	1,833,295	121,000	(5,937)	74,909	2,023,267
Total capital assets being depreciated	4,761,037	195,522	(73,760)	162,693	5,045,492
Less accumulated depreciation for:					
Buildings and improvements	(999,301)	(68,046)	645	-	(1,066,702)
Equipment and other	(239,078)	(31,410)	29,760	24	(240,704)
Collections	(27,632)	(3,509)	2,672	-	(28,469)
Intangibles	(53,215)	(1,320)	31,028	-	(23,507)
Infrastructure	(943,524)	(109,259)	3,458	-	(1,049,325)
Total accumulated depreciation	(2,262,750)	(213,544)	67,563	24	(2,408,707)
Total capital assets being depreciated, net	2,498,287	(18,022)	(6,197)	162,717	2,636,785
Governmental Activities capital assets, net	\$ 3,360,227	\$ 201,759	\$ (48,415)	\$ (2,250)	\$ 3,511,321

2. **Business-type Activities.**

Table 20

Business-type Activities

For the Year Ended December 31, 2020 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 334,133	\$ 786	\$ -	\$ 32	\$ 334,951
Construction in progress	993,573	922,766	(31,174)	(436,874)	1,448,291
Total capital assets not being depreciated	1,327,706	923,552	(31,174)	(436,842)	1,783,242
Capital assets being depreciated:					
Buildings and improvements	4,357,879	263	(17,319)	176,887	4,517,710
Improvements other than buildings	2,352,037	10,709	(18,015)	183,092	2,527,823
Machinery and equipment	1,000,708	646	(6,421)	79,031	1,073,964
Collections	21	-	(21)	-	-
Intangibles	38,807	-	-	83	38,890
Total capital assets being depreciated	7,749,452	11,618	(41,776)	439,093	8,158,387
Less accumulated depreciation for:					
Buildings and improvements	(2,200,173)	(126,459)	11,046	10,062	(2,305,524)
Improvements other than buildings	(933,605)	(67,655)	13,656	(4,586)	(992,190)
Machinery and equipment	(773,815)	(39,749)	6,269	(5,477)	(812,772)
Intangibles	(32,762)	(3,492)	-	-	(36,254)
Total accumulated depreciation	(3,940,355)	(237,355)	30,971	(1)	(4,146,740)
Total capital assets being depreciated, net	3,809,097	(225,737)	(10,805)	439,092	4,011,647
Business-type Activities capital assets, net	\$ 5,136,803	\$ 697,815	\$ (41,979)	\$ 2,250	\$ 5,794,889

3. Major Discretely Presented Component Units.

Capital Asset activity for the Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, and the National Wester Center Authority component units is shown in **Table 21**.

Table 21

Discretely Presented Component Units

For the Year Ended December 31, 2020 (dollars in thousands)

	January 1	Additions and Transfers	Deletions	December 31
Capital assets not being depreciated:				
Land and land rights	\$ 23,421	\$ -	\$ -	\$ 23,421
Construction in progress	900	378	(1,278)	-
Total capital assets not being depreciated	24,321	378	(1,278)	23,421
Capital assets being depreciated:				
Buildings and improvements	242,469	169	(120)	242,518
Machinery and equipment	34,860	1,160	(1,042)	34,978
Total capital assets being depreciated	277,329	1,329	(1,162)	277,496
Less accumulated depreciation for:				
Buildings and improvements	(89,356)	(9,323)	50	(98,629)
Machinery and equipment	(27,499)	(3,320)	1,026	(29,793)
Total accumulated depreciation	(116,855)	(12,643)	1,076	(128,422)
Total capital assets being depreciated, net Discretely Presented Component Units	160,474	(11,314)	(86)	149,074
Capital Assets, net	\$ 184,795	\$ (10,936)	\$ (1,364)	\$ 172,495

⁽¹⁾. Excludes net capital assets of \$14,813 of Other Component Units.

4. Depreciation Expense.

Depreciation expense that was charged to governmental activities' functions is shown in **Table 22** (dollars in thousands).

Table 22

General government	\$ 39,293
Public safety	18,061
Transportation and infrastructure, including depreciation of infrastructure	122,672
Human services	1,565
Health	609
Parks and recreation	21,214
Cultural activities	9,733
Community development	250
Economic opportunity	25
Capital assets held by internal service funds	122
Total	\$ 213,544

5. Construction Commitments.

The City's governmental and business-type activities have entered into construction and professional services contracts having remaining commitments under contract as of December 31, 2020, as shown in **Table 23** (dollars in thousands).

Table 23**Governmental Activities:**

Winter Park Capital	\$ 3,067
Capital Improvements	65,511
Conservation Trust	3,710
Bond Projects	122,540
Other Capital Projects	142,143
Entertainment and Culture	6,416
Special Assessments	12
Total Governmental Activities	\$ 343,399

Business-type Activities:

Wastewater Management	\$ 44,811
Denver Airport System	614,968
Total Business-type Activities	\$ 659,779

The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for these contracts are included as liabilities in the financial statements.

6. **Tax Abatements.** The City negotiates property tax abatement agreements on an individual basis and has tax abatement agreements with 114 entities as of December 31, 2020.

Pursuant to sections 30-11-123 and 31-15-903, CRS, and Chapter 53, Article XVI, DRMC, the City is authorized under the Business Incentive Program to enter into agreements with qualifying taxpayers for an incentive tax credit in the amount of the general fund portion of the taxes upon the taxpayer's new taxable personal property assessed by the City upon the new taxable personal property located at or within a new business facility, or directly attributable to an expanded business facility and located at or within the expanded facility, and used in connection with the operation of the new or expanded facility.

If at any time after the City grants an incentive tax credit, the City, in its sole discretion determines that Taxpayer did not meet all requirements of sections 30-11-123 and 31-15-903, CRS, Chapter 53, Article XVI, DRMC or other incentive tax credit requirements of the City under section 53-544, DRMC in the tax year for which a credit was granted, Taxpayer agrees that City may issue to Taxpayer a Special Notice of Valuation, and assess and collect from Taxpayer, in the manner provided for in the Colorado Revised Statutes, taxes in the amount of the incentive tax credit for the subject tax year.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. Total tax abatements as of December 31, 2020 were \$291,000.

DURA has entered into agreements with various redevelopers to reimburse developer expenditures for certain capital improvements using tax increment financing above a stated base, that is collected by the City and passed through to DURA. These reimbursements are conditional on the developer meeting specified obligations and will only be paid when enough tax increment revenue relating to the specific project is collected. As of December 31, 2020, the approved reimbursement obligations where tax increment revenue has already been collected and will be paid to various redevelopers was \$4,074,000.

Note E – Lease Obligations

1. **Capitalized Leases and Certificates of Participation.** The governmental activities capital leases are for various properties including the Wellington Webb Municipal Office Building, 2000 West Third Avenue Wastewater building, the Denver office building at 200 W. 14th Ave., District 1, 2, 3, and 5 Police Stations, Fire Station #10, certain Human Services facilities, the Buell Theatre, the 5440 Roslyn maintenance facility property, and the public parking unit within the Cultural Center parking garage. The capital leases also include certain computer software and network equipment, and public works, safety, and parks and recreation equipment. Capitalized Leases and Certificates of Participation (COPs) outstanding, excluding unamortized premium of \$16,715,000, at December 31, 2020, are \$413,628,000.

On December 1, 2020, the City issued \$2,475,000 of taxable series 2020A-1 refunding certificates of participation and \$17,195,000 of tax-exempt series 2020A-2 refunding certificates of participation. The proceeds from the sale of the certificates will be provided to grant an access of easement to the Access of Easement Site pursuant to the 2010A-B certificates of participation Access of Easement Agreement. The 2010A agreement will be replaced and superseded in its entirety, while the 2010B agreement will be terminated.

The City provided funding for the construction of parking facilities adjacent to the Denver Museum of Nature and Sciences (DMNS) the Denver Zoo, and the Denver Botanic Gardens (DBG) from proceeds of certificates of participation (COP) financings. Under separate agreements, the DMNS, the Denver Zoological Foundation Inc., and DBG agreed to increase their admission charges and provide a portion of their admission revenues to help make the COP lease payments. In 2020, the DMNS collected and remitted \$49,000 to the City to be applied to the lease payments. The Zoo collected and remitted \$31,000 and DBG collected and deposited \$1,711,000 with a trustee to be applied to lease payments.

In addition to base rental payments, the lease agreement related to the Wellington Webb Municipal Office Building requires the City to make all payments for any swap agreements relating to the Series 2008A Certificates of Participation (COPs) entered into by the lessor. There are 3 swap agreements considered to be hybrid instruments embedded in the lease. See **Note III-G-7** for detailed information regarding the swaps.

The related net book values of plant and equipment under capital lease obligations as of December 31, 2020, are shown in **Table 24** (dollars in thousands).

Table 24

	Governmental Activities	Business-type Activities
Buildings	\$ 444,330	\$ -
Equipment	38,619	6,835
Intangibles	69	-
Land	16,667	-
Less accumulated depreciation	(212,753)	(3,025)
Net Book Value	\$ 286,932	\$ 3,810

Table 25 (dollars in thousands) is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of December 31, 2020.

Year	Governmental Activities		Business-type Activities
	Lease Obligations	Direct Placement Lease Obligations	Direct Placement Lease Obligations
2021	\$ 33,388	\$ 11,008	\$ 2,018
2022	32,573	13,055	2,054
2023	32,514	7,895	2,090
2024	27,503	7,569	985
2025	27,863	7,623	-
2026-2030	143,539	32,206	-
2031-2035	85,876	2,515	-
2036-2040	40,750	-	-
2041-2045	40,754	-	-
2046-2048	24,447	-	-
Total minimum lease payments	\$ 489,207	\$ 81,871	\$ 7,147
Less amounts representing interest	(147,572)	(9,878)	(434)
Present Value of Minimum Lease Payments	\$ 341,635	\$ 71,993	\$ 6,713

Table 26 details assets pledged as collateral as of December 31, 2020.

Table 26

Capital Leases	Asset Type
District Attorney	Computer equipment
Police	Helicopter
Golf	Equipment
Parks and Recreation	Equipment
Department of Transportation and Infrastructure	Vehicles
Safety	Equipment
Technology Services	Equipment
Fire	Equipment

Certificates of Participation	Location
2008A1-A3	201 W. Colfax - Webb Office Building
2012A	Cultural Center Parking Garage
2012C1-C3	Arie P Taylor; Fire Station 10; Denver Permit Center (200 W. 14th); Districts 1,2,3,5 Police Station
2013A	Buell Theatre parcel and building
2015A	Fire Stations 18, 19, 22; Blair Caldwell 2401 Welton St
2017A	DBG Parking Facility
2018A	Portion of Colorado Convention Center Rooftop
2020A1-A2	1271 W. Bayaud on the Central Platte Campus

2. **Operating Leases.** The City is committed under various cancelable leases for property and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2020, were approximately \$23,353,000, for governmental activities and \$1,113,000, for business-type activities. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments should be approximately the same amount.

Note F – Rates and Charges

The Denver Airport System Airport establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations (excluding certain debt service payments), maintenance, and debt service related to the airfield and the space rented by the airlines. Any differences between amounts collected from and actual costs allocated to the airlines' leased spaces are credited or billed to the airlines.

50% of Net Revenues (as defined by the bond ordinance) remaining at the end of the year with an annual cap of \$40,000,000 are to be credited in the following year to the airline rates and charges. As of December 31, 2020, the Net Credit liability balance is \$29,400,000.

Note G – Long-Term Debt

1. **General Obligation Bonds.** The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

In December 2020, the city issued general obligation bonds, series 2020A-B, in the amount of \$392,625,000. The 2020A bonds were issued to finance repairs and improvements to the City's transportation infrastructure, construction of new police and fire stations and renovations, repairs and improvements to police, fire and public safety system buildings, various parks, recreation centers, cultural facilities, and funding for a portion of the cost of the construction of a new DHHA medical center building. The 2020B were issued to current-refund the city's outstanding general obligation Better Denver and Zoo Bonds, series 2010B. Prior to the defeasance, the principal amounts outstanding to be paid from escrow as of December 31, 2020, was \$289,120,000. The refunding resulted in present value savings of \$60,809,000. There was no economic gain or loss on the refunding.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 15 to 20-year serial bonds, except for refunding issues. General obligation bonds outstanding, including compound interest of \$12,042,000 and excluding unamortized premium of \$128,827,000

at December 31, 2020, are \$842,370,000. Interest rates vary from 2.00% to 5.00% with a net interest cost of 0.73% to 5.00%.

Annual debt service requirements to maturity for general obligation bonds are shown in **Table 27** (dollars in thousands).

Table 27

Year	General Obligation Bonds ^{(1) (2)}		General Obligation Bonds - Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 90,360	\$ 27,338	\$ 14,550	\$ 1,795
2022	59,861	37,352	14,890	1,453
2023	36,760	28,942	15,245	1,102
2024	37,970	24,403	15,600	743
2025	39,845	22,619	15,965	376
2026-2030	301,095	81,726	-	-
2031-2035	130,865	18,328	-	-
2036-2039	69,364	3,503	-	-
Total	\$ 766,120	\$ 244,211	\$ 76,250	\$ 5,469

⁽¹⁾ Does not include \$7,988 and \$4,054 of compound interest on the Series 2007 and 2014A mini-bonds respectively, or unamortized premium of \$128,827,000.

⁽²⁾ Excludes Build America Bonds interest subsidy. The City is eligible to receive \$50 million over the remaining life of its Direct Pay Build America Bonds to subsidize interest payments.

2. **Revenue Bonds.** The City and component units issue bonds and notes where income derived from acquired or constructed assets is pledged to pay debt service. Certain Airport system revenue bonds are subject to mandatory redemption requirements in 2015, and subsequent years. Revenue bonds outstanding, excluding unamortized premium (net of discount) of \$39,669,000 and \$26,183,000 for the primary government and the component unit DCCHA respectively, at December 31, 2020, are shown in **Table 28** (dollars in thousands).

Table 28

Purpose	Net Interest Cost	Interest Rates	Amount
Excise Tax Revenue	3.28-3.89%	1.54-5.00%	\$ 598,292
Wastewater Management	2.41-3.39%	3.00-5.00%	228,490
Denver Airport System - senior lien bonds			1,824,230
Denver Airport System - subordinate lien bonds			3,176,130
Denver Airport System - direct placement senior lien bonds			262,155
Denver Airport System - direct placement subordinate lien bonds			250,925
Denver Airport System - economic defeasance LOI			40,080
Total primary government			\$ 6,380,302
DCCHA component unit			\$ 267,120
Total			\$ 6,647,422

Revenue bonds' debt service requirements to maturity are shown in **Tables 29** and **30** (dollars in thousands).

Table 29

	Governmental Activities	
	Principal⁽¹⁾	Interest
2021	\$ 14,260	\$ 22,050
2022	15,910	21,738
2023	17,990	21,021
2024	12,205	20,220
2025	14,180	19,689
2026-2030	90,534	92,242
2031-2035	71,174	113,113
2036-2040	59,787	124,498
2041-2045	159,345	56,375
2046-2050	134,045	13,256
Total	\$ 589,430	\$ 504,202

	Business-type Activities							
	Wastewater Management		Denver Airport System				Denver Airport System	
	Direct Placement		Senior and Subordinate		Senior and Subordinate Direct Placement		Economic Defeasance LOI	
	Principal⁽²⁾	Interest	Principal⁽³⁾	Interest	Principal	Interest	Principal	Interest
2021	\$ 7,735	\$ 8,958	\$ 118,600	\$ 235,168	\$ 81,995	\$ 6,192	\$ -	\$ 2,455
2022	8,085	8,606	170,805	228,315	58,860	5,194	-	2,455
2023	6,275	8,238	212,255	217,089	48,310	4,629	-	2,455
2024	6,550	7,956	192,275	207,489	77,805	3,785	24,060	2,455
2025	6,850	7,661	217,040	198,587	78,000	2,544	16,020	981
2026-2030	38,970	33,586	1,115,605	846,687	142,670	4,022	-	-
2031-2035	40,215	25,957	985,855	604,800	25,440	173	-	-
2036-2040	43,875	18,058	857,340	392,345	-	-	-	-
2041-2045	52,710	9,218	724,695	194,226	-	-	-	-
2046-2050	17,225	827	405,890	39,267	-	-	-	-
			\$	\$				
Total	\$ 228,490	\$ 129,065	5,000,360	3,163,973	\$ 513,080	\$ 26,539	\$ 40,080	\$ 10,801

⁽¹⁾ Does not include unamortized premium of \$ 39,669

⁽²⁾ Does not include unamortized premium of \$ 20,429

⁽³⁾ Does not include unamortized premium of \$ 376,825

Table 30

Year	Component Unit	
	DCCHA	
	Principal⁽¹⁾	Interest
2021	\$ 2,985	\$ 13,146
2022	8,670	13,027
2023	9,100	12,593
2024	9,555	12,138
2025	10,035	11,660
2026-2030	58,215	50,255
2031-2035	74,300	34,171
2036-2040	94,260	14,212
Total	\$ 267,120	\$ 161,202

⁽¹⁾ Does not include unamortized premium of \$26,183.

In January 2000, the City increased the tax rate on its lodger's tax by 1.75% and short-term auto rental tax by 1.75%. The City has pledged the increased portion of those taxes for debt service on \$149,190,000 of Series

2005A Excise Tax Revenue Refunding Bonds issued in August 2005, and \$73,630,000 of Series 2009A Excise Tax Revenue Refunding Bonds issued in May 2009. The bonds were issued for the purpose of refunding bonds that financed the expansion of the Colorado Convention Center and were payable through 2023.

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% lodger's tax and the 1.75% auto rental tax increases ("Excise Tax Increases") and authorized the issuance of up to \$778 million of new excise tax revenue bonds supported by pledged portions of the lodger's, food and beverage, and 23 auto rental taxes for the purpose of financing tourism-related projects for the National Western Center and for improvements to the Colorado Convention Center.

In April 2016, the city issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016AB, in the amount of \$397,310,000. The bonds were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements, as well as to advance refund all of the outstanding 2005A and 2009A bonds. Effective April 6, 2016, all of the outstanding 2005A and 2009A bonds were defeased and advance refunded resulting in a present value savings of \$3,608,000 and a deferred loss of \$17,517,000. The City pledged additional revenues to the repayment of the 2016A-B bonds that were not pledged to the repayment of the 2005A and 2009A bonds. The previously unpledged 3.25% and 3.5% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the 2016A-B bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of 2016A-B bonds.

The Series 2016A bonds are fixed rate bonds with final maturity in 2046; The Series 2016B bonds are fixed rate bonds with final maturity in 2032. The total principal and interest remaining to be paid on the bonds is \$500,251,000 with annual combined debt service requirements ranging from \$7,327,000 to \$36,353,000. In 2020, debt service paid and net revenue available for debt service was \$28,687,000 and \$57,100,000, respectively.

In August 2018, the City issued Dedicated Tax Revenue Current Interest and Capital Appreciation Bonds, Series 2018A and 2018B, in the amount of \$300,000,000. The bonds were issued to finance and defray the cost of acquiring, constructing, installing and improving the National Western Center campus, as well as fund the reserve fund and pay the cost of issuing the Series 2018 bonds. The previously unpledged 3.25% and 3.50% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of the Series 2018A or 2018B bonds.

The Series 2018A bonds are fixed rate bonds with final maturity in 2048; The Series 2018B bonds are fixed rate bonds with final maturity in 2029. The total principal and interest remaining to be paid on the bonds is \$593,381,000 with annual combined debt service requirements ranging from \$5,679,000 to \$49,103,000. In 2020, debt service paid and net pledged revenue available for debt service was \$10,944,000 and \$17,056,000, respectively.

On August 20, 2019, the Airport issued the Airport System Subordinate Revenue Bonds Series 2019A (AMT) (Series 2019A) and Series 2019B (Taxable) (Series 2019B) for \$145,900,000 and \$22,700,000, respectively. The Series 2019A and Series 2019B proceeds coupled with Airport contributions of approximately \$54,700,000 were used to refund the Series 2008C2 and Series 2008C3 Bonds, terminate the 1998 Swap Agreements with Goldman Sachs Capital Markets, L.P. and Societe Generale, New York Branch, and fund for costs of issuance. The Series 2019A and Series 2019B Bonds are scheduled to mature on November 15, 2031 and November 15, 2020, respectively, and bear fixed interest of 1.37% and 2.12%, respectively. The Series 2019A Bonds have a Mandatory Tender of \$25,900,000 due on November 15, 2025. The issuance yielded an approximate net present value savings of \$1,500,000.

On November 15, 2019, the Airport issued the Airport System Subordinate Revenue Bonds Series 2019C (Non-AMT) (Series 2019C) and Series 2019D (Non-AMT) (Series 2019D) for \$120,000,000 and \$83,700,000, respectively. The Series 2019C and Series 2019D proceeds coupled with Airport contributions of approximately \$15,300,000 were used to refund the Series 2009A and Series 2016B Bonds, terminate the 2006A Swap Agreements with JP Morgan Chase Bank, and fund the costs of issuance. The issuance yielded an approximate net present value savings of \$41,500,000.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020A-1 (Non-AMT Private Activity), Series 2020A-2 (Non-AMT Governmental), Series 2020B-1 (AMT), Series 2020B-2 (AMT), and Series 2020C (Taxable) for \$95,300,000, \$60,500,000, \$37,500,000, \$24,100,000, and \$411,500,000, respectively. Proceeds from these 2020A-C bonds coupled with use of bond reserve and bond funds were used to (i) refund and redeem all or a portion of the outstanding principal amounts of \$35,300,000, \$35,500,000, \$79,100,000,

\$114,800,000, \$17,000,000, \$9,000,000, \$135,400,000, and \$198,700,000 of the Airport System Revenues Bonds Series 2007F1, Series 2007F2, Series 2008C1, Series 2010A, Series 2011A, Series 2012A, and Series 2012B, respectively, (ii) pay the costs of terminating a 2008B Swap Agreement with Loop Financial Products I, LLC, and (iii) pay the costs of issuance. All the 2020A-C bonds bear interest at various fixed rates and staggered maturities through November 15, 2037. The transactions yielded a net present value savings of \$58,400,000.

Direct placement debt issuances held by the Denver Airport System are shown in **Table 31** (dollars in thousands)

Table 31

Series	2008B ⁽³⁾	2008B ⁽³⁾	2008C1 ⁽²⁾	2009C	1992F	1992G
Par Outstanding at 12/31/2020:	\$-	\$40,400	\$-	\$72,455	\$15,800	\$13,100
Lien:	Senior	Senior	Senior	Senior	Senior	Senior
Bond Maturity Date:	n/a	11/15/2031	n/a	11/15/2031	11/15/2031	11/15/2031
Facility and Reimbursement Agreement Type:	Liquidity	Credit	Liquidity	Credit	Credit	Credit
As of 12/31/2020:						
Financial Institution:	Wells Fargo Bank, National Association	Bank of America, N.A.	Wells Fargo Bank, National Association	Bank of America, N.A.	Banc of America Preferred Funding Corporation	Banc of America Preferred Funding Corporation
Terms:						
Execution Date	7/29/2011	7/1/2020	8/8/2011	4/28/2017	10/24/2014	10/24/2014
Initial Expiration Date	12/11/15	7/1/2023	12/11/15	4/28/2020	9/25/2017	9/25/2017
Amended Expiration Date	12/11/2020 ⁽³⁾	n/a	12/11/2020 ⁽²⁾	4/28/2023	9/25/2020	9/25/2020
2nd Amended Expiration Date	n/a	n/a	n/a	n/a	4/28/2023	4/28/2023
Index Rate 12/31/2020:	n/a	SIFMA Index Rate	n/a	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
12/31/2020	n/a	SIFMA Index Rate	n/a	SIFMA Index Rate	SIFMA Index Rate	SIFMA Index Rate
12/31/2019						
Applicable Spread as of 12/31/2020:	n/a	0.37%	n/a	0.37%	0.37%	0.37%
Increase in Applicable Spread Due To Credit:						
Rating Downgrade	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾
Margin Rate Factor	n/a	n/a	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x	Rate Formula Index Rate x	Rate Formula Index Rate x	Rate Formula Index Rate x	Rate Formula Index Rate x	Rate Formula Index Rate x
Rate Formula	Applicable Factor + Applicable Spread	Applicable Factor + Applicable Spread	Applicable Factor + Applicable Spread	Applicable Factor + Applicable Spread	Applicable Factor + Applicable Spread	Applicable Factor + Applicable Spread
Moody's Rating as of 12/31/2020:	n/a	A1	A1	A1	A1	A1
S&P Rating as of 12/31/2020:						
Fitch Rating as of 12/31/2020:	n/a	AA-	AA-	AA-	AA-	AA-

⁽¹⁾ See Applicable Spread table

⁽²⁾ This bond series was refunded with the 2020B1 and 2020B2 series

⁽³⁾ New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.

Table 31

Series	2002C	2007G1	2007G2	2015A	2019A
Par Outstanding at 12/31/2020:	\$20,400	\$49,900	\$50,100	\$117,655	\$133,270
Lien:	Senior	Senior	Senior	Subordinate	Subordinate
Bond Maturity Date:	11/15/2031	11/15/2031	11/15/2031	11/15/2025	11/15/2031
Facility and Reimbursement Agreement Type:	Credit	Credit	Credit	Credit	Credit
As of 12/31/2020:					
Financial Institution:	Banc of America Preferred Funding Corporation	BMO Harris Investment Corp.	BMO Harris Investment Corp.	Bank of America, N.A.	State Street Public Lending Corporation
Terms:					
Execution Date	9/25/2014	11/1/2014	11/1/2014	11/20/2015	8/27/2019
Initial Expiration Date	9/25/17	12/1/2023	12/1/23	11/15/2025	11/15/2025
Amended Expiration Date	9/25/2020	n/a	n/a	n/a	n/a
2nd Amended Expiration Date	4/28/2023	n/a	n/a	n/a	n/a
Index Rate 12/31/2020:	SIFMA Index Rate	1-month LIBOR Rate	1-month LIBOR Rate	Fixed Rate	Fixed Rate
Applicable Factor:	70.00%	70.00%	70.00%	n/a	n/a
Applicable Spread as of 12/31/2020:	0.37%	0.90%	0.90%	n/a	n/a
Increase in Applicable Spread Due To Credit:					
Rating Downgrade	Yes ⁽¹⁾	Yes ⁽¹⁾	Yes ⁽¹⁾	n/a	n/a
Margin Rate Factor	n/a	n/a	n/a	n/a	n/a
Rate Formula	Rate Formula Index Rate x	Rate Formula Index Rate x	Rate Formula Index Rate x	n/a	n/a
	Applicable Factor +	Applicable Factor +	Applicable Factor +	n/a	n/a
	Applicable Spread	Applicable Spread	Applicable Spread	n/a	n/a
Moody's Rating as of 12/31/2020:	A1	A1	A1	n/a	n/a
S&P Rating as of 12/31/2020:	A+	A+	A+	n/a	n/a
Fitch Rating as of 12/31/2020:	AA-	AA-	AA-	n/a	n/a

⁽¹⁾ See Applicable Spread table

⁽²⁾ This bond series was refunded with the 2020B1 and 2020B2 series

⁽³⁾ New Credit Facility and Reimbursement Agreement was executed in 2020 with Bank of America, N.A.

Some of these bonds may be periodically remarketed to banks and the bank owners and can change before reaching maturity or are otherwise paid. These are certain events which could result in a higher interest rate and/or an acceleration of amounts due on these bonds. These events are described in the event filed on the Municipal Securities Rulemaking Boards (MSRB) Electronic Municipal Market Access (EMMA) site using the following links:

Credit Facility Bond Series

2008B	https://emma.msrb.org/SS1490948.pdf	Second Amended and Restated Reimbursement Agreement
2009C	https://emma.msrb.org/SS1480419.pdf	First Amendment to Credit Facility and Reimbursement Agreement
1992F	https://emma.msrb.org/SS1480106.pdf	Second Amended and Restated Reimbursement Agreement
1992G	https://emma.msrb.org/SS1480107.pdf	Second Amended and Restated Reimbursement Agreement
2002C	https://emma.msrb.org/SS1480109.pdf	Amended and Restated Credit Facility and Reimbursement Agreement
2019A	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement
2019B	https://emma.msrb.org/ER1380040.pdf	Credit Facility and Reimbursement Agreement

For some bond series, the Reimbursement Agreements are not available on EMMA. These bonds series have the same event of default requirements as other bond series. Similar events of default sections within the Credit Agreements are detailed in **Table 32**.

Table 32

Similar Events of Default		Similar Events of Default	
Sections with Credit Agreement	Series	Sections with Credit Agreement	Series
Section 5.10	2008B(1)	Section 5.7	2015A(2)
Section 5.11	1992F(1)	Section 5.8	2019A(1)
Section 5.13	1992G(1)	Section 5.10(b)	2019B(1)
Section 5.15(b)	2002C(1)	Section 6.1(a)	
Section 5.17	2009C(1)	Section 6.1(b)	
Section 5.22	2007G1(2)	Section 6.1(e)	
Section 5.25	2007G2(2)		
Section 5.26			

As of December 31, 2020, the Airport has not defaulted on any of the events of defaults.

Applicable Spread. The variable rate interest due on these bonds is contingent on the related index and the related Senior Bond Ratings. If the Airport Senior Bond Rating adjusts so does the applicable spread basis points used to calculate the interest due. Below are the applicable spreads for each variable rate Bond Series:

Applicable spread upon credit ratings downgrade as of December 31, 2020, are presented in **Table 33**.

Table 33

Credit Facility Bond Series 2007 G1&G2			
Moody's	S&P	Fitch	Applicable Spread
A1 or higher	A+ or higher	A+ or higher	90 basis points (0.90%)
A2	A	A	116 basis points (1.16%)
A3	A-	A-	143 basis points (1.43%)
Baa1	BBB+	BBB+	172 basis points (1.72%)
Baa2	BBB	BBB	203 basis points (2.03%)

Refer to EMMA for detailed information regarding the Applicable Spread upon Credit Ratings for each of the following Series: 2008B, 2009C, 1992F, 1992G, and 2002C.

For the Series 2008B, 2009C, 1992F, 1992G, and 2002C, in the event the Airport maintains Senior Bond ratings from each of Moody's, S&P and Fitch, known as the Rating Agencies, and two of such Senior Bond ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Senior Bond ratings appears; if Senior Bond Ratings are assigned by all three Rating Agencies and no two such Senior Bond Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Senior Bond Rating appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings appears. Any change in the Applicable Spread resulting from a reduction, withdrawal, suspension or unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

For Series 2007G1 & G2, in the event the Airport maintains Senior Bond ratings assigned by all three Rating Agencies, the Applicable Spread shall be based upon the Level in which the lower of the two highest Senior Bond Ratings appears; and if the Senior Bond Ratings are assigned by only two Rating Agencies and such Senior Bond Ratings are no equivalent, the Applicable Spread shall be based upon the Level in which the lower Senior Bond Ratings Appears. Any change in the Applicable Spread resulting from a reduction, which, suspension or

unavailability of a Senior Bond Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Senior Bond Rating.

The City, through its Wastewater Management Division, has pledged future income from its storm drainage and sanitary sewerage facilities, net of operating expenses, for debt service on \$50,425,000 of Series 2012 Wastewater Revenue Bonds issued in January 2012, and for debt service on \$115,000,000 of Series 2016 Wastewater Revenue bonds issued in November of 2016 and for debt service of \$103,050,000 of Series 2018 Wastewater Revenue bonds. The Series 2012 bonds were issued for the purpose of refunding the remaining \$20,350,000 of Series 2002 Wastewater Revenue bonds outstanding and to finance improvements to the storm drainage facilities. The Series 2016 bonds were issued to finance capital improvement projects. The Series 2018 were issued to finance additional capital improvement projects. The total principal and interest remaining to be paid on the bonds is \$357,555,000. In 2020, principal and interest payments were \$16,690,000. Total principal and interest payments remaining on the bonds are \$228,490,000 and \$129,065,000, respectively, payable through 2047. Over the past 10 years, annual net revenues available for debt service have averaged \$35,262,000. For detailed information on individual bond issues see **Other Supplementary Schedules – Combined Schedule of Bonds Payable and Escrows.**

- Other Debt.** DURA's note payable and tax increment bonds, exclusive of unamortized premium of \$15,973,000, and a discount of \$429,000, at December 31, 2020, are comprised of the following individual issues shown in **Table 34** (dollars in thousands).

Table 34

Purpose	Interest Rates	Amount
Series 2010B-1	3.00-5.00%	\$ 36,330
Series 2013A-1	5.00%	77,720
Series 2014D-2 - direct borrowing	4.10-4.19%	28,940
Series 2018 A	5.25%	63,760
Note payable		4,541
Total		\$ 211,291

The DURA 2014D-2 direct borrowings have the following terms related to events of default with finance-related consequences: Immediately upon the occurrence of a Loan Default, each Advance Amount or the Outstanding Loan Amount, as applicable, will accrue interest at the applicable Premium Rate. The Premium Rate shall be the applicable interest rate until such time as the applicable Loan Default or an Event of Loan Default is cured to the satisfaction of the Lenders.

On June 23, 2016, the RiNo Denver General Improvement district issued \$3,000,000 of revenue notes for the purpose of financing improvements to Brighton Boulevard between 29th and 44th Streets. The revenue notes were issued with a fixed rate of 3.55% and mature on 6/1/2036. Debt service for the RiNo General Improvement District's revenue note is to be paid from special assessments collected from property owners fronting Brighton Boulevard within the district.

On February 3, 2017, the Downtown Denver Development Authority (DDDA) district issued \$197,315,000 of direct placement tax increment revenue bonds with a fixed interest rate of 7.00% with principal due annually beginning December 1, 2017 through December 1, 2027, at which time the outstanding loan amount, less any amount transferred from the Reserve Fund and applied to the repayment of the outstanding loan amount, shall be due and payable in full. The proceeds of the loan were used to refund the Transportation Infrastructure Financing and Innovation Act Loan (TIFIA Loan) and the Railroad Rehabilitation and Improvement Financing Loan (RRIF Loan) formerly held by the Denver Union Station Project Authority prior to dissolving in 2017 to finance a multi-modal transportation hub project that included light rail, commuter rail and a regional bus facility. Debt service for the DDDA tax increment revenue bond is equal to available cash flow up to \$19,732,000 annually. If there is cash flow above \$19,732,000 annually, the City will determine if the excess will be used to prepay the principal amount.

The DDDA agreement contains terms regarding significant Events of Default with finance-related consequences that are classified as (1) failure to pay the scheduled principal or interest amount, or any other amount due and

payable to and lender, (2) misrepresentation, (3) any final judgement obtained against the City that must be paid with loan funds or creates a lien on the funds, (4) bankruptcy, (5) the agreement is deemed null and void, (6) an event occurs that would have a material adverse on the City's ability to perform and the City fails to cure such condition, (7) the funds become subject to any judgement, and (8) action without consent, (9) default in obligations under any financing document, (10) failure to deposit pledged revenues, (11) dissolve or consolidate the DDDA, (12) refusal or inability of City's auditor to deliver an unmodified opinion, (13) failure to impose DUS Project Mill Levy, (14) DUS takes adverse action that effect pledged revenues or assets, and (15) an event of default is continuing after the expiration date of any applicable grace period . In an Event of Default, the administrator may apply all amounts on deposit in the Reserve and Surplus funds.

On August 17, 2017 the Denver 14th Street General Improvement district issued a \$4,000,000 refunding revenue note with an interest rate of 2.83% with principal due annually beginning on December 1, 2020 through December 1, 2031, at which time the interest rate will be reset at the then Federal Home Loan Board of Des Moines, Iowa one year advance rate. Interest is payable semiannually commencing June 1, 2020. The proceeds of the loan were used to advance refund the General Improvement Districts 2010 Revenue Bonds whose proceeds were used to provide funds to pay the costs and expenses of the 14th street streetscape and sidewalk improvements. The Notes are subject to redemption at the option of the GID on December 1, 2020 and on any date thereafter from any legally available funds at a redemption price equal to the principal amount of each note plus a redemption premium of 1.5% through December 1, 2022, 1% premium from 2023 through December 1, 2027, .5% premium from 2028 through December 1, 2032 and no premium from 2033 through 2034. The note is secured by the pledged revenue derived from the imposition of capital charges on property owners within the District. The Capital charges constitute a perpetual lien on and against such property, and if capital charges are not paid when due, may be foreclosed the same as a mechanics lien.

Debt service requirements to maturity for DURA, DDDA, RiNo GID, and 14th Street GID's bonds and revenue notes are shown in **Table 35** (dollars in thousands).

Table 35

Year	Direct Borrowing				Direct Placement					
	DURA		DURA		RiNo GID		14th Street GID		DDDA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 18,010	\$ 9,006	\$ 3,600	\$ 1,232	\$ 94	\$ 66	\$ 205	\$ 100	\$ 9,729	\$ 4,392
2022	20,195	8,147	5,660	1,081	97	62	215	95	10,248	4,058
2023	21,410	7,179	7,270	841	101	59	220	88	10,770	3,706
2024	23,420	6,142	8,590	531	105	55	225	82	11,278	3,345
2025	40,330	4,880	3,820	164	108	51	235	76	11,818	2,948
2026-										
2030	13,790	12,917	-	-	604	196	1,265	276	73,955	6,325
2031-										
2035	17,810	8,898	-	-	720	79	1,070	85	-	-
2036-										
2040	22,845	3,447	-	-	66	1	-	-	-	-
Total	\$ 177,810	\$ 60,616	\$ 28,940	\$ 3,849	\$ 1,895	\$ 569	\$ 3,435	\$ 802	\$ 127,798	\$ 24,774

Debt service for DURA's note, payable to the City, is dependent on the availability of tax increment financing (TIF) revenue. Due to the uncertainty of this revenue the payments cannot be estimated. Payments will be made quarterly on the 10th of January, April, July and October, and will consist of the entirety of DURA's receipt of TIF revenues. The note is to be paid over a 25-year period, with interest accruing at a rate of 2.00% per annum. The maturity date is May 11, 2037.

- Indentures and Reporting Requirements.** The City is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, and maintenance of specified levels of bond reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The City is in compliance with all significant covenants.
- Notes payable.** The Airport System entered into a \$20,500,000 Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.9595%

based on a 30/360 calculation for 2012. The payment schedules relating to the note requirements as of December 31, 2020, are shown in **Table 36** (dollars in thousands).

Table 36

Year	Denver International Airport	
	Principal	Interest
2021	\$ 2,235	\$ 27
Total	\$ 2,235	\$ 27

4. **Changes in Long-term Liabilities.** Long-term liability activity for the year ended December 31, 2020, is shown in **Tables 37** and **38** (dollars in thousands).

Table 37

Governmental Activities	January 1	Additions	Deletions	December 31	Due within one year
Legal liability	\$ 11,000	\$ 32,865	\$ -	\$ 43,865	\$ -
Compensated absences:					
Classified service employees - 3,323	108,050	47,293	40,680	114,663	4,370
Career Service employees - 7,969	54,431	47,575	36,765	65,241	5,041
Net pension liability	1,468,836	92,311	124,599	1,436,548	-
Net OPEB liability	92,340	95,734	97,874	90,200	4,280
OPEB implicit rate subsidy liability	115,508	112,995	97,830	130,673	97,830
Claims payable	29,141	72,822	63,527	38,436	10,026
General obligation bonds ⁽¹⁾	762,229	394,118	378,185	778,162	90,360
General obligation bonds - direct placements	91,175	-	14,925	76,250	14,550
GID revenue notes	5,634	-	304	5,330	299
Excise tax revenue bonds ⁽²⁾	611,596	3,896	17,200	598,292	14,260
Capitalized lease obligations and COPs	382,849	-	41,214	341,635	20,170
Capitalized lease obligations and COPs - direct placements	56,424	23,011	7,442	71,993	9,159
Unamortized premium	100,208	94,225	13,373	181,060	-
Total Governmental Activities	\$ 3,889,421	\$ 1,016,845	\$ 933,918	\$ 3,972,348	\$ 270,345

⁽¹⁾ Ending balance includes compound interest from the 2007 and 2014A mini-bonds of \$12,042.

⁽²⁾ Ending balance includes compound interest of \$8,862

Table 38

	January 1	Additions	Deletions	December 31	Due within one year
Business-type Activities					
Wastewater Management:					
Revenue bonds - direct placement	\$ 235,885	\$ -	\$ 7,395	\$ 228,490	\$ 7,735
Unamortized premium	21,363	-	934	20,429	-
Net pension liability	45,067	4,667	3,193	46,541	-
Net OPEB liability	3,191	142	177	3,156	-
OPEB implicit rate subsidy liability	2,017	308	159	2,166	159
Capitalized lease obligations	4,338	-	758	3,580	815
Compensated absences	3,645	686	-	4,331	823
Total Wastewater Management	315,506	5,803	12,616	308,693	9,532
Denver Airport System:					
Legal liability	56,500	18,013	-	74,513	-
Senior lien revenue bonds	1,850,030	628,905	654,705	1,824,230	98,450
Subordinate lien revenue bonds	3,196,475	-	20,345	3,176,130	20,150
Senior lien revenue bonds - direct placement	376,555	-	114,400	262,155	35,000
Subordinate lien revenue bonds - direct placement	294,280	-	43,355	250,925	46,995
Economic defeasance	40,080	-	-	40,080	-
Unamortized premium	413,874	31,703	68,752	376,825	-
Revenue credit payable	40,000	29,439	40,000	29,439	29,439
Net pension liability	191,990	21,021	13,133	199,878	-
Net OPEB liability	13,594	687	726	13,555	-
OPEB implicit rate subsidy liability	7,721	930	590	8,061	590
Notes payable	4,427	-	2,192	2,235	2,235
Compensated absences	10,158	9,340	7,401	12,097	2,524
Total Denver Airport System	6,495,684	740,038	965,599	6,270,123	235,383
Nonmajor enterprise funds:					
Revenue bonds	655	-	655	-	-
Net pension liability	15,773	2,216	997	16,992	-
Net OPEB liability	1,052	91	55	1,088	-
OPEB implicit rate subsidy liability	729	109	57	781	781
Capitalized lease obligations	4,119	-	986	3,133	1,015
Compensated absences	1,405	749	640	1,514	459
Total nonmajor enterprise funds	23,733	3,165	3,390	23,508	2,255
Total Business-type Activities	\$ 6,834,923	\$ 749,006	\$ 981,605	\$ 6,602,324	\$ 247,170
Major Component Units:					
Revenue bonds ⁽¹⁾	\$ 298,013	\$ -	\$ 4,710	\$ 293,303	\$ 2,985
Increment bonds and notes payable ⁽²⁾	252,125	-	25,291	226,834	21,610
Increment bonds - direct placements	156,008	-	28,210	127,798	9,729
Grants payable	-	16,890	12,279	4,611	2,974
Total Major Component Units	\$ 706,146	\$ 16,890	\$ 70,490	\$ 652,546	\$ 37,298

⁽¹⁾Includes unamortized premium of \$26,183.

⁽²⁾Includes unamortized premium of \$15,973 and unamortized discount of \$429.

The legal liability, compensated absences, net other post-employment benefit (OPEB) liability and other accrued liabilities in the governmental activities are generally liquidated by the General Fund. The other governmental funds include a note payable liquidated by the Community Development special revenue fund and a claims payable liquidated by the Employee Insurance Benefits internal service fund. The amount available for long-term debt in the debt service funds and in the special revenue fund was \$192,246,000.

- Swap Agreements - Direct Placements.** Included in the City's governmental activities are three derivatives that are embedded in the City's certificated lease for the Webb Municipal Office Building. The intent of the three pay-fixed, receive-variable interest rate swaps is to protect against rising interest rates on the variable rate 2008A Certificates of Participation (COPs). In 2003, Civic Center Office Building, Inc., the lessor, entered into two

swap agreements with JP Morgan, associated with the 2003C1 and 2003C2 COPs, and one swap agreement with Lehman Brothers that was associated with the 2003C3 COPs. In October 2008, due to the deteriorating credit rating of the insurer (AMBAC), the outstanding COPs were refunded by the Series 2008A1-A3 Refunding Certificates of Participation, terminating the three swaps. To maintain the interest rate hedge related to the lease payments, the derivative instruments with JP Morgan were amended and new swaps were entered into that were associated with the 2008A1 and 2008A2 COPs. The derivative instrument with Lehman Brothers was terminated and replaced with an agreement with Royal Bank of Canada (RBC). A new swap was initiated under the RBC agreement that was associated with the 2008A3 COPs. At the time of termination of the 2003 swaps, the JP Morgan swaps had negative fair values, and no termination payments were made. In addition to a termination payment made to Lehman Brothers by the City, an up-front payment of \$475,000 was received from RBC at the initiation of the 2008 replacement swap. These events resulted in off-market components of the swaps that are being treated as implied loans for accounting purposes and are being amortized through investment revenues over the life of the new hedges.

The City's swap agreements contain terms regarding significant Events of Default with finance-related consequences that are classified as (1) failure to pay or deliver, (2) breach of agreement, (3) credit support default, (4) misrepresentation, (5) default under specified transactions, (6) cross default, (7) bankruptcy, (and 8) merger without assumption. The results from an Event of Default include:

- First Method and Market Quotation. If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.
- First Method and Loss. If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.
- Second Method and Market Quotation. If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.
- Second Method and Loss. If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

The City's swap agreements contain terms regarding significant Termination Events with finance-related consequences that are classified as (1) illegality, (2) credit event upon merger, and (3) any additional termination events specified in the schedule or any confirmation as applying. The results from a Termination Event include:

- One Affected Party. If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.
- Two Affected Parties. If there are two Affected Parties:
 - if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement

Amount of the party with the lower Settlement Amount (“Y”) and (b) the Unpaid-Amounts owing to X less (II) the Unpaid Amounts.

- if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss (“X”) and the Loss of the party with the lower Loss (“Y”).

There are certain events which could result in a higher interest rate and/or acceleration of amounts due on the City’s various Swaps. These events are described in the ISDA Master Agreement filed on the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access (“EMMA”) site:

- JPMC (2008A1) <https://emma.msrb.org/MS275384-MS273078-MD554070.pdf>
- JPMC (2008A1) <https://emma.msrb.org/MS275384-MS273078-MD554070.pdf>
- RBC (2008A3) <https://emma.msrb.org/MS275384-MS273078-MD554070.pdf>

As of December 31, 2020, all three swaps are effective cash flow hedges and the fair values and changes in fair values are reported in the government-wide Statement of Net Position as deferred outflows of governmental activities. The fair market value of the three swaps as of December 31, 2020 was \$(34,087,000). The year-end fair values were calculated using the mid-market LIBOR swap curves as of December 31, 2020. The fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2020. When the present value of payments to be made by the City exceeds the present value of payments to be received, the swap has a negative value to the City. When the present value of payments to be received by the City exceeds that of payments to be made, the swap has a positive value to the City.

Table 39 provides the swap associated debt rates as of December 31, 2020

Table 39

Swap	2008A1	2008A2	2008A3
Associated debt	2008A1 COP	2008A2 COP	2008A3 COP
Fixed payment to counterparty	3.400%	3.400%	3.130%
Variable payment from counterparty (68% LIBOR)	(1.005%)	(1.005%)	(1.005%)
Net swap interest rate	2.395%	2.395%	2.125%
Variable-rate certificate coupon payment	1.000%	1.000%	1.000%
Net swap and certificate rate	3.395%	3.395%	3.125%

As rates vary, lease interest payments and net swap payments will vary. As of December 31, 2020, lease payment requirements of the related variable rate COPs and the net swap payments, assuming current rates remain the same, for their terms, are summarized in **Table 40** (dollars in thousands).

Table 40

Year	Principal	Interest	Interest Rate Swaps Net
2021	\$ 11,055	\$ 1,821	\$ 5,957
2022	11,735	1,711	5,586
2023	12,460	1,593	5,193
2024	13,225	1,469	4,777
2025-2029	77,905	5,201	16,739
2030-2031	55,755	938	2,930
Total	\$ 182,135	\$ 12,733	\$ 41,182

Table 41 (dollars in thousands) provides the fair values and the 2020 changes in fair value of the on-market and the implied loan portions of the swaps as of December 31, 2020, and the accounting classifications of the changes in fair value for the year then ended.”

Table 41

Counterparty	Effective Date	Notional Amount	Termination Date	Associated Debt Series	Fair Values 12/31/20	Change in Fair Value	Classification
2008A1 Swap Agreements							
JP Morgan Chase Bank	7/17/03	\$ 53,375	12/1/29	2008A1 COP	\$ (8,252)	\$ (1,258)	Deferred outflow \$ (211) Investment revenue
2008A2 Swap Agreements							
JP Morgan Chase Bank	7/17/03	44,995	12/1/29	2008A2 COP	(6,957)	(1,061)	Deferred outflow (178) Investment revenue
2008A3 Swap Agreements							
Royal Bank of Canada	10/1/08	83,765	12/1/31	2008A3 COP	(18,878)	(4,497)	Deferred outflow (23) Investment revenue
Total		<u>\$182,135</u>			<u>\$ (34,087)</u>	<u>\$ (6,816)</u>	<u>\$ (412)</u>

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivatives investments.

The risk involved in the three swaps flows through the lease from Civic Center Office Building, Inc. (the “lessor”) to the City. The following risks are generally associated with swap agreements:

- **Credit risk** – All of the governmental activity swaps rely on the performance of the respective swap counterparties. The City is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the lessor. The City measures the extent of the risk based on the credit ratings of each counterparty and the fair value of the swap agreement. As of December 31, 2020, there was no risk of loss to the City, as the swap agreements had negative fair values. The credit ratings of the counterparties as of December 31, 2020, are shown in **Table 42**.

Table 42

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
JP Morgan Chase Bank	A-	A2	AA-
Royal Bank of Canada	AA-	Aa2	AA

- **Termination risk** – Any party to these swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the lessor may terminate any of the swap agreements at any time at its sole discretion. If the swap had a negative fair value at the time of termination the City could be liable to the counterparty for a termination payment equal to the fair market value of the swap. If any of the swaps were terminated, the associated variable rate certificates would no longer have the benefit of the interest rate hedge.
- **Interest rate risk** – The City is exposed to interest rate risk on the swaps. In regard to the pay fixed, receive variable swaps, as the London Interbank Offered Rate (LIBOR) index rate decreases, the City’s net payments on the swaps increase.
- **Basis risk** – The City pays interest at variable rates on the COPs associated with the swaps. Each of the swap agreements provide for the applicable counterparty to make variable rate payments based on the LIBOR index. To the extent that the variable rate paid on the certificates is different than the rate received from the counterparties based on LIBOR, there may be a net loss or benefit to the City.

The Airport has entered into interest rate swap agreements in order to protect against rising interest rates. The 1999 and 2009A swap agreements all pay fixed–receive variable rate cash flow hedges, with the variable

payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport's swap agreements are considered investment derivatives in accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments (GASB 53). Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

On October 28, 2020, the Airport issued the Airport System Revenue Bonds Series 2020C (Taxable) for \$411,500,000. A portion of the bond proceeds, \$9,600,000, were used to fully terminate the 2008B Swap Agreement with Loop Financial Products I, LLC.

Table 43 provides a profile of the terms of the Airport's swap agreements (all rates as of December 31, 2020).

Table 43

SWAP

Associated Debt	1999, 2009A 2008B, 2009C	2005, 2006B 2016A	2006A, 2008B 2007G1-G2
Payment to counterparty	5.603%	3.777%	4.009%
Payment from counterparty	0.090%	4.186%	0.101%
Net swap interest rate	5.513%	-0.409%	3.908%
Associated bond interest rate	0.460%	5.000%	1.001%
Net swap and bond rate	5.973%	4.591%	4.909%

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2020, debt service requirements of the related variable rate debt and net swap payments for the Airport System's cash flow hedges (1998, 1999 and 2009A swap agreements), assuming current interest rates remain the same, for their terms, are reflected in **Table 44** (dollars in thousands).

Table 44

Year	Principal	Interest	Interest Rate Swaps Net	Total
2021	\$ 21,300	\$ 401	\$ 4,801	\$ 26,502
2022	16,700	303	1,810	18,813
2023	3,825	226	-	4,051
2024	-	208	-	208
2025	-	208	-	208
2026-2030	37,200	708	-	37,908
2031-2033	8,055	37	-	8,092
Total	\$ 87,080	\$ 2,091	\$ 6,611	\$ 95,782

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2020

Table 45 (dollars in thousands) provides a summary of the Airport's interest rate swap transactions as of December 31, 2020

Table 45

Counterparty	Effective Date	Notional Amount	Bond/Swap Termination Date	Associated Debt Series	Payable Swap	Variable Receivable Swap Rate	Changes in Fair Value		Fair Values December 31
							Classification	Amount	
Hedging Derivatives									
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/01	44,000	11/1/22	(1)	5.6179%	SIFMA	Deferred outflow	(430)	(2,941)
							Investment income	(1,854)	-
Merrill Lynch Capital Services, Inc.	10/4/01	22,000	11/1/22	(1)	5.5529%	SIFMA	Deferred outflow	(215)	(1,454)
							Investment income	(907)	-
Investment Derivatives									
2005 Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/06	38,000	11/15/25	2016A	3.6874%	70% LIBOR	Investment income	311	(4,355)
2006A Swap Agreements									
GKB Financial Services Corp.	11/15/07	28,000	11/15/25	2007F-G/2014A	4.0085%	70% LIBOR	Investment income	(24)	(3,292)
2006B Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/06	37,000	11/15/25	2016A	SIFMA	4.0855%	Investment income	(184)	4,773
2008A Swap Agreements									
Royal Bank of Canada	12/18/08	57,000	11/15/25	2007F-G/2016B	4.0085%	70% LIBOR	Investment income	(48)	(6,583)
2008B Swap Agreements									
Loop Financial Products I, LLC	1/8/09	66,000	11/15/25	2008C1(2)	4.7600%	70% LIBOR + 0.1%	Investment income	(2,034)	-
2009A Swap Agreements									
Loop Financial Products I, LLC	1/12/10	22,000	11/15/22	(1)	5.6229%	SIFMA	Deferred outflow	(433)	(1,487)
							Investment income	(707)	-
Total									\$ (15,339)

(1) Swaps are currently associated with Series 2009C bonds, Series 2008B, and a portion of the Series 2002C bonds.

(2) Swaps were terminated 10/15/2020.

(3) Previously associated with 2007D. Swaps currently associated with Series 2017A.

(4) Previously associated with 2014A. Swaps currently associated with Series 2016B.

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

Payments by the Airport System to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport System's Senior Bonds, and on parity with the Airport System's Subordinate Bonds. The year-end fair values were calculated using the mid-market LIBOR and BMA swap curves as of December 31, 2020. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2020. When the present value of payments to be made by the Airport System exceeds the present value of payments to be received, the swap has a negative value to the Airport System. When the present value of payments to be received by the Airport System exceeds that of payments to be made, the swap has a positive value to the Airport System.

The following risks are generally associated with swap agreements:

Credit Risk – All of the Airport System's swap agreements rely upon the performance of swap counterparties. The Airport System is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport System. The Airport System measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport System delivers a surety policy or other credit support document guaranteeing its obligations under the swap agreement that is rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch, for any swap agreement, the

counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor's, Moody's Investors Service or Fitch; or, under certain circumstances, provide collateral. The Airport System is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport System's Senior Bonds is below any two of BBB by Standard & Poor's, Baa2 by Moody's Investors Service or BBB by Fitch. As of December 31, 2020, the ratings of the Airport System's Senior Bonds were A+ by Standard & Poor's (with a stable outlook), A1 by Moody's Investors Service (with a stable outlook) and A+ by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport System. Failure of either the Airport System or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see Termination Risk below). The ratings of the counterparties, or their credit support providers, as of December 31, 2020, are shown in **Table 46**.

Table 46

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
Goldman Sachs Capital Markets, L.P. (Goldman Sachs Group, Inc.)	BBB+	A3+	A
JP Morgan Chase Bank, N.A.	A+	Aa2	AA
LOOP Financial Products, LLC (Deutsche Bank, AG, New York Branch)	BBB+	A3	BBB
Merrill Lynch Capital Services, Inc. (Merrill Lynch & Co., Inc.)	A-	A2	A+
Royal Bank of Canada	AA-	Aa2	AA
GKB Financial Services Corporation II, Inc. (Societe Generale New York Branch)	A	A1	A

NR - no rating available

As of December 31, 2020, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivative's fair value.

- **Termination Risk** – Any party to the Airport System's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport System may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk on preceding page). If, at the time of termination, the swap has a negative fair value, the Airport System could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport System's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport System is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.
- **Interest Rate Risk** – The Airport System is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport System's net payments on the swap agreements increase.
- **Basis Risk** – Each of the Airport System's swap agreements is associated with certain debt obligations or other swaps. The Airport System pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport System receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport System is based on an index different than that used to determine the variable payments received by the Airport System under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement.

Note H – Fund Balances

In accordance with GASB Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no restrictions otherwise exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

The City has a target of maintaining a General Fund balance reserve that is 15.00% of budgeted expenditures and should not go below 10.00% of budgeted expenditures, except in response to a severe crisis, economic or otherwise.

Fund balances by classification are detailed in **Table 47** (dollars in thousands).

- **Nonspendable Fund Balances** – Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

The City has two types of nonspendable fund balances: Prepaid items and an endowment. The prepaid items, which total \$14,940,000 are in a nonspendable form and the endowment totaling \$3,000,000 is in a permanent fund whose earnings are used for the maintenance of the residence known as Cableland.

- **Restricted Fund Balances** – Restricted fund balances represent amounts constrained by external parties, enabling legislation and/or constitutional provisions.
- **Committed Fund Balances** – Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of ordinance.
- **Assigned Fund Balances** – Assigned fund balances are constrained for specific purposes by City Council as authorized by the City's charter.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are nonspendable, restricted, committed, or assigned.

Table 47

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Endowment	\$ -	\$ -	\$ 3,000	\$ 3,000
Prepaid items	14,254	-	686	14,940
Total Nonspendable	14,254	-	3,686	17,940
Restricted:				
General government	-	-	76,877	76,877
Public safety - admin	-	-	13,768	13,768
Public safety - fire	-	-	2,178	2,178
Public safety - police	-	-	8,320	8,320
Public safety - sheriff	-	-	659	659
Public works	-	-	324,027	324,027
Human services	-	82,503	-	82,503
Health	-	-	22,829	22,829
Parks & recreation	-	-	760,000	760,000
Cultural activities	-	-	79,832	79,832
Community development	-	-	46,371	46,371
Economic opportunity	-	-	405	405
Assets held for disposition	-	-	731	731
Loans receivable	-	-	83,099	83,099
Long-term debt	20,483	-	192,246	212,729
Emergency use	50,573	-	650	51,223
Total Restricted	71,056	82,503	1,611,992	1,765,551
Committed:				
General government	11,767	-	20,547	32,314
Public safety - admin	764	-	-	764
Public safety - fire	471	-	-	471
Public safety - police	3,515	-	-	3,515
Public safety - sheriff	5,366	-	-	5,366
Public works	7,491	-	-	7,491
Health	4,680	-	-	4,680
Parks & recreation	2,217	-	4,004	6,221
Cultural Activities	788	-	161	949
Community development	4,496	-	-	4,496
Economic opportunity	-	-	-	-
Total Committed	41,555	-	24,712	66,267
Assigned:				
General government	-	-	1,038	1,038
Public safety - admin	-	-	-	-
Health	-	-	-	-
Parks & recreation	-	-	-	-
Economic opportunity	-	-	-	-
Special funds	-	-	-	-
Total Assigned	-	-	1,038	1,038
Unassigned	163,016	-	(40,109)	122,907
Total Fund Balances	\$ 289,881	\$ 82,503	\$ 1,601,319	\$ 1,973,703

IV. Other Note Disclosures

Note A – Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In addition, the City is party to numerous pending or threatened lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. The City has historically retained these risks, except where it has determined that commercial insurance is more cost beneficial or legally required. The City has covered all claim settlements and judgments out of its General Fund resources, except where specifically identifiable to an enterprise fund. The City currently reports substantially all of its risk management activities, except employee insurance benefits (see **Note IV-C**), in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Current liabilities are reported when the liability has matured. These losses include an estimate of claims that have been incurred but not reported.

The Lowry Landfill, which accepted hazardous waste from the late 1960s to 1980, is listed on the national Superfund list. This means that the contamination at the site will be mitigated under the auspices of the U.S. Environmental Protection Agency. Under federal law, the City, as owner and operator of the facility is one of the parties responsible for cleanup of the site. The City's share of the remaining costs for cleanup could be incurred over the next 5 to 30 years. The City's liability for a portion of the cleanup costs is probable but cannot be reasonably estimated.

With respect to matters expecting to be settled subsequent to 2020, the City Attorney estimates the amount of liability determined as probable and incurred but not reported claims and judgments at December 31, 2020, to be approximately \$43,865,000. The City Attorney also estimates that pending cases having a reasonably possible likelihood of resulting in an additional liability aggregating approximately \$8,000,000 at December 31, 2020.

Changes in the long-term legal liability during the past two years are shown in **Table 48** (dollars in thousands).

Table 48

	2020	2019
Beginning balance - January 1	\$ 11,000	\$ 9,300
Current year claims and changes in estimates	32,865	5,825
Claims settled	-	(4,125)
Ending balance - December 31	\$ 43,865	\$ 11,000

Pursuant to Colorado law, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the Board of County Commissioners must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City must continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$387,000 per injury or \$1,093,000 per occurrence. **See Note IV-D-5** regarding Denver Airport System related litigation.

Note B – Pollution Remediation

The City had four underground storage tanks that leaked and were under remediation. Funds spent on remediation were partially reimbursed up to 50.00% of the cost by the Colorado Petroleum Storage Tank Trust. As of December 31, 2020, the underground storage tanks were fully remediated, and no additional costs are anticipated to incur.

The Environmental Protection Agency has listed a large area in north Denver on the National Priorities List of Superfund Sites because of lead, arsenic and cadmium contamination found in soils in residential neighborhoods. EPA has divided the Site into three operable units. Operable Unit 1 (OU1) consists of the contaminated residential soils in north Denver. Operable Unit 2 (OU2) is the Grant-Omaha Smelter Site. Operable Unit 3 (OU3) is the Argo Smelter Site.

ASARCO, Inc. finished the remediation of Operable Unit 1 in 2006 and has not claimed that the City is responsible for any of those costs; therefore, management believes the possibility that the City has any liability associated with OU1 is remote.

The EPA has named the City a Potentially Responsible Party (PRP) at OU2 as the current owner of part of the site where the former Grant-Omaha Smelter was located. Denver has entered into an Administrative Order on Consent

to perform a remedial investigation and feasibility study and has paid \$18,000 of EPA's past costs. Whether this site is contaminated or whether it will require remediation cannot be determined until completion of the remedial investigation and feasibility study. The City's responsibility for some of the investigation and cleanup costs is probable; however, at this early stage in the process it is not possible to estimate the costs associated with this site, therefore no liability has been accrued. ASARCO, Inc. is another significant PRP at the site. ASARCO, Inc. filed bankruptcy and the City filed a contingent claim for environmental remediation costs and reached a settlement with ASARCO for \$640,000 which payment has been received. The City has no connection to OU3 and EPA has not asserted that the City has any responsibility for investigation or clean up, therefore management believes the possibility is remote that the City has any liability associated with OU3.

Note C – Insurance

The City has a Workers' Compensation fund, that reports workers' compensation self-insurance activity, that was established in accordance with State Statutes to be held for the benefit of the City's employees. This fund is included in the Employee Insurance Benefits internal service fund. The Employee Insurance Benefits internal service fund compensates City employees, or their eligible dependents, for injuries as authorized by the State Workers' Compensation law, in addition to maintaining in-house records of claims. The Workers' Compensation program is part of the City's Risk Management Office, which also provides safety training and loss prevention for all City departments and agencies.

The Department of Labor and Employment of the State of Colorado establishes the amount of funding required each year for the City to maintain its self-insured permit. The requirement is calculated using the average amount of claims paid over the previous three years plus the outstanding liability for claims as of the end of the previous year. This requirement at December 31, 2020, for 2021, was \$28,959,000. The Employee Insurance Benefits internal service fund has current assets and appropriations set aside in 2020 to satisfy this requirement. These funds may only be used for payment of employee insurance benefits and administrative costs.

The City has purchased reinsurance coverage in order to reduce its risk. For the period from January 1, 2020 through December 31, 2020, the self-retention amount was \$2,500,000 for all employees. The City had no settlements in the past three years that exceeded its self-retention levels.

The City has opted to provide salary continuation for qualifying, full-time employees who are temporarily disabled for more than three scheduled workdays or shifts by a compensable work injury. The rates and duration of salary continuation vary depending on the collective bargaining agreement or CSA rules, which apply. For the first 90 days, City departments or agencies cover the cost of salary continuation. After 90 days, salary continuation is charged to the Employee Insurance Benefits Fund. As of December 31, 2020, the City paid \$1,159,000 for salary continuation benefits.

The City began self-insuring for employee dental and medical benefits on January 1, 2005, and January 1, 2020, respectively. Premiums are paid into the Medical and Dental Self-Insurance Funds to pay claims, claim reserves, and administrative costs. All claims are reviewed and approved for payment by United Health Care for medical claims and Delta Dental of Colorado for dental claims in accordance with the administrative services agreement with the City. There is no annual exposure limit for participants of the Exclusive Provider Organization (EPO) plan. The annual exposure limit for the participants of the Preferred Provider Organization (PPO) High is \$2,000/year. The annual exposure limit for participants of the preferred Provider Organization Low is \$1,250/year. Claims liabilities for 2020, which will be paid in, were as follows:

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated and includes an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, and other economic and social factors. The liability is reported in the Employee Insurance Benefits internal service fund and was discounted for investment income.

Changes in the insurance liabilities during the past two years are shown in **Table 49** (dollars in thousands).

Table 49

	2020	2019
Beginning balance, undiscounted - January 1	\$ 29,141	\$ 27,256
Current year claims and changes in estimates	78,576	16,976
Claims paid	(63,527)	(9,380)
Ending balance undiscounted	44,190	34,852
Less discount	(5,754)	(5,711)
Ending balance - December 31	\$ 38,436	\$ 29,141

Note D – Subsequent Events

1. **Tax Revenue Bonds.** On April 22, 2021, the City issued \$273,830,000 of Dedicated Tax Revenue Bonds, Series 2021A, to fund projects related to the National Western Center and Colorado Convention Center Expansion Project.

Note E – Contingencies

2. **Legal Debt Margin.** Per the City Charter, the City's indebtedness for general obligation bonds shall not exceed 3.00% of actual value as determined by the last final assessment of the taxable property within the City. At December 31, 2020, the City's general obligation debt outstanding was \$842,370,000 and the City's legal debt margin was \$4,309,130,000 or 2.60% of actual value of taxable property.
3. **Prior Years' Defeased Bonds.** At various dates in prior years, the City and certain component units have placed proceeds from bond issues and cash contributions in irrevocable refunding escrow accounts. The amounts deposited in the irrevocable escrow accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, would provide amounts sufficient for payment of all principal and interest of the bond issues on each remaining payment date. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the defeased bond issues appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. Defeased bonds principal outstanding at December 31, 2020, for the City and Denver International Airport, was \$12,245,000 and \$392,200,000, respectively.
4. **Grants and Other.** Under the 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. City management believes disallowances, if any, will be immaterial to its financial position and activities.

The City is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the state now makes the grant disbursements.

Table 50 (dollars in thousands) lists Denver County electronic benefit transfers (EBT) authorizations, warrant expenditures, and total expenditures associated with the Human Services special revenue fund for the year ended December 31, 2020.

Table 50

Program	City EBT		City Share of		City Share of		Total
	Authorizations	Authorizations	Expenditures	Expenditures	Expenditures	Expenditures	
Adult Protective Service	\$ -	\$ -	\$ 3,208	\$ 3,208	\$ 3,208	\$ 3,208	
Aid to Needy & Disabled	2,785	557	-	557	-	2,785	
Child Care	27,392	2,230	1,533	3,763	-	28,925	
Child Support Enforcement ⁽²⁾	674	683	12,408	13,091	-	13,082	
Child Support Grant - IV-D BICS Grant	-	-	(27)	(27)	-	(27)	
Child Welfare	13,427	2,727	36,094	38,821	-	49,521	
Child Welfare - IV-E Waiver Intervention	-	-	(187)	(187)	-	(187)	
Child Welfare - IV-E Waiver Savings	-	-	12	12	-	12	
Child Welfare Discretionary Grants	85	33	29	62	-	114	
Child Welfare - Intervention/Prevention SB19-258	-	-	1,646	1,646	-	1,646	
Child Welfare Staffing SB15-242	-	-	3,761	3,761	-	3,761	
Child Welfare Subadopt & Relative Guardianship	7,708	780	-	780	-	7,708	
Colorado Works Admin ⁽²⁾	-	-	7,101	7,101	-	7,101	
Colorado Works Non-Admin	16,273	2,587	962	3,549	-	17,235	
Core Services	3,114	535	3,397	3,932	-	6,511	
County Administration - CDHS2	204	52	16,383	16,435	-	16,587	
County Administration - HCPF Enhanced	-	-	11,846	11,846	-	11,846	
County Administration - HCPF Regular ⁽²⁾	194	39	5,235	5,274	-	5,429	
County Initiative TANF	1	(1)	-	(1)	-	1	
County Only Pass Thru	1,069	535	-	535	-	1,069	
Federal Grants	-	-	2,498	2,498	-	2,498	
Food Assistance Benefits & Collections	174,712	-	-	-	-	174,712	
Food Assistance Job Search	-	-	1,105	1,105	-	1,105	
Foster Care Adoption Recruitment	-	-	4	4	-	4	
Home Care Allowance	1,097	55	-	55	-	1,097	
Low Income Energy Assistance	6,066	-	92	92	-	6,158	
Non-allocated Programs	2,703	126	48	174	-	2,751	
Old Age Pension	15,745	-	993	993	-	16,738	
SSI-Home Care Allowance	766	38	-	38	-	766	
TANF Collections-EBT	(557)	(111)	-	(111)	-	(557)	
Title IV-B Sub Part 2 - PSSF	-	-	182	182	-	182	
Title IV-E Independent Living	-	-	193	193	-	193	
Title XX Caseworker Training	-	-	5	5	-	5	
Total	\$ 273,458	\$ 10,865	\$ 108,521	\$ 119,386	\$ 381,979		

⁽¹⁾ Does not include audit adjustments, TANF Collections - IV-D Retained, Medicaid Collections, Federal and State Incentives, County Tax Base Relief and programs not settled in County Financial Management System (CFMS), with the exception of Federal grants, which are also captured in the financial statements. It also excludes County Wide Cost Allocation Pass Thru, as these amounts are not earned by expenses incurred by Human Services.

⁽²⁾ The State pays Direct Settled items for EBT Administration, The Work Number, IRS Fees and Locator fees and then charges the counties for those costs. These are not true EBT payments, but are amounts settled via CFMS.

5. **Conduit Debt Obligations.** From time to time, the City issues industrial development revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds, and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2020, the aggregate principal amount payable for the bonds, excluding the Airport's Special Facility Revenue bonds, was approximately \$58,706,000.

To finance the acquisition and construction of various facilities at Denver International Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds

do not constitute a debt or pledge of the full faith and credit of the City or the Airport System, and accordingly, have not been reported in the accompanying financial statements. As of December 31, 2020, Airport Special Facility Revenue Bonds outstanding totaled \$250,575,000.

6. **Denver Airport System - Great Hall Developments.** The City, for and on behalf of the Airport, is undertaking renovations to Jeppesen Terminal including the Great Hall (an open area of approximately 1 million square feet located on Levels 5 and 6 of Jeppesen Terminal) designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas. The City, for and on behalf of the Airport, granted to Denver Great Hall LLC, a Delaware limited liability company (the “Great Hall Developer”) an exclusive right to design, construct, finance, operate and maintain certain specified areas within Jeppesen Terminal, including the renovation and reconfiguration of a portion of the Great Hall (the “Great Hall Project”), pursuant to the Development Agreement dated August 24, 2017 (the “Great Hall Agreement”) between the City, for and on behalf of the Airport, and the Great Hall Developer. On August 12, 2019, the City, for and on behalf of the Airport, exercised its right to terminate the Great Hall Agreement for convenience, which termination became effective November 12, 2019. As a result of such termination, the City, for and on behalf of the Airport, owed a termination payment to the Great Hall Developer in an amount determined pursuant to the terms of the Great Hall Agreement. The termination payment consists of several components: (1) a net lender liability payment reimbursing Great Hall Developers for costs of design, construction and management work completed through the Termination Date (paid partially from reserve funds available from the prior issuance of Revenue Bonds (Denver International Airport Great Hall Project) Series 2017 by the Public Finance Authority on behalf of Great Hall Developer); (2) an equity payment equal to the return that Great Hall Developer’s equity members expected to receive on their investment in Great Hall Developer; (3) contractor breakage costs representing the costs incurred by Great Hall Developer and its contractors because of the termination of the Great Hall Agreement that would not have been incurred but for the termination of the Great Hall Agreement; (4) redundancy costs representing reimbursements to Great Hall Developer for costs incurred in terminating employees who will not continue with Great Hall Developer or an affiliate of Great Hall Developer after termination of the Great Hall Agreement; and (5) transition costs representing the amount spent by Great Hall Developer to wind down the work and transition the Great Hall Project to the City, for and on behalf of the Department. On March 20, 2020, the City on behalf of the Airport filed a Voluntary Event Notice Relating to Great Hall Project Termination Payment. This disclosure is available at <https://emma.msrb.org/ER1317070-ER1026269-ER1432758.pdf>. On March 17, 2020, the Airport made a final settlement payment relating to the Great Hall Project.

The City, for and on behalf of the Airport, entered into a Final Agreement Regarding Termination dated March 13, 2020 (the “Termination Agreement”) with Great Hall Developer, Ferrovia Agroman West, LLC and Great Hall Builders, LLC (“Great Hall Builders”) to settle all disputes among the parties to the Termination Agreement relating to the Great Hall Agreement, resolve certain relief event claims filed by Great Hall Developer on its own behalf and on behalf of Great Hall Builders under the Great Hall Agreement and settle the final amount of the total Termination Payment. As set forth in the Termination Agreement, the City, for and on behalf of the Airport, has made a series of payments toward the Termination Payment which, together with the amount referenced in the prior paragraph, resulted in the full and final Termination Payment amount of \$183,700,000. This amount falls within the estimated range of the Termination Payment of \$170,000,000 to \$210,000,000 previously disclosed by the City, for and on behalf of the Airport. Pursuant to the Termination Agreement, no other payments are due from the City, for and on behalf of the Airport, as a result of the termination of the Great Hall Agreement and all claims for payments against the City, for and on behalf of the Airport, have been dismissed.

As of December 31, 2020, the Airport determined that \$23,400,000 in Great Hall project costs previously incurred are not capitalizable as part of the Great Hall asset. These costs are predominantly related to designs for certain parts of the project that are not incorporated as part of the current and anticipated construction activities. Accordingly, \$23,400,000 in costs were removed from construction in progress and recorded as non-operating expenses at December 31, 2020.

7. **Denver Airport System - Noise Litigation.** The City and Adams County entered into an intergovernmental agreement for Denver International, dated April 21, 1988 (the Intergovernmental Agreement). The Intergovernmental Agreement establishes maximum levels of noise that should not be exceeded on an average annual basis at various grid points surrounding the Airport. Penalties must be paid to Adams County when these maximums are exceeded.

There are no noise penalties due for 2020. On August 27, 2020, the City received notices of violations for 2019. The Airport is reviewing these notices but has not made any determination of their validity. At December 31,

2020, the Airport accrued in claim litigation reserve the penalties along with estimated interest for 2017-2019 in the amount of \$41,000,000.

- 8. Denver Airport System - Claims and Litigation.** On July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City, related to the Airport, in the Jefferson County District Court of Colorado, which was amended on July 20, 2018 to include the City of Aurora and the City of Brighton as plaintiffs (the Claimant). The Claimant sought, among other things, a declaration from the Court that the City is in breach of the 1988 Adams County Intergovernmental Agreement (IGA) as a result of the City's continued use of noise modeling system known as ARTSMAP, which the Claimant allege is not sufficient to measure compliance with Noise Standards agreed to under the IGA. In conjunction with this declaratory relief, the Claimant sought an injunction of the City's continued use of ARTSMAP and specific performance including, among other things, (i) use of an alternative noise monitoring system and for the City to recalculate and re-report the annual calculation of compliance with the Noise Standards for 2014 through 2018 and future years using such alternative noise monitoring system, (ii) installation of additional noise monitoring terminals in and around the Airport to sufficiently measure compliance with the Noise Standards under the IGA; and (iii) supply of a terminal at the Adams County offices to allow real-time, continuous monitoring of such alternative noise monitoring system data. On May 21, 2019, Adams County, the City of Thornton, the City of Aurora and the City of Brighton (the "Plaintiffs") filed a Third Amended Complaint (the "Amended Claimant") which, in addition to allegations made in the Original Claimant, alleged between 93 and 108 Class II violations in 2014 through 2016 that remained uncured in the succeeding calendar year and, in addition to the relief sought in the Original Claimant, seeks (i) a mandatory Court order requiring the City to implement Claimant reasonable, non-discriminatory rules and regulations concerning airport operations to achieve and maintain compliance with the Noise Standards and (ii) if the Court does not make such order, an award of liquidated damages of \$500,000 for each Class II violation that occurred during 2014, 2015 and 2016 that remained uncured in the succeeding calendar year. The trial concluded on October 4, 2019. Written closing arguments and proposed findings were submitted in November 2019. On June 19, 2020, the Court issued Findings of Fact and Conclusions of Law (Order) related to the claim filed by the Complainants, and ruled in favor of the Claimant's claims with respect to (i) the City's use of an alternative noise monitoring system and (ii) Class II violations for 2014, 2015, and 2016 for the judgment amount of \$33,500,000 plus interest. Under the Ruling, the City will make changes in its Noise Monitoring Program and may make changes to the operations of the Airport and flight procedures that could materially adversely affect Net Revenues. Post-trial motions have been filed but not yet ruled upon. A Notice of Appeal to the Colorado Court of Appeals is being drafted as of the date of this disclosure, and it will be filed within 49 days of the ruling on post-trial motions. No assurance can be given regarding the outcome of an appeal or whether the Claimants may file additional claims in the future alleging new violations. On October 16, 2020, the City filed a notice of appeal with the Colorado Court of Appeals appealing the Ruling, including specifically, the trial court's judgment in favor of the Plaintiffs on the claims for relief regarding the use of a noise monitoring system, liquidated damages for the Class II Violations from 2014 through 2016, calculation of prejudgment interest and the denial of the City's affirmative defenses. At December 31, 2020 and 2019, the Airport accrued the judgment amount of \$33,500,000 included in claim litigation reserve.
- 9. Denver Airport System - Federal Grants.** Under the terms of Federal 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 Airport System management believes disallowances, if any will be immaterial to its financial position and activities of the Airport.
- 10. Environmental Services.** State and federal laws will require the City to close the Denver Arapahoe Disposal Site (DADS) once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The contracted operator is responsible for all closure and post-closure costs for the landfill's individual cells while they are under contract to operate the landfill. However, the ultimate responsibility rests with the City as owner of the facility. The City contractually shifted this financial responsibility to its operator as described below.

Effective October 1, 1997, the City renegotiated its contract with Waste Management of Colorado, Inc. (WMC), the current operator of DADS. As a result, the City assigned its responsibility for all closure and post-closure costs to WMC. To cover these costs, WMC has provided a performance bond of \$3,000,000, provided a corporate guarantee from their parent company, Waste Management, Inc (WMI), and posted a financial assurance plan with the State of Colorado (including an insurance certificate of \$27,004,000 as of April 20189). Due to this assignment of closure and post-closure costs to WMC, the City no longer recognizes the related closure and post-closure costs liability in its financial statements.

11. **Denver Urban Renewal Authority.** In connection with DURA's development of the Denver Dry Building, DURA has guaranteed certain loans made to the Denver Building Housing, Ltd. by the Bank of Denver with an outstanding balance of \$2,321,000 at December 31, 2020. In addition, DURA has guaranteed all obligations of the Denver Dry Development Corporation as general partner, under the terms and conditions of the limited partnership agreement of the Denver Building Housing, Ltd. No amounts have been recorded as a liability in the financial statements, as DURA management believes the possibility of having to make payments under these guarantees is remote.
12. **TABOR.** At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution limiting the ability of the State and local governments, such as the City, to increase revenues, debt and spending, and restricting property, income, and other taxes. In addition, the amendment 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 excludes 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 less than 1.00% of their revenues in grants from all Colorado State and local governments combined. The amendment also requires the establishment of an Emergency Reserve equal to 3.00% of fiscal year spending excluding debt service for all years subsequent to 1994. The City has established an emergency reserve of \$51,223,000. The amendment is also applicable to several component units, which have established emergency reserves of \$20,254,000.
- In November 2005, local voters approved Referred Measure 1B to allow the City to retain revenues collected, with the exception of property tax revenue, in excess of the limits established by the state amendment to the constitution for 10 fiscal years beginning with fiscal year 2005 and thereafter retain and spend any excess revenues up to the amount of the revenue cap as defined. For 2020, TABOR revenues exceeded the established limits by \$120,026,000.
- In November 2012, Denver voters approved Referred Measure 2A to allow the City to retain all revenues collected beginning in 2013.
- There are numerous uncertainties about the interpretation of the amendment and its application to particular governmental entities and their operations. It is possible that the constitutionality of the amendment as applied in some situations may be challenged on various grounds, including the argument that the amendment conflicts with other constitutional provisions and violates the protections afforded by the federal constitution against impairment of contract.
13. **National Western Center.** The National Western Center redevelopment requires the acquisition of 10 residential parcels and 28 commercial parcels. The City negotiates a purchase price with property owners and reimburses property owners for the reasonable cost of obtaining their own appraisal.

Note F – Deferred Compensation Plan

1. **Description of the Plan.** The Deferred Compensation Plan (Plan) was adopted by the City to provide a means by which public employees could defer a portion of their current income and related income taxes to future years. Under Section 457 of the Internal Revenue Code, amounts deferred, and income earned on those funds are not taxed until made available to the participant. The Plan's publicly available financial report can be obtained by contacting the City of Denver Controller's Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.
2. **Administration of the Plan.** The Deferred Compensation Governing Committee of the City manages the Plan. The Committee has designated a third-party administrator for the Plan to account for all deferred compensation, withdrawals, interest income credited, and the individual balance for each participant. In addition, the administrators execute individual participant agreements and provide Plan information and counseling to all eligible employees.
3. **Investments.** Investments are recorded at fair value. In compliance with the City Charter, the Deferred Compensation Governing Committee has approved certain options for investment. All investments are transferred to a retirement trust investment fund offered by Nationwide Retirement Plans. The Plan provides for self-directed investments by the participants.
4. **Contributions.** Participation in the Plan is voluntary and is open to all City employees. The City does not make any contributions. The maximum deferral in any one year is generally limited to 100.00% of a participant's pre-deferred taxable income or \$19,500 for 2020. Those who are age 50 and older may save an additional

\$6,500 per year. However, special provisions, applicable during the last three taxable years before a participant attains normal retirement age under the Plan, or any year thereafter prior to the participants' separation from service, may increase the annual maximum up to \$39,000 for 2020. Total contributions by employees were \$49,464,000 for 2020.

5. **Withdrawals.** Withdrawals from the Plan may be made upon retirement, termination of employment with the City, or in hardship cases as approved by the Administrator. Upon death, amounts credited to the participant are paid to the beneficiary designated by the participant.
Eligible participants may elect the Systematic Withdrawal Option, purchase an annuity, or receive a lump-sum distribution. The Systematic Withdrawal Option allows eligible participants to withdraw specified amounts from their account at regular intervals. The balance of their account remains in the pool of Plan assets and continues to be invested as directed by the participant. The annuity option allows eligible participants to purchase a payment stream for a period certain or for the lifetime of the annuitant. Contracts purchased under this annuity option remain as assets of the Plan. The periodic distributions are accounted for as withdrawals in the year disbursed.
6. **Assets.** All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. The assets of the Plan are reported as an other-employee benefit trust fund of the City.
7. **Plan Termination and Amendments.** The City can at any time elect to amend, modify, or terminate the Plan. However, notice must be given to all participants at least 45 days prior to the effective date of an amendment. No amendments will deprive the participants of any benefits they were entitled to prior to the change. If the Plan is terminated, all amounts then credited to the participants are to be paid out by the administrators under the normal withdrawal requirements and procedures.
8. **Component Units.** Several component units offer plans similar to the City's which are also qualified under Section 457 of the Internal Revenue Code.

Note G – Pension Plans

The City has six pension plans covering substantially all employees of the primary government, as follows:

- Denver Employees Retirement Plan (DERP)
- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)
- Public Employees' Retirement Association of Colorado Pension Plan - State Division Trust Fund (PERA SDTF)
- Public Employees' Retirement Association of Colorado Pension Plan - Judicial Division Trust Fund (PERA JDTF)
- Denver Old Hire Fire Pension Fund (FPPA Old Hire Fire)
- Denver Old Hire Police Pension Fund (FPPA Old Hire Police)

The majority of the City's employees are covered under the Denver Employees Retirement Plan. Full time firemen and policemen are covered under the Fire and Police Pension Association plans, and county court judges and the District Attorney are covered under the Public Employees' Retirement Association of Colorado. In addition to the six plans offered, several component units offer various types of pension plans, which include deferred annuity plans and defined contribution plans.

A summary of pension related items as of and for the year ended December 31, 2020, is presented in **Table 51** (dollars in thousands).

Table 51

Plan	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
DERP:					
Governmental Activities	\$ 1,115,508	\$ -	\$ 163,682	\$ 20,426	\$ 174,197
Business-type Activities	263,411	-	50,741	6,273	44,462
FPPA SWDB	-	17,721	124,592	28,817	17,256
PERA SDTF	602	-	70	389	(215)
PERA JDTF	4,616	-	1,729	5,636	(736)
Old hire Fire	183,786	-	17,248	6,067	48,680
Old hire Police	132,036	-	8,803	10,672	60,064
Total	\$ 1,699,959	\$ 17,721	\$ 366,865	\$ 78,280	\$ 343,708

1. Cost Sharing Multiple-Employer Defined Benefit Pension Plans.

- The Denver Employees Retirement Plan (DERP)

Plan Description. The Denver Employees Retirement Plan (DERP) administers a cost sharing multiple-employer defined benefit plan to eligible members. The DERP is administered by the DERP Retirement Board in accordance with sections 18-401 through 18-430.7 of the City's Revised Municipal Code. Amendments to the plan are made by ordinance. These Code sections establish the plan, provide complete information on the DERP, and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before July 1, 2011 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.00% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.50% final average salary is based on the member's highest salary during a period of 36 consecutive months of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired after July 1, 2011, they must be age 60 and have combined credited service of at least 85 to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a period of 60 consecutive months of credited service. Five-year vesting is required of all employees to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustment is granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the plan's Board, and enacted into ordinance by Denver City Council.

The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. DERP issues a publicly available comprehensive annual financial report that can be obtained at <https://www.derp.org>.

Funding Policy. The City contributes 13.00% of covered payroll and employees make a pre-tax contribution of 8.50% in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the year ended December 31, 2020, were \$95,624,000, which equaled the required contributions.

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

At December 31, 2020, the City reported a liability of \$1,378,920,000 for its proportionate share of the net pension liability related to DERP. The net pension liability 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 January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The City's proportion of the net pension liability was based on City contributions to DERP for the calendar year 2019 relative to the total contributions of participating employers to DERP.

At December 31, 2019, the City's proportion was 94.76%, which was an increase of 2.73% from its proportion measured as of December 31, 2018.

The components of the City's proportionate share of the net pension liability related to DERP as of December 31, 2020, are presented in **Table 52** (dollars in thousands).

Table 52

	Governmental Activities	Business-type Activities	Total
Total pension liability	\$ 2,846,859	\$ 672,246	\$ 3,519,105
Plan fiduciary net position	1,731,351	408,835	2,140,185
Net pension liability	\$ 1,115,508	\$ 263,411	\$ 1,378,920

For the year ended December 31, 2020 the governmental activities and the business-type activities recognized pension expense of \$174,197,000 and \$44,462,000 respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for DERP as of December 31, 2020, is presented in **Table 53** (dollars in thousands).

Table 53

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 35,099	\$ -
Changes of assumptions or other inputs	34,868	-
Net difference between projected and actual earnings on pension plan investments	-	20,426
Changes in proportion	15,413	-
Contributions subsequent to the measurement date	78,302	-
Total	\$ 163,682	\$ 20,426

	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,288	\$ -
Changes of assumptions or other inputs	8,232	-
Net difference between projected and actual earnings on pension plan investments	-	4,824
Changes in proportion	16,899	1,449
Contributions subsequent to the measurement date	17,322	-
Total	\$ 50,741	\$ 6,273

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43,387	\$ -
Changes of assumptions or other inputs	43,100	-
Net difference between projected and actual earnings on pension plan investments	-	25,250
Changes in proportion	32,312	1,449
Contributions subsequent to the measurement date	95,624	-
Total	\$ 214,423	\$ 26,699

The \$95,624,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 54** (dollars in thousands).

Table 54

Year	Governmental Activities	Business-type Activities	Total
2021	\$ 48,467	\$ 17,558	\$ 66,025
2022	20,867	10,624	31,491
2023	15,959	3,769	19,728
2024	(20,339)	(4,805)	(25,142)
2025	-	-	-
Thereafter	-	-	-
Total	\$ 64,954	\$ 27,146	\$ 92,102

The total pension liability in the January 1, 2019 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 55**.

Table 55

	DERP
Investment rate of return	7.50%
Salary increases	3.00-7.00%
Inflation	2.50%

Mortality rates were based on the Adjusted RP-2014 Mortality Tables, with generational projections using Ultimate MP Scale (changed in 2018 from RP-2000 Combined Mortality Projected with Scale AA to 2020).

The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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 by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2019, these best estimates are summarized in **Table 56**.

Table 56

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U.S. Equities		
Large Cap	17.00%	5.50%
Small Cap	4.00%	5.70%
Total U.S. Equities	21.00%	
International Equities		
Developed Markets	13.00%	5.90%
Emerging Markets	8.00%	7.80%
Total International Equities	21.00%	
Fixed Income		
Core Fixed Income	17.00%	0.80%
Emerging Market Debt	2.00%	2.70%
Private Debt	4.00%	4.10%
Distress Debt	2.50%	4.70%
Total Fixed Income	25.50%	
Real Estate		
Real Estate	8.00%	4.40%
Total Real Estate	8.00%	
Absolute Return		
Absolute Return	5.00%	2.80%
Total Absolute Return	5.00%	
MLPs		
MLPs	7.00%	6.40%
Total MLPs	7.00%	
Alternatives		
Private Equity	7.00%	7.50%
Natural Resources	5.50%	6.90%
Total Alternatives	12.50%	
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension liability remained at 7.50%. This single discount rate was based on the expected rate of return on pension plan investments remained at 7.50%. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

Table 57 presents the City's proportionate share of the net pension liability, calculated using a discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher (dollars in thousands):

Table 57

City's proportionate share of the net pension liability	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Governmental Activities	\$ 1,424,292	\$ 1,115,508	\$ 855,904
Business-type activities	336,326	263,412	202,110
Total	\$ 1,760,618	\$ 1,378,920	\$ 1,058,014

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued DERP financial reports found at <https://www.derp.org>.

- **Fire and Police Pension Plan – Statewide Defined Benefit Plan (FPPA SWDB)**

Plan Description. Full-time firefighters and police officers hired on or after April 8, 1978, participate in the Statewide Defined Benefit Plan - Fire and Police Pension Plan (FPPA SWDB). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) that provides normal, early, vested, or deferred retirement and death benefits. Authority for the plan, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The plan is amended by statute and is accounted for using the economic resources measurement focus and the accrual basis of accounting. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <https://fppaco.org/annual-reports.html>

Funding Policy. Statute requires the City contribute 8.00% of base salary and employees make a pre-tax contribution of 10.50% for a total contribution rate of 18.50%. In 2014, employees elected to increase the member contribution rate to the plan beginning in 2015. Employee contribution rates will increase 0.50% annually through 2022 to a total of 12% of pensionable wages. Employer contributions will increase 0.50% annually beginning in 2021 through 2030 to a total of 13% of pensionable wages. The City's contributions to the FPPA SWDB for the year ended December 31, 2020, were \$19,528,000.

Pension Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2020, the City reported a pension asset of \$17,721,000 for its proportionate share of the net pension asset related to the FPPA SWDB plan. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2020. The City's proportion of the net pension asset was based on City contributions to FPPA SWDB plan for the calendar year 2019 relative to the total contributions of participating employers to the FPPA SWDB plan.

At December 31, 2019, the City's proportion was 31.33%, which was a decrease of 0.96% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the City recognized pension expense of \$17,256,000. The components of the City's proportionate share of the net pension asset related to FPPA SWDB as of December 31, 2020, are presented in **Table 58** (dollars in thousands).

Table 58

	FPPA SWDB
Total pension liability	\$ 914,738
Plan fiduciary net position	932,459
Net pension liability (asset)	\$ (17,721)

A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for FPPA SWDB as of December 31, 2020, is presented in **Table 59** (dollars in thousands).

Table 59

Sources	FPPA SWDB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,971	\$ 347
Changes of assumptions or other inputs	33,648	-
Net difference between projected and actual earnings on pension plan investments	-	27,858
Change in proportion	11,445	612
Contributions subsequent to the measurement date	19,528	-
Total	\$ 124,592	\$ 28,817

The \$19,528,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase in the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 60** (dollars in thousands).

Table 60

Year	FPPA SWDB
2021	\$ 7,747
2022	5,335
2023	14,398
2024	2,643
2025	14,489
Thereafter	31,635
Total	\$ 76,247

The total pension asset in the January 1, 2020 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 61** (dollars in thousands).

Table 61

	FPPA SWDB
Investment rate of return	7.00%
Salary increases	4.25-11.25%
Inflation	2.50%

For determining the total pension asset, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50.00% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges

are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.50%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2019, are summarized in **Table 62**.

Table 62

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	38.00%	7.00%
Equity long/short	8.00%	6.00%
Private markets	25.00%	9.20%
Fixed income	15.00%	5.20%
Absolute return	8.00%	5.50%
Managed futures	4.00%	5.00%
Cash	2.00%	2.52%
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension asset remained at 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. **Table 63** presents the City’s proportionate share of the net pension asset, calculated using a discount rate of 7.00%, as well as what the City’s proportionate share of plan’s net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher (dollars in thousands):

Table 63

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
City’s proportionate share of the net pension liability (asset)	\$ 107,446	\$ (17,721)	\$ (121,530)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FPPA financial reports found at <https://fppaco.org>

- **Public Employees’ Retirement Association of Colorado Pension Plans (PERA).**

Plan Description. County court judges and the District Attorney of the City are provided with pensions through the State Division Trust Fund (SDTF) or the Judicial Division Trust Fund (JDTF) —cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA provides retirement, disability, and survivor benefits that 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. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (CRS), 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. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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 December 31, 2020.

Funding Policy. Eligible employees are required to contribute 10.00% of their PERA-includable salary to the SDTF and 15.00% of their PERA-includable salary to the JDTF. The City contributes 19.88% of includable salaries to the SDTF and 15.99% of includable salaries to the JDTF. Employer contributions are recognized by the SDTF and the JDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the plans. The City's contributions to the SDTF for the year ended December 31, 2020, were \$44,000. The City's contributions to the JDTF for the years ended December 31, 2020, were \$674,000.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2020, the City reported a liability of \$602,000 and \$4,616,000 for the SDTF and JDTF, respectively, for its proportionate share of the net pension liability related to the PERA plans. The net pension liabilities were measured as of December 31, 2019, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2019. The City's proportion of the net pension liabilities were based on City contributions to the SDTF and JDTF plan for the calendar year 2019 relative to the total contributions of participating employers to the SDTF and JDTF plans.

At December 31, 2019, the City's proportion of the SDTF was 0.006%, which was a decrease of 0.001% from its proportion measured as of December 31, 2018.

At December 31, 2019, the City's proportion of the JDTF was 5.08% which was a decrease of 0.01% from its proportion measured as of December 31, 2018.

The components of the City's net pension liability related to PERA as of December 31, 2020, are presented in **Table 64** (dollars in thousands).

Table 64

	SDTF	JDTF
Total pension liability	\$ 1,594	\$ 23,105
Plan fiduciary net position	992	18,489
Net pension liability	\$ 602	\$ 4,616

For the year ended December 31, 2020, the City recognized pension income of \$215,000 for the SDTF and \$736,000 of pension income for the JDTF. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the SDTF and JDTF plans as of December 31, 2020, is presented in **Table 65** (dollars in thousands).

Table 65

	SDTF		JDTF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22	\$ -	\$ 666	\$ -	\$ 688	-
Changes of assumptions or other inputs		173	288	3,327	288	3,500
Net difference between projected and actual earnings on pension plan investments		65	-	1,173	-	1,238
Change in proportion		151	101	1,136	105	1,287
Contributions subsequent to the measurement date	44	-	674	-	718	-
Total	\$ 70	\$ 389	\$ 1,729	\$ 5,636	\$ 1,799	\$ 6,025

The \$44,000 and \$674,000 reported by the SDTF and JDTF plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 66** (dollars in thousands).

Table 66

Year	SDTF	JDTF
2021	\$ (293)	\$ (1,170)
2022	(45)	(1,638)
2023	(3)	(1,388)
2024	(22)	(385)
2025	-	-
Thereafter	-	-
Total	\$ (363)	\$ (4,581)

The total pension liability in the December 31, 2019 actuarial valuation was determined using the actuarial assumptions and other inputs in **Table 67**.

Table 67

	SDTF	JDTF
Price inflation	2.40%	2.40%
Salary increases, including wage inflation	3.50-9.17%	4.00-5.00%
Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%	7.25%

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 PERA's Board during the November 18, 2016 Board meeting.

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% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2019 using the MP-2015 projection scale, a 73% factor and 93% factor for the SDTF and the JDTF applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above for the SDTF and a 113% factor for the JDTF, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2021 using the MP-2015 projection scale, a 78% and 68% factor for the SDTF and the JDTF applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above for the SDTF and a 106% factor for the JDTF, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

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 Trust Fund, 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 by the investment consultant 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 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 **Table 68**.

Table 68

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 Cash Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total Asset Class	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%.

SDTF Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the Fiduciary Net Position used to determine the discount rate was an actuarial valuation performed as of December 31, 2018 and the financial status of the Trust Fund as of the prior measurement date (December 31, 2018). 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%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 at an additional 0.50% 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 increases in SB 18-200 and the additional 0.50%, 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 103.00%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included 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.
- As specified by law, the State of Colorado, as a non-employer contributing entity, will provide an annual direct distribution of \$225,000,000 (actual dollars), commencing July 1, 2018, and 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 used by the plan to estimate future actuarially 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 AI cap, from 1.50% to 1.25% 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 projection test indicates the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. The long-term expected rate of return of 7.25% 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 the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. **Table 69** presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's 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%) or 1 percentage-point higher (8.25%) than the current rate (dollars in thousands).

Table 69

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's proportionate share of the net pension liability	\$ 774	\$ 602	\$ 456

JDTF Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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%.
- 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 each year, including the scheduled increase in SB 18-200 and the additional 0.50% 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%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included 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.
- As specified in law, the State will provide an annual direct distribution of \$225,000,000 (actual dollars), commencing 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 used by the plan to estimate future actuarially 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% to 1.25% 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 end middle of the year.

Based on the above assumptions and methods, the Trust Fund'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 is 7.25% 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%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. **Table 70** presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's 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%) or 1-percentage-point higher (8.25%) than the current rate (dollars in thousands).

Table 70

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
City's proportionate share of the net pension liability	\$ 6,965	\$ 4,616	\$ 2,590

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial reports found at <https://www.copera.org/investments/pera-financial-reports>.

2. Agent Single-Employer Defined Benefit Plans

• Denver Old Hire Fire and Police Pension Funds (FPPA Old Hire Fire and Police)

Plan Description. The Old Hire plans are agent multiple-employer defined benefit pension plans that are administered by the Fire and Police Pension Association (FPPA). Authority for the plans, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The Plans are amended by statute. The plans provide normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plans are for fire fighter and police employees hired before April 8, 1978. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting and are closed to new entrants. FPPA issues a publicly available comprehensive annual financial report that includes the old hire plans and can be obtained at http://fppaco.org/toc_frames.html.

Funding Policy. The City is required to contribute to the Old Hire plans at an actuarially determined rate. Modification of the Old Hire plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65.00% of active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire and Police plans for the year ended December 31, 2020 were \$17,248,000 and \$8,803,000, respectively.

Plan Membership. The plan membership of the Old Hire plans as of December 31, 2020 is presented in **Table 71**.

Table 71

Members	Old Hire Fire	Old Hire Police	Total
Retirees and beneficiaries	716	965	1,681
Inactive, non-retired beneficiaries	-	-	-
Active members	-	-	-
Total	716	965	1,681

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2020, the City reported a liability of \$183,786,000 and \$132,036,000 for the Old Hire Fire and Old Hire Police plans, respectively, for the net pension liability related to the FPPA old hire plans. The net pension liabilities were measured as of December 31, 2019, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2019.

The components of the net pension liability of the City as of December 31, 2020, is presented in **Table 72** (dollars in thousands).

Table 72

	Old Hire Fire	Old Hire Police
Total pension liability	\$ 502,706	\$ 722,101
Fiduciary net position	318,920	590,065
Net Pension Liability	\$ 183,786	\$ 132,036

For the year ended December 31, 2020, the City recognized \$48,680,000 and \$60,064,000 of pension expense for the Old Hire Fire and Old Hire Police plans, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire and Old Hire Police plans as of December 31, 2020, is presented in **Table 73** (dollars in thousands).

Table 73

	Old Hire Fire	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$-	\$-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,067
Change in proportion		
Contributions subsequent to the measurement date	17,248	-
Total	\$ 17,248	\$ 6,067

	Old Hire Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	10,672
Change in proportion	-	-
Contributions subsequent to the measurement date	8,803	-
Total	\$ 8,803	\$ 10,672

The \$17,248,000 and \$8,803,000 reported by the Old Hire Fire and Old Hire Police plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 74** (dollars in thousands).

Table 74

Year	Old Hire Fire	Old Hire Police
2021	\$ (1,582)	\$ (2,655)
2022	(2,881)	(5,158)
2023	1,551	2,948
2024	(3,155)	(5,807)
2025	-	-
Thereafter	-	-
Total	\$ (6,067)	\$ (10,672)

The changes in net pension liability for Old Hire Fire and Old Hire Police plans are presented in **Table 75**.

Table 75

	Old Hire Fire		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2020	\$ 477,783	\$ 307,427	\$ 170,356
Changes for the year:			
Service cost	-	-	-
Interest	34,233	-	34,233
Differences between expected and actual experience	787	-	787
Changes of assumptions	33,365	-	33,365
Contributions - employer	-	17,248	(17,248)
Contributions - employee	-	-	-
Net investment income	-	37,862	(37,862)
Benefit payments	(43,462)	(43,462)	-
Administrative expense	-	(155)	155
Other changes	-	-	-
Total Net Changes	\$ (8,649)	\$ (26,815)	\$ 18,166
Balances as of December 31, 2020	\$ 502,706	\$ 318,920	\$ 183,786
	Old Hire Police		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2020	\$ 683,290	\$ 569,177	\$ 114,113
Changes for the year:			
Service cost	-	-	-
Interest	49,118	-	49,118
Differences between expected and actual experience	(4,065)	-	(4,065)
Changes of assumptions	51,530	-	51,530
Contributions - employer	-	8,803	(8,803)
Contributions - employee	-	-	-
Net investment income	-	69,919	(69,919)
Benefit payments	(57,772)	(57,772)	-
Administrative expense	-	(62)	62
Other changes	-	-	-
Total Net Changes	\$ (7,746)	\$ (48,949)	\$ 41,203
Balances as of December 31, 2020	\$ 722,101	\$ 590,065	\$ 132,036

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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 by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2019 are summarized in **Table 76**.

Table 76

Asset Class	Target	Long-Term
	Allocation	Expected Rate of Return
Cash	5.00%	3.20%
Fixed income	40.50%	5.00%
Managed funds	0.00%	4.70%
Absolute return	6.00%	5.00%
Equity long/short	6.00%	6.50%
Global equity	17.50%	7.70%
Private markets	25.00%	9.50%
Total	100.00%	

The total pension liability in the December 31, 2019 actuarial valuation was determined using the actuarial assumptions and other inputs reflected in **Table 77**.

Table 77

	Old Hire Fire	Old Hire Police
Investment rate of return	6.50%	6.50%
Salary increases	n/a	n/a
Inflation	2.50%	2.50%

Mortality rates were based on the RP-2014 Mortality Tables for Blue Collar Employees for ages less than 55. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

For Disabled (pre-1980), mortality rates were based on the RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3.00% rate for males and 2.00% rate for females.

The discount rate used to measure the total pension liability decreased from 76.50% to 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate. **Table 78** presents the City's net pension liability, calculated using a discount rate of 66.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.50%) or 1.00% higher (7.50%) (dollars in thousands):

Table 78

	1% Decrease	Current	1% Increase
	5.50%	Discount Rate 6.50%	7.50%
Old Hire Fire net pension liability	\$ 228,747	\$ 183,786	\$ 145,010
Old Hire Police net pension liability	200,523	132,036	73,319

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at http://fppaco.org/toc_frames.html.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Colorado PERA

P. O. Box 5800
Denver, Colorado 80217-5800

Denver Employees Retirement Plan

777 Pearl Street
Denver, Colorado 80203

Fire and Police Pension Association

5290 DTC Parkway, Suite 100
Greenwood Village, Colorado 80111

Note H - Other Post Employment Benefit (OPEB) Plans

The City has seven OPEB benefits covering substantially all employees of the primary government, as follows:

- Denver Employee Retirement Plan (DERP)
- DERP Implicit Rate Subsidy
- Public Employees' Retirement Association of Colorado (PERA) Plan Health Care Trust Fund (HCTF)
- Denver Police Retiree Health Fund (PRHF)
- Fire and Police Pension Association Statewide Death and Disability Plan (SWD&D)
- Fire and Police Implicit Rate Subsidy
- The Post Employment Health Plan (PEHP) for Firefighters

The majority of the City's employees, and certain employees of Denver Health and Hospital Authority, are covered under the Denver Employee Retirement Plan which includes an implicit rate subsidy. County court judges and the District Attorney are covered under the Public Employees' Retirement Association of Colorado Health Care Trust Fund. The Denver Police Retiree Health Fund covers individuals who became members after January 1, 1996 and are considered the classified service of the police department. The SWD&D Plan benefits are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. The Fire and Police Pension Association Implicit Rate Subsidy covers eligible firefighter retirees and police officer retirees who participate in the health insurance programs offered by the City. The Post Employment Health Plan for Firefighters includes firefighters covered by a collective bargaining agreement between the Union and the City to provide post-employment health benefits.

A summary of OPEB related items as of and for the year ended December 31, 2020, is presented in **Table 79** (dollars in thousands).

Table 79

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
DERP:				
Governmental Activities	\$ 75,715	\$ 7,903	\$ 2,843	\$ 5,462
Business-type Activities	17,799	3,107	924	1,626
HCTF	417	54	102	22
PRHF	14,068	7,831	1,759	1,741
Total	\$ 107,999	\$ 18,895	\$ 5,628	\$ 8,851

Implicit Rate Subsidy	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
DERP:				
Governmental Activities	\$ 76,343	\$ 14,602	\$ 137	\$ 6,384
Business-type Activities	11,008	2,269	765	822
Fire and Police	54,330	10,308	-	5,047
Total	\$ 141,681	\$ 27,179	\$ 902	\$ 12,253

1. The Denver Employee Retirement Health Plan (DERP) and DERP Implicit Rate Subsidy

1a. DERP Participants' Plan Description. The Denver Employees Retirement Plan (the Plan) administers a cost-sharing multiple-employer defined benefit plan providing pension and post-employment health benefits to

eligible members. The Plan was established in 1963 by the City and County of Denver, Colorado. During 1996, the Denver Health and Hospital Authority (DHHA) was created and joined the Plan as a contractual entity. In 2001, the Plan became closed to new entrants from DHHA. All risks and costs are shared by the City and County of Denver (the City) and DHHA. There is a single actuarial evaluation performed annually that covers both the pension and post-employment health benefits. All assets of the Plan are funds held in trust by the Plan for its members for the exclusive purpose of paying pension and post-employment health benefits.

Sections 18-401 through 18-430.7 of the City's Revised Municipal Code should be referred to for complete details of the Plan.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.00% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.50%. Final average salary is based on the member's highest salary during a consecutive 36-month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a consecutive 60-month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment. Annual cost of living adjustment is granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the Plan's Board, and enacted into ordinance by the Denver City Council.

The health benefits account was established by City Ordinance in 1991 to provide, beginning January 1, 1992, post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the Plan awaiting approval of retirement applications. During 2019, the monthly health insurance premium reduction was \$12.50 per year of service for retired participants not yet eligible for Medicare, and \$6.25 per year of service for retirees eligible for Medicare. The health insurance premium reduction can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Funding Policy for DERP Participants. The City is required to contribute at a rate of 1.31% of annual covered payroll. The contribution requirements for the City are established under the City's Revised Municipal Code. For the year ended December 31, 2020, contributions were \$5,288,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2020, the City reported a liability of \$93,516,000 for its proportionate share of the net OPEB liability. The net OPEB liability 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 January 1, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The City's proportion of the net OPEB was based on contributions to DERP for the calendar year 2019 relative to the total contributions of participating employers to the DERP.

At December 31, 2019, the City's proportion was 95.08% for OPEB, which was an increase of 1.09% from its proportion measured as of December 31, 2018.

The components of the City's proportionate share of the net OPEB liability related to DERP as of December 31, 2020, are presented in **Table 80** (dollars in thousands).

Table 80

OPEB Plan	Governmental Activities	Business-type Activities	Total
Total OPEB liability	\$ 130,904	\$ 30,776	\$ 161,680
Plan fiduciary net position	55,189	12,975	68,164
Net OPEB liability	\$ 75,715	\$ 17,801	\$ 93,516

For the year ended December 31, 2020, the City recognized OPEB expense for the DERP plan of \$7,088,000.

A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented in **Table 81** (dollars in thousands).

Table 81

OPEB Plan	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 263	\$ 1,936
Changes of assumptions or inputs	3,310	-
Net difference between projected and actual earnings on pension plan investments	-	725
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	182
Contributions subsequent to the measurement date	4,330	-
Total	\$ 7,903	\$ 2,843

OPEB Plan	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 62	\$ 455
Changes of assumptions or inputs	778	-
Net difference between projected and actual earnings on pension plan investments	-	171
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,309	298
Contributions subsequent to the measurement date	958	-
Total	\$ 3,107	\$ 924

OPEB Plan	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 325	\$ 2,391
Changes of assumptions or inputs	4,088	-
Net difference between projected and actual earnings on pension plan investments	-	896
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,309	480
Contributions subsequent to the measurement date	5,288	-
Total	\$ 11,010	\$ 3,767

The \$5,288,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the implicit rate subsidy will be recognized as OPEB expense as presented in **Table 82** (dollars in thousands).

Table 82

OPEB Plan Year	Governmental Activities	Business-type Activities	Total
2021	\$ 448	\$ 447	\$ 895
2022	474	494	968
2023	471	441	912
2024	(664)	(156)	(820)
2025	-	-	-
Thereafter	-	-	-
Total	\$ 729	\$ 1,226	\$ 1,955

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 83**.

Table 83

OPEB Plan	DERP
Valuation date	January 1, 2019
Measurement date	December 31, 2019
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial Method	Entry Age Normal
Long-term investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	3.00%
Inflation	2.50%
Mortality	Adjusted RP-2014 Combined Mortality Tables, with generational projections using Ultimate MP Scale

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in **Table 84**.

Table 84

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U. S. Equities		
Large Cap	17.00%	5.50%
Small Cap	4.00%	5.70%
Total U.S. Equities	21.00%	
International Equities		
Developed Markets	13.00%	5.90%
Emerging Markets	8.00%	7.80%
Total International Equities	21.00%	
Fixed Income		
Core Fixed Income	17.00%	0.80%
Emerging Market Debt	2.00%	2.70%
Private Debt	4.00%	4.10%
Distress Debt	2.50%	4.70%
Total Fixed Income	25.50%	
Real Estate		
Real Estate	8.00%	4.40%
Total Real Estate	8.00%	
Absolute Return		
Absolute Return	5.00%	2.80%
Total Absolute Return	5.00%	
MLPs		
MLPs	7.00%	6.40%
Total MLPs	7.00%	
Alternatives		
Private Equity	7.00%	7.50%
Natural Resources	5.50%	6.90%
Total Alternatives	12.50%	
Total Asset Class	100.00%	

Discount rate. A single discount rate of 7.50% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.500%. The projection of cash flows used to determine this single rate assumed that plan member and employer contributions will be made at the current contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in Discount Rate. Table 85 presents the net OPEB liability using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher (dollars in thousands).

Table 85

City's proportionate share of the net OPEB liability	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Governmental Activities	\$ 88,610	\$ 75,715	\$ 64,749
Business-type activities	20,832	17,801	15,222
Total	\$ 109,442	\$ 93,516	\$ 79,971

As the plan is paid at a fixed dollar value, there is not an actuarially adjusted value for healthcare costs and thus Healthcare Cost Trend Rates are not applicable to this plan.

OPEB plan fiduciary net position. Detailed information about the DERP's fiduciary net position is available in DERP's comprehensive annual financial report which can be obtained at www.derp.org.

1b. DERP Implicit Rate Subsidy

DERP Implicit Subsidy Plan Description. The City acts in a single-employer capacity by providing health insurance to eligible Career Service retirees and their qualified dependents through the City's group insurance plans. The claims experience of active employees and pre-Medicare retirees is co-mingled in setting premium rates for the plans in which City employees and retirees participate. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicare age.

Funding Policy for DERP Implicit Subsidy Plan. DERP retirees are responsible for 100.00% of the blended premium rate, The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing. No assets are accumulated in a trust to pay for benefits. For the year ended December 31, 2020, contributions were \$6,398,000.

Participation Rate DERP Implicit Subsidy Plan. As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees.

- **Participating active employees:** 50.00% of active DERP employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.
- **Actives not currently participating:** 25.00% of active DERP employees not currently covered by a City healthcare plan are assumed to elect coverage in the Kaiser DHMO plan at or before retirement.
- **Vested terminated employees:** 40.00% of vested terminated employees with 16 or more years of City/County service are assumed to elect coverage in the Kaiser DHMO plan when they retire and begin their pension benefits.
- **Retired participants:** Existing medical plan elections are assumed to be continued through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.

Spouse Coverage

- **Active participants:** 25% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.
- **Retired participants:** Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

Excise tax on high-cost plans

The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was to be effective in 2022 but was repealed in December 2019 by Senate Amendment to H.R. 1865, Further Consolidated Appropriations act, 2020.

Table 86 displays Plan participants at December 31, 2019, the date of the latest actuarial valuation.

Table 86

	Plan Participants
Inactive employees currently receiving benefit payments	1,124
Inactive employees entitled to but not yet receiving benefit payments	306
Active employees	8,755
Total	10,185

The components of the implicit rate subsidy liability related to DERP as of December 31, 2020, are presented in **Table 87** (dollars in thousands).

Table 87

Implicit Rate Subsidy	Governmental Activities	Business-type Activities	Total
Total OPEB liability	\$ 76,343	\$ 11,008	\$ 87,351

For the year ended December 31, 2020, the City recognized OPEB expense of \$7,206,000 for the implicit rate subsidy. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented in **Table 88** (dollars in thousands).

Table 88

Implicit Rate subsidy	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 421	\$ -
Changes of assumptions or other inputs	8,057	-
Changes in proportion	532	137
Benefit claims made subsequent to the measurement date	5,592	-
Total	\$ 14,602	\$ 137
Implicit Rate subsidy	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 60	\$ -
Changes of assumptions or other inputs	1,162	-
Changes in proportion	241	765
Benefit claims made subsequent to the measurement date	806	-
Total	\$ 2,269	\$ 765
Implicit Rate subsidy	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 481	\$ -
Changes of assumptions or other inputs	9,219	-
Changes in proportion	773	902
Benefit claims made subsequent to the measurement date	6,398	-
Total	\$ 16,871	\$ 902

The \$6,398,000 reported as deferred outflows of resources related to the implicit rate subsidy, resulting from benefit claims paid subsequent to the measurement date, will be recognized as a reduction of the net implicit rate subsidy liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the implicit rate subsidy will be recognized as OPEB expense as presented in **Table 89** (dollars in thousands).

Table 89

Implicit Rate Subsidy Year	Governmental Activities	Business-type Activities	Total
2021	\$ 1,265	\$ 89	\$ 1,354
2022	1,265	89	1,354
2023	1,264	87	1,351
2024	1,264	87	1,351
2025	1,264	86	1,350
Thereafter	2,551	260	2,811
Total	\$ 8,873	\$ 698	\$ 9,571

The implicit rate subsidy liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 90**.

Table 90

Implicit Rate Subsidy	DERP
Valuation date	December 31, 2019
Measurement date	December 31, 2019
Actuarial Method	Entry Age Normal
Asset valuation method	Market value of assets (\$0; plan is not yet funded)
Discount rate	2.74%
Participants valued	Only current active employees under age 65, non-Medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation.
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	RP-2001 MacLeod Watts Scale 2019 projected generationally from 2001
Healthcare trend	Medical plan premiums and claims costs by age are 4.00% - 5.10% January 1 of 2019-2047.
Medicare eligibility	Presumed to be eligible for Medicare Parts A and B at age 65
Demographic assumptions	Follow those used in the most recent (January 2019) actuarial valuation of the Denver Employees Retirement Plan, except for a different basis used to project future mortality improvements.

Discount rate. When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The basis chosen by the City was the Bond Buyer General Obligation 20 – Bond Municipal Bond Index. As such, a 2.74% discount was used to measure the implicit rate liability.

Sensitivity of the City's implicit rate subsidy liability to changes in the Discount Rate. **Table 91** presents the total OPEB liability using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher (dollars in thousands).

Table 91

OPEB Liability - Implicit Rate Subsidy	1% Decrease	Current Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Governmental Activities	\$ 82,559	\$ 76,343	\$ 70,736
Business-type activities	11,904	11,008	10,199
Total	\$ 94,463	\$ 87,351	\$ 80,935

The change in the healthcare cost trend rate is presented in **Table 92** (dollars in thousands).

Table 92

Change in Healthcare Cost Trend Rate	Current Trend (1.00)%	Current Trend	Current Trend 1.00%
Governmental Activities OPEB Liability	\$ 70,095	\$ 76,343	\$ 83,542
Increase (decrease)	(6,249)		7,199
% Increase (decrease)	8.10%		(7.30%)
Business-type Activities OPEB Liability	\$ 10,107	\$ 11,008	\$ 12,046
Increase (decrease)	(901)		1,038
% Increase (decrease)	(8.20%)		9.40%

The change in the total OPEB liability is presented in **Table 93** (dollars in thousands).

Table 93

	Total OPEB Liability
Balances as of January 1, 2020	\$ 79,695
Changes for the year:	
Service cost	
Interest	2,615
Benefit changes	3,243
Differences between expected and actual experience	-
Changes of assumptions	8,630
Benefit payments	(6,832)
Employee contributions	-
Employer contributions	-
Net investment income	-
Benefit payments	-
Administrative expense	-
Total Net Changes	\$ 7,656
Balances as of December 31, 2020	\$ 87,351

1. **Public Employees' Retirement Association of Colorado (PERA)**

PERA Participants' Plan Description. The City provides OPEB to county judges and the District Attorney through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. 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.

The 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 HCTF and the Denver Public Schools Health Care Trust Fund (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.

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 5.00% 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 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.

Funding Policy for PERA Participants' Plan. The City is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the year ended December 31, 2020, contributions to the HCTF were \$42,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2020, the City reported a liability of \$417,000 for its proportionate share of the net OPEB liability. The net OPEB liability for the 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 City's proportion of the net OPEB liability was based on contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the City's proportion was 3.71%, which was a decrease of 0.11% from its proportion measured as of December 31, 2018.

The components of the City's proportionate share of the net OPEB liability related to PERA HCTF as of December 31, 2020, are presented in **Table 94** (dollars in thousands).

Table 94

	HCTF
Total OPEB liability	\$ 552
Plan fiduciary net position	135
Net OPEB liability	\$ 417

For the year ended December 31, 2020, the City recognized OPEB expense for the PERA HCTF plan of \$22,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented in **Table 95** (dollars in thousands).

Table 95

	HCTF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1	\$ 70
Changes in assumptions or other inputs	4	-
Net difference between projected and actual earnings on OPEB plan investments	-	7
Change in proportion	7	25
Contributions subsequent to the measurement date	42	-
Total	\$ 54	\$ 102

The \$42,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as presented in **Table 96** (dollars in thousands).

Table 96

Year	HCTF
2021	\$ (18)
2022	(18)
2023	(16)
2024	(21)
2025	(16)
Thereafter	(1)
Total	\$ (90)

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 97**.

Table 97**HCTF**

Valuation date	December 31, 2018
Measurement date	December 31, 2019
Actuarial Method	Entry Age Normal
Price inflation	2.40 %
Real wage growth	1.10 %
Wage inflation	3.50 %
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB investment expenses, including price inflation	7.25 %
Discount rate	7.25 %
Health care cost trend rates PERA benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	5.60% in 2019 gradually decreasing to 4.50% in 2029 %
Medicare Part A premiums	3.50% gradually increasing to 4.50% in 2029

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.

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, 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 presented in **Table 98**.

Table 98

Year	PERACare 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%
Thereafter	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the 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% factor applied to male rates and a 55.00% factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% 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 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions 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% factor applied to rates for ages less than 80, a 113% 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% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% 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 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 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 presented in **Table 99**.

Table 99

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 cash equity	8.50%	6.60%
Cash	1.00%	0.20%
Total Asset Class	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%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.

Table 100 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 (dollars in thousands).

Table 100

	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare Trend Rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Ultimate 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	\$ 407	\$ 417	\$ 428

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. 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%.
- 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 used by the plan 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 end of the month.

Based on the above assumptions and methods, the projection test indicates the 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% 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%.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate.

Table 101 presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, 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%) or 1-percentage-point higher (8.25%) (dollars in thousands).

Table 101

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's proportionate share of the net OPEB liability	\$ 471	\$ 417	\$ 370

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

2. The Denver Police Retiree Health Fund (PRHF)

Denver Police Retiree Health Fund Plan Description. The City acts in a single-employer capacity by providing health insurance to eligible Police retirees and their qualified dependents through the City's group insurance plans. Denver Police retirees are allowed to participate in the health insurance programs offered to active employees. To be eligible, a retiree must terminate his/her employment on or after January 1, 1996, and has a vested right to receive a pension from the State of Colorado Fire and Police Pension Association based on years of service as an employee, whether or not such individual is currently eligible to receive or is receiving such a pension; or any former employee who commences on or after January 1, 1996, to receive and is thereafter receiving a total disability pension from the State of Colorado Fire and Police Pension Association. Coverage ceases when one reaches Medicare age. As of the December 31, 2019 actuarial valuation, there are 1,517

active employees under age 65 covered under the health insurance plans and 73 vested terminated employees. In addition, there are 207 retired employees not yet covered by Medicare who are covered by the plans.

Funding Policy for Denver Police Retiree Health Fund Participants. The City contributes annual contributions to the Denver Police Retiree Health Fund as stipulated in the respective collective bargaining agreement. As of December 31, 2020, the City contributed \$1,200,000 to the fund as stipulated in Article 29.1 of the collective bargaining agreement.

The monthly benefit for a Recipient shall not exceed the lesser of:

- The Plan's Maximum Monthly Benefit of \$250, which reflects an increase from \$200 effective January 1, 2020;
- 100.00% of the Recipient's actual health insurance, which amount is to be used for the exclusive purpose of paying or defraying such health insurance costs. There will be a presumption that the Recipient's health insurance costs are in the amount shown by such proof as is required by the Administrator; and
- The amount based upon a Recipient's years of service as a member of the Police Department of the City is reflected in **Table 102**:

Table 102

Years of Service	Percentage of the Maximum Monthly Benefit
10-14	40.00%
15-19	60.00%
20-24	80.00%
25+	100.00%

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2020, the City reported a liability of \$14,068,000 for the net OPEB liability. The net OPEB liability for the Denver Police Retiree Fund 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 components of the net OPEB liability related to the Denver Police Retiree Fund as of December 31, 2020 are presented in **Table 103** (dollars in thousands).

Table 103

	PRHF
Total OPEB liability	\$ 19,789
Plan fiduciary net position	5,721
Net OPEB liability	\$ 14,068
Plan Fiduciary Net Position as percentage of total OPEB liability	40.67%

For the year ended December 31, 2020, the City recognized OPEB expense for the Denver Police Retiree Health Fund of \$1,741,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2020, is presented in **Table 104** (dollars in thousands).

Table 104

	PRHF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	3,253	1,044
Changes of assumptions or other inputs	3,378	241
Net difference between projected and actual earnings on OPEB plan investments	-	364
Changes in proportion	-	110
Contributions subsequent to the measurement date	1,200	-
Total	\$ 7,831	\$ 1,759

The \$1,200,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year

ended December 31, 2021. Other amounts reported as deferred inflows of resources will be recognized as OPEB expense as presented in **Table 105**.

Table 105

Year	PRHF
2021	\$ 514
2022	514
2023	567
2024	479
2025	610
Thereafter	2,188
	<u>\$ 4,872</u>

The total OPEB liability determined using the following actuarial cost method, actuarial assumptions and other inputs is presented in **Table 106**.

Table 106

	PRHF
Valuation Date	December 31, 2019
Actuarial method	Entry age normal
Discount rate	6.00 %
Asset valuation method	Market value assets
Salary increases, including wage inflation	3.00 %
Investment Rate of Return, net of OPEB plan investment expenses, including price inflation	6.00 %

The current assumptions were adopted by the Board in 2017 for first use in this valuation following a regularly scheduled experience study. The rationale for all of the current assumptions is included in that report, dated July 1, 2017.

Participants Valued:

Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Mortality rates:

- **Healthy retirees and beneficiaries:** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
- **Active Members:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55.00% multiplier for off-duty mortality. Increased by 0.02% for on-duty related Fire and Police experience.
- **Mortality Improvement:** MacLeod Watts Scale 2018 applied generationally.

Future Increases in the Maximum Monthly Benefit:

The Maximum Monthly Benefit paid by the Fund is assumed to increase at the rate of 3.50% per year.

Participation Rate:

- **Active and vested former employees:** All future retirees who qualify for benefits under this program will elect to receive them and that their monthly benefit will be the vested portion of the Maximum Monthly Benefit.
- **Retired participants:** All existing retirees are assumed to receive the vested portion of the Maximum Monthly Benefit for the remaining period for which they qualify for payments.

Surviving Spouse Benefits:

- **Active and vested terminated participants:** 50.00% of future retirees are assumed to have a spouse who might qualify for continuation of benefits in the event that the employee dies in the line of duty or after retirement and prior to receiving all of his or her benefits under this Program. Husbands are assumed to be three years older than their wives.

- **Retired participants:** Current spouse coverage information was used to project potential survivor benefits for existing retirees.

The target allocations for each major asset class are summarized in **Table 107**.

Asset Class	Target Allocation
Stocks, options, and ETFs	77.60%
Cash and sweeps balances	1.02%
Mutual funds	21.38%
Total Asset Class	100.00%

Discount rate. The discount rate used to measure the total OPEB liability remained at 6.00%. 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 the cash flows:

The City's contributions to the Fund have exceeded 100.00% of the Actuarially Determined Contributions (ADC) and it is assumed that future City contribution levels will continue at or above the currently negotiated levels. As such, with the City's approval, the discount rate used in this valuation is 6.00%, the long term expected return on trust assets. The ADC are based on the following two components, which are then adjusted with interest to fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL) over a closed 20-year period with payments determined as a level percent of payroll (using an assumed 3.00% per year aggregate payroll increase).

Sensitivity of the net OPEB liability to changes in the discount rate and Health Care Cost Trend Rates. The discount rate used for net OPEB liability is 6.00%. Healthcare Cost Trend Rate (as applied in projecting future increases in maximum benefits provided by the Fund) is 3.5% per year. The impact of 1.00% increase or a 1.00% decrease in these assumptions is shown in **Table 108**.

Table 108

Change in Discount rate	Current-1.00% 5.00%	Current 6.00%	Current+1.00% 7.00%
Net OPEB liability	\$ 15,625	\$ 14,068	\$ 12,641
Increase (decrease)	1,557		(1,427)
% Increase (decrease)	7.90%		(7.20%)
Change in Healthcare Cost Trend Rate	Current Trend -1.00%	Current Trend	Current Trend 1.00%
Net OPEB liability	\$ 12,323	\$ 14,068	\$ 16,068
Increase (decrease)	(1,745)		2,000
% Increase (decrease)	(12.40%)		14.20%

The change in the net OPEB liability is presented in **Table 109** (dollars in thousands).

Table 109

	2020		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of January 1, 2020	\$ 15,536	\$ 4,187	\$ 11,349
Changes for the Year:			
Service cost	633	-	633
Interest	742	-	742
Benefit Changes	-	-	-
Differences between expected and actual experience	3,612	-	3,612
Transition to Entry Age Normal	-	-	-
Changes of assumptions	(268)	-	(268)
Benefit payments	(466)	(466)	-
Employee contributions	-	-	-
Employer contributions	-	1,078	(1,078)
Net investment income	-	922	(922)
Administrative expense	-	-	-
Total Net Changes	\$ 4,253	\$ 1,534	\$ 2,719
Balances as of December 31, 2020	\$ 19,789	\$ 5,721	\$ 14,068

3. SWD&D Participants' Plan Description.

The Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the Plan are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 269 participating employer departments. Included in that number are 6 contributing employers as of December 31, 2019, who are covered by Social Security and have elected supplementary coverage by the Plan. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund. Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy for SWD&D Participants' Plan. Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated. Members hired on or after January 1, 1997, began contributing 2.40% of base salary to this Plan as of January 1, 1997. Contributions may be increased 0.10% biennially by the FPPA Board. The contributions increased to 2.70% of base salary as of January 1, 2018. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.70% contribution may be paid entirely by the employer or member, or it may be split between the employer and the member as determined at the local level. As all contributions are considered employee contributions, the City does not make any contributions to this plan, and there is no net OPEB liability to the City. The plan has 1,284 retirees and beneficiaries currently receiving benefits and 13,283 active non-vested members.

OPEB plan fiduciary net position. Detailed information about the FPPA's fiduciary net position is available in their comprehensive annual financial report which can be obtained at <https://www.fppaco.org/annual-reports.html>.

4. Fire and Police Pension Health Plan Implicit Rate Subsidy

Fire and Police Participants' Plan Description. City acts in a single-employer capacity by providing access to health insurance to eligible fire and police retirees and their qualified dependents through the respective groups' insurance plans. Based on City practice, fire fighter retirees and police officer retirees are allowed to participate in the health insurance programs offered to active employees. Fire fighters and police officers hired prior to April 8, 1978, are eligible for this coverage with a minimum of 25 years of service; however, police officers are

also eligible when they begin collecting their pension benefit should they not obtain 25 years of service. For fire and police employees hired after April 7, 1978, they must have elected to begin collecting their pension and be a minimum of 55 years of age with 5 years of service or attained age 50 with 30 years of service. Coverage ceases when one reaches Medicare age. As of the December 31, 2019 actuarial valuation, there are 2,543 active employees under age 65 covered under the health insurance plans and 77 vested-terminated employers. In addition, there are 234 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the report.

Funding Policy for Fire and Police Participants' Plan. Fire and police retirees are responsible for 100.00% of the blended premium rate. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing, and no assets are accumulated in a trust to pay for benefits. For the year ended December 31, 2019, contributions were \$2,269,000. All contributions are considered employer contributions.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2020, the City reported a liability of \$54,330,000 for the total OPEB implicit rate liability. The OPEB implicit rate liability for the Fire and Police plan was measured as of December 31, 2019. The total OPEB implicit rate liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB implicit rate liability to December 31, 2019.

The components of the total OPEB liability related to the Fire and Police Implicit Rate Subsidy as of December 31, 2020 are presented in **Table 110** (dollars in thousands).

Table 110**Fire and Police Implicit Rate Subsidy**

Total OPEB implicit rate liability	\$	54,330
------------------------------------	----	--------

For the year ended December 31, 2020, the City recognized OPEB implicit rate expense for Fire and Police of \$5,047,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to the OPEB implicit rate subsidy as of December 31, 2020, is presented in **Table 111** (dollars in thousands).

Table 111

	Fire and Police Implicit Rate Subsidy	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 506	\$ -
Net difference between projected and actual earnings on OPEB plan investments	7,533	-
Benefits paid subsequent to the measurement date	2,269	-
Total	\$ 10,308	\$ -

The \$2,269,000 reported as deferred outflows of resources related to the Fire and Police OPEB implicit rate subsidy, resulting from benefit claims paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB implicit rate liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as presented in **Table 112** (dollars in thousands).

Table 112

Year	
2021	\$ 928
2022	928
2023	928
2024	927
2025	927
Thereafter	3,402
Total	\$ 8,040

The total OPEB implicit rate liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 113**.

Table 113

Fire and Police Implicit Rate Subsidy	
Valuation Date	December 31, 2018
Actuarial method	Entry age normal
Discount rate	2.74% as of 12/31/2019
Asset valuation method	Market value of assets
Salary increases, including wage inflation	3.00
Mortality	FPPA 2016 Actuarial Valuation; Projected with MW Scale 2018

Participation Rate. The health benefits account was established by City Ordinance to provide post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the Plan awaiting approval of retirement applications.

- **Participating active employees:** 35.00% of active fire and police employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.
- **Actives not currently participating:** 17.50% of active fire and police employees not currently covered by a City healthcare plan are assumed to elect coverage in the following plans at or before retirement: (a) if police: Kaiser DHMO; (b) if fire: Kaiser HMO Vested terminated employees: 35.00% of vested employees age 45 or older with 10 or more years fire and police service are assumed to elect coverage in the Kaiser plan available when they retire and begin their pension benefits.
- **Retired participants:** Existing medical plan elections are assumed to be maintained through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.
- **Active and vested terminated participants:** 50.00% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.
- **Retired participants:** Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). The tax was to be effective in 2022 but was repealed in December 2019 by Senate Amendment to H.R. 1865, Further Consolidated Appropriations act, 2020.

Development of Age-related Premiums:

Actual premium rates for fire and police retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries.

Representative claims costs derived for retirees not currently covered or not expected to be eligible for Medicare appear in **Table 114**.

Table 114

Medical plan	Expected Monthly Claims by Medical Plan for Selected Ages							
	Male				Female			
	48	53	58	63	48	53	58	63
Police								
Kaiser DHMO	\$ 482	\$ 637	\$ 812	\$ 1,006	\$ 624	\$ 735	\$ 832	\$ 977
Kaiser HDHP	490	647	824	1,022	634	747	844	992
United HDHP	582	770	980	1,215	754	888	1,004	1,180
United Navigate DHMO	539	713	908	1,126	698	823	930	1,093
Fire								
Kaiser HMO	\$ 608	\$ 803	\$ 1,023	\$ 1,268	\$ 786	\$ 927	\$ 1,048	\$ 1,231
Kaiser HDHMO	482	637	812	1,007	624	736	832	977
Kaiser Triple Options	709	936	1,193	1,479	917	1,081	1,222	1,435

In developing these factors, it was assumed there were 1.8 children per participant covering children with an average age of 13. Actual spouse ages were used if available. Otherwise husbands were assumed to be three years older than their wives.

Mortality rates:

- **Healthy retirees and beneficiaries:** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
- **Active Members:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55.00% multiplier for off-duty mortality. Increased by 0.02% for on-duty related Fire and Police experience.
- **Mortality Improvement:** MacLeod Watts Scale 2018 applied generationally
- **Future Increases in the Maximum Monthly Benefit:** The Maximum Monthly Benefit paid by the Fund is assumed to increase at the rate of 1.50% per year.

Sensitivity of the total OPEB implicit rate liability to changes in the discount rate and Health Care Cost Trend Rates. **Table 115** presents the net OPEB implicit rate liability using the current discount rate and health care cost trend rates applicable to the Fire and Police plan benefit structure, as well as if it were calculated using a discount rate and trend rate that is one percentage-point lower or one percentage-point higher (dollars in thousands).

Table 115

Discount Rate Implicit Rate Subsidy	1% Decrease	Current Discount Rate	1% Increase
	1.74%	2.74%	3.74%
OPEB Liability	59,347	54,330	49,785
Increase (decrease)	5,017		(4,545)
% Increase (decrease)	9.20%		(8.40%)
Health Care Cost Trend Rate Implicit Rate Subsidy	1% Decrease	Current Trend	
OPEB Liability	48,694	54,330	60,914
Increase (decrease)	(5,635)		6,584
% Increase (decrease)	(10.40%)		12.10%

Discount Rate. The discount rate was changed from 4.11% as of December 31, 2018, to 2.74% as of December 31, 2019, based on the published change in return for the applicable municipal bond index. The basis chosen by the City was the Bond Buyer General Obligation 20 – Bond Municipal Bond Index.

The change in the total OPEB liability is presented in **Table 116** (dollars in thousands).

Table 116

	Total OPEB Liability
Balances as of January 1, 2020	\$ 46,280
Changes for the year:	
Service cost	2,173
Interest	1,946
Benefit changes	-
Differences between expected and actual experience	-
Changes of assumptions	6,117
Benefit payments	(2,186)
Employee contributions	-
Employer contributions	-
Net investment income	-
Administrative expense	-
Total Net Changes	\$ 8,050
Balances as of December 31, 2019	\$ 54,330

5. Post-employment Health Plan for Firefighters

PEHP Plan Description. The City provides other postemployment benefits to certain collectively bargained employees through a defined contribution OPEB trust administered by a third-party provider appointed by the City. The Plan is established under the collective bargaining agreement effective as of December 15, 2015. The trust provides post-retirement reimbursement of qualifying medical care expenses and healthcare insurance premiums for the benefit of eligible City employees who are participants in the plan, and their dependents. Those benefits are intended to qualify as a voluntary employees' beneficiary association within the meaning of section 501(c)(9) of the Internal Revenue Code of 1986, as amended.

Funding Policy for the PEHP. Subject to appropriation, the City is required to contribute at a rate of 1.25% per year of base pay on behalf of each firefighter. The contribution requirements for the City are established under the collective bargaining agreement, as amended. For the year ended December 31, 2020, contributions to the PEHP were \$1,296,000. The City may periodically change its contributions to the trust, consistent with the objectives of the plan and applicable law by a mutually agreeable method between the City and the plan administrator.

Each system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Colorado PERA

P. O. Box 5800
Denver, Colorado 80217-5800

Denver Employees Retirement Plan

777 Pearl Street
Denver, Colorado 80203

Fire and Police Pension Association

5290 DTC Pkwy #100
Greenwood Village, CO 80111

City and County of Denver

201 West Colfax Avenue
Denver, Colorado, 80202

Postemployment Health Plan

Nationwide Retirement Solutions
P.O. Box 182797 Columbus, OH 43218-2797

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Required Supplementary Information



Required Supplementary Information Budgetary Comparison Schedule - General Fund and Human Services Special Revenue Fund

Year Ended December 31, 2020 (dollars in thousands)

	General Fund			Variance with Final Budget
	Budget Original	Final	Actual	
Revenues				
Taxes	\$ 1,035,770	\$ 879,476	\$ 882,546	\$ 3,070
Licenses and permits	67,775	51,670	62,032	10,362
Intergovernmental revenues	43,989	40,331	41,263	932
Charges for services	212,905	187,842	181,083	(6,759)
Investment and interest income	16,568	14,959	29,335	14,376
Fines and forfeitures	46,352	31,321	30,197	(1,124)
Contributions	550	-	269	269
Other revenue	8,868	5,149	9,296	4,147
Total Revenues	1,432,777	1,210,748	1,236,021	25,273
Budget Basis Expenditures				
General government	427,654	392,972	346,860	46,112
Public safety	653,778	651,166	630,019	21,147
Public works	160,541	160,563	149,453	11,110
Human services	6,056	6,056	1,350	4,706
Health	65,015	65,015	57,646	7,369
Parks and recreation	84,815	84,868	69,207	15,661
Cultural activities	55,572	55,572	52,233	3,339
Community development	36,474	57,742	51,170	6,572
Economic opportunity	3,954	1,773	1,773	-
Total Budget Basis Expenditures	1,493,859	1,475,727	1,359,711	116,016
Excess (deficiency) of revenues over budget basis expenditures	(61,082)	(264,979)	(123,690)	141,289
Other Financing Sources (Uses)				
Issuance of Certificate of Participation	-	-	19,670	19,670
Payment to Paying Agent	-	-	(19,511)	(19,511)
Issuance of capital leases	-	-	3,341	3,341
Insurance recoveries	-	-	574	574
Transfers in	64,977	64,977	58,003	(6,974)
Transfers out	(123,547)	(141,990)	(18,571)	123,419
Total Other Financing Sources (Uses)	(58,570)	(77,013)	43,506	120,519
Excess (deficiency) of revenues and other financing sources over budget basis expenditures and other financing uses	\$ (119,652)	\$ (341,992)	(80,184)	\$ 261,808
Fund balances - January 1			370,081	
Restated Fund Balance for GASB Statement No. 84			(16)	
Restated Beginning Fund Balance January 1			370,065	
Fund Balance - December 31			\$ 289,881	

See accompanying notes to required supplementary information.

Human Services Special Revenue Fund

Budget		Actual	Variance with Final Budget
Original	Final		
\$ 71,407	\$ 71,407	\$ 72,503	\$ 1,096
-	-	-	-
106,320	103,594	92,924	(10,670)
459	459	530	71
-	-	-	-
-	-	-	-
-	260	310	50
178,186	175,720	166,267	(9,453)
-	-	-	-
-	-	-	-
-	-	-	-
182,983	180,322	150,288	30,034
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
182,983	180,322	150,288	30,034
(4,797)	(4,602)	15,979	20,581
-	-	-	-
-	-	-	-
-	-	-	-
365	365	566	201
(12,310)	(19,542)	(19,542)	-
(11,945)	(19,177)	(18,976)	201
\$ (16,742)	\$ (23,779)	(2,997)	\$ 20,782
		85,500	
		\$ 82,503	

Notes to Required Supplementary Information Budgetary Comparison Schedule

The City adheres to the following procedures in establishing the budgetary data for governmental fund types reflected in the financial statements:

1. Formal budgetary integration for expenditures is employed during the year for the general, special revenue, and capital projects funds except for certain special assessment projects and general improvement district funds. Formal budgetary integration is not employed for debt service funds, and certain special assessment projects and general improvement district funds included in capital projects and debt service funds, because effective budgetary control is alternatively achieved through bond and general obligation bond indenture provisions.
2. Budgets for appropriation in the General, Human Services special revenue, and capital projects funds are adopted on a basis consistent with GAAP. The General Fund and Human Services special revenue fund legally adopt budgets on an annual basis for expenditures. All other special revenue funds and the capital projects funds adopt budgets on a project length basis.
3. On or before July 1, heads of all City departments and agencies submit requests for appropriations to the budget officer who compiles the requests and submits a comprehensive budget request document to the Mayor. Thereafter, on or before September 15 of each year, the Mayor briefs the City Council on the tentative revenue and expenditure plans for the ensuing year. After receiving and considering City Council's recommendations, the Mayor prepares and submits to the City Council, on or before the third Monday in October of each year, a proposed budgetary report which includes all projected revenues and expenditures, the amount to be raised by taxation to pay interest on general obligation bonded indebtedness, and the amounts to be expended during the ensuing year for capital improvement projects identifying the sources of revenue for financing such projects. Upon receipt of the proposed budget, the City Council publishes a notice that the budget is open for inspection by the public and that a public hearing on the proposed budget will be held by no later than the fourth Monday in October. After the public hearing and consideration is given to the input by the public, the City Council, not later than the second Monday in November, adopts the budget by passage of an ordinance.
4. Authorization to transfer budgeted amounts between departments (appropriations) within any fund or revisions that alter the total expenditures of any fund must be approved by the City Council. Management can transfer budgeted amounts between line items within departments (appropriations). The legal level of budgetary control is established and maintained at the funded project level for special revenue and capital projects funds and at the department level for all other funds. Budgeted amounts are as originally adopted and as amended by the City Council throughout the year.
5. Unencumbered appropriations in the General Fund and Human Services special revenue fund lapse at year end. The unencumbered appropriations in the remaining special revenue funds and capital projects funds do not lapse at year end but terminate upon expiration of the grant or project fiscal year or term.

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability - DERP

December 31, 2020 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
DERP					
December 31, 2015	88.88%	\$ 778,462	\$ 557,646	139.60%	70.12%
December 31, 2016	89.51%	1,055,539	571,367	184.74%	62.26%
December 31, 2017	89.84%	1,095,568	574,914	190.56%	62.26%
December 31, 2018	90.70%	1,063,754	541,545	196.43%	65.49%
December 31, 2019	92.03%	1,388,395	542,111	256.11%	57.76%
December 31, 2020	94.76%	1,378,920	569,297	242.21%	60.82%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes in assumptions. The discount rate used to measure the total pension liability at December 31, 2017 changed from 7.75% to 7.50% from the prior measurement date.

Required Supplementary Information

Schedule of City Contributions - DERP

December 31, 2020 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
DERP					
December 31, 2015	\$ 64,443	\$ 60,181	\$ 4,262	\$ 560,157	10.74%
December 31, 2016	\$ 59,159	\$ 64,345	\$ (5,186)	\$ 574,914	11.19%
December 31, 2017	64,404	64,404	-	541,545	11.89%
December 31, 2018	75,096	75,096	-	542,111	13.85%
December 31, 2019	83,255	83,255	-	569,297	14.62%
December 31, 2020	95,624	95,624	-	586,482	16.30%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: There were no benefit changes during the year. As of October 1, 2015, the valuation interest was lowered from 8% to 7.75%. The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2014 to December 31, 2018. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2012 Actuarial Experience Study for the period ending December 31, 2011, page 24).

Required Supplementary Information**Schedule of City's Proportionate Share of the Net Pension Liability - FPPA SWDB**

December 31, 2020 (dollars in thousands)

	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FPPA SWDB					
December 31, 2015	39.51%	\$ (44,591)	\$ 230,820	19.32%	106.80%
December 31, 2016	39.81%	\$ (701)	\$ 251,518	0.28%	100.10%
December 31, 2017	38.18%	13,797	257,016	5.37%	98.21%
December 31, 2018	34.96%	(50,290)	200,006	25.14%	106.34%
December 31, 2019	32.29%	40,822	236,503	17.26%	95.20%
December 31, 2020	31.33%	(17,721)	250,435	7.08%	101.90%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information**Schedule of City Contributions - FPPA SWDB**

December 31, 2020 (dollars in thousands)

FPPA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SWDB					
December 31, 2015	\$ 20,121	\$ 15,299	\$ 4,822	\$ 251,518	6.08%
December 31, 2016	20,561	15,648	4,913	257,016	6.09%
December 31, 2017	16,000	15,934	66	200,006	7.97%
December 31, 2018	18,920	17,396	1,524	236,503	7.36%
December 31, 2019	20,035	18,079	1,956	250,435	7.22%
December 31, 2020	21,103	19,528	1,575	263,790	7.40%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Changes in Assumptions. At least every five years, the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors as used. The discount rate used to measure the total pension liability at December 31, 2018 decreased from 7.50% to 7.00% from the prior year measurement date.

Required Supplementary Information

Schedule of City's Proportionate Share of the Net Pension Liability - PERA

December 31, 2020 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Colorado's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA SDTF						
December 31, 2015	0.007%	\$ 674	\$ -	207	325.60%	59.80%
December 31, 2016	0.007%	755	-	221	341.63%	56.10%
December 31, 2017	0.007%	1,358	-	203	668.97%	42.60%
December 31, 2018	0.008%	1,677	-	314	534.08%	43.20%
December 31, 2019	0.007%	794	5	220	360.91%	55.11%
December 31, 2020	0.006%	602	-	230	261.74%	62.24%
PERA JDTF						
December 31, 2015	6.400%	\$ 8,854	\$ -	2,800	316.21%	66.90%
December 31, 2016	6.018%	11,066	-	2,986	370.60%	60.10%
December 31, 2017	5.840%	14,835	-	2,864	517.98%	53.20%
December 31, 2018	6.009%	13,945	-	2,841	490.85%	58.70%
December 31, 2019	5.087%	7,186	70	2,878	249.69%	68.48%
December 31, 2020	5.076%	4,616	-	3,148	146.63%	80.02%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information Schedule of City's Contributions - PERA

December 31, 2020 (dollars in thousands)

PERA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SDTF					
December 31, 2015	\$ 36	\$ 37	\$ (1)	\$ 221	16.74%
December 31, 2016	37	37	-	203	18.23%
December 31, 2017	46	46	-	314	14.65%
December 31, 2018	43	43	-	220	19.55%
December 31, 2019	43	43	-	225	19.11%
December 31, 2020	44	44	-	229	19.21%
JDTF					
December 31, 2015	\$ 488	\$ 488	\$ -	\$ 2,986	16.34%
December 31, 2016	468	468	-	2,864	16.34%
December 31, 2017	468	468	-	2,841	16.47%
December 31, 2018	504	504	-	2,878	17.51%
December 31, 2019	598	598	-	3,148	19.00%
December 31, 2020	674	674	-	3,145	21.43%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: 2019 contributions include \$4,900 for the SDTF and \$70,000 for the JDTF from the special funding situation with the State of Colorado as a non-employer contributing entity per SB-18-200.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage
 - Reflection of the employer match on separation benefits for all eligible years
 - Reflection of one year of service eligibility for survivor annuity benefit
 - Refinement of the 18 month annual increase timing
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following changes were made:
 - Recognition of merit salary increases in the first projection year
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year

Required Supplementary Information

Schedule of City's Contributions - FPPA Old Hire Fire and Police

December 31, 2020 (dollars in thousands)

FPPA	Actuarially determined Required Contributions	Contributions in Relation to Actuarially Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Old Hire Fire					
December 31, 2015	\$ 13,061	\$ 15,912	\$ (2,851)	\$ 139	11447.48%
December 31, 2016	13,053	13,061	(8)	90	14512.22%
December 31, 2017	16,355	16,355	-	n/a	n/a
December 31, 2018	16,355	16,355	-	n/a	n/a
December 31, 2019	17,248	17,248	-	n/a	n/a
December 31, 2020	17,248	17,248	-	n/a	n/a
Old Hire Police					
December 31, 2015	\$ 16,262	\$ 18,977	\$ (2,715)	\$ 102	18604.90%
December 31, 2016	5,027	5,027	-	n/a	n/a
December 31, 2017	7,988	7,988	-	n/a	n/a
December 31, 2018	7,988	7,988	-	n/a	n/a
December 31, 2019	8,803	8,803	-	n/a	n/a
December 31, 2020	8,803	8,803	-	n/a	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Notes to Schedule

Valuation date: Actuarially determined contributions rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2012, determines the contribution amounts for 2013 and 2014.

	Old Hire Fire	Old Hire Police
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	3 Years	3 Years
Asset valuation method	5-Year smoothed market	5-Year smoothed market
Inflation	2.50%	2.50%
Salary increases	n/a	n/a
Investment rate of return	7.50%	7.50%
Retirement age	Any remaining actives are assumed to retire immediately.	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality Table. All tables projected with Scale BB.	Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality Table. All tables projected with Scale BB.

Note: Changes in assumptions. The FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased 5.0% for an overall nominal investment return of 7.5%, an explicit charge for administration expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for rising longevity in the future to reflect current mortality studies, and the expected incidence of total disability was increased.

Changes in benefit terms: No changes to benefit provisions occurred since the prior valuation. However, the member contributions increased 0.50% of base salary.

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Fire**

December 31, 2020 (dollars in thousands)

FPPA Old Hire Fire	2015	2016	2017	2018	2019	2020
Total pension liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	34,596	34,026	35,748	35,214	34,880	34,233
Changes of benefit terms	-	-	-	-	-	-
Differences between actual and expected experience	-	(699)	-	3,533	-	787
Changes of assumptions	-	32,102	-	-	-	33,365
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)	(42,893)	(43,529)	(43,462)
Net change in total pension liability	(7,653)	23,295	(7,086)	(4,146)	(8,649)	24,923
Total pension liability - beginning	482,022	474,369	497,664	490,578	486,432	477,783
Total pension liability - ending	474,369	\$ 497,664	\$ 490,578	\$ 486,432	\$ 477,783	\$ 502,706
Plan fiduciary net position						
Contributions - employer	\$ 13,944	\$ 16,803	\$ 13,061	\$ 16,355	\$ 16,355	\$ 17,248
Contributions - employee	7	7	8	8	3	-
Net investment income	23,465	6,174	17,084	44,879	531	37,862
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)	(42,893)	(43,529)	(43,462)
Administrative expense	(545)	(488)	(518)	(146)	(175)	(155)
Net change in plan fiduciary net position	(5,378)	(19,638)	(13,199)	18,203	(26,815)	11,493
Plan fiduciary net position - beginning	354,255	348,877	329,238	316,039	334,242	307,427
Plan fiduciary net position - ending	\$ 348,877	\$ 329,239	\$ 316,039	\$ 334,242	\$ 307,427	\$ 318,920
Net Pension Liability	\$ 125,492	\$ 168,425	\$ 174,539	\$ 152,190	\$ 170,356	\$ 183,786
Plan fiduciary net position as a percentage of the total pension liability	73.55%	66.16%	64.42%	68.71%	64.34%	63.44%
Covered payroll	87	90	90	96	n/a	n/a
Net pension liability as a percentage of covered payroll	143734.99%	187436.70%	194240.85%	158531.25%	-	-

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Police**

December 31, 2020 (dollars in thousands)

FPPA Old Hire Police	2015	2016	2017	2018	2019	2020
Total pension liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	49,249	48,801	50,590	50,141	49,712	49,118
Changes of benefit terms	-	-	-	-	-	-
Differences between actual and expected experience	-	(12,201)	-	983	-	(4,065)
Changes of assumptions	-	43,358	-	-	-	51,530
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)	(56,248)	(57,458)	(57,772)
Net change in total pension liability	(5,888)	24,632	(6,311)	(5,124)	(7,746)	38,811
Total pension liability - beginning	683,727	677,839	702,471	696,160	691,036	683,290
Total pension liability - ending	\$ 677,839	\$ 702,471	\$ 696,160	\$ 691,036	\$ 683,290	\$ 722,101
Plan fiduciary net position						
Contributions - employer	\$ 16,262	\$ 18,089	\$ 5,027	\$ 7,988	\$ 7,988	\$ 8,803
Contributions - employee	5	-	-	-	-	-
Net investment income	42,091	11,278	30,983	82,545	754	69,919
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)	(56,248)	(57,458)	(57,772)
Administrative expense	(977)	(910)	(1,013)	(194)	(233)	(62)
Net change in plan fiduciary net position	\$ 2,244	\$ (26,869)	\$ (21,904)	\$ 34,091	\$ (48,949)	\$ 20,888
Plan fiduciary net position - beginning	630,564	632,808	605,939	584,035	618,126	569,177
Plan fiduciary net position - ending	\$ 632,808	\$ 605,939	\$ 584,035	\$ 618,126	\$ 569,177	\$ 590,065
Net Pension Liability	\$ 45,031	\$ 96,532	\$ 112,125	\$ 72,910	\$ 114,113	\$ 132,036
Plan fiduciary net position as a percentage of the total pension liability	93.36%	86.26%	83.89%	89.45%	83.30%	81.72%
Covered payroll	90	n/a	n/a	n/a	n/a	n/a
Net pension liability as a percentage of covered payroll	50070.05%	n/a	n/a	n/a	n/a	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information**Schedule of City's Proportionate Share of the Net OPEB Liability - DERP**

December 31, 2020 (dollars in thousands)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
DERP					
December 31, 2018	93.36%	\$ 78,593	\$ 541,545	14.51%	45.98%
December 31, 2019	93.99%	98,309	542,111	18.13%	39.18%
December 31, 2020	95.08%	93,516	569,297	16.43%	42.16%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Required Supplementary Information Schedule of City Contributions - DERP OPEB

December 31, 2020 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
DERP OPEB					
December 31, 2018	\$ 4,651	\$ 4,651	\$ -	\$ 542,111	0.86%
December 31, 2019	4,855	4,855	-	569,297	0.85%
December 31, 2020	5,288	5,288	-	586,482	0.90%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Required Supplementary Information Schedule of Changes in the City's OPEB Liability - DERP Implicit Rate Subsidy

December 31, 2020 (dollars in thousands)

DERP Implicit Rate Subsidy	Total OPEB Liability		
	2018	2019	2020
Balances as of January 1	\$ 77,906	\$ 78,593	\$ 79,695
Changes for the year:			
Service cost	2,548	2,742	-
Interest	2,926	2,788	2,615
Benefit changes	-	-	3,243
Differences between expected and actual experience	-	628	-
Transition to Entry Age Normal	-	-	-
Changes of assumptions	1,312	987	8,630
Benefit payments	(6,099)	(6,043)	(6,832)
Employee contributions	-	-	-
Employer contributions	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Total Changes	\$ 687	\$ 1,102	\$ 7,656
Balances as of December 31	\$ 78,593	\$ 79,695	\$ 87,351
Covered-employee payroll	\$ 541,545	\$ 542,111	\$ 569,297
OPEB liability as a percentage of covered-employee payroll	14.51%	14.70%	15.34%

Note: Information is not available prior to 2018. In future reports additional years will be added until 10 years of historical are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Notes to Required Supplementary Information: There were no benefit changes during the year. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24). No assets are accumulated in a trust to pay related benefits.

Required Supplementary Information**Schedule of City's Proportionate Share of the Net OPEB Liability - PERA HCTF**

December 31, 2020 (dollars in thousands)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
PERA					
December 31, 2018	0.04%	\$ 515	\$ 3,155	16.32%	17.53%
December 31, 2019	0.04%	519	3,098	16.75%	17.09%
December 31, 2020	0.04%	417	3,378	13.26%	24.46%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Required Supplementary Information**Schedule of City Contributions - PERA HCTF OPEB**

December 31, 2020 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
PERA OPEB					
December 31, 2018	\$ 34	\$ 34	- \$	3,155	1.08%
December 31, 2019	35	35	-	3,098	1.13%
December 31, 2020	42	42	-	3,378	1.24%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability - Police Retiree Health Fund

December 31, 2020 (dollars in thousands)

PRHF	2018			2019			2020		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of January 1	\$ 11,394	\$ 3,079	\$ 8,315	\$ 11,971	\$ 3,874	\$ 8,097	\$ 15,536	\$ 4,187	\$ 11,349
Changes for the year:									
Service cost	358	-	358	372	-	372	633	-	633
Interest	691	-	691	727	-	727	742	-	742
Benefit changes	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	(1,302)	-	(1,302)	3,612	-	3,612
Transition to Entry Age Normal	-	-	-	4,214	-	4,214	-	-	-
Changes of assumptions	-	-	-	(446)	-	(446)	(268)	-	(268)
Benefit payments	(472)	-	(472)	-	-	-	(466)	(466)	-
Employee contributions	-	-	(805)	-	955	(955)	-	-	-
Employer contributions	-	805	(463)	-	(196)	196	-	1,078	(1,078)
Net investment income	-	463	473	-	(446)	446	-	922	(922)
Benefit payments	-	(473)	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-	-	-
Total Net Changes	\$ 577	\$ 795	\$ (218)	\$ 3,565	\$ 313	\$ 3,252	\$ 4,253	\$ 1,534	\$ 2,719
		\$ 795							
Balances as of December 31	\$ 11,971	\$ 3,874	\$ 8,097	\$ 15,536	\$ 4,187	\$ 11,349	\$ 19,789	\$ 5,721	\$ 14,068

Plan Fiduciary Net Position as a Percentage of Total

Pension Liability	32.36%	26.95%	40.67%
Covered-employee payroll	n/a	n/a	n/a
Net OPEB liability as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: The maximum monthly benefit was increased from \$200 to \$250 effective January 1, 2020

Required Supplementary Information

Schedule of City Contributions - Police Retiree Health Fund

December 31, 2020 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
Police Retiree Health Fund					
December 31, 2018	\$ 955	\$ 955	\$ -	n/a	0.00%
December 31, 2019	1,078	1,078	-	n/a	0.00%
December 31, 2020	1,200	1,200	-	n/a	0.00%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Note: Changes of assumptions. The discount rate used to measure the total OPEB liability decreased from 6.00% to 4.65%.

Required Supplementary Information**Schedule of Changes in the City's OPEB Liability - Fire and Police Implicit Rate Subsidy**

December 31, 2020 (dollars in thousands)

FPPA Implicit Rate Subsidy	Total OPEB Liability		
	2018	2019	2020
Balances as of January 1	\$ 40,128	\$ 42,326	\$ 46,280
Changes for the year:			
Service cost	1,851	2,010	2,173
Interest	1,550	1,542	1,946
Benefit changes	-	-	-
Differences between expected and actual experience	-	630	-
Transition to Entry Age Normal	-	-	-
Changes of assumptions	768	1,857	6,117
Benefit payments	(1,971)	(2,085)	(2,186)
Employee contributions	-	-	-
Employer contributions	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	-	-
Total Net Changes	\$ 2,198	\$ 3,954	\$ 8,050
Balances as of December 31	\$ 42,326	\$ 46,280	\$ 54,330
Covered-employee payroll	\$ 200,006	\$ 214,697	\$ 250,435
OPEB liability as a percentage of covered-employee payroll	21.16%	21.56%	21.69%

Note: Information is not available prior to 2018. In future reports additional years will be added until 10 years of historical are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: Changes of assumptions. The discount rate used to measure the total OPEB liability decreased from 4.11% as of December 31, 2018 to 2.74% as of December 31, 2019.

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Governmental



Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- **General Government** - to account for the proceeds of revenue not specifically accounted for in another special revenue fund.
- **Public Safety** - to account for the proceeds of revenue to be used for public safety purposes.
- **Health** - to account for the proceeds of revenue to be used for expenditures in connection with health related purposes and activities.
- **Culture and Recreation** - to account for the proceeds of revenue to be used in providing culture and recreation services.
- **Community Development** - to account for the proceeds of revenue to be used for community development purposes and activities.
- **Economic Opportunity** - to account for the proceeds of revenue to be used in providing economic opportunity services.
- **Special Funds** - to account for resources by agreement for various purposes.
- **General Improvement Districts** - to account for the financial resources segregated for the financing of improvements of properties within the general improvement districts.

Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

- **Bond Principal** - to account for resources used for the payment of principal on governmental long-term debt.
- **Bond Interest** - to account for resources used for the payment of interest on governmental long-term debt.
- **Excise Tax Revenue Bond** - to account for the accumulation of funds for the payment of principal and interest on the Excise Tax Revenue bonds.
- **General Improvement Districts** - to account for the financial activities associated with the payment of principal and interest on General Improvement District general obligation bonds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- **Winter Park Capital Fund** - to account for financial resources from the Winter Park Trust.
- **Capital Improvements** - to account for financial resources segregated for the acquisition of major capital projects of the City other than those financed by bond projects, other capital projects, enterprise funds, and internal service funds.
- **Conservation Trusts** - to account for the proceeds from State Lottery Funds, investment earnings, and refunds; all used for parks and recreation capital improvements.
- **Bond Projects Capital Fund** - to account for the proceeds from the issuance of long-term debt to be used for paying the cost of projects as set forth in bond issuing ordinances.
- **Other Capital Projects** - to account for financial resources segregated for the financing of major capital projects for which grant or other funds will be used.
- **Entertainment and Culture** - to account for surplus seat tax used for capital improvements to entertainment and cultural facilities owned by the City that generate seat taxes.
- **Special Assessments** - to account for the financing of improvements and maintenance deemed to benefit properties against which special assessments are levied.
- **General Improvements Districts** - to account for capital improvements related to properties within the general improvement districts.

Permanent Fund

- **Cableland Trust** - to account for resources by ordinance to be used to maintain the residence known as Cableland.

Governmental Individual Fund Schedules and Statements

- **General Fund and Human Services Special Revenue Fund** - Schedules of Expenditures Compared with Authorizations.
- **General Fund** - Comparative Balance Sheets and Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance.

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2020 (Dollars In Thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Assets					
Cash on hand	\$ 8,377	\$ -	\$ -	\$ -	8,377
Cash and cash equivalents	273,717	185,185	1,019,080	3,598	1,481,580
Receivables (net of allowance for uncollectibles of \$96,643):					
Taxes	74,808	141,305	94,809	-	310,922
Notes	71,103	-	-	-	71,103
Accounts	25,057	1,928	1,249	-	28,234
Accrued Interest	979	945	4,542	52	6,518
Interfund receivable	90	-	-	-	90
Due from other governments	31,169	-	28,077	-	59,246
Prepaid items and other assets	234	-	481	-	715
Restricted assets:					
Cash And cash equivalents	36	370	132,136	-	132,542
Assets held for disposition	731	-	-	-	731
Total Assets	\$ 486,301	\$ 329,733	\$ 1,280,374	\$ 3,650	\$ 2,100,058
Liabilities, Deferred Inflows of Resources, And Fund Balances					
Liabilities:					
Vouchers payable	\$ 52,658	\$ -	\$ 57,075	\$ -	109,733
Accrued liabilities	3,574	-	93	-	3,667
Interfund payable	10,840	-	10	-	10,850
Unearned revenue	108,055	-	7,987	-	116,042
Advances	2,992	-	-	-	2,992
Compensated absences	60	-	-	-	60
Total Liabilities	178,179	-	65,165	-	243,344
Deferred inflows of resources:					
Unavailable revenues - property tax	10,371	137,117	93,923	-	241,411
Unavailable revenues - long-term receivables	13,233	-	751	-	13,984
Total Deferred Inflows Of Resources	23,604	137,117	94,674	-	255,395
Fund Balances:					
Nonspendable	206	-	480	3,000	3,686
Restricted	298,671	192,616	1,120,055	650	1,611,992
Committed	24,712	-	-	-	24,712
Assigned	1,038	-	-	-	1,038
Unassigned	(40,109)	-	-	-	(40,109)
Total Fund Balances	284,518	192,616	1,120,535	3,650	1,601,319
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 486,301	\$ 329,733	\$ 1,280,374	\$ 3,650	\$ 2,100,058

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Revenues					
Taxes:					
Facilities development admission	\$ -	\$ -	\$ 1,808	\$ -	\$ 1,808
Lodgers	11,581	19,134	3,034	-	33,749
Property	63,170	133,742	88,872	-	285,784
Sales and use	124,844	27,870	-	-	152,714
Specific ownership	82	-	-	-	82
Telephone	11,901	-	-	-	11,901
Special assessments	-	-	1,858	-	1,858
Licenses and permits	1,363	-	176	-	1,539
Intergovernmental revenues	195,024	-	60,430	-	255,454
Charges for services	39,347	-	4,615	-	43,962
Investment and interest income	9,746	10,475	47,585	213	68,019
Fines and forfeitures	273	-	-	-	273
Contributions	5,526	-	1,545	-	7,071
Other revenue	37,046	5,901	15,371	-	58,318
Total Revenues	499,903	197,122	225,294	213	922,532
Expenditures					
Current:					
General government	122,088	21	45,124	-	167,233
Public safety	93,139	-	-	-	93,139
Transportation and infrastructure	4,676	-	159,977	-	164,653
Human Services	-	-	14	-	14
Health	66,005	-	2,974	-	68,979
Parks and recreation	7,780	-	14,274	-	22,054
Cultural activities	41,961	-	16,255	-	58,216
Community development	102,121	-	2,290	-	104,411
Economic development	13,284	-	-	-	13,284
Debt service:	-	-	-	-	-
Principal retirement	6,527	121,498	7,993	-	136,018
Interest	1,753	59,804	7,538	-	69,095
Capital outlay	-	-	171,176	-	171,176
Total Expenditures	459,334	181,323	427,615	-	1,068,272
Excess (deficiency) of revenues over (under) expenditures	40,569	15,799	(202,321)	213	(145,740)
Other Financing Sources (Uses)					
Sale of capital assets	-	-	5,980	-	5,980
Bond Premium	-	-	21,323	-	21,323
Bond Premium - refunding	-	-	72,902	-	72,902
Payment to paying agent	-	-	(294,572)	-	(294,572)
Issuance of bonds	-	-	169,925	-	169,925
Issuance of bonds - refunding	-	-	222,700	-	222,700
Insurance recoveries	202	-	-	-	202
Transfers in	26,755	-	57,879	-	84,634
Transfers out	(35,848)	(16,004)	(44,589)	(190)	(96,631)
Total Other Financing Sources (Uses)	(8,891)	(16,004)	211,548	(190)	186,463
Net change in fund balances	31,678	(205)	9,227	23	40,723
Fund balances - January 1	252,840	192,821	1,111,308	3,627	1,560,596
Fund Balances - December 31	\$ 284,518	\$ 192,616	\$ 1,120,535	\$ 3,650	\$ 1,601,319

Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2020 (dollars in thousands)

	General Government	Public Safety	Health
Assets			
Cash On Hand	\$ -	\$ -	\$ -
Cash And Cash Equivalents	95,908	18,919	16,819
Receivables (Net Of Allowances For Uncollectibles Of \$91,367):			
Taxes	4,847	47,605	5,755
Notes	9,439	-	-
Accounts	495	9,661	107
Accrued Interest	498	7	87
Interfund Receivable	-	-	-
Due From Other Governments	6,857	5,976	7,211
Prepaid Items And Other Assets	-	-	-
Restricted Assets:			
Cash And Cash Equivalents	-	-	-
Assets Held For Disposition	-	-	-
Total Assets	\$ 118,044	\$ 82,168	\$ 29,979
Liabilities, Deferred Inflows Of Resources, And Fund Balances			
Liabilities:			
Vouchers Payable	\$ 26,701	\$ 1,975	\$ 4,360
Accrued Liabilities	240	2,075	303
Interfund Payable	38	-	-
Unearned Revenue	46,330	52,925	3,331
Advances	1,583	591	-
Compensated Absences	60	-	-
Total Liabilities	74,952	57,566	7,994
Deferred Inflows Of Resources:			
Unavailable Revenues - Property Tax	-	-	-
Unavailable Revenues - Long-Term Receivables	-	-	-
Total Deferred Inflows Of Resources	-	-	-
Fund Balances:			
Nonspendable	-	-	-
Restricted	62,654	24,602	21,985
Committed	20,547	-	-
Assigned	-	-	-
Unassigned	(40,109)	-	-
Total Fund Balances	43,092	24,602	21,985
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 118,044	\$ 82,168	\$ 29,979

	Culture and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
\$	8,377	\$ -	\$ -	\$ -	\$ -	8,377
	65,477	64,111	77	11,417	989	273,717
	4,360	9,650	-	1,027	1,564	74,808
	-	52,283	9,381	-	-	71,103
	1,285	8	96	13,321	84	25,057
	146	176	-	63	2	979
	1	-	89	-	-	90
	1,360	6,194	3,571	-	-	31,169
	202	-	-	-	32	234
	-	-	-	6	30	36
	-	731	-	-	-	731
\$	81,208	\$ 133,153	\$ 13,214	\$ 25,834	\$ 2,701	\$ 486,301
\$	9,138	\$ 8,550	\$ 1,771	\$ 129	\$ 34	\$ 52,658
	405	26	239	286	-	3,574
	3	-	10,799	-	-	10,840
	3,778	1,691	-	-	-	108,055
	818	-	-	-	-	2,992
	-	-	-	-	-	60
	14,142	10,267	12,809	415	34	178,179
	-	8,807	-	-	1,564	10,371
	-	-	-	13,233	-	13,233
	-	8,807	-	13,233	1,564	23,604
	200	-	-	-	6	206
	62,701	114,079	405	12,186	59	298,671
	4,165	-	-	-	-	24,712
	-	-	-	-	1,038	1,038
	-	-	-	-	-	(40,109)
	67,066	114,079	405	12,186	1,103	284,518
\$	81,208	\$ 133,153	\$ 13,214	\$ 25,834	\$ 2,701	\$ 486,301

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	General Government	Public Safety	Health
Revenues			
Taxes:			
Lodgers	\$ 11,581	\$ -	\$ -
Property	6,499	46,831	-
Sales and use	33,190	-	46,268
Specific ownership	-	-	-
Telephone	-	-	-
Licenses and permits	1,363	-	-
Intergovernmental revenues	129,716	26,392	18,292
Charges for services	5,704	14,569	8
Investment and interest income	3,187	185	259
Fines and forfeitures	-	273	-
Contributions	1,705	759	818
Other revenue	11,175	399	-
Total Revenues	204,120	89,408	65,645
Expenditures			
Current:			
General government	120,219	-	106
Public safety	391	83,215	-
Public works	4,676	-	-
Health	13,253	-	52,752
Parks and recreation	-	-	-
Cultural activities	2,750	-	-
Community development	64,477	-	-
Economic development	1,261	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total Expenditures	207,027	83,215	52,858
Excess (deficiency) of revenues over (under) expenditures	(2,907)	6,193	12,787
Other Financing Sources (Uses)			
Insurance recoveries	-	-	-
Transfers in	-	-	-
Transfers out	(5,279)	(860)	(3,563)
Total Other Financing Sources (Uses)	(5,279)	(860)	(3,563)
Net change in fund balances	(8,186)	5,333	9,224
Fund balances - January 1	51,278	19,269	12,761
Fund Balances - December 31	\$ 43,092	\$ 24,602	\$ 21,985

Cultural and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,581
-	8,031	-	-	1,809	63,170
35,050	10,336	-	-	-	124,844
-	-	-	-	82	82
-	-	-	11,901	-	11,901
-	-	-	-	-	1,363
1,225	9,042	10,357	-	-	195,024
11,772	6,461	-	833	-	39,347
1,398	3,678	325	711	3	9,746
-	-	-	-	-	273
1,677	258	309	-	-	5,526
17,243	252	377	7,593	7	37,046
68,365	38,058	11,368	21,038	1,901	499,903
20	-	254	-	1,489	122,088
-	-	-	9,533	-	93,139
-	-	-	-	-	4,676
-	-	-	-	-	66,005
7,775	-	-	5	-	7,780
39,211	-	-	-	-	41,961
-	37,644	-	-	-	102,121
-	-	12,023	-	-	13,284
-	-	-	6,527	-	6,527
-	-	-	1,753	-	1,753
47,006	37,644	12,277	17,818	1,489	459,334
21,359	414	(909)	3,220	412	40,569
202	-	-	-	-	202
10,885	10,422	50	5,398	-	26,755
(20,665)	-	-	(5,034)	(447)	(35,848)
(9,578)	10,422	50	364	(447)	(8,891)
11,781	10,836	(859)	3,584	(35)	31,678
55,285	103,243	1,264	8,602	1,138	252,840
\$ 67,066	\$ 114,079	\$ 405	\$ 12,186	\$ 1,103	\$ 284,518

Combining Balance Sheet - Nonmajor Debt Service Funds

December 31, 2020 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Assets					
Cash and cash equivalents	\$ 49,733	\$ 40,227	\$ 95,225	\$ -	\$ 185,185
Receivables (net of allowances for uncollectibles of \$885):					
Taxes	115,713	21,044	4,548	-	141,305
Accounts receivable (net of allowance)	109	1,819			1,928
Accrued interest	-	444	501	-	945
Restricted assets:					
Cash and cash equivalents	-	-	-	370	370
Total Assets	\$ 165,555	\$ 63,534	\$ 100,274	\$ 370	\$ 329,733
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities Balance	-	-	-	-	-
Deferred Inflows of Resources:					
Unavailable revenues - property tax	116,046	21,071	-	-	137,117
Total of Deferred Inflows of Resources	116,046	21,071	-	-	137,117
Fund Balances:					
Restricted	49,509	42,463	100,274	370	192,616
Total Fund Balances	49,509	42,463	100,274	370	192,616
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 165,555	\$ 63,534	\$ 100,274	\$ 370	\$ 329,733

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Revenues					
Taxes:					
Lodgers	\$ -	\$ -	\$ 19,134	\$ -	\$ 19,134
Property	92,237	41,023	-	482	133,742
Sales and use	-	-	27,870	-	27,870
Investment and interest income	-	5,541	4,934	-	10,475
Other revenue	-	5,895	-	6	5,901
Total Revenues	92,237	52,459	51,938	488	197,122
Expenditures					
Current:					
General Government	-	13	6	2	21
Debt service:					
Principal retirement	103,995	-	17,200	303	121,498
Interest	-	37,205	22,431	168	59,804
Total Expenditures	103,995	37,218	39,637	473	181,323
Excess (deficiency) of revenues over (under) expenditures	(11,758)	15,241	12,301	15	15,799
Other Financing (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(16,004)	-	(16,004)
Total Other Financing (Uses)	-	-	(16,004)	-	(16,004)
Net change in fund balances	(11,758)	15,241	(3,703)	15	(205)
Fund balances - January 1	61,267	27,222	103,977	355	192,821
Fund Balances - December 31	\$ 49,509	\$ 42,463	\$ 100,274	\$ 370	\$ 192,616

Combining Balance Sheet - Nonmajor Capital Projects Funds

December 31, 2020 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts
Assets			
Cash and cash equivalents	\$ 10,988	\$ 289,902	\$ 23,859
Receivables (net of allowances for uncollectibles of \$4,391):			
Taxes	-	93,648	-
Accounts	-	474	-
Accrued interest	45	1,311	321
Due from other governments	-	-	-
Prepaid items and other assets	-	24	-
Restricted assets:			
Cash and Cash Equivalents	-	197	-
Total Assets	\$ 11,033	\$ 385,556	\$ 24,180
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	\$ 289	\$ 20,390	\$ 833
Accrued liabilities	-	25	-
Interfund payable	-	9	-
Unearned revenue	-	-	-
Advances	-	-	-
Total Liabilities	289	20,424	833
Deferred Inflow of Resources:			
Unavailable revenues - property tax	-	93,923	-
Unavailable revenues - long-term receivables	-	-	-
Total Deferred Inflows of Resources	-	93,923	-
Fund Balances:			
Nonspendable	-	24	-
Restricted	10,744	271,185	23,347
Total Fund Balances	10,744	271,209	23,347
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,033	\$ 385,556	\$ 24,180

	Bond Projects	Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
\$	522,033	\$ 147,176	\$ 21,840	\$ 3,118	\$ 164	\$ 1,019,080
	-	-	-	1,161	-	94,809
	25	750	-	-	-	1,249
	2,093	633	123	16	-	4,542
	-	28,077	-	-	-	28,077
	-	50	-	407	-	481
	178	131,761	-	-	-	132,136
\$	524,329	\$ 308,447	\$ 21,963	\$ 4,702	\$ 164	\$ 1,280,374
\$	23,430	\$ 10,024	\$ 1,945	\$ -	\$ 164	\$ 57,075
	-	6	62	-	-	93
	-	-	1	-	-	10
	-	6,826	-	1,161	-	7,987
	-	-	-	-	-	-
	23,430	16,856	2,008	1,161	164	65,165
	-	-	-	-	-	93,923
	-	751	-	-	-	751
	-	751	-	-	-	94,674
	-	50	-	406	-	480
	500,899	290,790	19,955	3,135	-	1,120,055
	500,899	290,840	19,955	3,541	-	1,120,535
\$	524,329	\$ 308,447	\$ 21,963	\$ 4,702	\$ 164	\$ 1,280,374

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts	Bond Projects
Revenues				
Taxes:				
Facilities development admission	\$ -	\$ -	\$ -	\$ -
Lodgers	-	-	-	-
Property	-	88,872	-	-
Licenses and permits	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental revenues	-	7,248	7,250	-
Charges for services	-	157	-	-
Investment and interest income	510	14,299	3,389	20,584
Contributions	-	-	-	-
Other revenue	-	872	-	-
Total Revenues	510	111,448	10,639	20,584
Expenditures				
Current:				
General government	-	28,395	-	11,346
Transportation and infrastructure	-	45,619	-	73,518
Human Services	-	14	-	-
Health	-	2,974	-	-
Parks and recreation	651	3,074	2,474	-
Cultural activities	-	1,073	-	29
Community development	-	1,913	325	-
Debt service:				
Principal retirement	-	5,968	-	-
Interest	-	1,410	-	-
Capital outlay	2,210	54,583	3,020	93,585
Total Expenditures	2,861	145,023	5,819	178,478
Excess (deficiency) of revenues over (under) expenditures	(2,351)	(33,575)	4,820	(157,894)
Other Financing Sources (Uses)				
Sale of capital assets	-	5,980	-	-
Bond premium	-	-	-	21,323
Bond premium - refunding	-	-	-	72,902
Issuance of bonds	-	-	-	169,925
Issuance of bonds - refunding	-	-	-	222,700
Payment to paying agent	-	-	-	(294,572)
Transfers in	4,135	24,945	-	-
Transfers out	-	(960)	-	-
Total Other Financing Sources (Uses)	4,135	29,965	-	192,278
Net change in fund balances	1,784	(3,610)	4,820	34,384
Fund balances - January 1	8,960	274,819	18,527	466,515
Fund Balances - December 31	\$ 10,744	\$ 271,209	\$ 23,347	\$ 500,899

	Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
\$	128	\$ 1,680	\$ -	\$ -	\$ 1,808
	3,034	-	-	-	3,034
	-	-	-	-	88,872
	176	-	-	-	176
	120	-	1,738	-	1,858
	45,932	-	-	-	60,430
	4,458	-	-	-	4,615
	7,379	1,292	131	1	47,585
	1,545	-	-	-	1,545
	14,499	-	-	-	15,371
	77,271	2,972	1,869	1	225,294
	5,383	-	-	-	45,124
	39,100	-	1,136	604	159,977
	-	-	-	-	14
	-	-	-	-	2,974
	7,522	553	-	-	14,274
	7,632	7,521	-	-	16,255
	-	52	-	-	2,290
	-	-	-	-	-
	2,025	-	-	-	7,993
	6,128	-	-	-	7,538
	17,161	617	-	-	171,176
	84,951	8,743	1,136	604	427,615
	(7,680)	(5,771)	733	(603)	(202,321)
	-	-	-	-	5,980
	-	-	-	-	21,323
	-	-	-	-	72,902
	-	-	-	-	169,925
	-	-	-	-	222,700
	-	-	-	-	(294,572)
	28,352	-	-	447	57,879
	(35,863)	(7,765)	(1)	-	(44,589)
	(7,511)	(7,765)	(1)	447	211,548
	(15,191)	(13,536)	732	(156)	9,227
	306,031	33,491	2,809	156	1,111,308
\$	290,840	\$ 19,955	\$ 3,541	\$-	\$ 1,120,535

Schedule of Expenditures Compared with Authorizations - General Fund

For the Year Ended December 31, 2020 (dollars in thousands)

	2020 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
General Government			
Mayor's Office	\$ 3,671	\$ 3,245	\$ 426
Civic Events	1,001	933	68
Office of Climate Action, Sustainability, and Resiliency	4,899	2,858	2,041
Office of Special Events	762	714	48
Education/Advocacy Initiatives	3,378	2,920	458
Public Defenders Office	2,612	2,291	321
City Council	6,718	6,205	513
Board of Ethics	181	181	-
Office of Human Resources	20,039	17,897	2,142
Career Service Authority Hearing Office	651	518	133
City Attorney	37,478	34,795	2,683
Clerk and Recorder	14,393	13,138	1,255
Board of Adjustment	376	349	27
Human Rights and Community Partnerships	5,520	5,111	409
General Services	56,842	52,411	4,431
Auditor	10,560	9,628	932
Department of Finance	117,170	112,600	4,570
Special Payments	3,883	3,883	-
Unemployment Insurance	2,240	1,760	480
Adams Mark Tax Increment	1,834	785	1,049
Annual Rental Payments	1,167	1,333	(166)
Denver Public Schools Mill Levy	2,002	3,308	(1,306)
Historic Tax Rebates	300	300	-
Excise and Licenses	4,749	4,280	469
Technology Services	80,733	75,080	5,653
Office of Economic Development	9,815	7,983	1,832
Total General Government	\$ 392,974	\$ 364,506	\$ 28,468
Public Safety			
Safety Administration	\$ 29,596	\$ 28,208	\$ 1,388
Civil Service Commission	2,005	1,493	512
County Court	27,721	27,435	286
District Attorney	29,260	28,124	1,136
Emergency Management	1,551	1,460	91
Fire	153,298	148,666	4,632
Independent Monitor	1,952	1,622	330
Police	254,553	250,423	4,130
Undersheriff	151,230	142,018	9,212
Total Public Safety	\$ 651,166	\$ 629,449	\$ 21,717

continued

Schedule of Expenditures Compared with Authorizations - General Fund - continued

For the Year Ended December 31, 2020 (dollars in thousands)

	2020 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Transportation and Infrastructure	\$ 160,563	\$ 141,954	\$ 18,609
Total Transportation and Infrastructure	\$ 160,563	\$ 141,954	\$ 18,609
Human Services	\$ 6,056	\$ 1,324	\$ 4,732
Total Human Services	\$ 6,056	\$ 1,324	\$ 4,732
Health			
Environmental Health	\$ 28,042	\$ 27,038	\$ 1,004
City Payments to Health Authority	34,135	28,367	5,768
Clinic	2,681	2,003	678
Poison Center	157	157	-
Total Health	\$ 65,015	\$ 57,565	\$ 7,450
Parks and Recreation	\$ 84,868	\$ 68,658	\$ 16,210
Total Parks and Recreation	\$ 84,868	\$ 68,658	\$ 16,210
Cultural Activities			
Arts and Venues	\$ 2,635	\$ 2,635	\$ -
Denver Public Library	52,937	49,032	3,905
Total Cultural Activities	\$ 55,572	\$ 51,667	\$ 3,905
Community Development	\$ 57,742	\$ 50,922	\$ 6,820
Total Community Development	\$ 57,742	\$ 50,922	\$ 6,820
Economic Development	\$ 1,773	\$ 1,773	\$ -
Total Economic Development	\$ 1,773	\$ 1,773	\$ -
Total	\$ 1,475,729	\$ 1,367,818	\$ 107,911

Schedule of Expenditures Compared with Authorizations - Human Services Special Revenue Fund

For the Year Ended December 31, 2020 (dollars in thousands)

		2020 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Grants - Currently Active				
13001	Federal	\$ 523	\$ 523	\$ -
13007	Community Service	1,157	1,157	-
13501	State Grants	122	122	-
13601	Human Services Privately Funded	214	214	-
State/County Welfare				
13005	Child Welfare	44,620	37,235	7,385
13008	County Public Welfare	108,014	88,208	19,806
13017	Child Care	4,534	3,138	1,396
13301	Prenatal Fees Incentive	177	177	-
13302	Aid to the Blind	1	-	1
13303	Aid to the Needy Disabled	1,000	599	401
13304	Board for Developmentally Disabled	15,857	15,857	-
13305	General Assistance	1,810	1,803	7
13306	Local Funded Community Service	1,800	(19)	1,819
City and Other Projects				
13502	Integrated Care Management Incentive	239	239	-
13706	DHS Volunteer Services	13	13	-
13811	Assistance Incentive Program	241	241	-
Total		\$ 180,322	\$ 149,507	\$ 30,815

Comparative Balance Sheets - General Fund

December 31, 2020 and 2019 (dollars in thousands)

	Totals December 31	
	2020	2019
Assets		
Cash on hand	\$ 183	\$ 171
Cash and cash equivalents	243,788	221,393
Receivables (net of allowances for uncollectibles of \$58,839 and \$69,127):		
Taxes	242,482	238,457
Notes	2,677	2,735
Accounts	28,432	30,128
Accrued interest	2,162	2,495
Interfund receivable	19,059	37,758
Due from other governments	3	5
Prepaid items and other assets	14,254	11,651
Restricted assets:		
Cash and cash equivalents	20,044	84,654
Total Assets	\$ 573,084	\$ 629,447
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Vouchers payable	\$ 43,724	\$ 52,785
Accrued liabilities	55,240	30,987
Due to taxing units	416	483
Interfund payable	1,147	16
Unearned revenue	606	454
Advances	98	97
Total Liabilities	101,231	84,822
Deferred Inflows of Resources:		
Unavailable revenues - property tax	167,016	155,651
Unavailable revenues - long-term receivables	14,956	18,893
Total Deferred Inflows of Resources	181,972	174,544
Fund Balance:		
Nonspendable	14,254	11,651
Restricted	71,056	85,127
Committed	41,555	74,677
Unassigned	163,016	198,626
Total Fund Balance	289,881	370,081
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 573,084	\$ 629,447

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - General Fund

For the Years Ended December 31, 2020 and 2019 (dollars in thousands)

	Totals December 31	
	2020	2019
Revenues		
Taxes:		
Lodgers	\$ 13,400	\$ 34,968
Motor vehicle ownership	25,921	32,020
Occupational privilege	50,669	54,940
Property	152,554	131,294
Sales and use	638,796	720,416
Telephone	1,206	1,486
Licenses and permits	62,032	67,754
Intergovernmental revenues	41,263	40,509
Charges for services	181,083	216,736
Investment and interest income	29,335	26,915
Fines and forfeitures	30,197	39,182
Contributions	269	61
Other revenue	9,296	11,379
Total Revenues	1,236,021	1,377,660
Expenditures		
Current:		
General government	328,610	318,230
Public safety	629,422	631,274
Public works	148,705	162,932
Human Services	1,350	1,910
Health	57,646	57,764
Parks and recreation	68,916	80,846
Cultural activities	52,133	54,135
Community development	51,170	33,598
Economic opportunity	1,773	1,692
Principal retirement	12,991	18,674
Interest	6,995	7,521
Total Expenditures	1,359,711	1,368,576
Excess (deficiency) of revenues over (under) expenditures	(123,690)	9,084
Other Financing Sources (Uses)		
Sale of capital assets	-	755
Issuance of certificates of participation	19,670	
Issuance of capital leases	3,341	4,888
Payment to paying agent	(19,511)	
Insurance recoveries	574	233
Transfers in	58,003	50,405
Transfers out	(18,571)	(80,064)
Total Other Financing Sources (Uses)	43,506	(23,783)
Net change in fund balance	(80,184)	(14,699)
Fund balances - January 1, as previously reported	370,081	384,780
Implementation of GASB Statement No. 84	(16)	-
Fund balances - January 1, as restated	370,065	
Fund Balance - December 31	\$ 289,881	\$ 370,081

Proprietary Funds



Proprietary Funds

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector.

Enterprise Funds

- **Environmental Services** - to account for the operation and activity of the City's chemical waste disposal, phase out of hazardous materials disposal sites, and litter prevention.
- **Golf Course** - to account for the administration, operation, maintenance and improvement of City-owned golf facilities.

Internal Service Funds

- **Asphalt Plant** - to account for the expenditures and revenues of the City's Asphalt Plant that provides a service to the metropolitan Denver area and is an essential element in the street resurfacing program of the City's Street Maintenance division.
- **Employee Insurance Benefits** - to account for the City's self insurance activities related to workers compensation, dental, and health.

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2020 (dollars in thousands)

	Environmental Services	Golf Course	Total
Assets			
Current Assets:			
Cash And Cash Equivalents	\$ 19,624	\$ 4,915	\$ 24,539
Receivables:			
Accounts	3,024	9	3,033
Accrued Interest	108	26	134
Inventories	-	177	177
Prepaid Items And Other Assets	1,585	-	1,585
Restricted Assets:			
Cash And Cash Equivalents	6,526	-	6,526
Accrued Interest Receivable	32	-	32
Total Current Assets	30,899	5,127	36,026
Capital Assets:			
Land	3,169	1,131	4,300
Construction In Progress	20	113	133
Buildings And Improvements	665	39,943	40,608
Machinery And Equipment	267	10,644	10,911
Collections	-	-	-
Accumulated Depreciation	(841)	(21,113)	(21,954)
Net Capital Assets	3,280	30,718	33,998
Long-Term Receivables	6	-	6
Total Noncurrent Assets	3,286	30,718	34,004
Total Assets	34,185	35,845	70,030
Deferred Outflows Of Resources			
Deferred Outflows On Pension And OPEB Plans	2,307	1,754	4,061
Total Deferred Outflows Of Resources	2,307	1,754	4,061
Liabilities			
Current Liabilities:			
Vouchers Payable	469	186	655
Accrued Liabilities	270	315	585
Unearned Revenue	6	591	597
Interfund Payable	62	14	76
Compensated Absences	326	133	459
OPEB Implicit Rate Subsidy	340	441	781
Capital Lease Obligation	-	1,015	1,015
Restricted Liabilities:			
Vouchers Payable	603	-	603
Total Current Liabilities	2,076	2,695	4,771
Noncurrent Liabilities:			
Net Pension And OPEB Liability	10,203	7,877	18,080
Capital Lease Obligation	-	2,118	2,118
Compensated Absences	432	623	1,055
Total Noncurrent Liabilities	10,635	10,618	21,253
Total Liabilities	12,711	13,313	26,024
Deferred Inflows Of Resources			
Items Related To Pension And OPEB Plans	375	221	596
Total Deferred Inflows Of Resources	375	221	596
Net Position			
Net Investment In Capital Assets	3,280	27,585	30,865
Restricted For Capital Projects	5,955	-	5,955
Unrestricted	14,171	(3,520)	10,651
Total Net Position	\$ 23,406	\$ 24,065	\$ 47,471

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Environmental Services	Golf Course	Total
Operating Revenues			
Charges for services	\$ 11,904	\$ 13,622	\$ 25,526
Other revenue	1,152	1,110	2,262
Total Operating Revenues	13,056	14,732	27,788
Operating Expenses			
Personnel services	6,579	8,139	14,718
Contractual services	5,330	2,348	7,678
Supplies and materials	51	1,067	1,118
Depreciation and amortization	20	2,487	2,507
Other operating expenses	1,691	819	2,510
Total Operating Expenses	13,671	14,860	28,531
Operating income (loss)	(615)	(128)	(743)
Nonoperating Revenues (Expenses)			
Investment and interest income	1,417	251	1,668
Intergovernmental revenue	197	-	197
Disposition of assets	-	(2)	(2)
Interest expense	-	(21)	(21)
Net Nonoperating Revenues (Expenses)	1,614	228	1,842
Income (loss) before transfers and contributions	999	100	1,099
Transfers in	16	33	49
Transfers out	(5,096)	-	(5,096)
Capital asset transfer	(184)	147	(37)
Change in Net Position	(4,265)	280	(3,985)
Net Position - January 1	27,671	23,785	51,456
Net Position - December 31	\$ 23,406	\$ 24,065	\$ 47,471

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Environmental Services	Golf Course	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 13,446	\$ 13,739	\$ 27,185
Payments to suppliers	(9,563)	(5,043)	(14,606)
Payments to employees	(5,139)	(6,972)	(12,111)
Other receipts	1,152	1,110	2,262
Net Cash Provided by (Used in) Operating Activities	(104)	2,834	2,730
Cash Flows From Noncapital Financing Activities			
Operating grants received	197	-	197
Transfers in (out)	(5,080)	33	(5,047)
Net Cash Provided by (Used In) Noncapital Financing Activities	(4,883)	33	(4,850)
Cash Flows From Capital and Related Financing Activities			
Principal payments	-	(655)	(655)
Interest paid on capital debt	-	(21)	(21)
Purchase of assets	(56)	(1,183)	(1,239)
Net Cash (Used In) Capital and Related Financing Activities	(56)	(1,859)	(1,915)
Cash Flows from Investing Activities			
Interest received	1,428	242	1,670
Net Cash Provided by Investing Activities	1,428	242	1,670
Net increase (decrease) in cash and cash equivalents	(3,615)	1,250	(2,365)
Cash and cash equivalents - January 1	29,765	3,665	33,430
Cash and Cash Equivalents - December 31	\$ 26,150	\$ 4,915	\$ 31,065
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (615)	\$ (128)	\$ (743)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	20	2,487	2,507
Changes in Assets and Liabilities			
Accounts receivable	(183)	21	(162)
Prepaid and other assets	(1,565)	-	(1,565)
Interfund receivable	1,723	-	1,723
Capital asset	-	(54)	(54)
Inventories	-	(15)	(15)
Vouchers payable	31	(277)	(246)
Unearned revenue	2	96	98
Accrued liabilities	272	272	544
Interfund payable	(1,105)	(463)	(1,568)
Deferred outflows of resources	349	310	659
Deferred inflows of resources	173	70	243
Net pension and OPEB liability	794	515	1,309
Net Cash Provided by Operating Activities	\$ (104)	\$ 2,834	\$ 2,730
Noncash Activities			
Capital assets transferred from other City departments/agencies	\$ (184)	\$ 147	\$ (37)

Combining Statement of Net Position - Internal Service Funds

December 31, 2020 (dollars in thousands)

	Asphalt Plant	Employee Insurance Benefits	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 8,461	\$ 63,703	\$ 72,164
Receivables:			
Accounts	-	1,912	1,912
Accrued interest	-	267	267
Inventories	217	-	217
Interfund receivable	9	-	9
Total Current Assets	8,687	65,882	74,569
Capital Assets:			
Buildings and improvements	5,075	-	5,075
Machinery and equipment	2,769	-	2,769
Accumulated depreciation	(5,522)	-	(5,522)
Net capital assets	2,322	-	2,322
Total Assets	11,009	65,882	76,891
Liabilities			
Current Liabilities:			
Vouchers payable	156	3,005	3,161
Accrued liabilities	22	143	165
Interfund payable	1	63	64
Compensated absences	54	104	158
Claims reserve	-	10,027	10,027
Total Current Liabilities	233	13,342	13,575
Noncurrent Liabilities:			
Compensated absences	59	110	169
Claims reserve	-	28,409	28,409
Total noncurrent liabilities	59	28,519	28,578
Total Liabilities	292	41,861	42,153
Net Position			
Net investment in capital assets	2,322	-	2,322
Unrestricted	8,395	24,021	32,416
Total Net Position	\$ 10,717	\$ 24,021	\$ 34,738

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Asphalt Plant	Employee Insurance Benefits	Total
Operating Revenues			
Charges for services	\$ 9,265	\$ 79,000	\$ 88,265
Other revenue	-	893	893
Total Operating Revenues	9,265	79,893	89,158
Operating Expenses			
Personnel services	614	2,135	2,749
Contractual services	522	1,521	2,043
Supplies and materials	7,315	32	7,347
Depreciation	122	-	122
Claims payments	-	63,527	63,527
Other operating expenses	74	1,002	1,076
Change in claims reserve	-	8,962	8,962
Total Operating Expenses	8,647	77,179	85,826
Operating income	618	2,714	3,332
Nonoperating Revenues (Expenses)			
Investment and interest income	-	2,555	2,555
Other nonoperating revenue	406	-	406
Net Nonoperating Revenue (Expenses)	406	2,555	2,961
Income before transfers	1,024	5,269	6,293
Transfers in	-	-	-
Transfers out	-	(3,495)	(3,495)
Change in net position	1,024	1,774	2,798
Net position - January 1, as previously reported	9,693	11,138	20,831
Implementation of GASB Statement No. 84	-	11,109	11,109
Net position - January 1, as restated	9,693	22,247	31,940
Net Position - December 31	\$ 10,717	\$ 24,021	\$ 34,738

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended December 31, 2020 (dollars in thousands)

	Asphalt Plant	Employee Insurance Benefits	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 9,276	\$ 78,228	\$ 87,504
Payments to suppliers	(7,868)	(597)	(8,465)
Payments to employees	(613)	(2,064)	(2,677)
Other receipts	-	508	508
Claims paid	-	(63,527)	(63,527)
Net Cash Provided by Operating Activities	795	12,548	13,343
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	-	(3,495)	(3,495)
Net Cash Provided by Noncapital Financing Activities	-	(3,495)	(3,495)
Cash Flows from Capital and Related Financing Activities			
Insurance proceeds	404	-	404
Acquisition of capital assets	(29)	-	(29)
Net Cash Used by Capital and Related Financing Activities	375	-	375
Cash Flows Provided by Investing Activities			
Interest received	-	2,591	2,591
Net Cash Provided by Investing Activities	-	2,591	2,591
Net increase in cash and cash equivalents	1,170	11,644	12,814
Cash and cash equivalents - January 1	7,291	52,059	59,350
Cash and Cash Equivalents - December 31	\$ 8,461	\$ 63,703	\$ 72,164
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 618	\$ 2,714	\$ 3,332
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	122	-	122
Changes in Assets and Liabilities			
Accounts receivable	-	(772)	(772)
Interfund receivable	11	-	11
Inventories	(17)	-	(17)
Vouchers payable	61	1,628	1,689
Accrued liabilities	1	71	72
Interfund payable	(1)	3	2
Claims reserved	-	8,904	8,904
Net Cash Provided by (Used In) Operating Activities	\$ 795	\$ 12,548	\$ 13,343

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Fiduciary



Fiduciary Funds

Fiduciary funds are trust and custodial funds which account for assets held by a governmental unit in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, non-expendable trust funds, pension trust funds, and custodial funds.

Pension, Health, and Other Employee Benefits Trust Funds

- Pension Benefits Trust Funds - Denver Employees Retirement Plan - to account for the pension assets of the Denver Employees Retirement Plan.
- Health Benefits Trust Funds - Denver Employees Retirement Plan - to account for the health benefits assets of the Denver Employees Retirement Plan.
- Deferred Compensation - to account for City employees' voluntary deferrals of current income to future years and the investment income earned.

Custodial Funds

- Custodial funds are comprised of resources held in a custodial capacity. This includes funds related to County Court and Police functions, as well as funds held for property foreclosure activities, and various taxes not yet distributed to external entities.

Combining Statement of Fiduciary Net Position - Pension, Health, and Other Trust Funds

As of December 31, 2020 (dollars in thousands)

	Pension Benefits Trust Fund	Health Benefits Trust Fund	Other Employee Benefit Trust Fund		Total
	Denver Employees Retirement Plan	Denver Employees Retirement Plan	Deferred Compensation Plan	Private-Purpose Trust Funds	
Assets					
Current assets:					
Cash and cash equivalents	\$ 54,682	\$ 1,767	\$ -	\$ 464	\$ 56,913
Securities lending collateral	79,532	2,520	-	-	82,052
Receivables:					
Accounts	262	8	-	-	270
Accrued interest	1,377	43	-	-	1,420
Investments:					
U.S. Government obligations	150,280	4,760	-	-	155,040
Domestic stocks and bonds	951,858	30,153	-	-	982,011
International stocks	513,394	16,263	-	-	529,657
Mutual funds	-	-	634,942	-	634,942
Alternative investments	502,538	15,920	-	-	518,458
Real estate	163,429	5,177	-	-	168,606
Other	28,557	905	243,016	-	272,478
Total Investments	2,310,056	73,178	877,958	-	3,261,192
Prepaid and other assets	33	1	11,079	-	11,113
Total Current Assets	2,445,942	77,517	889,037	464	3,412,960
Capital assets, net of accumulated depreciation	2,633	83	-	-	2,716
Total Assets	2,448,575	77,600	889,037	464	3,415,676
Liabilities					
Vouchers payable	1,979	63	-	-	2,042
Securities lending obligations	79,911	2,531	-	-	82,442
Other accrued liabilities	-	-	-	188	188
Total Liabilities	81,890	2,594	-	188	84,672
Net Position Held in Trust for Pension and Other Employee Benefit Trust Funds	\$ 2,366,685	-	\$ 889,037	\$ 276	
Net Position Restricted for OPEB		\$ 75,006			
Net Position Held in Trust for Benefits					\$ 3,331,004

Combining Statement of Changes in Fiduciary Net Position - Pension, Health, and Other Trust Funds

As of December 31, 2020 (dollars in thousands)

	Pension Benefits Trust Fund	Health Benefits Trust Fund	Other Employee Benefit Trust Fund		Total
	Denver Employees Retirement Plan	Denver Employees Retirement Plan	Deferred Compensation Plan	Private-Purpose Trust Funds	
Additions					
Contributions:					
City and County of Denver	\$ 101,199	\$ 6,577	\$ -	\$ -	\$ 107,776
Denver Health and Hospital Authority	4,664	294	-	-	4,958
Plan members	63,817	4,029	49,464	-	117,310
Total Contributions	169,680	10,900	49,464	-	230,044
Investment earnings:					
Net appreciation in fair value of investments	194,302	6,129	109,905	-	310,336
Interest and dividends	15,823	500	-	-	16,323
Real estate, alternative investments, and absolute return income	(17,010)	(540)	-	-	(17,550)
Total Investment Earnings	193,115	6,089	109,905	-	309,109
Less investment expense	(12,984)	(411)	-	-	(13,395)
Net Investment Earnings	180,131	5,678	109,905	-	295,714
Securities lending income (expense):					
Securities lending income	597	19	-	-	616
Borrower rebates	(215)	(7)	-	-	(222)
Agent fees (loss)	(95)	(3)	-	-	(98)
Net Earnings from Securities Lending	287	9	-	-	296
Total Net Investment Earnings	180,418	5,687	109,905	-	296,010
Total Additions	350,098	16,587	159,369	-	526,054
Deductions					
Benefits	232,594	12,977	49,552	-	295,123
Refunds of contributions	4,834	153	-	-	4,987
Administrative expenses	4,466	141	796	-	5,403
Total Deductions	241,894	13,271	50,348	-	305,513
Change in net position	108,204	3,316	109,021	-	220,541
Net Position - January 1, as previously stated	2,258,481	71,690	780,016	367	3,110,554
Implementation of GASB Statement No. 84	-	-	-	(91)	(91)
Net Position - January 1, as restated	2,258,481	71,690	780,016	276	3,110,463
Net Position - December 31	\$ 2,366,685	\$ 75,006	\$ 889,037	\$ 276	\$ 3,331,004

Combining Statement of Fiduciary Net Position - Custodial Funds

As of December 31, 2020 (dollars in thousands)

	Special Trust Fund	Treasury Collections Clearing Fund	Unclaimed Payments and Wages	Special Deposits	Total
Assets					
Cash on hand	\$ 2,009	\$ -	\$ -	\$ 958	\$ 2,967
Cash and cash equivalents	-	27,429	1,148	4,213	32,790
Receivables (net of allowances for uncollectibles of \$6,764):					
Taxes	-	1,256,172	-	-	1,256,172
Accounts	-	973	-	-	973
Total Assets	\$ 2,009	\$ 1,284,574	\$ 1,148	\$ 5,171	\$ 1,292,902
Liabilities					
Vouchers payable	\$ 34	\$ 52	\$ 1,148	\$ -	\$ 1,234
Other accrued liabilities	1,489	283	-	1,196	2,968
Due to taxing units	-	1,284,239	-	-	1,284,239
Total Liabilities	\$ 1,523	\$ 1,284,574	\$ 1,148	\$ 1,196	\$ 1,288,441
Net Position					
Restricted	\$ 486	-	-	\$ 3,975	\$ 4,461
Total Net Position	\$ 486	\$ -	\$ -	\$ 3,975	\$ 4,461

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Year Ended December 31, 2020 (dollars
in thousands)

	Special Trust Fund	Treasury Collections Clearing Fund	Unclaimed Payments and Wages	Special Deposits	Total
Additions					
Contributions:					
Foreclosure deposits and inmate deposits	\$ 17,780	\$ -	\$ -	\$ -	\$ 17,780
Tax collections	-	1,295,312	-	-	1,295,312
Unclaimed payments and wages	-	-	1,111	-	1,111
Court deposits and police confiscation monies	-	-	-	6,551	6,551
Total Contributions	17,780	1,295,312	1,111	6,551	1,320,754
Total Additions	17,780	1,295,312	1,111	6,551	1,320,754
Deductions					
Payments for foreclosure activities and payments to inmates	\$ 17,294	\$ -	\$ -	\$ -	\$ 17,294
Distributions of taxes to outside entities	-	1,295,312	-	-	1,295,312
Unclaimed payments and wages claimed	-	-	1,111	-	1,111
Distribution of court deposits and police confiscation monies	-	-	-	6,215	6,215
Total Deductions	17,294	1,295,312	1,111	6,215	1,319,932
Change In Net Position	486	-	-	336	822
Net Position - January 1, as previously reported	-	-	-	-	-
Implementation of GASB Statement No. 84	-	-	-	3,639	3,639
Net Position - January 1, as restated	-	-	-	3,639	3,639
Net Position - December 31	\$486	\$-	\$-	\$3,975	\$4,461

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Component Units



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Combining Statement of Net Position - Nonmajor Component Units

December 31, 2020 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc	Downtown Denver BID
Assets							
Cash and cash equivalents	\$ 176	\$ 1,257	\$ 91	\$ 50	\$ 112	\$ 23,037	\$ 1,803
Investments	-	-	-	956	-	-	180
Receivables (net of allowances):							
Taxes	152	6,148	-	918	-	-	6,707
Accounts	-	-	-	-	-	-	323
Other	53	22	-	21	-	-	-
Prepaid items and other assets	-	65	-	17	-	26	21
Restricted Assets:							
Cash and cash equivalents	4	554	-	-	-	-	-
Capital Assets:							
Land and construction in progress	-	17,520	-	177	-	-	-
Buildings and improvements	-	153	-	-	-	494	-
Machinery and equipment	-	483	-	3,164	-	340	4,344
Accumulated depreciation	-	(7,892)	-	(1,582)	-	(412)	(2,351)
Net Capital Assets	-	10,264	-	1,759	-	422	1,993
Total Assets	385	18,310	91	3,721	112	23,485	11,027
Deferred Outflows of Resources							
Deferred amount on refundings	-	1,117	-	-	-	-	-
Total Deferred Outflows of Resources	-	1,117	-	-	-	-	-
Liabilities							
Vouchers payable	59	96	-	54	12	4,065	438
Accrued liabilities	-	91	-	2	-	153	-
Due to other governments	-	78	-	-	-	-	-
Noncurrent liabilities:							
Due within one year	-	910	-	-	-	-	-
Due in more than one year	-	11,735	-	-	-	-	-
Total Liabilities	59	12,910	-	56	12	4,218	438
Deferred Inflows of Resources							
Property tax	152	6,148	-	918	-	-	6,728
Total Deferred Inflows of Resources	152	6,148	-	918	-	-	6,728
Net Position							
Net investment in capital assets	-	(1,264)	-	1,760	-	-	1,992
Restricted for:							
Capital Projects	41	-	-	-	-	-	-
Emergency use	4	153	-	30	-	-	216
Debt service	-	357	-	-	-	-	-
Unrestricted	129	1,123	91	957	100	19,267	1,653
Total Net Position (Deficit)	\$ 174	\$ 369	\$ 91	\$ 2,747	\$ 100	\$ 19,267	\$ 3,861

	Federal Boulevard BID	Five Points BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Denver College Success	Total
\$	91	\$ 185	\$ 35	\$ 478	\$ 65	\$ 186	\$ 9,822	37,388
	-	-	3	-	-	-	5,121	6,260
	-	213	-	1,723	-	129	-	15,990
	-	-	-	11	-	143	-	477
	-	-	35	-	-	-	-	131
	1	1	-	75	-	-	6	212
	-	-	-	-	-	5	-	563
	-	-	-	-	-	353	-	18,050
	-	-	-	-	-	-	-	647
	-	-	20	-	-	-	2	8,353
	-	-	-	-	-	-	-	(12,237)
	-	-	20	-	-	353	2	14,813
	92	399	93	2,287	65	816	14,951	75,834
	-	-	-	-	-	-	-	1,117
	-	-	-	-	-	-	-	1,117
	1	-	4	11	-	8	23	4,771
	-	-	10	1	-	-	567	824
	-	-	-	-	-	-	-	78
	-	-	-	-	-	-	5,267	6,177
	-	-	-	-	-	-	-	11,735
	1	-	14	12	-	8	5,857	23,585
	-	213	-	1,723	-	129	-	16,011
	-	213	-	1,723	-	129	-	16,011
	-	-	-	-	-	353	-	2,841
	-	-	-	-	-	-	-	41
	-	-	-	55	-	5	-	463
	-	-	-	-	-	-	-	357
	91	186	79	497	65	321	9,094	33,653
\$	91	\$ 186	\$ 79	\$ 552	\$ 65	\$ 679	\$ 9,094	\$ 37,355

Combining Statement of Activities - Nonmajor Component Units

For the Year Ended December 31, 2020 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc	Downtown Denver BID
Expenses	\$ 591	\$ 5,845	\$ 9	\$ 858	\$ 241	\$ 21,132	\$ 8,434
Program Revenues							
Charges for services	-	103	-	-	-	-	-
Operating grants and contributions	509	-	-	50	-	-	-
Total Program Revenues	509	103	-	50	-	-	-
Net expenses	(82)	(5,742)	(9)	(808)	(241)	(21,132)	(8,434)
General Revenues							
Taxes:							
Property	152	5,877	15	886	120	-	6,716
Specific ownership	8	317	-	46	-	-	-
Investment and interest income	-	5	-	7	-	36	-
Other revenues	-	2	-	25	-	20,722	1,657
Total General Revenues	160	6,201	15	964	120	20,758	8,373
Change in net position	78	459	6	156	(121)	(374)	(61)
Net position - January 1	96	(90)	85	2,591	221	19,641	3,922
Net Position - December 31	\$ 174	\$ 369	\$ 91	\$ 2,747	\$ 100	\$ 19,267	\$ 3,861

Federal Boulevard BID	Five Points BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Denver College Success	Total
\$ 114	\$ 333	\$ 48	\$ 1,509	\$ 107	\$ 723	\$ 10,892	\$ 50,836
-	-	-	-	-	-	-	103
17	-	-	-	-	520	-	1,096
17	-	-	-	-	520	-	1,199
(97)	(333)	(48)	(1,509)	(107)	(203)	(10,892)	(49,637)
110	224	50	1,750	118	135	11,082	27,235
	13	-	91	-	-	-	475
	-	-	2	-	1	91	142
	20	-	-	-	69	-	22,495
110	257	50	1,843	118	205	11,173	50,347
13	(76)	2	334	11	2	281	710
78	262	77	218	54	677	8,813	36,645
\$ 91	\$ 186	\$ 79	\$ 552	\$ 65	\$ 679	\$ 9,094	\$ 37,355

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Other Supplementary Schedules



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Combined Schedule of Bonds Payable and Escrows

December 31, 2020 (dollars in thousands)

	Amount Issued	Maturity	Interest Rate ⁽⁴⁾	Amount Outstanding	1st Optional Call Date
Denver Airport System					
Non-Direct senior lien bonds					
2009B Credit Facility Bonds	65,290	2039	6.414%	65,290	1/2/17
2011A Airport System Revenue	349,730	2017-2023	4.00%-5.25%	71,330	11/15/21
2012A Airport System Revenue	315,780	2017-2043	3.00-5.00%	124,160	11/15/22
2012B Airport System Revenue	510,140	2017-2043	4.00-5.00%	282,725	11/15/22
2012C Airport System Revenue	30,285	2026	3.592%	30,285	1/2/17
2016A Airport System Revenue	256,810	2017-2032	5.00%	210,430	11/15/26
2017A Airport System Revenue	225,220	2018-2030	5.00%	186,095	11/15/27
2017B Airport System Revenue	21,175	2033	5.00%	21,280	11/15/27
2019C Airport System Revenue	120,005	2026-2036	5.00%	120,005	n/a
2019D Airport System Revenue	83,725	2026-2031	1.81%	83,725	n/a
2020A-1 Airport System Revenue	95,330	2021-2032	5.00%	95,330	11/15/30
2020A-2 Airport System Revenue	60,515	2021-2025	5.00%	60,515	n/a
2020B-1 Airport System Revenue	37,465	2021-2025	5.00%	37,465	n/a
2020B-2 Airport System Revenue	24,060	2025	5.00%	24,060	n/a
2020C Airport System Revenue	411,535	2022-2037	.821%-2.867%	411,535	11/15/30
Total				1,824,230	
Non-Direct subordinate lien bonds					
2013A Airport System Revenue	326,260	2017-2043	4.00-5.50%	299,830	11/15/23
2013B Airport System Revenue	393,655	2017-2043	3.00%-5.25%	363,620	11/15/23
2018A Airport System Revenue	2,341,710	2020-2048	3.75-5.25%	2,328,795	12/1/29
2018B Airport System Revenue	184,365	2020-2048	3.50-5.00%	183,885	12/1/29
Total				3,176,130	
Direct Placement senior lien bonds					
1992F-G Credit Facility Bonds ⁽¹⁾	36,900	2031	1.464%	28,900	9/25/17
2002C Credit Facility Bonds ⁽¹⁾	30,300	2031	1.464%	20,400	9/25/17
2007G1-G2 Credit Facility Bonds ⁽²⁾	135,600	2031	1.852%	100,000	12/1/23
2008B Airport System Revenue ⁽¹⁾	81,800	2031	1.734%	40,400	1/2/17
2009C Airport System Revenue ⁽¹⁾	104,655	2031	1.315%	72,455	1/2/17
Total				262,155	
Direct Placement subordinate lien bonds					
2015A Airport System Revenue	195,940	2021, 2023, & 2035	2.20%	117,655	11/15/17
2019A Airport System Revenue	145,875	2020-2030	1.37%	133,270	n/a
Total				250,925	
Economic defeasance bonds					
Escrow LOI	n/a	2024-2025	6.125%	40,080	5/15/17
Unamortized premium net of discount				376,825	
Total Denver Airport System				5,930,345	
Wastewater Management					
2012 Wastewater Revenue Bonds	50,425	2017-2032	3.00-4.00%	25,195	n/a
2016 Wastewater Revenue Bonds	115,000	2017-2046	4.00-5.00%	106,835	11/1/26
2018 Wastewater Revenue Bonds	103,050	2018-2047	3.00-5.00%	96,460	11/1/29
Unamortized premium				20,429	
Total Wastewater Management				248,919	

continued

Combined Schedule of Bonds Payable and Escrows - continued

December 31, 2020 (dollars in thousands)

	Amount Issued	Maturity	Interest Rate	Amount Outstanding	1st Optional Call Date
General Obligation					
Non-direct Placement					
2006 Justice System Facilities Bonds	\$ 8,861	2022	4.75%	\$ 8,860 ⁽³⁾	Not callable
2013A Better Denver Bonds	120,925	2017-2030	3.00-5.00%	32,590	8/1/2023
2014 Better Denver (mini-bonds)	12,000	2023, 2028	4.39-4.89%	12,000 ⁽³⁾	Not callable
2018A GO Elevate Denver Bonds	193,000	2018-2033	3.13-5.00%	74,335	8/1/2023
2018B GO Justice System Refunding Bonds	67,905	2019-2025	5.00%	47,435	Not callable
2019A GO Elevate Denver Bonds	81,910	2019-2024	5.00%	77,055	Not callable
2019B GO Better Denver and Zoo Refunding Bonds	50,140	2019-2025	5.00%	42,770	Not callable
2019C GO Elevate Denver Bonds	117,265	2020-2033	2.38-5.00%	78,450	8/1/2023
2020A GO	169,925	2039	2.0-5.0%	169,925	Not callable
2020B GO	222,700	2030	5%	222,700	Not callable
Direct Placement					
2013B1 GO Refunding Bonds	48,020	2017-2025	2.30%	24,675	8/1/2023
2013B2 GO Refunding Bonds	89,415	2017-2025	2.38%	51,575	8/1/2023
Total Primary Government				842,370	
Unamortized premium				128,827	
Net Primary Government				971,197	
Total General Obligation				971,197	
Excise Tax Revenue Bonds					
2016A Dedicated Tax Refunding and Improvement	242,500	2021-2046	2.00-5.00%	242,500	8/1/2026
2016B Dedicated Tax Refunding and Improvement	154,810	2017-2032	1.54-3.82%	49,535	8/1/2026
2018A1 Dedicated Tax Revenue Bonds	151,485	2041-2048	5.00%	151,485	8/1/2026
2018A2 Dedicated Tax Revenue Bonds	88,515	2029-2040	3.84-4.33%	88,515 ⁽³⁾	8/1/2026
2018B Dedicated Tax Revenue Bonds	60,000	2019-2029	2.58-3.75%	57,395	8/1/2026
Total Excise Tax Revenue Bonds				589,430	
Unamortized premium				39,669	
Net Excise Tax Revenue Bonds				629,099	
Total General Long-Term Debt				1,600,296	
Total Bonds Payable				\$ 8,750,757	

⁽¹⁾ Variable rate issue - weekly interest rate reset⁽²⁾ Variable rate issue - monthly interest rate reset⁽³⁾ Amounts do not include \$7,988 and \$4,054 of compound interest on the Series 2007 and 2014A mini-bonds, respectively. Amount do not include \$8,862 of compound interest on the Series 2018A2.⁽⁴⁾ Variable rate issues reflect rate in effect as of December 31, 2020.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City and County: Denver		
		YEAR ENDING : December 2020		
This Information From The Records Of (example - City and County of Denver)		Prepared By: Christine Torres Phone: 720-913-1765		
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES		
ITEM	AMOUNT	ITEM	AMOUNT	
A. Receipts from local sources:		A. Local highway disbursements:		
1. Local highway-user taxes		1. Capital outlay (from page 2)	61,633,615	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,908,162	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:		
c. Total (a. + b.)		a. Traffic control operations	18,576,233	
2. General fund appropriations	99,180,732	b. Snow and ice removal	8,069,649	
3. Other local imposts (from page 2)	1,598,546	c. Other	14,993,296	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	41,639,178	
5. Transfers from toll facilities		4. General administration & miscellaneous	15,354,061	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	21,106,747	
a. Bonds - Original Issues		6. Total (1 through 5)	147,641,763	
b. Bonds - Refunding Issues		B. Debt service on local obligations:		
c. Notes		1. Bonds:		
d. Total (a. + b. + c.)	0	a. Interest		
7. Total (1 through 6)	100,779,277	b. Redemption		
B. Private Contributions		c. Total (a. + b.)	0	
C. Receipts from State government (from page 2)	28,342,860	2. Notes:		
D. Receipts from Federal Government (from page 2)	0	a. Interest		
E. Total receipts (A.7 + B + C + D)	129,122,137	b. Redemption		
		c. Total (a. + b.)	0	
		3. Total (1.c + 2.c)	0	
		C. Payments to State for highways		
		D. Payments to toll facilities		
		E. Total disbursements (A.6 + B.3 + C + D)	147,641,763	
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0
V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
		129,122,137	147,641,763	(18,519,626)
Notes and Comments:				
- II.A.2 ("General fund appropriations") have been added to the extent that they are calculated to support highway expenditures				
- IV. Until 2006 we reported debt only for street-related special assessment districts. That amount is now negligible. General Obligation debt related to highways cannot be separated from debt for other purposes.				
- V.A&D. The City and County of Denver has no comprehensive, separate Road and Street "Fund." We have funds for various capital outlays; General Fund appropriations and other specified revenues support non-capital expenditures on roads and streets.				

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2020	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,598,546	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	1,598,546	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	28,342,860	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	28,342,860	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
			TOTAL (c)
A.I. Capital outlay:			
a. Right-Of-Way Costs			49,961
b. Engineering Costs			12,027,071
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			11,258,991
(3). System Preservation			33,508,003
(4). System Enhancement & Operation			4,789,589
(5). Total Construction (1) + (2) + (3) + (4)		0	49,556,584
d. Total Capital Outlay (Lines 1.a. + 1.b. - 1.c.5)		0	61,633,615
			(Carry forward to page 1)
Notes and Comments:			

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Statistical



This part of the City and County of Denver’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 government’s overall financial health.

Contents

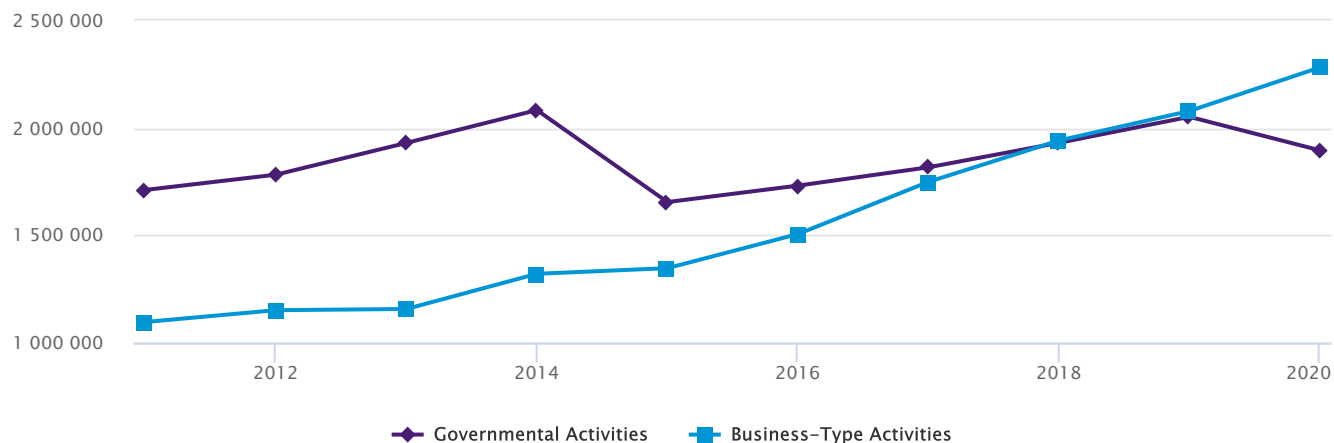
Financial Trends	220
<p>These schedules contain trend information to help the reader understand how the City’s Financial performance and well-being have changed over time.</p>	
Revenue Capacity	226
<p>These schedules contain information to help the reader assess the City’s most significant local revenue source, the sales tax.</p>	
Debt Capacity	226
<p>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	
Demographic and Economic Information	240
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
Operating Information	242
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	

Net Position by Component

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 1,247,292	\$ 1,315,237	\$ 1,366,632	\$ 1,420,817	\$ 1,509,354	\$ 1,572,753	\$ 1,730,520	\$ 1,780,073	\$ 1,955,118	\$ 2,002,667
Restricted	552,799	457,614	481,937	524,017	649,483	918,405	792,057	1,580,026	1,745,453	1,396,675
Unrestricted	(88,897)	9,411	81,589	138,255	(504,190)	(759,893)	(706,069)	(1,429,565)	(1,648,841)	(1,503,715)
Total governmental activities net position	\$ 1,711,194	\$ 1,782,262	\$ 1,930,158	\$ 2,083,089	\$ 1,654,647	\$ 1,731,265	\$ 1,816,508	\$ 1,930,534	\$ 2,051,730	\$ 1,895,627
Business-type activities										
Net investment in capital assets	\$ 91,524	\$ (13,036)	\$ (192,372)	\$ (193,351)	\$ (81,930)	\$ 175,636	\$ 701,234	\$ 604,246	\$ 517,177	\$ 610,628
Restricted	627,377	656,174	671,317	667,801	675,863	622,880	493,837	512,691	496,583	660,987
Unrestricted	377,121	507,873	677,576	846,056	752,775	707,076	553,533	824,401	1,065,120	1,010,116
Total business-type activities net position	\$ 1,096,022	\$ 1,151,011	\$ 1,156,521	\$ 1,320,506	\$ 1,346,708	\$ 1,505,592	\$ 1,748,604	\$ 1,941,338	\$ 2,078,880	\$ 2,281,731
Primary government										
Net investment in capital assets	\$ 1,338,816	\$ 1,302,201	\$ 1,174,260	\$ 1,227,466	\$ 1,427,424	\$ 1,748,389	\$ 2,431,754	\$ 2,384,319	\$ 2,472,295	\$ 2,613,295
Restricted	1,180,176	1,113,788	1,153,254	1,191,818	1,325,346	1,541,285	1,285,894	2,092,717	2,242,036	2,057,662
Unrestricted	288,224	517,284	759,165	984,311	248,585	(52,817)	(152,536)	(605,164)	(583,721)	(493,599)
Total primary government net position	\$ 2,807,216	\$ 2,933,273	\$ 3,086,679	\$ 3,403,595	\$ 3,001,355	\$ 3,236,857	\$ 3,565,112	\$ 3,871,872	\$ 4,130,610	\$ 4,177,358

Primary Government Net Position



Changes in Net Position

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 244,430	\$ 247,659	\$ 262,466	\$ 319,464	\$ 340,401	\$ 405,900	\$ 445,601	\$ 472,623	\$ 553,292	\$ 594,462
Public safety	531,109	570,111	563,658	592,270	588,597	688,287	707,981	670,773	724,031	855,496
Transportation and Infrastructure	149,160	195,168	164,837	193,207	190,577	216,587	254,381	282,285	378,125	306,170
Human services	114,252	111,067	114,624	114,727	125,195	145,594	167,131	176,745	163,930	159,248
Health	52,286	53,755	54,453	59,216	64,687	65,265	62,351	61,391	112,395	130,305
Parks and recreation	57,702	80,480	89,305	80,199	68,650	93,842	100,294	117,622	111,776	106,702
Cultural activities	127,606	110,885	123,248	128,799	131,835	130,536	157,531	156,680	168,960	123,649
Community development	46,571	40,262	35,142	39,598	45,355	48,766	52,832	71,622	64,884	178,505
Economic opportunity	23,036	21,481	21,218	21,091	20,027	14,830	11,746	1,187	9,873	12,385
Interest on long-term debt	77,263	74,901	70,030	66,306	63,267	62,566	63,952	62,524	74,432	60,650
Total governmental activities	1,423,415	1,505,769	1,498,981	1,614,877	1,638,591	1,872,173	2,023,800	2,073,452	2,361,698	2,527,572
Business-type activities:										
Wastewater management	97,773	99,179	105,679	102,688	111,941	114,740	124,046	129,459	138,617	151,126
Denver airport system	783,249	763,249	801,786	773,345	769,896	811,094	825,110	889,251	1,059,258	964,700
Environmental services	6,757	7,001	9,354	8,174	9,967	11,837	10,880	16,720	12,998	13,671
Golf course	8,757	8,943	10,474	12,254	10,766	11,146	11,507	11,711	12,820	14,881
Total business-type activities	896,536	878,372	927,293	896,461	902,570	948,817	971,543	1,047,141	1,223,693	1,144,378
Total Primary Government Expenses	\$ 2,319,951	\$ 2,384,141	\$ 2,426,274	\$ 2,511,338	\$ 2,541,161	\$ 2,820,990	\$ 2,995,343	\$ 3,120,593	\$ 3,585,391	\$ 3,671,950
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 78,018	\$ 75,761	\$ 87,988	\$ 97,289	\$ 99,302	\$ 99,847	\$ 97,788	\$ 83,149	\$ 101,603	99,453
Public safety	87,212	90,528	87,996	86,010	93,230	95,497	97,339	110,837	99,548	93,350
Public works	55,831	60,227	68,666	71,653	77,308	75,580	79,397	81,237	78,883	-
Community development	15,298	23,466	25,615	25,741	41,312	34,264	39,905	41,317	51,039	37,091
Other activities	69,337	74,844	76,577	86,043	91,608	95,337	92,573	103,838	107,264	81,111
Operating grants and contributions:										
General government	20,673	33,960	26,716	23,694	37,017	23,475	25,288	26,177	28,415	79,325
Public safety	28,817	30,634	29,023	26,861	26,914	26,398	24,327	27,787	25,012	27,279
Public works	19,256	62,269	19,370	20,654	20,825	23,358	21,992	116,848	24,616	-
Human services	77,417	73,133	68,244	76,207	73,768	86,469	95,221	96,337	96,093	92,925
Community development	29,258	26,617	15,800	17,064	7	6	283	1,577	17,763	60,518
Other activities	20,192	26,706	20,259	22,767	22,006	19,935	27,174	31,437	22,381	69,165
Capital grants and contributions:										
Public works	25,333	30,777	29,408	35,699	9,701	36,527	65,555	77,198	59,431	-
Other activities	15,491	2,780	40,104	18,780	28,597	31,691	24,877	25,376	48,804	104,157
Total governmental activities program revenues	542,133	611,702	595,766	608,462	621,595	648,384	691,719	823,115	760,852	744,374

Changes in Net Position - continued

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

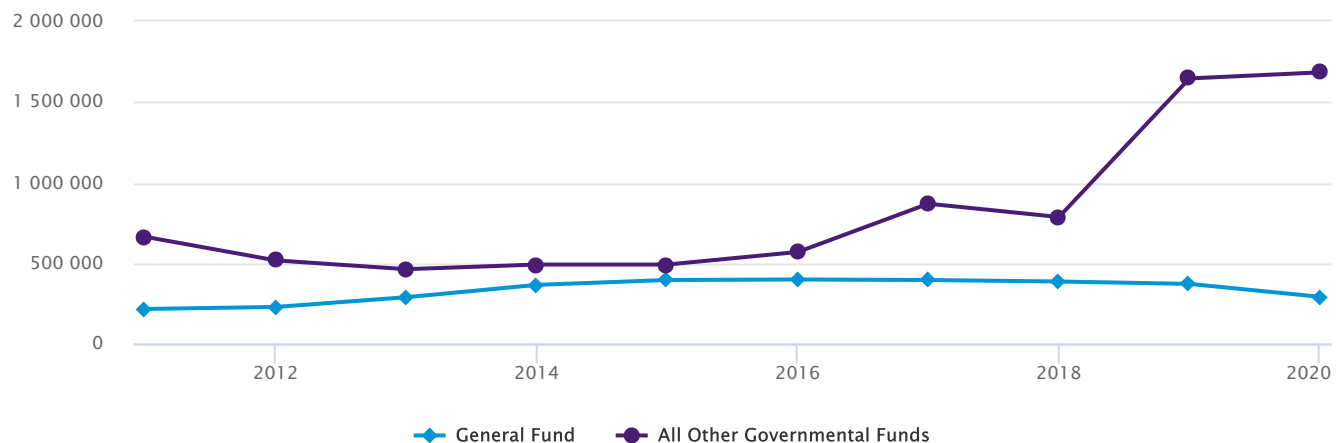
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Wastewater management	\$ 89,744	\$ 106,167	\$ 115,872	\$ 120,806	\$ 126,260	\$ 133,375	\$ 150,122	\$ 159,526	\$ 107,829	\$ 108,374
Denver airport system	705,979	730,145	661,637	711,490	793,543	876,643	906,750	952,286	1,021,802	667,353
Other activities	17,026	18,471	18,108	20,627	26,339	22,131	26,663	22,531	21,542	25,526
Operating grants and contributions:										
Denver airport system	400	675	103,513	121,690	19,220	686	873	-	-	-
Capital grants and contributions:										
Wastewater enterprises	11,652	6,890	7,289	8,379	9,564	25,142	21,296	17,742	10,752	9,099
Denver airport system	34,702	22,996	31,412	20,533	20,483	3,553	55,879	26,730	15,301	33,773
Other activities	-	-	-	-	-	280	-	-	-	-
Total business-type activities program revenues	859,503	885,344	937,831	1,003,525	995,409	1,061,810	1,161,583	1,178,815	1,177,226	844,125
Total Primary Government Net (Expense) Revenue	\$ 1,401,636	\$ 1,497,046	\$ 1,533,597	\$ 1,611,987	\$ 1,617,004	\$ 1,710,194	\$ 1,853,302	\$ 2,001,930	\$ 1,938,078	\$ 1,588,499
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859	\$ 419,648	\$ 472,995	\$ 479,346	\$ 510,841
Sales and use	481,023	494,495	539,348	615,735	638,276	674,398	718,577	762,201	896,924	791,510
Other	132,259	140,123	146,875	165,584	180,745	187,427	217,940	229,725	250,162	138,736
Investment and interest income	24,196	11,259	2,525	14,928	15,503	19,151	20,642	37,996	83,806	97,767
Other revenue	42,378	31,921	35,368	25,511	48,550	24,128	39,465	21,000	57,196	74,434
Transfers	244	275	275	575	2,275	(1,676)	1,052	444	1,324	4,964
Capital asset transfers	-	-	-	(10,066)	-	(2,880)	-	-	1,282	(2,250)
Total governmental activities	968,206	965,135	1,056,305	1,159,346	1,234,525	1,300,407	1,417,324	1,524,361	1,770,040	1,616,002
Business-type activities:										
Investment and interest income	33,323	48,275	24,357	45,205	41,593	40,414	49,083	79,751	181,628	162,114
Other revenue	-	17	948	2,225	13,666	921	4,941	6,238	4,987	343,704
Transfers	(244)	(275)	(275)	(575)	(2,275)	1,676	(1,052)	(444)	(1,324)	(4,964)
Capital asset transfers	-	-	-	10,066	-	2,880	-	-	(1,282)	2,250
Total business-type activities	33,079	48,017	25,030	56,921	52,984	45,891	52,972	85,545	184,009	503,104
Total General Revenues and Other Changes in Net Position	\$ 1,001,285	\$ 1,013,152	\$ 1,081,335	\$ 1,216,267	\$ 1,287,509	\$ 1,346,298	\$ 1,470,296	\$ 1,609,906	\$ 1,954,049	\$ 2,119,106
Changes in Net Position										
Governmental activities	\$ 86,924	\$ 71,068	\$ 153,090	\$ 152,931	\$ 217,529	\$ 76,618	\$ 85,243	\$ 274,024	\$ 169,194	\$ (167,196)
Business activities	(3,954)	54,989	35,568	163,985	145,823	158,884	243,012	217,219	137,542	202,851
Total Primary Government	\$ 82,970	\$ 126,057	\$ 188,658	\$ 316,916	\$ 363,352	\$ 235,502	\$ 328,255	\$ 491,243	\$ 306,736	\$ 35,655

Fund Balances of Governmental Funds

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 330	\$ 159	\$ 268	\$ 425	\$ 2,890	\$ 7,215	\$ 2,979	\$ 4,709	\$ 11,651	\$ 14,254
Restricted	54,049	56,566	62,443	65,439	65,713	68,114	71,295	75,838	85,127	71,056
Committed	12,039	15,084	23,594	30,388	32,121	50,964	55,661	74,024	74,677	41,555
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	147,892	155,039	201,030	267,764	293,476	271,130	264,124	230,209	198,626	163,016
Total General Fund	\$ 214,310	\$ 226,848	\$ 287,335	\$ 364,016	\$ 394,200	\$ 397,423	\$ 394,059	\$ 384,780	\$ 370,081	\$ 289,881
All other governmental funds										
Nonspendable	\$ 3,030	\$ 5,729	\$ 6,515	\$ 3,038	\$ 8,218	\$ 9,395	\$ 20,479	\$ 16,580	\$ 4,686	\$ 3,686
Restricted	479,270	395,160	413,008	455,110	528,071	833,997	743,187	1,387,996	1,636,150	1,694,495
Committed	2,616	27,786	37,804	3,966	2,262	24,041	20,624	29,940	4,203	24,712
Assigned	30,966	32,760	29,043	28,076	30,040	559	1,062	1,047	1,057	1,038
Unassigned	-	(38)	-	-	(372)	-	-	-	-	(40,109)
Total all other governmental funds	\$ 662,322	\$ 515,882	\$ 461,397	\$ 486,370	\$ 490,190	\$ 568,219	\$ 867,992	\$ 785,352	\$ 1,646,096	\$ 1,683,823

Fund Balances of Governmental Funds



Changes in Fund Balances of Governmental Funds

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859	\$ 299,320	\$ 472,995	\$ 480,741	\$ 510,841
Sales and use taxes	481,023	494,495	539,348	608,307	640,251	676,916	64,981	762,201	896,925	791,510
Other taxes	132,259	140,123	146,875	165,584	180,745	187,427	101,593	229,725	248,770	138,736
Special assessments	1,429	1,422	1,702	1,913	1,575	1,282	1,257	1,305	1,819	1,858
Licenses and permits	31,094	35,393	44,415	49,963	61,530	61,235	431	68,005	69,322	63,571
Intergovernmental revenues	227,776	236,892	206,878	218,206	213,643	223,296	211,345	278,238	280,420	389,641
Charges for services	200,728	219,691	225,169	237,077	265,105	267,170	71,668	279,037	313,011	225,575
Investment and interest income	23,680	10,738	2,003	14,413	14,998	18,661	10,984	37,540	83,371	97,355
Fines and forfeitures	58,075	55,964	57,469	54,472	53,540	49,433	1,688	45,032	39,579	30,470
Contributions	8,661	6,515	7,086	5,578	4,657	6,709	9,975	29,960	7,147	7,585
Other revenue	64,905	51,030	55,664	54,660	65,103	62,289	51,828	63,132	67,190	67,678
Total revenues	1,517,736	1,539,325	1,618,523	1,757,252	1,850,323	1,954,277	825,070	2,267,170	2,488,295	2,324,820
Expenditures										
General government	239,138	242,091	258,408	304,479	332,024	374,605	205,575	425,260	466,523	495,843
Public safety	514,421	545,395	552,663	574,812	607,077	606,983	75,714	687,895	718,926	722,561
Public works	155,204	207,205	170,129	221,813	192,462	188,078	139,248	309,140	364,097	313,358
Health	52,415	52,848	54,205	59,469	64,036	61,822	13,139	59,532	107,222	149,820
Human services	114,004	110,784	114,079	113,799	123,095	135,733	-	168,061	164,274	126,625
Parks and recreation	63,895	61,761	66,992	70,301	73,222	75,752	12,902	101,208	99,176	90,970
Cultural activities	80,599	87,984	98,038	107,138	110,427	115,446	81,525	133,983	142,806	110,349
Community development	49,882	40,505	35,030	39,469	44,791	46,968	19,417	68,699	75,052	155,581
Economic opportunity	22,939	21,482	21,321	21,085	19,813	14,588	6,873	745	9,642	15,057
Principal retirement	81,269	87,393	99,525	95,885	104,667	107,346	149,079	160,127	146,111	150,794
Interest	79,425	75,351	72,842	69,427	64,622	60,908	64,927	56,510	75,097	76,137
Bond issuance costs	289	-	-	500	491	2,073	-	-	-	-
Capital outlay	155,267	93,934	45,877	32,697	35,194	99,506	57,959	121,666	170,324	171,176
Total Expenditures	1,608,747	1,626,733	1,589,109	1,710,874	1,771,921	1,889,808	826,358	2,292,826	2,539,250	2,578,271
Deficiency of revenues under expenditures	(91,011)	(87,408)	29,414	46,378	78,402	64,469	(1,288)	(25,656)	(50,955)	(253,451)

continued

Note: Reporting of fund balances was changed in 2011 due to the implementation of GASB 54.

Changes in Fund Balances of Governmental Funds, continued

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

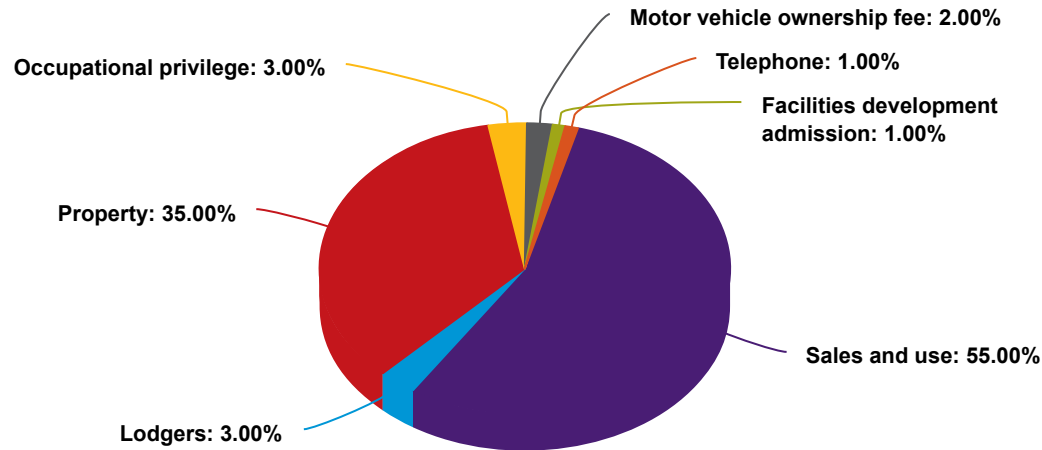
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses)										
Sale of capital assets	617	5	128	1,784	296	1,081	3,957	651	14,429	5,980
GID general obligation bonds issued	-	-	-	-	-	-	-	-	-	-
General obligation bonds issued	16,455	-	-	-	-	-	-	-	-	-
Issuance of certificate of participation	-	-	-	-	22,470	-	1,055	129,000	-	19,670
Issuance of capital leases	4,590	52,743	34,030	19,905	485	373	13,551	4,463	4,888	3,341
Capital leases restructured	-	-	-	-	-	-	15,507	-	-	-
Intergovernmental agreement	-	6,725	-	-	-	-	-	-	-	-
Payment to escrow	-	(13,729)	(256,518)	-	-	(193,979)	(21,478)	(75,824)	(56,221)	(314,083)
Commercial paper issued	-	-	-	-	-	-	-	-	-	-
Bond premium (discount)	1,006	-	19,659	-	-	30,857	-	46,140	32,094	94,225
Note proceeds	-	-	-	-	1,422	3,000	4,025	-	-	-
Issuance of bonds	-	-	48,660	12,000	-	204,170	-	560,905	199,175	169,925
Issuance of bonds - refunding	-	-	209,700	-	-	193,140	-	-	50,140	222,700
Insurance recoveries	484	1,240	749	500	1,266	1,561	793	809	965	776
Transfers in	73,294	87,479	108,121	112,670	206,427	182,897	198,933	190,327	219,870	143,203
Transfers out	(73,626)	(89,002)	(108,483)	(112,736)	(202,555)	(184,573)	(197,466)	(189,883)	(218,546)	(134,744)
Total other financing sources (uses)	22,820	45,461	56,046	34,123	29,811	238,527	18,877	666,588	246,794	210,993
Net change in fund balances	\$ (68,191)	\$ (41,947)	\$ 85,460	\$ 80,501	\$ 108,213	\$ 302,996	\$ (86,004)	\$ 640,932	\$ 195,839	\$ (42,458)
Debt service as a percentage of noncapital expenditures	11.6%	11.2%	11.7%	10.4%	10.6%	9.7%	11.6%	9.4%	9.9%	10.0%

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

Taxes	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Facilities development admission	\$ 8,325	\$ 8,986	\$ 8,721	\$ 9,262	\$ 12,569	\$ 12,401	\$ 13,816	\$ 16,846	\$ 15,859	\$ 1,808
Lodgers	55,620	57,956	63,482	75,579	82,376	88,872	112,947	120,056	134,047	47,149
Motor vehicle ownership fee	17,140	19,784	21,000	23,944	26,647	26,787	30,793	30,654	32,020	25,921
Occupational privilege	41,141	43,227	44,515	46,438	48,293	49,864	50,955	53,093	54,940	50,669
Property	288,106	287,062	331,914	347,079	349,176	399,859	419,648	472,995	479,346	510,841
Sales and use	481,023	494,495	539,348	608,307	640,251	676,916	721,512	762,201	896,924	791,510
Specific ownership	162	191	193	213	232	57	57	62	88	82
Telephone	9,871	9,979	8,964	10,148	10,628	9,446	9,372	9,014	13,208	13,107
Total primary government taxes	\$ 901,388	\$ 921,680	\$ 1,018,137	\$ 1,120,970	\$ 1,170,172	\$ 1,264,202	\$ 1,359,100	\$ 1,464,921	\$ 1,626,432	\$ 1,441,087

Revenues by Sources - Governmental Activities

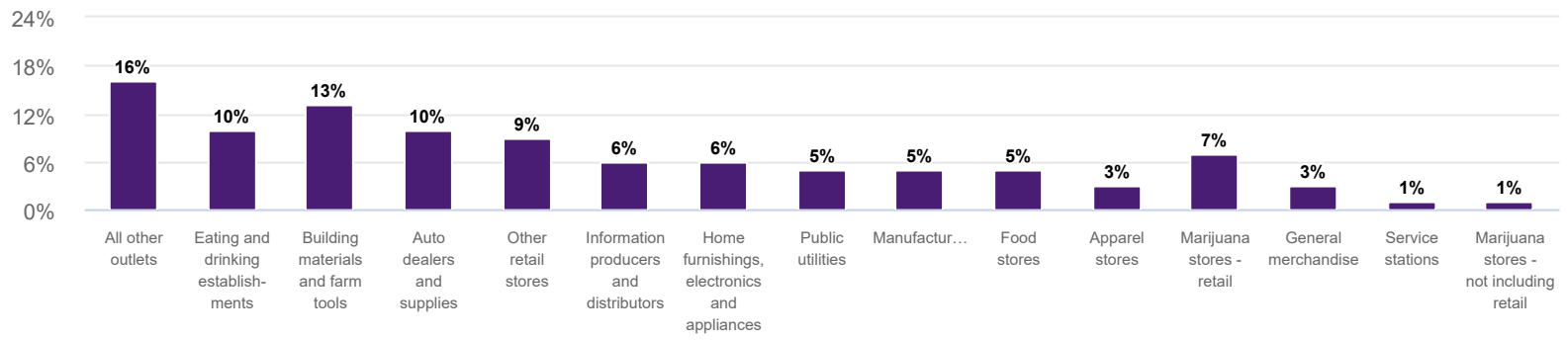


Sales Tax by Category

Last 10 Calendar Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel stores	\$ 20,237	\$ 21,796	\$ 22,778	\$ 24,111	\$ 25,523	\$ 26,029	\$ 26,758	\$ 28,393	\$ 33,031	\$ 25,325
General merchandise	16,825	17,161	17,704	18,276	18,527	22,189	21,894	23,548	26,312	25,632
Food stores	19,467	20,269	21,399	23,698	24,994	27,972	28,833	31,067	35,992	36,546
Eating and drinking establishments	75,531	77,886	85,211	94,439	101,242	106,903	113,091	122,062	145,747	79,912
Home furnishings, electronics and appliances	21,827	22,584	24,410	26,138	28,026	38,112	41,147	44,738	50,809	49,788
Building materials and farm tools	33,700	36,837	44,188	52,708	55,122	78,695	86,174	91,072	100,886	102,790
Auto dealers and supplies	41,544	44,371	50,021	55,414	62,000	62,801	64,529	63,872	75,490	77,633
Service stations	16,798	15,100	14,396	15,027	15,058	13,333	12,879	12,758	15,591	3,762
Public utilities	30,333	28,164	30,944	32,931	31,106	30,285	31,366	32,743	36,235	37,186
Manufacturing	35,073	36,415	40,651	46,870	46,166	38,616	29,579	35,373	41,312	40,576
Information producers and distributors	40,445	38,576	37,877	38,213	37,036	40,450	41,637	38,025	48,054	49,651
Marijuana stores - retail	n/a	n/a	n/a	10,761	15,636	20,611	26,723	29,995	37,024	53,536
Marijuana stores - not including retail	n/a	n/a	n/a	6,451	6,996	7,730	7,430	7,636	9,220	8,129
Other retail stores	47,463	51,512	52,656	55,634	55,530	45,338	50,577	54,605	65,771	71,216
All other outlets	81,780	83,824	97,113	107,636	117,289	117,852	138,895	146,314	175,450	129,827
Total	\$ 481,023	\$ 494,495	\$ 539,348	\$ 608,307	\$ 640,251	\$ 676,916	\$ 721,512	\$ 762,201	\$ 896,924	\$ 791,509
City direct sales tax rate	3.62%	3.62%	3.62%	3.62%	3.62%	3.65%	3.65%	3.65%	3.65%	3.65%

2020 Sales Tax by Category



Note:The 2020 tax rate for retail marijuana is 7.12%

Source: Denver Controller's Office

Assessed Value and Estimated Actual Value of Taxable Property

Last 10 Fiscal Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant property	\$ 194,051	\$ 193,826	\$ 212,668	\$ 181,758	\$ 219,528	\$ 186,774	\$ 259,521	\$ 231,259	\$ 352,077	\$ 328,355
Residential property	4,325,747	4,345,018	4,469,706	4,567,603	5,919,659	6,059,029	7,211,589	7,428,065	8,957,539	9,211,401
Commercial property	4,655,265	4,567,479	4,886,510	4,909,533	6,445,053	6,521,348	8,084,596	8,224,419	10,664,888	10,832,339
Industrial property	147,433	120,329	124,503	122,425	150,606	143,930	179,325	175,198	230,238	219,793
Agricultural property	120	55	69	69	79	138	92	356	133	125
Personal property	726,354	722,513	741,538	765,486	825,798	827,331	887,721	918,036	988,926	970,056
State assessed property	888,485	808,218	829,207	838,378	824,187	920,535	925,503	947,791	914,200	965,822
Total taxable assessed value	\$ 10,937,455	\$ 10,757,438	\$ 11,264,201	\$ 11,385,252	\$ 14,384,910	\$ 14,659,085	\$ 17,548,347	\$ 17,925,124	\$ 22,108,001	\$ 22,527,891
Total direct tax rate	28.419	32.926	33.119	33.055	30.119	30.531	28.333	28.301	24.455	25.184
Estimated actual taxable value	\$ 77,142,543	\$ 76,697,449	\$ 79,581,379	\$ 80,891,083	\$ 100,203,607	\$ 105,772,919	\$ 134,744,419	\$ 139,408,175	\$ 171,449,490	\$ 166,203,442
Assessed value as a percentage of estimated actual value	14.2%	14.0%	14.2%	14.1%	14.4%	13.9%	13.0%	12.9%	12.9%	13.6%

Note: The TABOR amendment, which was approved by Colorado voters in 1992, requires all assessors to use only the market approach in valuing residential property. For commercial real property, the income approach is generally the appropriate method to use in estimating value. Under Colorado law, all assessors must reappraise real property every two years; this occurs in every odd-numbered year (2011, 2013, 2015, 2017, and 2019.). If home sales have been very active, and home prices have been increasing, then the property value and assessment for many types and styles of homes typically will increase during these reappraisals. Property tax is determined by the mill levy, which is set in December of each year by the taxing authorities in Denver (the school district, city council, special districts, etc.) In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits. Taxable assessed values are reported net of tax-exempt property.

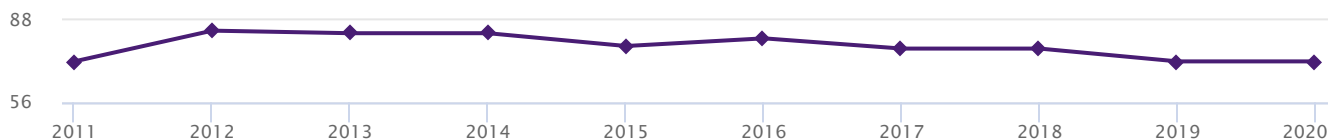
Source: Abstract of Assessment documents

Direct and Overlapping Property Tax Rates

Last 10 Fiscal Years (mill levy - total general taxes)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Direct Rates										
General fund	9.805	13.362	13.185	13.156	11.331	11.276	9.944	9.922	9.260	9.820
Bond principal	3.980	4.170	4.330	4.100	5.433	7.433	7.000	7.000	4.500	5.500
Bond interest	3.600	3.780	4.103	4.333	3.000	1.000	1.433	1.433	2.000	1.000
Social services	4.101	4.520	4.480	4.470	3.849	3.835	3.380	3.374	2.479	2.630
Developmentally disabled	1.030	1.033	1.021	1.016	1.012	1.010	1.010	1.009	1.011	1.010
Fire pension	1.519	1.587	1.572	1.568	1.350	1.345	1.185	1.183	1.042	1.040
Police pension	1.812	1.893	1.875	1.870	1.610	1.604	1.413	1.411	1.243	1.240
Capital maintenance	3.000	2.581	2.553	2.542	2.534	2.528	2.526	2.525	2.528	2.530
Affordable housing	-	-	-	-	-	0.500	0.442	0.444	0.392	0.420
Total County Direct Rates	28.419	32.926	33.119	33.055	30.119	30.531	28.333	28.301	24.455	25.190
School District #1										
General fund	34.307	39.575	38.853	38.780	37.147	41.013	38.594	38.676	37.096	36.926
Bond redemption	7.958	10.913	10.446	10.519	10.250	9.383	9.650	9.568	9.568	9.568
Special revenue mill	-	-	-	-	-	-	-	-	-	1.517
Total School District #1	42.265	50.488	49.299	49.299	47.397	50.396	48.244	48.244	46.664	48.011
Urban Drainage & Flood Control District										
	0.623	0.657	0.672	0.700	0.611	0.620	0.557	0.820	0.997	1.000
Total General Taxes	71.307	84.071	83.090	83.054	78.127	81.547	77.134	77.365	72.116	73.201

Mill Levy - Total General Taxes



Note: The mill levy shown for total general taxes does not include special district mill levies. In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits.

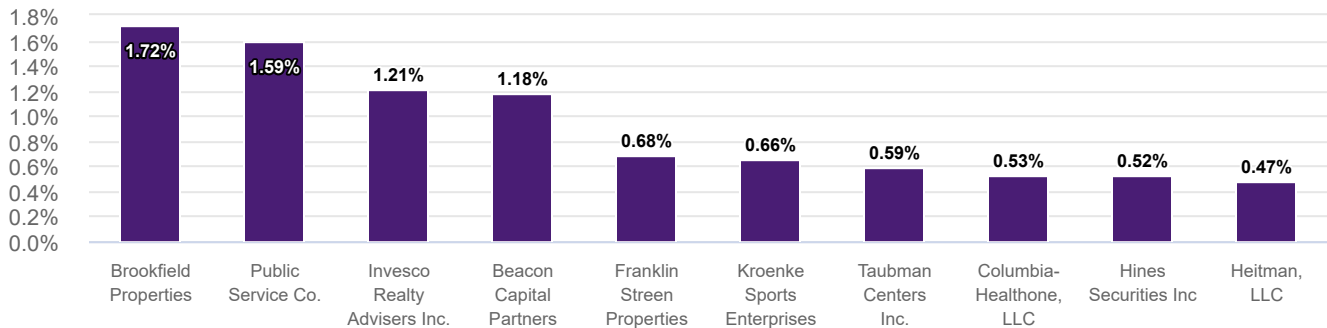
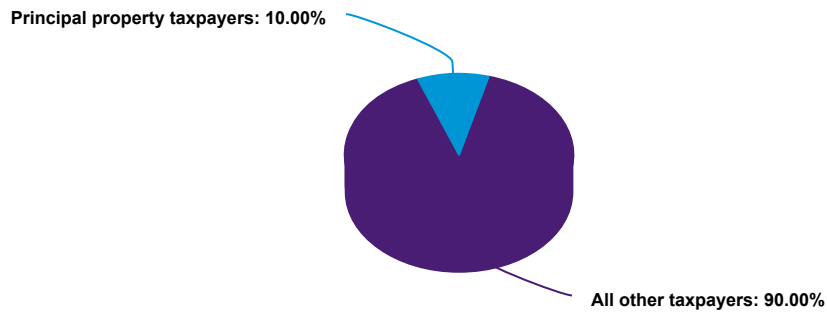
Source: Abstract of Assessment documents

Principal Property Taxpayers

Current Year and Nine Years Ago (dollars in thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brookfield Properties	\$ 386,893	1	1.72%	\$ 82,092	7	0.75%
Public Service Co.	357,435	2	1.59%	223,358	1	2.04%
Invesco Realty Advisers Inc.	273,414	3	1.21%			
Beacon Capital Partners	265,319	4	1.18%			
Franklin Streen Properties	153,179	5	0.68%			
Kroenke Sports Enterprises	149,156	6	0.66%			
Taubman Centers Inc.	132,439	7	0.59%			
Columbia-Healthtone, LLC	119,897	8	0.53%	82,921	6	0.76%
Hines Securities Inc	116,070	9	0.52%			
Heitman, LLC	105,979	10	0.47%			
CenturyLink, Inc.1				190,453	2	1.74%
Callahan Capital Partners				109,778	3	1.00%
Frontier Airlines				106,611	4	0.97%
United Airlines, Inc.				87,607	5	0.80%
LBA Realty Fund II Co. IV				80,738	8	0.74%
UBS Realty Investors				74,186	9	0.68%
MPG Office Trust, Inc.				73,678	10	0.67%
Totals	\$ 2,059,781		9.14%	\$ 1,111,422		10.15%

Principal Property Taxpayers



⁽¹⁾ CenturyLink, Inc. merged with Qwest Corp. in April 2011.

Source: Abstract of Assessment documents

Property Tax Levies and Collections

Last 10 Fiscal Years (dollars in thousands)

	Taxes levied	Prepaid amount collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years	Total collections to date		
						Amount	Percentage of levy	Cancellations ⁽¹⁾
General Fund								
2011	\$ 73,181	\$ 494	\$ 71,281	98.08%	\$ 1,835	\$ 73,116	99.91%	\$ 65
2012	106,177	358	105,134	99.35%	910	106,044	99.87%	133
2013	109,268	469	107,758	99.05%	968	109,195	99.93%	73
2014	109,682	580	108,074	99.06%	970	109,624	99.95%	
2015	118,856	631	116,532	98.58%	1,642	118,805	99.96%	
2016	120,180	586	118,973	99.48%	512	120,071	99.91%	
2017	130,549	2,043	127,117	98.94%	1,309	130,469	99.94%	
2018	132,251	599	131,536	99.91%	29	132,164	99.93%	
2019	154,200	565	153,354	99.82%	n/a	153,919	99.82%	
2020	166,391	195	-	0.12%	n/a	195	0.12%	
Affordable Housing								
2016	\$ 6,730	\$ 32	\$ 6,664	99.49%	\$ 28	\$ 6,724	99.91%	
2017	7,326	114	7,134	98.94%	74	7,322	99.95%	
2018	7,470	34	7,429	99.91%	2	7,465	99.93%	
2019	8,123	30	8,079	99.83%	n/a	8,109	99.83%	
2020	8,795	10	-	0.11%	n/a	10	0.11%	
Bond Principal Fund								
2011	\$ 40,599	\$ 274	\$ 39,546	98.08%	\$ 743	\$ 40,563	99.91%	\$ 36
2012	41,730	141	41,320	99.36%	217	41,678	99.88%	52
2013	45,268	194	44,643	99.05%	402	45,239	99.94%	30
2014	43,121	228	42,512	99.12%	358	43,098	99.95%	
2015	71,837	381	70,525	98.70%	900	71,806	99.96%	
2016	100,054	487	99,052	99.49%	424	99,963	99.91%	
2017	116,028	1,813	112,978	98.93%	1,166	115,957	99.94%	
2018	117,770	533	117,134	99.91%	25	117,692	99.93%	
2019	93,250	341	92,738	99.82%	n/a	93,079	99.82%	
2020	116,003	136	-	0.12%	n/a	136	0.12%	
Bond Interest Fund								
2011	\$ 36,723	\$ 248	\$ 35,770	98.08%	\$ 672	\$ 36,690	99.91%	\$ 33
2012	37,827	128	37,455	99.35%	197	37,780	99.88%	47
2013	42,895	184	42,302	99.05%	381	42,867	99.93%	29
2014	45,572	241	44,928	99.12%	378	45,547	99.95%	
2015	39,667	211	38,942	98.70%	497	39,650	99.96%	
2016	13,461	65	13,326	99.48%	58	13,449	99.91%	
2017	23,753	371	23,128	98.93%	240	23,739	99.94%	
2018	24,109	109	23,979	99.91%	5	24,093	99.93%	
2019	41,444	152	41,217	99.82%	n/a	41,369	99.82%	
2020	21,092	25	-	0.37%	n/a	25	0.12%	

Property Tax Levies and Collections, continued

Last 10 Fiscal Years (dollars in thousands)

	Taxes levied	Prepaid amount collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years	Total collections to date		
						Amount	Percentage of levy	Cancellations ⁽¹⁾
Human Services Fund								
2011	\$ 52,340	\$ 354	\$ 50,981	98.08%	\$ 958	\$ 52,293	99.91%	\$ 47
2012	56,335	187	55,778	99.34%	300	56,265	99.88%	70
2013	58,308	247	57,501	99.04%	522	58,270	99.93%	38
2014	58,530	305	57,705	99.11%	490	58,500	99.95%	
2015	65,295	341	64,097	98.69%	830	65,268	99.96%	
2016	66,205	317	65,548	99.49%	281	66,146	99.91%	
2017	73,507	1,137	71,586	98.93%	740	73,463	99.94%	
2018	74,516	334	74,116	99.91%	16	74,466	99.93%	
2019	73,287	264	72,888	99.82%	n/a	73,152	99.82%	
2020	76,731	90	-	0.12%	n/a	90	0.12%	
Capital Improvement and Maintenance Funds								
2011	\$ 53,075	\$ 359	\$ 51,697	98.08%	\$ 972	\$ 53,028	99.91%	\$ 47
2012	53,369	180	52,844	99.35%	278	53,302	99.87%	67
2013	55,183	237	54,420	99.05%	489	55,146	99.93%	37
2014	55,322	292	54,526	99.09%	474	55,292	99.95%	
2015	64,472	342	63,255	98.64%	848	64,445	99.96%	
2016	65,381	153	64,891	99.48%	278	65,322	99.91%	
2017	75,897	1,187	73,902	98.94%	762	75,851	99.94%	
2018	76,985	348	76,569	99.91%	17	76,934	99.93%	
2019	89,823	329	89,330	99.82%	n/a	89,659	99.82%	
2020	53,319	110	-	0.21%	n/a	110	0.21%	
Total								
2011	\$ 255,918	\$ 1,729	\$ 249,275	98.08%	\$ 5,180	\$ 251,004	98.08%	\$ 228
2012	295,438	994	292,531	99.35%	1,902	293,525	99.35%	369
2013	310,922	1,331	306,624	99.05%	2,762	310,717	99.93%	207
2014	312,227	1,646	307,745	99.09%	2,670	312,061	99.95%	
2015	360,127	1,906	353,351	98.65%	4,717	359,974	99.96%	
2016	372,011	1,640	368,454	99.48%	1,581	371,675	99.91%	
2017	427,060	6,665	415,845	98.93%	4,291	426,801	99.94%	
2018	433,101	1,957	430,763	99.91%	94	432,814	99.93%	
2019	460,127	1,681	457,606	99.82%	n/a	459,287	99.82%	
2020	442,331	566	-	0.13%	n/a	566	0.13%	

⁽¹⁾ Taxes are determined to be uncollectable after six (6) years from the date of becoming delinquent and cancelled as authorized by C.R.S. 39-10-114⁽²⁾(b).

Note: The property tax is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Figures shown capture the effect of payments, tax adjustments, and refunds.

Source: Denver Controller's Office

Ratios of Outstanding Debt by Type

Last 10 Fiscal Years (dollars in thousands, except per capita amount)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
General obligation bonds	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406	\$ 661,776	\$ 737,991	\$ 842,856	\$ 766,120
General obligation bonds - Direct Placement										76,250
Excise tax revenue bonds	249,140	230,650	211,325	191,150	171,365	374,960	351,475	630,659	611,596	589,430
Capital leases	429,279	447,679	413,417	406,490	403,555	375,112	360,219	467,327	439,273	341,635
Capital leases - Direct Placement										71,993
Unamortized premium	48,876	40,927	47,108	37,948	31,080	50,253	42,612	79,109	100,208	181,060
Note payable	8,640	13,804	7,856	7,456	1,431	1,431	-	-	-	-
GID note payable	-	-	-	-	-	5,844	6,165	5,921	5,634	5,330
Business-Type Activities										
Revenue bonds	3,803,945	3,950,425	4,491,390	4,330,935	4,156,170	4,046,185	4,115,325	6,249,765	5,953,880	5,000,360
Revenue bonds - Direct Placement										741,570
Economic defeasance	-	-	-	-	-	-	-	-	40,080	40,080
Revenue credit payable	-	-	-	-	-	-	-	-	413,874	29,439
Unamortized (discount)/premium	70,089	173,057	177,856	158,108	133,495	163,975	180,335	431,574	435,237	397,254
Capital leases	430	9,769	8,785	9,345	8,179	10,980	8,506	6,063	9,494	-
Capital leases - Direct Placement										6,712
Notes payable	24,466	35,169	25,804	20,987	17,077	10,751	8,684	6,576	4,427	2,235
Total primary government	\$5,576,349	\$5,797,129	\$6,287,480	\$ 6,030,065	\$ 5,738,028	\$ 5,795,053	\$ 5,728,932	\$ 8,614,985	\$ 8,856,559	\$ 8,249,468
Percentage of personal income	15.81%	15.55%	16.37%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Ratios of General Bonded Debt Outstanding

Last 10 Fiscal Years (dollars in thousands, except per capita amount)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General obligation bonds	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406	\$ 661,776	\$ 737,991	\$ 842,856	\$ 766,120
General obligation bonds - Direct placement										76,250
Less amounts available in debt service fund	(38,943)	(32,777)	(26,513)	(64,755)	(84,239)	(129,356)	(145,707)	(151,904)	(154,464)	(165,397)
Total	\$ 902,541	\$ 862,872	\$ 877,426	\$ 802,891	\$ 731,437	\$ 632,050	\$ 516,069	\$ 586,087	\$ 688,392	\$ 676,973
Percentage of estimated actual taxable value of property	1.17%	1.13%	1.10%	0.99%	0.73%	0.60%	0.38%	0.42%	0.40%	0.41%
Per Capita	\$ 1,524	\$ 1,457	\$ 1,482	\$ 1,356	\$ 1,235	\$ 1,068	\$ 862	\$ 960	\$ 1,147	\$ 904

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Direct and Overlapping Governmental Activities Debt

December 31, 2020 (dollars in thousands)

	Debt Outstanding	Percentage Applicable	City and County of Denver Share of Debt
Direct Debt			
General Obligation bonds	\$ 766,120 ⁽¹⁾		
General Obligation bonds - direct placement	76,250 ⁽¹⁾		
General Improvement District revenue notes	5,330		
Capital leases	341,635		
Capital leases - direct placement	71,993		
Excise tax revenue bonds	589,430		
Total Net Direct Debt	1,697,185		
Overlapping Debt			
Regional Transportation District	3,222,791	30.23% ⁽²⁾	\$ 974,393
Metro Wastewater Reclamation District	670,292	40.92% ⁽³⁾	\$ 274,283
School District #1	1,787,170	100.00%	\$ 2,785,002
Total Overlapping Debt	5,680,253		4,033,678
Total Net Direct and Overlapping Debt	\$ 7,377,438		\$ 5,730,863

⁽¹⁾ Does not include compound interest from the 2007 and 2014A mini-bonds of \$12,042.

⁽²⁾ Percentage calculated on estimated Scientific and Cultural Facilities District sales and use tax for Denver City and County compared to State total, per the Colorado Department of Revenue, Office of Research and Analysis.

⁽³⁾ Percentage calculated on Denver's wastewater charges compared to the entire metro district per Metro Wastewater Reclamation District.

Legal Debt Margin Information

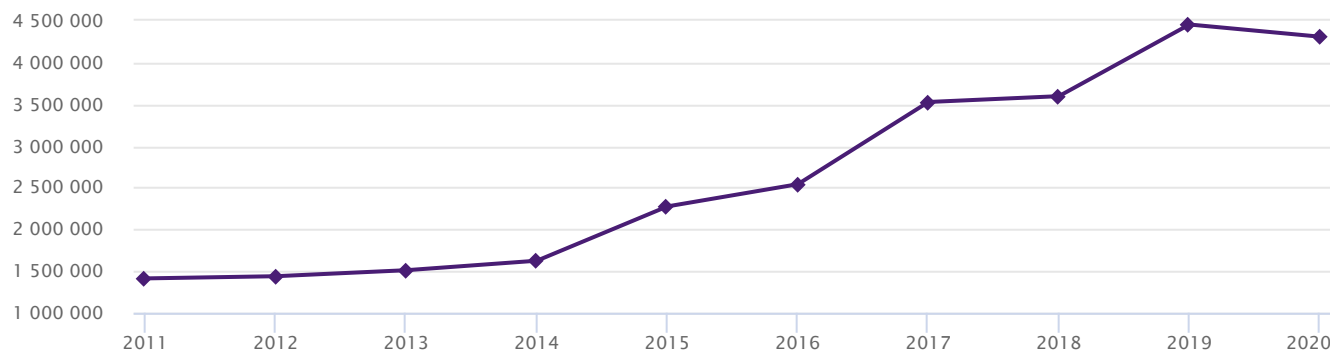
Last 10 Fiscal Years (dollars in thousands)

Calculation of Legal Debt Margin for Fiscal Year 2020

Total Estimated Actual Valuation	<u>\$ 166,203,441</u>
Maximum general obligation debt, limited to 3% of total valuation	\$ 4,986,103
Outstanding bonds chargeable to limit	842,370
Less amount reserved for long-term debt	<u>165,397</u>
Net chargeable to bond limit	<u>676,973</u>
Legal Debt Margin – December 31	\$ 4,309,130

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$2,314,276	\$2,300,923	\$ 2,387,441	\$2,426,732	\$3,006,108	\$3,173,188	\$4,042,333	\$4,182,245	\$5,143,485	\$4,986,103
Total net debt application to limit	<u>902,541</u>	<u>862,872</u>	<u>877,426</u>	<u>802,891</u>	<u>731,437</u>	<u>632,050</u>	<u>516,069</u>	<u>586,087</u>	<u>688,392</u>	<u>676,973</u>
Legal debt margin	<u>\$1,411,735</u>	<u>\$1,438,051</u>	<u>\$ 1,510,015</u>	<u>\$1,623,841</u>	<u>\$2,274,671</u>	<u>\$2,541,138</u>	<u>\$3,526,264</u>	<u>\$3,596,158</u>	<u>\$4,455,093</u>	<u>\$4,309,130</u>
Total net debt applicable to the limit as a percentage of debt limit	39.00%	37.50%	36.75%	33.09%	24.33%	19.92%	12.77%	14.01%	13.38%	13.58%

Legal Debt Margin



Note: Section 7.2.5, Charter of the City and County of Denver: The City and County of Denver shall not become indebted for general obligation bonds, to any amount, which, including indebtedness, shall exceed three percent of the actual value as determined by the last final assessment of the taxable property within the City and County of Denver.

National Western Center and Convention Center Excise Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pledged 3.0% lodger's tax revenues	\$ 15,553	\$ 16,173	\$ 17,726	\$ 21,092	\$ 22,989	\$ 24,802	\$ 31,519	\$ 31,082	\$ 34,096	\$ 12,085
Pledged 0.5% food and beverage tax revenues	12,243	12,840	13,564	15,202	16,350	17,164	18,619	19,821	20,480	14,376
Pledged 2.0% short-term auto rental tax revenues	8,058	8,595	9,425	10,894	11,614	12,468	12,515	13,197	13,530	7,497
Other sources	287	324	263	381	541	961	720	776	892	602
Total pledged excise tax base	\$ 36,141	\$ 37,932	\$ 40,978	\$ 47,569	\$ 51,494	\$ 55,395	\$ 63,373	\$ 64,876	\$ 68,998	\$ 34,560
Debt service (2009B Bonds)	8,648	8,644	8,647	8,655	n/a	n/a	n/a	n/a	n/a	n/a
Pledged excise tax base remaining after payment of 2009B Bonds debt service	\$ 27,493	\$ 29,288	\$ 32,331	\$ 38,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pledged 1.75% short-term auto rental increase	7,051	7,521	8,247	9,532	10,163	10,910	10,962	11,548	11,839	6,559
Pledged 1.75% lodgers' tax increase	9,072	9,434	10,340	12,303	13,410	14,468	18,386	18,124	19,889	7,049
Available for Series 2005A and 2009A Bonds debt service	\$ 43,616	\$ 46,243	\$ 50,918	\$ 60,749	\$ 23,573	\$ 25,378	\$ 29,348	\$ 29,672	\$ 31,728	\$ 13,608
Debt service (2005A and 2009A Bonds)	19,913	19,887	19,868	19,824	27,165	4,726	-	-	-	-
Additional pledged 3.25% lodger's tax revenues	-	-	-	-	-	24,969	32,146	31,770	35,027	13,400
Additional pledged 3.50% short-term auto rental revenues	-	-	-	-	-	21,820	21,793	22,893	23,460	12,588
Available for Series 2016AB and 2018AB Bonds debt service	-	-	-	-	-	122,836	146,567	144,094	159,213	74,156
Debt service (2016A and 2016B Bonds)	-	-	-	-	-	26,916	11,061	35,599	34,608	28,687
Debt service (2018A and 2018B Bonds)	-	-	-	-	-	-	-	-	10,223	10,944

Note: The pledged excise tax base is funded by portions of the lodger's tax (3.0%), short-term auto rental tax (2.0%), and prepared food and beverage tax (0.5%). The pledged excise tax base was used to pay the debt service on the series 2009B Excise Tax Bonds, which matured and was fully paid off in 2014. The pledged excise tax increase is funded by portions of the lodger's tax (1.75%) and short-term auto rental tax (1.75%). The pledged excise tax increase has only been used to pay the debt service on the series 2005A and 2009A Excise Tax Bonds. Any deficiency in the pledged excise tax increase revenue was covered by excess funds in the pledged excise tax base. The series 2005A, 2009A and 2009B bond issuances funded the Colorado Convention Center and its original expansion. In 2016, the City issued Series 2016A-B Bonds to fund the initial costs of the National Western Center redevelopment and Colorado Convention Center expansion projects, as well as to advance refund of all the outstanding Series 2005A and 2009A bonds. In 2018, the City issued Series 2018A-B bonds to fund additional costs of the National Western Center campus redevelopment. The City pledged the excise tax base and excise tax increase revenues to the repayment of the 2016A-B Bonds and 2018A-B Bonds, as well as additional revenues that were not pledged to the repayment of the 2005A and 2009A Bonds which includes portion of the lodger's tax (3.25%) and short-term auto rental tax (3.5%).

Note: Lodger's Tax for 2017 includes a one-time legal settlement from online travel companies of \$9,989,000.

Wastewater Management Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net pledged revenues	\$ 10,202	\$ 24,562	\$ 28,016	\$ 36,635	\$ 33,363	\$ 35,293	\$ 46,666	\$ 49,871	\$ 66,237	\$ 21,775
Combined average debt service requirements ⁽¹⁾	\$ 2,484	\$ 3,223	\$ 3,164	\$ 3,099	\$ 3,027	\$ 8,299	\$ 7,930	\$ 13,032	\$ 12,475	\$ 11,919
Debt service coverage ratio	4.11	7.62	8.85	11.82	11.02	4.25	5.88	3.83	5.31	1.83
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

⁽¹⁾ Numbers through 2011 apply to Series 2002 bonds that were refunded in January 2012 by Series 2012 bonds.

Note: The Wastewater Management bonds are secured by the net revenues derived from the operation of Wastewater Management's Storm Drainage Facilities and Sanitary Sewer Facilities.

Golf Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net pledged revenues	\$ 1,551	\$ 1,996	\$ 907 ⁽¹⁾	\$ 1,264 ⁽²⁾	\$ 912	\$ 1,940	\$ 1,653	\$ 1,653	\$ 2,147	\$ 2,382
Rate maintenance account	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240
Available fund balance	\$ 14,468	\$ 15,325	\$ 14,253	\$ 12,933	\$ 9,791	\$ 9,987	\$ 12,932	\$ 8,641	\$ 23,785	\$ 23,918
Annual debt service requirement	\$ 685	\$ 685	\$ 682	\$ 686	\$ 684	\$ 685	\$ 685	\$ 682	\$ 687	\$ 687
Service coverage ratio	2.61	3.26	1.68	2.19	1.68	3.18	2.76	2.78	3.47	3.82
Required coverage	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35

*Golf bonds were issued in 2006

⁽¹⁾ Does not include non-cash expenditure of \$617 for leased items that did not meet City's capitalization limit.

⁽²⁾ Does not include non-cash expenditure of \$1,318 for leased items that did not meet City's capitalization limit.

Note: The Golf bonds were issued to fund improvement to the City-owned golf courses and are secured by the gross revenues of the Golf Enterprise fund minus certain Operating and Maintenance Expenses.

Denver International Airport Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Revenues	\$ 702,157	\$ 713,279	\$ 743,101	\$ 803,620	\$ 808,614	\$ 863,126	\$ 895,857	\$ 945,206	\$ 1,102,851	\$ 748,264
Operation and maintenance expenses	312,278	318,394	349,987	355,769	377,199	417,140	425,005	445,801	478,305	407,365
Net revenues	389,879	394,885	393,114	447,851	431,415	445,986	470,852	499,405	624,546	340,899
Other available funds	57,528	51,685	50,409	54,834	50,320	51,574	47,090	43,901	68,365	39,848
Total amount available for debt service	\$ 447,407	\$ 446,570	\$ 443,523	\$ 502,685	\$ 481,735	\$ 497,560	\$ 517,942	\$ 543,306	\$ 692,911	\$ 380,747
Debt service requirements per general and supplemental bond ordinances	\$ 235,356	\$ 247,563	\$ 242,816	\$ 219,334	\$ 201,279	\$ 294,914	\$ 282,251	\$ 276,949	\$ 376,265	\$ 252,387
Debt service coverage	1.90	1.80	1.83	2.29	2.39	1.69	1.84	1.96	1.84	1.51
Required coverage	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25	1,25

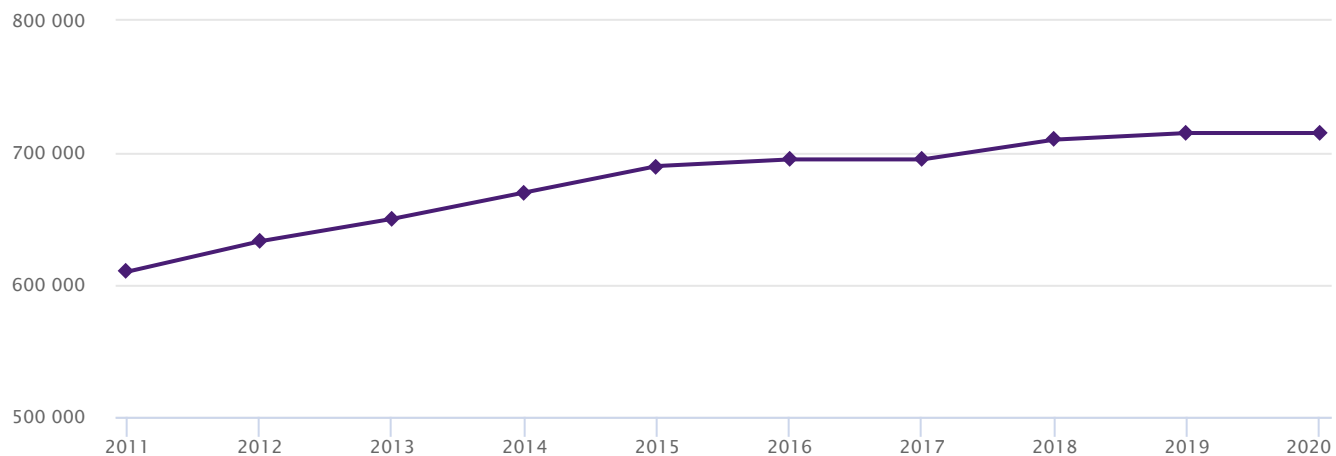
Source: Denver International Airport Financial Statements

Demographic and Economic Statistics

Last 10 Calendar Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population	619,968	634,265	649,495	663,862	682,545	693,060	693,292	716,492	727,211	749,103
Personal income (expressed in millions)	\$ 33,811	\$ 35,721	\$ 36,999	\$ 41,743	\$ 46,617	\$ 46,612	\$ 47,289	\$ 57,211	\$ 61,348	n/a
Per capita Personal income	\$ 54,537	\$ 56,318	\$ 56,967	\$ 62,880	\$ 68,299	\$ 67,256	\$ 69,862	\$ 79,849	\$ 81,405	n/a
School enrollment	81,870	84,424	87,398	90,150	91,429	92,331	92,686	93,356	92,039	90,296
Unemployment rate	9.20%	8.20%	7.00%	4.30%	3.70%	3.00%	3.00%	3.00%	2.50%	6.90%

City and County of Denver Population



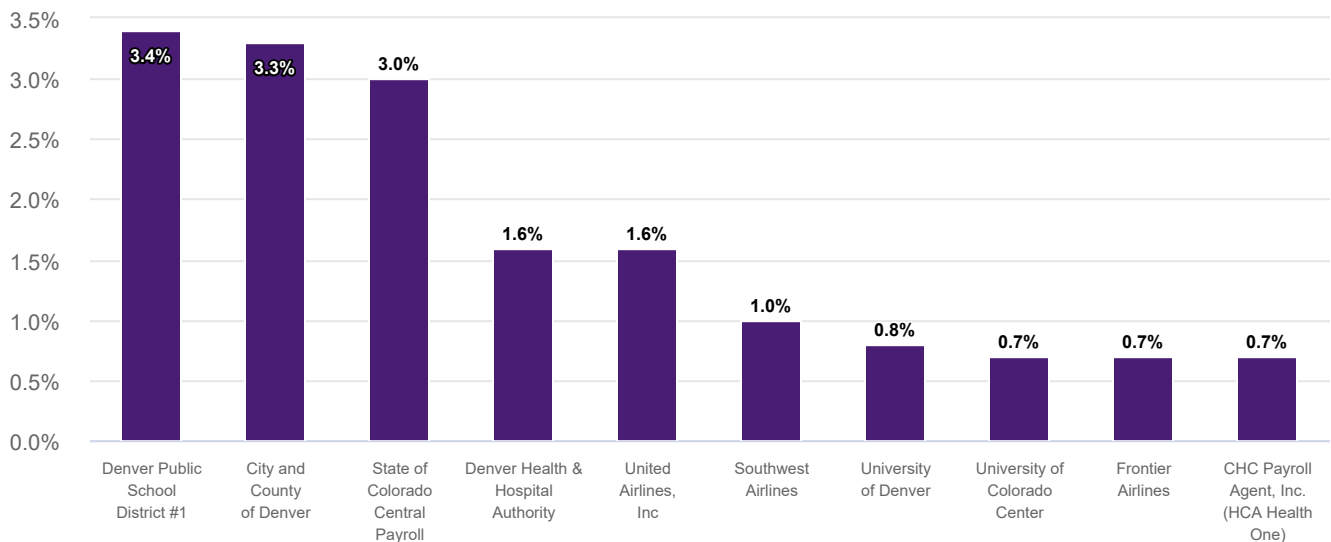
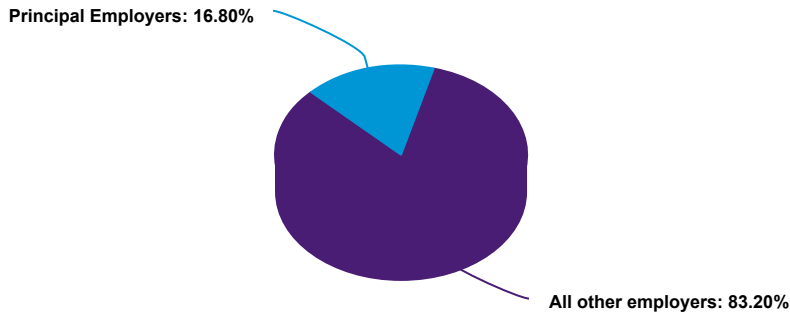
Source: Denver Public Schools
 U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
 U.S. Census Bureau
 U.S. Department of Commerce

Principal Employers

Current Year and Nine Years Ago

	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	14,957	1	3.4%	13,051	1	2.7%
City and County of Denver	14,675	2	3.3%	11,695	2	2.5%
State of Colorado Central Payroll	13,201	3	3.0%	9,879	3	2.1%
Denver Health & Hospital Authority	7,000	4	1.6%	7,396	4	1.6%
United Airlines, Inc	7,000	5	1.6%	6,744	6	1.5%
Southwest Airlines	4,450	6	1.0%			
University of Denver	3,770	7	0.8%	4,241	8	0.9%
University of Colorado Central	3,085	8	0.7%	3,435	10	0.7%
Frontier Airlines	3,070	9	0.7%			
CHC Payroll Agent, Inc. (HCA Health One)	3,000	10	0.7%	3,781	7	1.0%
Deloitte Consulting LLP				7,314	5	1.6%
USDA National Finance Center				3,904	9	0.8%
Total	74,208		16.8%	72,357		15.4%

Principal Employers



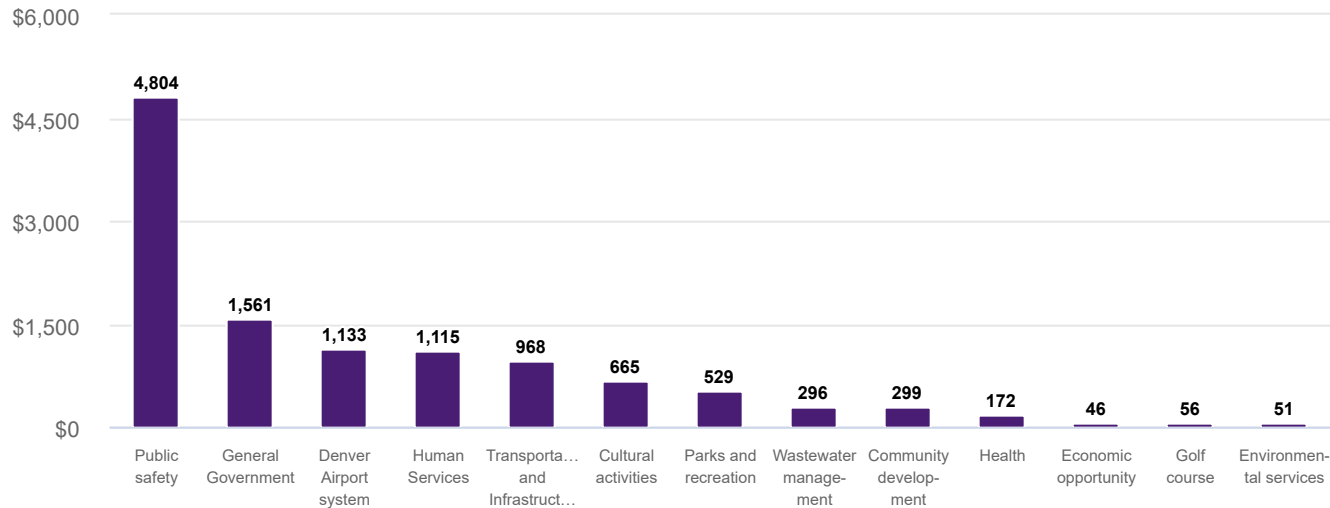
Source: Based on 2020 and 2011 Occupational Privilege Tax Remitters.

Full-Time Equivalent City Government Employees by Function

Last 10 Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	1,155	1,179	1,190	1,282	1,290	1,336	1,373	1,430	1,561	1,466
Public safety	4,109	4,095	4,192	4,256	4,324	4,375	4,606	4,689	4,804	4,685
Transportation and Infrastructure	751	736	754	754	794	844	875	906	968	878
Human Services	894	890	884	941	1,022	1,087	1,123	1,123	1,115	1,127
Health	109	111	124	131	136	145	144	172	172	226
Parks and recreation	431	431	449	450	450	458	530	498	529	511
Cultural activities	517	570	628	642	665	658	668	671	665	633
Community development	185	179	176	200	219	239	272	285	299	289
Economic opportunity	198	183	182	186	176	80	77	39	46	54
Wastewater management	234	251	248	252	259	276	278	283	296	280
Denver Airport system	983	1,001	1,035	1,097	1,125	1,190	1,151	1,104	1,133	1,042
Environmental services	38	43	43	46	44	44	44	28	51	44
Golf course	36	35	41	44	45	49	49	51	56	57
Total	9,640	9,704	9,946	10,281	10,549	10,781	11,190	11,279	11,695	11,292

2019 Full-Time City Employees by Function



Source: Denver Controller's Office

Operating Indicators by Function

Last 10 Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical arrests	51,390	54,545	50,878	52,517	52,912	51,340	49,797	50,747	44,145	30,174
Traffic violations	126,849	118,644	109,342	98,434	86,427	73,011	67,312	79,732	67,123	48,334
Fire										
Emergency responses	89,211	101,530	105,290	112,370	107,076	114,224	116,061	119,287	123,428	111,242
Fires extinguished	2,071	2,248	1,985	1,986	1,792	2,010	2,250	2,597	3,371	4,670
Inspections	39,955	30,226	31,818	34,044	36,897	33,825	34,670	34,697	35,827	27,947
Sheriff										
Average daily population	2,111	2,144	2,270	2,049	2,004	2,221	2,187	2,110	2,187	1,352
Number of jails	2	2	2	2	2	2	2	2	2	2
Transportation and Infrastructure										
Parking tickets issued	644,712	646,150	677,369	640,126	653,491	642,320	574,400	526,016	465,094	381,564
Recyclables collected (tons)	31,042	31,600	33,193	34,350	37,318	38,325	40,810	40,884	42,200	46,500
Refuse collected (tons)	213,411	213,411	205,985	208,222	207,132	196,870	184,395	176,311	173,542	191,101
Other Transportation and Infrastructure										
Alleys paved (square yards)	57,475	41,545	7,750	14,358	19,860	15,867	21,408	27,894	3,678	5,220
Potholes repaired (tons of asphalt)	4,237	4,364	3,358	4,666	5,025	3,374	3,306	2,517	874	2,329
Street resurfacing (square yards)	2,181,463	2,013,962	2,553,301	2,563,000	2,721,030	2,778,788	3,027,270	3,366,458	3,627,571	3,987,853
Human services										
Family Medicaid Application for Denver clients	9,049	7,061	29,025	77,219	38,061	38,273	38,118	41,566	35,442	31,164
New child welfare case involvements	1,187	1,305	974	824	1,231	1,769	1,920	1,614	871	683
Community development										
Permits issued	51,549	55,463	55,252	67,818	75,717	64,624	75,665	69,562	70,967	60,147
Economic opportunity										
Low income affordable housing units created	452	503	568	557	749	579	1,438	667	1,042	541
Percent of job seekers entering employment	50.54%	51.15%	55.83%	59.51%	65.30%	56.83%	59.60%	62.00%	66.00%	55.42%
Library										
Total volumes borrowed	8,915,628	9,552,145	9,811,501	9,067,577	9,097,572	9,556,962	9,675,656	7,395,551	9,022,428	5,458,956
Volumes in collection	2,288,437	2,227,910	1,982,000	2,049,703	1,922,628	2,111,879	2,072,239	3,490,143	1,795,256	1,685,336
Denver airport system										
Passenger air traffic	52,800,000	53,156,278	52,556,359	53,472,514	54,014,502	58,266,515	61,379,396	64,494,613	69,015,703	33,741,129
Excise and Licenses										
Number of business license transactions	17,360	16,248	15,085	17,230	22,207	24,168	24,573	26,044	24,437	22,404

(1) Family Medicaid Applications increased due to changes in the Affordable Care Act and additional outreach funding client engagement.

Sources: Denver Department of Aviation
 Denver Department of Community Planning and Development
 Denver Department of Excise and Licenses

Denver Department of Finance
 Department of Human Services
 Denver Department of Public Works

Denver Department of Safety
 Denver Office of Economic Development
 Denver Public Library

Capital Asset Statistics

Last 10 Fiscal Years

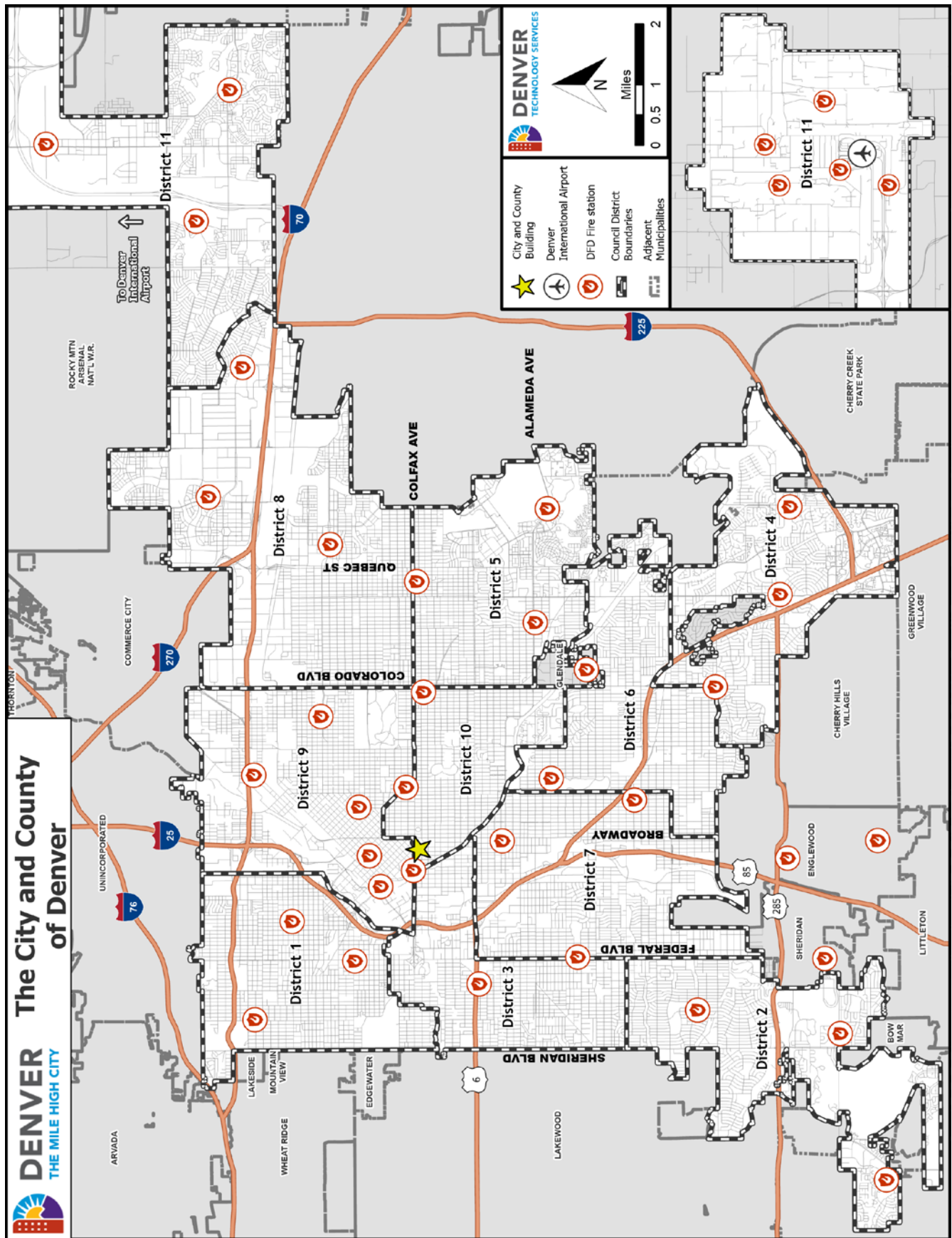
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire										
Number of engines/trucks	40/22	41/22	40/22	41/23	44/23	42/23	42/23	42/23	43/23	43/23
Number of stations	34	34	34	34	37	38	38	38	39	39
Police										
Number of patrol marked/unmarked vehicles	325/115	329/111	392/207	414/213	417/209	430/265	399/219	403/153	385/189	419/166
Number of stations	6	6	6	6	6	6	6	6	6	6
Transportation and Infrastructure										
Bridges (major/minor)	294/181	294/181	297/182	297/182	297/184	297/187	297/190	297/194	297/207	220/402
Alleys										
paved	4934	5,116	5,125	5,142	5,169	5,190	5,217	5,237	5,236	5,238
unpaved	192	148	102	100	73	73	46	42	23	21
Streets (centerline miles)	2,005	2,005	2,005	2,005	2,005	2,010	2,010	2,017	2,018	2,163
Traffic signals	1,267	1,263	1,267	1,272	1,285	1,295	1,306	1,315	1,168	1,056
Parks and recreation										
Acreage owned	20,097	20,106	20,106	20,106	20,361	20,374	20,374	20,383	20,448	20,474
Golf courses	8	8	8	8	8	8	8	8	8	8
Mountain acreage	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141
Number of parks (includes mountain parks)	318	319	332	325	332	336	336	336	343	347
Parkways (miles)	60	60	60	60	60	60	60	63	63	63
Athletic fields/lighted	315/47	318/47	324/45	329/50	330/50	328/52	324/52	321/52	315/45	313/46
Recreation centers	31	31	30	30	30	30	31	31	31	31
Swimming pools	29	29	29	29	29	29	31	31	31	31
Tennis courts/lighted	155/88	152/88	148/88	146/88	146/88	148/88	147/90	147/90	152/90	147/91
Cultural activities										
Concert venues	7	7	7	7	7	7	7	7	7	7
Public libraries	24	24	24	25	26	26	26	26	26	26
Wastewater										
Sanitary sewers (miles)	1,483	1,504	1,504	1,506	1,514	1,523	1,533	1,538	1,535	1,546
Storm sewers (miles)	782	793	802	805	812	821	823	823	825	842
Denver airport system										
Acreage	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800
Number of runways	6	6	6	6	6	6	6	6	6	6
Seating Capacities										
Boettcher Concert Hall	2,709	2,709	2,709	2,679	2,679	2,679	2,679	2,679	2,679	2,679
Colorado Convention Center	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Denver Coliseum	10,474	10,474	10,474	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Ellie Caulkins Opera House	2,225	2,225	2,225	2,225	2,255	2,255	2,225	2,225	2,225	2,225
Red Rocks Amphitheater	9,450	9,450	9,450	9,525	9,525	9,525	9,525	9,525	9,525	9,525
Temple Hoyne Buell Theatre	2,846	2,846	2,846	2,884	2,884	2,884	2,884	2,884	2,884	2,884
McNichols Civic Center Building	-	-	-	2,000	1,900	1,900	1,900	1,900	1,900	1,900

Sources: Denver Department of Aviation
Denver Department of Finance

Denver Department of Public Works
Denver Department of Safety

Denver Department of General Services
Denver Department of Parks and Recreation

Denver Public Library





DENVER

THE MILE HIGH CITY

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