



DENVER
PUBLIC
SCHOOLS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2022



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

Denver Public Schools

The District's financial operations support Denver Public Schools' mission of Every Child Succeeds.

Denver Public Schools serves more than 90,000 students in more than 207 schools in the City and County of Denver and is the largest district in the State of Colorado.



School District No. 1 in the City and County of Denver
For the year ended June 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT



Stephen Clawson, Controller
Patricia Morris, Senior Manager of Accounting Operations
Juan Martinez, Accounting Supervisor
Jordan Eaglin, Accounting Supervisor
Martial Allogo Meye, Senior Financial Accountant
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Denver Public Schools
Office of the Controller
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OFFICE OF THE CONTROLLER

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

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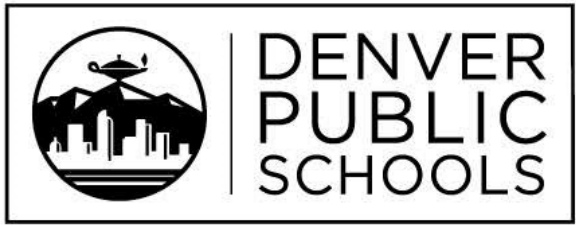
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INTRODUCTORY SECTION



Denver Public Schools
Department of Financial Services
Tel 720-423-3225
www.dpsk12.org

December 15, 2022

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

The Annual Comprehensive Financial Report of School District No. 1 in the City and County of Denver and State of Colorado (the District) is submitted in compliance with 29-1-603 of the Colorado Revised Statutes and the applicable by-laws of the District's Board of Education. This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, was prepared by the Financial Services Department and includes the report of the independent auditors, FORVIS, LLP. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion on the financial statements for the year ended June 30, 2022 as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

The Annual Comprehensive Financial Report is presented in three sections: introductory, financial and statistical.

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of principal officials, a reproduction of the 2021 Government Finance Officers Association (GFOA) Certificate of Achievement and the 2021 Association of School Business Officials (ASBO) Certificate of Excellence.
- The financial section includes the MD&A, the basic financial statements, required supplementary information and other supplementary information, as well as the independent auditors' report on the financial statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

PROFILE OF THE DISTRICT

The Districts' financial operations support Denver Public Schools' mission of *Every Learner Thrives*. Denver Public Schools (DPS) serves approximately 90,000 students in 207 schools and has more than 11,000 employees in the City and County of Denver. Denver County is the largest county in Colorado with over 749,000 residents. Nearly 60% of students qualify for free/reduced priced lunch and approximately 78% are ethnic minorities. DPS has continued to have significant achievement gaps, when comparing minority students and students in poverty with white and middle class students. Closing this achievement gap is one of the core tenants of the DPS Strategic Roadmap. The FY 2023 Adopted Budget is intended to provide the financial resources necessary to enable educators to further the Student Experience goals of the Strategic Roadmap: Expanded Academic Opportunities, Whole Child: Strengthen the implementation of a comprehensive system for supporting the whole child, and Pursuit of Passion.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Colorado uses a public school funding formula that was developed in 1994 called the Public School Finance Act. School districts in Colorado are funded on a per pupil revenue basis (PPR). The state calculates each district's PPR based on a number of factors including at-risk enrollment (updated in FY22 to include all free and reduced lunch students, as well as English Language Learners), size of the district, cost of personnel and cost of living. The state calculates each district's PPR, subtracts the amount of funding generated by local property taxes and then funds the remaining balance through a state funded allocation entitled "State Equalization". This combined state equalization and local property tax funding amount is termed "Total Program".

Local property tax revenue makes up 37% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. State Equalization). Given that K-12 funding made up close to 40% of the State of Colorado's budget, the state was forced to make a choice between fully funding K-12 education or continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education and Human Services. Beginning in FY 2011, the state introduced the "Negative Factor", (which is now referred to as the Budget Stabilization Factor) to reduce school funding to a level that it could afford. For FY 2023, the Budget Stabilization Factor was further decreased to bring it to its lowest point since inception, although this factor is still reducing annual funding for K-12 education by \$321 million below fully funded or an estimated \$33 million for DPS.

State statute allows school districts to levy general fund taxes at a general or special Override Election mill levy. The maximum amount of the general Override Election mill levy revenue increase may not exceed 25% of the District's formula funding, plus a cost of living adjustment from 2002. In 1988, 1998, 2003, 2005, 2012, 2016 and 2020 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 Override Election mill levies are fixed dollar amounts of \$12.1 million, \$17 million and \$20 million respectively. The 2005 Override Election mill levy, initially set at \$25 million, is adjusted annually for inflation as measured by the Denver-Boulder-Greeley consumer price index. The 2005 Override Election mill levy amount for the FY 2023 is forecasted at approximately \$37.7 million. The 2012 Override Election mill levy is set at 3.465 mills, which is forecasted to generate \$77.0 million for FY 2023. In future years, the mill rate is anticipated to grow annually by inflation up to the maximum allowable of 4.86 mills. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost-of-living adjustment. The 2020 special Override Election mill levy is a fixed rate mill initially set at 1.52 mills with the ability to increase by 1 mill per year up to a maximum of 4 mills, and is forecasted to generate \$34.5 million for FY 2023.

The District has been able to limit the impact of these complications on our classrooms by using federal stimulus funding to help offset one-time costs, through the use of reserves built up over the last decade and by effectively managing costs. Through the change in "at-risk" students and the return of the Budget Stabilization factor to its lowest levels since inception, Per Pupil Revenue (PPR) in FY 2023 is expected to increase \$511 above the PPR for FY 2022 from \$9,364 to \$9,875. DPS manages the funding gaps and improves the educational offerings for our students through prudent fiscal management, the support of local voters through mill levy overrides (operating funding) and general obligation bonds (capital funding) and state, federal and private grants received. The District continues to manage fund balances to ensure that future uncertainties can be addressed without major interruptions to core educational services. In FY 2022, the general fund balance increased by \$8.3 million.

MAJOR INITIATIVES

Capital Improvements

At an election held in November 2020, district voters approved the issuance of General Obligation Bonds with a par amount of \$795 million to acquire, construct and improve capital assets. This will improve the teaching and learning environment by: maintaining, repairing and renovating existing school buildings; addressing critical health, safety and security concerns in district school buildings; improving environmental sustainability; providing technology for 21st century learning; constructing additions and making improvements to existing schools; and constructing new buildings to support the projected new student capacity needs (collectively, the Projects).

With the addition of the 2020 bond funds the District has been able to continue the efforts of renovating existing schools, classroom cooling and building additions. In FY22 significant funds were spent from 2020 bond funds acquiring land at 3131 S Federal Land Purchase. The District invested in information technology upgrades along with student technology using both 2016 and 2020 bond funds. The District also completed a major galvanized pipe replacement project at Gilpin ES. Major HVAC work was completed at Fairview ES, Force ES, Smith ES, Grant MS, Knight ES, North HS and Noel Prep. Another highlight was the construction of the Glenbrook Greenhouse, as well as upgraded fire suppression at Morey MS, Hamilton MS and DCIS ES.

FINANCIAL INFORMATION

Internal Control

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

Single Audit

As a recipient of federal, state and local financial assistance, the District is also responsible for maintaining effective internal control to ensure compliance with applicable laws and regulations related to those programs.

This system of internal control is subject to periodic evaluation by management and the internal audit staff of the District.

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

Accounting and Budgetary Controls

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

PERA Merger

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

Financial Policies

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

Long-term Financial Planning

The District continually develops and refines forward-looking financial projections as part of its budgetary process and considers it to be a critical component to successfully managing the finances of the District. This is especially true in the current environment as the District will continue to face funding challenges related to enrollment declines. As a result, it is paramount that the District reviews its projected financial position to ensure that appropriate re-balancing and budget setting occurs proactively. This will mitigate and prepare for future financial pressures.

OTHER INFORMATION

Independent Audit

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

Awards

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the thirty-seventh consecutive year that the District received this award. This award requires that a government publish an easily readable and efficiently organized Annual Comprehensive Financial Report which must satisfy both generally accepted accounting principles and applicable legal requirements. Although the award is applicable only to the June 30, 2021 report, we believe that this report continues to meet the requirements for this award and will be submitted to the GFOA to determine its eligibility for this certificate of achievement for excellence.

The District received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the twenty-second consecutive year that the District received this award. An expert ASBO review panel consisting of Certified Public Accountants and practicing school business officials grants the award after review of the Annual Comprehensive Financial Report. The award recognizes that the District met standards of excellence in school financial reporting. Although this award is applicable only to the 2021 report, we believe this report continues to meet the requirements for this award and will be submitted to the ASBO to determine its eligibility for this certificate of excellence.

Acknowledgement

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

Respectfully submitted,

Chuck Carpenter
Chief Financial Officer

Stephen A. Clawson, CPA
Controller



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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**School District 1 in the City and County of
Denver and State of Colorado**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Will Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

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

DISTRICT OFFICIALS

BOARD OF EDUCATION

Xochitl Gaytan	President
Auon'tai M. Anderson	Vice President
Scott Esserman	Treasurer
Michelle Quattlebaum	Secretary
Dr. Carrie Olson	Member
Scott Balderman	Member
Reverend Brad Lauvick	Member

SUPERINTENDENT

Dr. Alex Marrero

DEPUTY SUPERINTENDENT OF OPERATIONS

James Carpenter

CHIEF FINANCIAL OFFICER

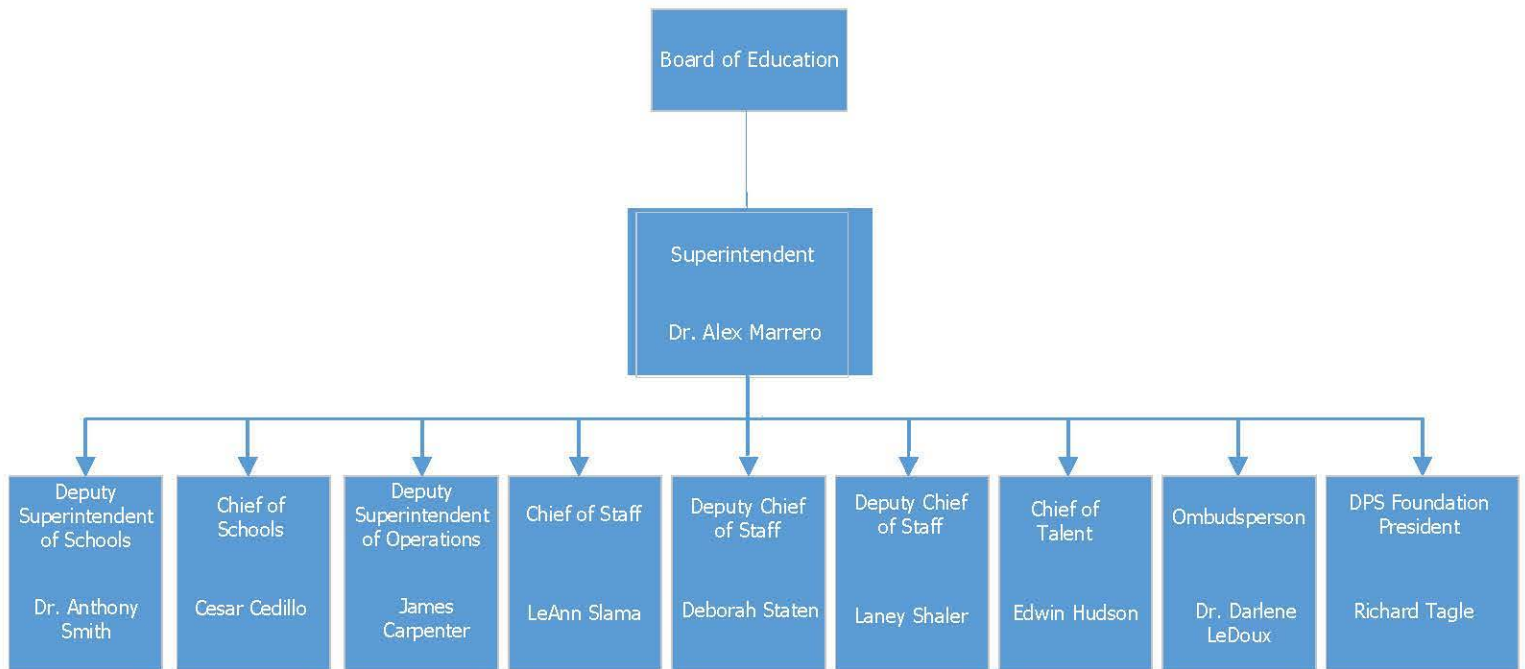
Charles Carpenter

CONTROLLER

Stephen A. Clawson, CPA

Denver Public School Organization Chart

Cabinet and District Leadership Team as of June 30, 2022





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FINANCIAL SECTION



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forvis.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the School District No. 1 in the City and County of Denver and State of Colorado as of June 30, 2022, 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.

We did not audit the financial statements of Denver Public Schools Professional Compensation System for Teachers Trust (ProComp), which represent 41.7%, 27.8% and 18.6%, respectively, of assets, revenues and net position of the aggregate remaining fund information as of and for the year ended June 30, 2022. With the exception of DSST Public Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, we also did not audit the financial statements of the discretely presented component units, as stated in Note 15 of the financial statements, which represent 47.8%, 40.9% and 44.0%, respectively of assets, revenues and net position of the aggregate discretely presented component units as of and for the year ended June 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for the ProComp fund and various discretely component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, except for American Indian Academy, Compass Academy, DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, Wyatt Academy, and STRIVE Preparatory Schools.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 16 to the financial statements, effective July 1, 2021, the District adopted GASB Statement Number 87, *Leases*. Our opinions are not modified with respect to this matter.

Emphasis of a Matter – Change in Reporting Entity

As discussed in Note 15 to the financial statements, the beginning net position of the aggregate discretely presented component units has been restated for a change in reporting entity and to correct misstatements. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

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

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

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, combining fund statements – nonmajor funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated December 15, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

FORVIS, LLP

Denver, Colorado
December 15, 2022



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

Management of School District No. 1 in the City and County of Denver and State of Colorado (the District), provides readers of the District's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that is presented in the letter of transmittal, which starts on page 10 of this report.

Financial Highlights

On the statement of net position, as of June 30, 2022, the District's net position for governmental activities is a deficit of \$720.9 million. The deficit net position can be partially attributed to the implementation of GASB 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requiring the recognition of a long-term liability for pension and postemployment benefits other than pensions respectively. The deficit net position can also be attributed to liabilities related to the District's Certificates of Participation and General Obligation bonds that are to fund retirement and necessary capital and maintenance projects of the District's facilities. In July of 1997, the District executed \$384.2 million in COPs with the net proceeds contributed to DPSRS. In April of 2008, the District issued \$750 million in COPs to refund existing certificates and to fund an additional \$397.8 million contribution to DPSRS in anticipation of the merger with PERA. As a result of these contributions, the District's PERA division is 99.87% funded compared to the PERA School division of 74.86% as of December 31, 2021.

Long-term liabilities decreased to \$3,503.6 million from \$3,670.6 million in FY 2022 primarily due to the reduction of net pension liability.

On the statement of activities, general revenues accounted for \$1,327.1 million or 78% of total revenues and program revenues were \$365.8 million or 22% of the total revenues of the primary government. The total revenues increased to \$1,692.9 million from \$1,607.7 million, or 5.3% when compared to prior year. The change in net position of \$286.5 million is partially due to an increase in property tax revenue of \$28.8 million and state share revenue increase of \$39.8 million.

Overview of the Financial Statements

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

Government-wide Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

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

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

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

Fund Financial Statements

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

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

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

Proprietary funds: The District uses an internal service fund to account for its warehouse activity. Internal service funds allocate costs internally among the District's various functions while deriving revenue from the other funds served. Proprietary funds are prepared on full accrual basis.

Fiduciary funds: The District has two Fiduciary funds which include the Other Employee Benefit Trust and the Private Purpose Trust Fund. Fiduciary funds are used to account for resources held by the District in a fiduciary capacity and can only be used for specified purposes. Fiduciary funds are not reflected in

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

the government-wide financial statement because the resources of those funds are not available to support the District's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information: In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and other supplementary information.

The required supplemental information includes the District's annual appropriated budgets with comparison schedules that demonstrate compliance with budgets for the General Fund and Special Revenue Funds. The schedule of changes in the collective net pension liability and OPEB liability are provided next, followed by notes to required supplementary information.

The other supplementary information includes the combining statements in connection with nonmajor governmental funds and budgetary comparison schedules. In addition, internal service fund and fiduciary fund information is presented.

Financial Analysis of the District

Increases or decreases in net position may serve as a useful indicator of the District's overall financial position. The District's net position increased \$286.5 million partially due to an increase in property tax revenue of \$28.8 million and state share revenue increase of \$39.8 million. Additionally, there are several other measures that indicate a sustainable financial position, including:

- The District has the largest and most diverse tax base in the State of Colorado with \$22.0 billion of net assessed value.
- General fund balance increased \$8.3 million in FY 2022, with ending fund balance of \$133.4 million.
- In November of 2020, Denver voters approved a mill levy override of \$32 million. The increased funding will go towards increasing minimum wage and other compensation, mental health professionals, nursing services, special education services and charter share (required by law).
- In November of 2020, Denver voters approved an up to \$795 million bond to invest in critical maintenance, constructing new schools and additions to existing schools, upgrading learning environments in older schools and increasing student technology access.
- The 2020 voter approved general bond obligations were issued in 2021 and 2022 with the following ratings:
 - Moody's ratings of Aa2
 - Fitch ratings of AA+
 - S&P ratings of AA+

A significant portion of the District's assets are its investment in capital assets (e.g., land, buildings, equipment and lease of tangible assets). The District uses these assets to provide instruction and related services to its students. Capital and lease assets (net) increased to \$1,644.7 million in FY 2022 from \$1,626.5 million (restated) in FY 2021. The increase is primarily a result of capital spending from the District's general obligation bonds and certificates of participation. The District's capital assets will continue to increase as planned projects are completed in the Capital Reserve and Building Funds. Combined, these funds have an available fund balance of \$869.7 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

Current and other assets increased to \$1,505.6 million from \$1,212.5 million primarily due to the second issuance of the 2021 general obligation bonds.

The following table provides a summary of the District's net position as of June 30, 2022 and 2021, respectively (in millions):

	June 30, 2022	June 30, 2021*
Current and other assets	\$ 1,505.6	\$ 1,212.5
Capital assets, net	1,644.7	1,612.2
Total assets	<u>3,150.3</u>	<u>2,824.7</u>
Deferred outflows of resources	<u>361.3</u>	<u>494.5</u>
Other liabilities	159.7	159.4
Long-term liabilities	3,503.6	3,656.7
Total liabilities	<u>3,663.3</u>	<u>3,816.1</u>
Deferred inflows of resources	<u>569.2</u>	<u>510.5</u>
Net position (deficit):		
Net investment in capital assets	(58.6)	(55.0)
Restricted	287.6	282.1
Unrestricted	(949.9)	(1,234.5)
Total net position (deficit)	<u>\$ (720.9)</u>	<u>\$ (1,007.4)</u>

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

*FY 2021 balances have not been restated for the impacts of GASB 87 implementation.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

The following table provides a summary of the District's activities for the fiscal years ended June 30, 2022 and 2021, respectively (in millions).

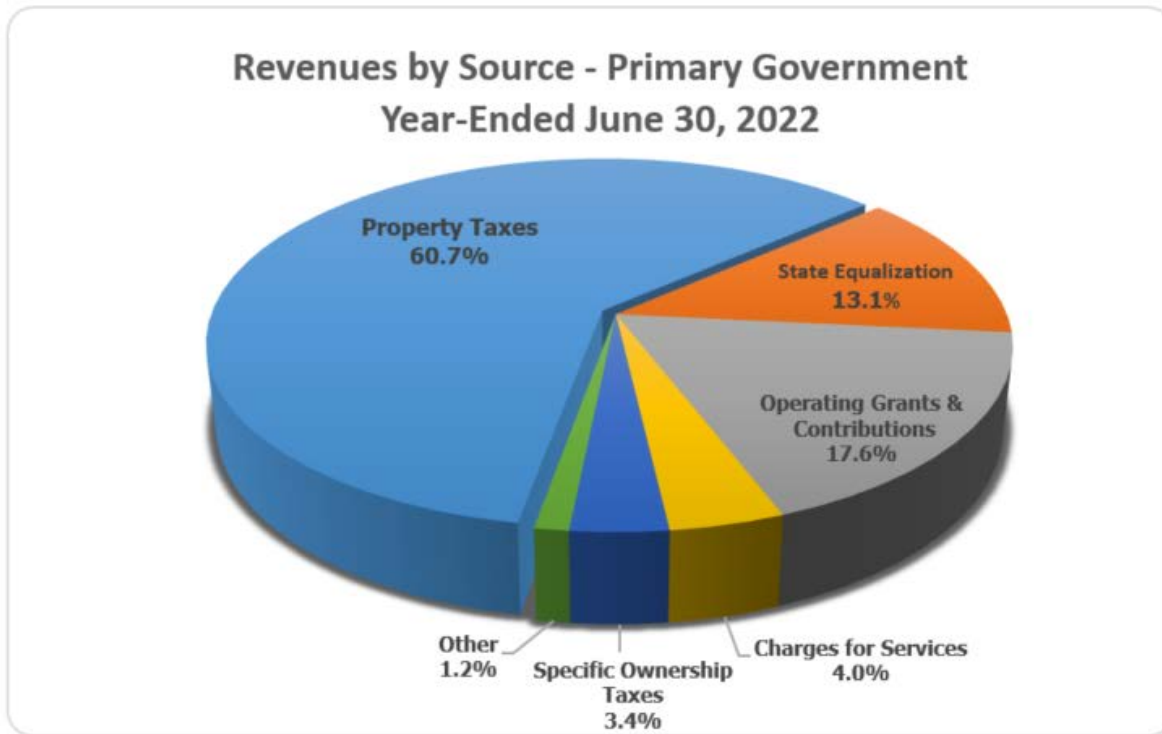
	<u>June 30, 2022</u>	<u>June 30, 2021*</u>
REVENUES		
Program revenues		
Charges for services	\$ 83.8	\$ 65.9
Operating grants and contributions	282.0	271.0
General revenues		
Taxes	1,084.7	1,055.0
State equalization	222.3	182.5
Investment income (loss)	(10.1)	1.8
Other	30.2	31.5
Total revenues	<u>1,692.9</u>	<u>1,607.7</u>
EXPENSES		
Instruction	676.1	721.7
Support services	614.5	636.9
Interest on long-term debt	115.8	127.0
Total expenses	<u>1,406.4</u>	<u>1,485.6</u>
Change in net position	<u>286.5</u>	<u>122.1</u>
Net position - beginning	<u>(1,007.4)</u>	<u>(1,129.5)</u>
Net position - ending	<u>\$ (720.9)</u>	<u>\$ (1,007.4)</u>

*FY 2021 balances have not been restated for the impacts of GASB 87 implementation

Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The District's adjusted total program funding for FY 2022 was \$837.3 million reflected as a combination of state equalization and a portion of property tax revenues in the Statement of Activity. This was based on a funded pupil count of 89,410 and per pupil total program funding of \$9,364 compared to total program funding of \$749.6 million funded pupil count of 89,746 and per pupil total program funding of \$8,353 in FY 2021. Of the adjusted total program funding, \$222.3 million was funded through state share compared to \$182.5 million in FY 2021. The remainder was funded through a combination of local property and specific ownership taxes.

The District generated \$1,026.2 million in property tax revenues in FY 2022 compared to \$997.4 million in FY 2021. Total property tax revenues include School Finance Act mills, override election mills, Tax Abatement mills and Bond Redemption Fund mills. Tax revenues increased by \$28.8 million and are attributable to the rising property valuations in the City and County of Denver. The District also recognized an increase in state equalization of \$39.8 million. District grants operating revenue increased by \$11.0 million year over year due to CARES funding grants of Coronavirus Relief Fund, Elementary and Secondary School Emergency Relief Fund, and Higher Education Emergency Relief Fund. Total expenses for the primary government in FY 2022 were \$1,406.4 million compared to \$1,485.6 million in FY 2021. Total expenses decreased by \$79.2 million partially due to decreases in central support staff and decrease in pension expense.

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



Financial Analysis of the District's Funds

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

Governmental funds

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

Fund balance of all governmental funds is \$1,263.1 million in FY 2022 compared to \$957.3 million in FY 2021.

The General Fund is the primary operating fund of the District. Fund balance of the General Fund at June 30, 2022 was \$133.4 million, compared to \$125.1 million as of June 30, 2021. The increase in fund balance is primarily due to increased property taxes and state revenue with corresponding increases in expenditures moderated by new guidelines to spending and hiring in the District. Constraints on use of the General Fund balance include a restricted emergency reserve of \$40.2 million as required by the Taxpayer Bill of Rights (TABOR) and state statute.

Assigned fund balance includes \$11.8 million budgeted for subsequent year expenditure and \$24.1 million for special projects.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

The Grant Special Revenue Fund balance as of June 30, 2022 was \$17.4 million compared to \$16.3 million at June 30, 2021. The fund balance is restricted to the District's grant funded programs that generated the fund balance.

The Bond Redemption Fund balance as of June 30, 2022 was \$220.9 million compared to \$224.0 million as of June 30, 2021. The Bond Redemption Fund is restricted for payment of the District's General Obligation Bond debt service as authorized by Denver voters.

The Building Fund as of June 30, 2022 was \$777.6 million compared to \$502.8 million as of June 30, 2021. The Building Fund consists of unspent proceeds from issuance of voter approved general obligation bonds and is restricted for financing projects as described in the respective ballot language.

The Capital Reserve Fund as of June 30, 2022 was \$92.0 million compared to \$72.9 million as of June 30, 2021. The Capital Reserve Fund consists of unspent COPs restricted for financing capital projects and for debt service. Additionally, a portion of Capital Reserve Fund is restricted for capital projects by Board authorization and assigned to debt service by Board adoption of the annual budget.

The Building Fund increased by \$274.8 million as a result of the second issuance of the 2021 general obligation bond. Capital Reserve Fund increased by \$19.1 million as a result of receiving DURA reimbursements for various certificates of participation. The Bond Redemption Fund decreased by \$3.2 million due to timing of upcoming debt service payments.

Proprietary funds

The District's proprietary funds are prepared on full accrual basis, but in more detail. The fund statements show the Internal Service Fund, the District's only proprietary fund, which is included with the governmental activities for the government-wide financial statements.

General Fund Budgetary Highlights

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

The difference between the General Fund original and final budget for expenditures increased by \$19.4 million due to additional allocation of funds to schools and school support services.

The amended budget included a general fund increase in fund balance of \$17.9M. The actual change to fund balance for general fund was an \$8.3M increase, a \$2.8M difference from what was included in the budget. The main factor driving the difference was related to an additional \$15.8M of revenue provided to the District by the State of Colorado as Equalization payments from the State's Supplemental Budget that was announced after the District's Amended Budget was finalized. A portion of the additional \$11M was allocated to charter schools.

Capital and Lease Assets and Debt Administration

Capital and lease assets

The District's investment in capital assets and leased assets, net of accumulated depreciation for its governmental activities as of June 30, 2022 amounted to \$1,644.7 million. Investment in capital assets includes land, buildings and improvements, equipment, right to use leased assets and construction in progress with an original cost greater than \$5,000 and an estimated useful life longer than one year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

The major capital events during the current fiscal year included spending on capital projects in the Building and Capital Reserve Funds. Capital projects are used to make improvements and critical repairs. In fiscal year 2022, the District implemented GASB 87 (Statement No. 87) lease reporting requirements for all state and local governments where the District is named the lessee or lessor of leased tangible assets. The District will recognize a lease liability within the government-wide financial statements.

The District's total capital assets at June 30, 2022 and 2021, respectively, net of accumulated depreciation, were as follows (in millions).

	June 30, 2022	June 30, 2021*
Buildings and improvements	\$ 1,385.1	\$ 1,406.7
Construction in progress	81.7	40.7
Land	110.5	108.5
Equipment	53.4	54.1
Right to use leased asset	14.0	16.4
Total	\$ 1,644.7	\$ 1,626.4

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

*FY 2021 balances have been restated for the impacts of GASB 87 implementation.

Long-Term Debt

At June 30, 2022 and 2021, respectively, the District's long-term debt consisted of the following (in millions).

	June 30, 2022	June 30, 2021*
General obligation bonds	\$ 2,473.6	\$ 2,194.3
Certificates of participation	954.1	991.0
Net pension liability	4.0	395.5
Net OPEB liability	26.6	40.6
Compensated absences	18.2	19.7
Accrued claims liability	11.6	12.0
Lease liability	14.0	16.0
Other obligation	1.5	1.5
Total	\$ 3,503.6	\$ 3,670.6

(Please see additional details in Note 7 to the financial statements)

*FY 2021 balances have been restated for the impacts of GASB 87 implementation.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022

Contacting the District's Financial Management

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



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BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 211,891,970	\$ 116,986,828
Investments	3,982	-
Receivables (net of allowance):		
Taxes	69,329,673	-
Intergovernmental	98,900,547	-
Leases receivable	5,183,611	-
Other	87,941,950	33,724,126
Inventory	5,968,514	141,994
Prepaid items	142,325	1,033,889
Held by fiscal agents	3,137,693	-
Restricted cash and cash equivalents	809,089,011	7,157,428
Restricted investments	213,968,467	2,281,968
Capital assets:		
Land and construction in progress	192,182,369	64,884,814
Buildings, improvements and equipment, net of accumulated depreciation	1,438,547,385	-
Right to use asset net of accumulated depreciation	13,979,114	-
Total assets	<u>3,150,266,611</u>	<u>226,211,047</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	139,387,434	619,707
Related to pensions	217,616,955	31,716,672
Related to OPEB	4,343,632	1,263,576
Total deferred outflows of resources	<u>361,348,021</u>	<u>33,599,955</u>
LIABILITIES		
Accounts and interest payable	63,891,358	10,229,084
Accrued payroll and benefits	72,125,371	8,179,927
Claims payable	5,230,741	-
Unearned revenue	18,492,853	1,149,245
Due to fiduciary funds	8,940	-
Long-term liabilities:		
Due within one year	169,470,315	2,611,118
Due in more than one year	3,334,084,752	49,214,533
Total liabilities	<u>3,663,304,330</u>	<u>71,383,907</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refundings	5,022,635	-
Related to leases	5,182,554	404,163
Related to pensions	544,144,785	73,495,290
Related to OPEB	14,855,750	2,481,385
Total deferred inflows of resources	<u>569,205,724</u>	<u>76,380,838</u>
NET POSITION (deficit)		
Net investment in capital assets	(58,596,829)	23,373,469
Restricted for:		
Debt service	222,260,120	-
Performance-based teacher compensation	7,616,799	-
Higher education	16,439,498	-
Non-governmental grantor-designated purposes	986,632	-
Permanent fund and nonexpendable	60,491	-
Capital projects	-	1,336,771
Donor-designated purposes	-	8,552,034
TABOR Multi Year Obligations	-	32,969
Emergency reserve	40,200,974	9,844,268
Unrestricted (deficit)	(949,863,107)	68,906,746
Total net position (deficit)	<u>\$ (720,895,422)</u>	<u>\$ 112,046,257</u>

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Instruction:					
Regular	\$ 566,319,201	\$ 36,787,031	\$ 111,004,345	\$ -	\$ (418,527,825)
Special education	96,073,320	6,240,855	22,704,462	-	(67,128,003)
Vocational	768,259	49,906	181,558	-	(536,795)
Other instruction	12,954,158	841,493	3,061,383	-	(9,051,282)
Total instruction	676,114,938	43,919,285	136,951,748	-	(495,243,905)
Support services:					
Pupil support	101,253,791	6,577,375	23,928,733	-	(70,747,683)
Instructional support	120,594,357	7,869,385	28,629,115	-	(84,095,857)
General administration	12,476,768	810,482	2,948,563	-	(8,717,723)
School administration	72,605,869	4,716,426	17,158,534	-	(50,730,909)
Business services	15,091,303	966,957	3,517,827	-	(10,606,519)
Operations and maintenance	121,134,834	7,846,080	28,544,329	-	(84,744,425)
Pupil transportation	26,934,216	1,749,628	6,365,210	-	(18,819,378)
Central services	47,767,462	3,102,941	11,288,613	-	(33,375,908)
Other support services	59,840,338	3,852,200	14,014,445	-	(41,973,693)
Community services	14,378,888	934,042	3,398,081	-	(10,046,765)
Education for adults	22,349,130	1,451,784	5,281,643	-	(15,615,703)
Interest and fiscal charges	115,823,208	-	-	-	(115,823,208)
Total support services	730,250,164	39,877,300	145,075,093	-	(545,297,771)
Total governmental activities	1,406,365,102	83,796,585	282,026,841	-	(1,040,541,676)
Component units					
Regular	257,144	1,215,988	9,142,172	45,687	10,146,703
Charter Schools	279,830,191	1,676,308	36,897,551	1,612,792	(239,643,540)
DPS Foundation	6,564,081	-	3,709,081	-	(2,855,000)
Total component units	\$ 286,651,416	\$ 2,892,296	\$ 49,748,804	\$ 1,658,479	\$ (232,351,837)
	Primary Government Governmental Activities	Component Units			
Net (expense) revenue	\$ (1,040,541,676)	\$ (232,351,837)			
General revenues:					
Property taxes	1,026,245,124	52,041,556			
Specific ownership taxes	58,412,078	188,777,840			
State equalization	222,280,693	-			
Interest and investment income (loss)	(10,085,488)	451,867			
Other	30,229,951	30,352,288			
Total general revenues	1,327,082,358	271,623,551			
Changes in net position	286,540,682	39,271,714			
Net position (deficit) - beginning	(1,007,436,104)	72,868,973			
Change in reporting entity	-	4,048			
Correction of error	-	(98,478)			
Net position (deficit) - beginning, as restated	(1,007,436,104)	72,774,543			
Net position (deficit) - ending	\$ (720,895,422)	\$ 112,046,257			

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

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General	Grants Special Revenue	Bond Redemption
ASSETS			
Assets:			
Cash and cash equivalents	\$ 186,736,937	\$ -	\$ -
Investments	-	-	-
Receivables (net of allowance):			
Taxes receivable	52,068,610	-	13,004,372
Intergovernmental	-	92,890,118	-
Lease receivable	3,226,351	-	-
Other	25,009,478	4,294,166	-
Due from other funds	20,272,174	-	-
Inventory	1,386,782	-	-
Prepaid items	-	-	-
Cash with fiscal agents	3,137,693	-	-
Restricted cash and cash equivalents	30,067	-	-
Restricted investments	-	-	213,968,467
Total assets	<u>\$ 291,868,092</u>	<u>\$ 97,184,284</u>	<u>\$ 226,972,839</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 51,344,891	\$ 1,762,505	\$ -
Claims Liability	5,230,741	-	-
Accrued payroll and benefits	72,125,371	-	-
Due to other funds	-	66,027,214	184,933
Unearned revenue	4,744,242	11,968,435	-
Total liabilities	<u>133,445,245</u>	<u>79,758,154</u>	<u>184,933</u>
Deferred inflows of resources:			
Property taxes	21,804,217	-	5,921,134
Lease related	3,225,294	-	-
Unavailable revenues - long-term receivables	-	-	-
Total deferred inflows of resources	<u>25,029,511</u>	<u>-</u>	<u>5,921,134</u>
FUND BALANCES:			
Nonspendable:			
Inventory	1,386,782	-	-
Prepaid items	-	-	-
Permanent fund	-	-	-
Restricted for:			
Higher education	-	16,439,498	-
Non-governmental grantor-designated purposes	-	986,632	-
Performance-based teacher compensation	-	-	-
Debt service	-	-	220,866,772
Capital projects	-	-	-
Emergency reserve	40,200,974	-	-
Committed to:			
Pupil activities	2,316,528	-	-
Assigned to:			
Subsequent year expenditure	11,760,000	-	-
Special projects	24,128,060	-	-
Capital Projects	-	-	-
Food service	-	-	-
Unassigned	53,600,992	-	-
Total fund balances	<u>133,393,336</u>	<u>17,426,130</u>	<u>220,866,772</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 291,868,092</u>	<u>\$ 97,184,284</u>	<u>\$ 226,972,839</u>

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

Continued next page

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 25,155,033	\$ 211,891,970
Investments	-	-	3,982	3,982
Receivables (net of allowance):				
Taxes receivable	-	-	4,256,691	69,329,673
Intergovernmental	-	-	6,010,429	98,900,547
Lease receivable	-	1,957,260	-	5,183,611
Other	-	58,621,276	16,990	87,941,910
Due from other funds	-	87,437,849	5,895,145	113,605,168
Inventory	-	-	4,581,732	5,968,514
Prepaid items	-	142,325	-	142,325
Cash with fiscal agents	-	-	-	3,137,693
Restricted cash and cash equivalents	804,625,257	4,433,687	-	809,089,011
Restricted investments	-	-	-	213,968,467
Total assets	<u>\$ 804,625,257</u>	<u>\$ 152,592,397</u>	<u>\$ 45,920,002</u>	<u>\$ 1,619,162,871</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 53,107,396
Claims Liability	-	-	-	5,230,741
Accrued payroll and benefits	-	-	-	72,125,371
Due to other funds	26,978,514	-	20,504,417	113,695,078
Unearned revenue	-	-	1,780,176	18,492,853
Total liabilities	<u>26,978,514</u>	<u>-</u>	<u>22,284,593</u>	<u>262,651,439</u>
Deferred inflows of resources:				
Property taxes	-	-	1,921,590	29,646,941
Lease related	-	1,957,260	-	5,182,554
Unavailable revenues - long-term receivables	-	58,621,276	-	58,621,276
Total deferred inflows of resources	<u>-</u>	<u>60,578,536</u>	<u>1,921,590</u>	<u>93,450,771</u>
FUND BALANCES:				
Nonspendable:				
Inventory	-	-	801,824	2,188,606
Prepaid items	-	142,325	-	142,325
Permanent fund	-	-	60,491	60,491
Restricted for:				
Higher education	-	-	-	16,439,498
Non-governmental grantor-designated purposes	-	-	-	986,632
Performance-based teacher compensation	-	-	7,616,799	7,616,799
Debt service	-	1,393,348	-	222,260,120
Capital projects	777,646,743	3,040,339	-	780,687,082
Emergency reserve	-	-	-	40,200,974
Committed to:				
Pupil activities	-	-	4,716,917	7,033,445
Assigned to:				
Subsequent year expenditure	-	-	-	11,760,000
Special projects	-	-	-	24,128,060
Capital Projects	-	87,437,849	-	87,437,849
Food service	-	-	8,517,788	8,517,788
Unassigned	-	-	-	53,600,992
Total fund balances	<u>777,646,743</u>	<u>92,013,861</u>	<u>21,713,819</u>	<u>1,263,060,661</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 804,625,257</u>	<u>\$ 152,592,397</u>	<u>\$ 45,920,002</u>	<u>\$ 1,619,162,871</u>

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



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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

Total fund balances for governmental funds	\$ 1,263,060,661
Capital assets including donated land used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,630,729,754
Right to use leased assets are not financial resources and, therefore, are not reported in the funds.	13,979,114
Deferred outflows of resources related to loss on refundings are not financial resources and therefore, are not reported in the funds.	139,387,434
Deferred outflows of resources related to pensions are not included in the funds.	217,616,955
Deferred outflows of resources related to OPEB are not included in the funds.	4,343,632
Accrued interest payable, is not due and payable in the current period and, therefore is not reported in the funds.	(10,783,962)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,503,555,067)
Deferred inflows of resources related to gain on refundings are not financial resources and, therefore are not reported in the funds.	(5,022,635)
Deferred inflows of resources related to pensions are not financial resources and, therefore are not reported in the funds.	(544,144,785)
Deferred inflows of resources related to OPEB are not financial resources and, therefore are not reported in the funds.	(14,855,750)
Deferred inflows of resources related to property taxes and long-term receivables are economic resources and, therefore are recognized in governmental activities.	88,268,217
Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	<u>81,010</u>
Net position (deficit) of governmental activities	<u>\$ (720,895,422)</u>

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

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Grants Special Revenue	Bond Redemption
REVENUES			
Taxes	\$ 828,144,100	\$ -	\$ 205,712,056
Intergovernmental:			
Revenue from state sources	284,201,031	23,362,322	-
Revenue from federal sources	1,142,972	167,803,456	-
Charges for services	73,155,090	9,376,044	-
Investment income (loss)	274,821	-	995,984
Other local sources	7,323,137	19,912,831	-
Total revenues	<u>1,194,241,151</u>	<u>220,454,653</u>	<u>206,708,040</u>
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	564,747,744	63,959,820	-
Special education	87,517,664	18,302,425	-
Vocational education	860,016	149,274	-
Other instruction	4,066,741	1,364,332	-
Total instruction	<u>657,192,165</u>	<u>83,775,851</u>	<u>-</u>
Support services:			
Pupil supporting services	74,193,579	37,919,053	-
Instructional support	93,651,824	29,829,368	-
General administration	9,994,152	4,059,466	-
School administration	79,687,970	2,932,591	-
Business services	13,602,200	888,700	-
Operations and maintenance	76,820,175	4,454,790	-
Pupil transportation	29,788,063	356,429	-
Central services	42,583,410	386,348	-
Other support services	492,055	25,070,019	-
Total support services	<u>420,813,428</u>	<u>105,896,764</u>	<u>-</u>
Community services	11,037,996	5,322,525	-
Education for adults	-	24,574,574	-
Capital outlay	2,587,751	288,751	-
Debt service:			
Principal payments	29,059,492	92,090	119,265,000
Interest and fiscal charges	42,476,054	23,735	92,164,875
Total debt service	<u>71,535,546</u>	<u>115,825</u>	<u>211,429,875</u>
Total expenditures	<u>1,163,166,886</u>	<u>219,974,290</u>	<u>211,429,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,074,265</u>	<u>480,363</u>	<u>(4,721,835)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	648,908	-
Transfers out	(23,728,558)	-	-
Issuance of bond principal	-	-	-
Premium on issuance of debt	-	-	9,894,645
Issuance of leases	912,209	-	-
Refunding bonds	-	-	52,890,000
Payment to bond escrow agent	-	-	(61,215,000)
Total other financing sources (uses)	<u>(22,816,349)</u>	<u>648,908</u>	<u>1,569,645</u>
Net change in fund balances	8,257,916	1,129,271	(3,152,190)
Fund balance - beginning	125,135,420	16,296,859	224,018,962
Fund balance - ending	<u>\$ 133,393,336</u>	<u>\$ 17,426,130</u>	<u>\$ 220,866,772</u>

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

Continued next page

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 67,885,942	\$ 1,101,742,098
Intergovernmental:				
Revenue from state sources	-	-	328,253	307,891,606
Revenue from federal sources	-	6,573,028	48,318,780	223,838,236
Charges for services	-	150,000	1,115,451	83,796,585
Investment income (loss)	(11,394,715)	12,340	29,131	(10,082,439)
Other local sources	-	22,535,756	4,745,547	54,517,271
Total revenues	<u>(11,394,715)</u>	<u>29,271,124</u>	<u>122,423,104</u>	<u>1,761,703,357</u>
EXPENDITURES				
Current:				
Instruction:				
Regular instruction	-	-	26,707,764	655,415,328
Special education	-	-	3,512,614	109,332,703
Vocational education	-	-	11,589	1,020,879
Other instruction	-	-	9,310,930	14,742,003
Total instruction	<u>-</u>	<u>-</u>	<u>39,542,897</u>	<u>780,510,913</u>
Support services:				
Pupil supporting services	-	-	3,115,514	115,228,146
Instructional support	-	-	2,454,402	125,935,594
General administration	-	-	145,108	14,198,726
School administration	-	-	5,874	82,626,435
Business services	-	-	-	14,490,900
Operations and maintenance	9,244,555	2,484,236	31,207,889	124,211,645
Pupil transportation	302,615	-	-	30,447,107
Central services	3,270,657	6,221,722	2,040,540	54,502,677
Other support services	-	-	42,466,802	68,028,876
Total support services	<u>12,817,827</u>	<u>8,705,958</u>	<u>81,436,129</u>	<u>629,670,106</u>
Community services	-	-	2,843	16,363,364
Education for adults	-	-	-	24,574,574
Capital outlay	121,031,902	5,104,754	410,885	129,424,043
Debt service:				
Principal payments	-	8,317,947	-	156,734,529
Interest and fiscal charges	1,602,450	6,517,083	-	142,784,197
Total debt service	<u>1,602,450</u>	<u>14,835,030</u>	<u>-</u>	<u>299,518,726</u>
Total expenditures	<u>135,452,179</u>	<u>28,645,742</u>	<u>121,392,754</u>	<u>1,880,061,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,846,894)</u>	<u>625,382</u>	<u>1,030,350</u>	<u>(118,358,369)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	18,454,898	4,624,752	23,728,558
Transfers out	-	-	-	(23,728,558)
Issuance of bond principal	345,000,000	-	-	345,000,000
Premium on issuance of debt	76,681,149	-	-	86,575,794
Issuance of leases	-	-	-	912,209
Refunding bonds	-	-	-	52,890,000
Payment to bond escrow agent	-	-	-	(61,215,000)
Total other financing sources (uses)	<u>421,681,149</u>	<u>18,454,898</u>	<u>4,624,752</u>	<u>424,163,003</u>
Net change in fund balances	274,834,255	19,080,280	5,655,102	305,804,634
Fund balance - beginning	502,812,488	72,933,581	16,058,717	957,256,027
			0	0
Fund balance - ending	<u>\$ 777,646,743</u>	<u>\$ 92,013,861</u>	<u>\$ 21,713,819</u>	<u>\$ 1,263,060,661</u>

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



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SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net change in fund balance - governmental funds	\$ 305,804,634
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of capitalized assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital asset additions	127,937,110
Capital asset depreciation	(109,321,048)
Capital asset loss on disposal	(357,663)
Issuance of debt - The issuance of debt and related premium provides current financial resources to the governmental funds, but has no effect on the change in net position of the governmental activities.	(484,465,794)
Principal retirements - Retirements of principal outstanding on the School District's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reductions against the long-term liability.	215,090,000
Amortization of premium on debt has no effect on the governmental funds, but increases the change in net position of governmental activities.	27,060,559
Amortization of deferred loss on refundings are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	(11,852,113)
Amortization of deferred gain on refundings are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense. Current year deferred gain on refunding less amortization - gain on refunding	(2,712,795)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in compensated absences	1,548,238
Change in lease liability	1,947,320
Change in accrued claims liability	401,269
Change in interest payable related to long-term liabilities	(936,911)
Net Pension Credit	221,441,934
Net OPEB Credit	12,247,200
Change in deferred property tax and other revenues - revenues that do not provide current financial resources are deferred on the governmental fund financial statements but are recognized on the government-wide financial statements.	(17,085,545)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net loss of the internal service funds is included in the government-wide statement of activities	(205,713)
Change in net position of governmental activities	<u>\$ 286,540,682</u>
The notes to the basic financial statements are an integral part of this statement.	

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

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AS OF JUNE 30, 2022

	Warehouse Fund
ASSETS	
Current assets:	
Receivables	\$ 40
Due from other funds	80,970
Total current assets	<u>81,010</u>
NET POSITION	
Unrestricted	81,010
Total net position	<u>\$ 81,010</u>

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

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Warehouse Fund
OPERATING REVENUES	
Billings to funds	\$ 155,476
Other revenue	18,363
Total operating revenues	<u>173,839</u>
OPERATING EXPENSES	
Cost of goods:	
Purchased	86,918
Salaries and employee benefits	36,020
Other purchased services	12,598
Supplies	54,559
Other	189,457
Total operating expenses	<u>379,552</u>
OPERATING LOSS/CHANGE IN NET POSITION	(205,713)
Total net position - beginning	286,723
Total net position - ending	<u>\$ 81,010</u>

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



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

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Warehouse Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 379,552
Payments to suppliers	(343,532)
Payments to employees	(36,020)
Net cash provided by operating activities	-
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 -
Operating income (loss)	\$ (205,713)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	-
Accounts receivable	220
Due from other funds	205,493
Net cash provided by operating activities	\$ -

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

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2022

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Assets		
Cash and investments	\$ -	\$ 1,006,652
Retiree Life Insurance Investment	18,241,485	-
Due from other funds	-	8,940
Total Assets	18,241,485	1,015,592
Net Position		
Restricted for		
Net position held in trust	1,888,484	1,015,592
Postemployment benefits other than pensions	16,353,001	-
Total Net Position	\$ 18,241,485	\$ 1,015,592

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

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Additions		
Employer contributions	\$ 3,687,568	\$ -
Interest income	427,558	2,351
Total Additions	<u>4,115,126</u>	<u>2,351</u>
Deductions		
Medical and life insurance for retirees	<u>2,226,642</u>	-
Total Deductions	<u>2,226,642</u>	-
Net increase in fiduciary net position	1,888,484	2,351
Net position - beginning	<u>16,353,001</u>	<u>1,013,241</u>
Net position - ending	<u>\$ 18,241,485</u>	<u>\$ 1,015,592</u>

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

This report contains financial statements of the District (the primary government) and its component units. Refer to Note 15 and the basic financial statements for additional information on component units.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

Governmental Funds

The District reports the following major governmental funds:

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

The Building Fund is a capital projects fund and accounts for construction and renovation projects funded by the sale of general obligation bonds. Debt payments on certain certificates of participation are also accounted for here.

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

The District reports the following nonmajor governmental funds:

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

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

The Mill Levy Technology Maintenance Special Revenue Fund accounts for the proceeds of voter approved taxes from the 2020 mill levy override. The investments and expenditures are dedicated to maintenance operations and technology improvements.

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

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

Internal Service and Fiduciary Funds

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

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

The District has two Fiduciary Funds which include the Other Employee Benefit Trust Fund and the Private Purpose Trust Fund. The Private Purpose Trust Fund is used to report all fiduciary activities that are not required to be reported in pension and other employee benefit trust funds or investment trust funds and are held in trust. The Other Employee Benefit Trust Fund is used to report the MetLife Retiree Life Insurance OPEB Plan since the assets are administered through a trust in which Denver Public Schools is not a beneficiary, dedicated to providing benefits to retirees or designated beneficiaries in accordance with the benefit terms, and legally protected from the creditors of Denver Public Schools. The District

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included the Retiree Life Insurance trust as a fiduciary component unit in its financial statements. The District's postemployment health benefits were transferred to PERACare on January 1, 2010.

Budgets and Budgetary Accounting

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

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Deposits and Investments

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

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

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

Unearned Revenue

Unearned revenue consists of funds that have been received but the corresponding revenue recognition criteria have not been met.

Inventories

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

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

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

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

Prepaid Items

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

Capital and Lease Assets

Capital and lease assets are real, personal and intangible property that have a cost equal to or greater than an established capitalization threshold of \$5,000 and have an estimated useful life extending beyond one year. The presentation of capital assets has changed to incorporate lease assets as per GASB 87 lease reporting requirements that took effect July 1, 2021. For additional information, refer to Note 5, Note 6 and Note 7.

Due From and Due to Other Funds

A general disbursing account within the General Fund is used on an imprest basis to make expenditures on behalf of all funds. This account is periodically reimbursed by the applicable funds. Interfund balances at June 30, 2022 represent reimbursements and adjustments due but not transferred as of that date.

Indirect Costs

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

Accrued Payroll

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

Encumbrances

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

Compensated Absences

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. In accordance with Section 22-45-103, CRS, the District's bond redemption fund custodian for FY 2022 was U.S. Bank.

Deferred Outflows of Resources and Deferred Inflows of Resources

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and GASB Statment No. 87, *"Leases"* the government-wide statements include deferred outflows of resources representing the deferred loss on refunding of the District's certificates of participation and bond obligations and items relating to the District's pension and OPEB obligations. Deferred inflows of resources relate to deferred gain on refunding, pension, OPEB obligations and leases. Additionally, the governmental fund financial statements include deferred inflows of resources for property taxes receivable and long-term receivables that have not met modified accrual revenue recognition criteria.

Net Position

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

Fund Balances

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

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

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

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

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

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

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

2. CASH AND INVESTMENTS

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

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

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

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

As of June 30, 2022, the District investments are in compliance with the investment policy.

Investments Authorized by Debt Agreements

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

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

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The District has the following recurring fair value measurements as of June 30, 2022:

- Corporate Notes of \$297,335,103 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- Commercial Paper of \$27,439,854 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- U.S. Treasury securities of \$411,288,890 are valued using quoted price in active markets for identical assets (Level 1 inputs).
- Repurchase Agreements of \$34,805,000 are valued using pricing models (Level 2 inputs).

Custodial Credit Risk

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

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

The District's deposits are with eligible public depositories and are considered to be held in the name of the District. These deposits have bank balances of \$11,022,806 and related carrying amount of \$1,513,697.

Interest Rate Risk

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

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

Type of Security	Fair Value	Maturity			
		30 days or less	12 months or less	1 to 2 years	2 to 7 years
Certificate of Deposit	\$ 12,470,220	\$ -	\$ 12,470,220	\$ -	\$ -
Commercial Paper	27,439,854	-	27,439,854	-	-
US Treasury Notes	411,288,890	-	411,288,890	-	-
Corporate Note	297,335,103	-	297,335,103	-	-
External Investment Pools	324,726,879	324,726,879	-	-	-
Money Market Funds	129,491,908	129,491,908	-	-	-
Repurchase Agreements	34,805,000	-	-	-	34,805,000
Forward Delivery Agreements:					
First American Treasury Obligations	22,692	-	22,692	-	-
U.S. Treasury Bills	-	-	-	-	-
Retiree Life Insurance	18,241,033	18,241,033	-	-	-
Total	\$ 1,255,821,579	\$ 472,459,820	\$ 748,556,759	\$ -	\$ 34,805,000

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

Reconciliation

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

Cash and investments per footnote presentation:	
Cash in bank - carrying amount	\$ 1,513,697
Investments	1,255,821,579
Stocks	3,982
Total	<u>\$ 1,257,339,258</u>
Cash and investments per government-wide statements of net position:	
Cash and cash equivalents	\$ 211,891,970
Investments	3,982
Restricted cash and cash equivalents	809,089,011
Held by fiscal agents	3,137,693
Restricted investments	213,968,467
Cash and investments per the fiduciary statements of net position:	
Private purpose trust	1,006,652
Post Employment Benefit Trust Fund	18,241,485
Total	<u>\$ 1,257,339,258</u>

Foreign Currency Rate Risk

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

Disclosures Relating to Credit Risk

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

As of June 30, 2022, the money market funds that the District participated in were rated as follows by Standard and Poor's:

Financial Institution	Fund	Rating as of June 30, 2022
Wells Fargo	Government Money Market Fund	AAAm
Wells Fargo	Treasury Plus Money Market Fund	AAAm
MetLife	MetLife General Account	A-1+

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

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

The District invests \$52,118,894 in the CSAFE-Cash account, \$86,057,786 in COLOTRUST, and \$186,550,199 in CSIP. The Colorado Division of Securities regulates these local government investment pools. The District's position is that these pools are the same as the value of pool shares. Standard and Poor's rates COLOTRUST as AAAm and CSIP as AAAm. Fitch Ratings Financial Services Company rates CSAFE-Cash as AAAm.

The District has \$3,137,693 in the State of Colorado Treasury ("T-Pool") as required by the Colorado Workers' Compensation Act for self-insurance security. T-Pool is held by fiscal agents and considered a money market fund. The pool is not rated.

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

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

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

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

Concentration of Credit Risk

Concentration of credit risk as defined by the Government Accounting Standards Board (GASB) is any investment that represents 5% or more of the total investments to any one issuer. The District's investments do not contain more than a 5% concentration in one issuer as of June 30, 2022.

3. REVENUE AND RECEIVABLES

Property Taxes

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

Property taxes levied for the General Fund totaled \$788,601,680 and for ProComp totaled \$36,060,943 in 2022. The Mill Levy Technology Maintenance Fund, which was created in fiscal year 2021, levied property taxes of \$33,437,928. In 1988, 1998, 2003, 2005, 2012 and 2016 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 override election mill levies are fixed amounts of \$12.1 million, \$17.0 million and \$20.0 million, respectively. The 2005 override election mill levy initially set at \$25.0 million is adjusted annually for inflation as measured by the Denver-Boulder-Greeley consumer price index. The 2005 override election mill levy amount for the 2022 collection year was approximately \$36.5 million. The 2012 override will generate \$74.4 million for the 2022 property tax collection year which results in a levy of 3.287 mills. The 2016 override election mill levy is variable at 3.379 mills and will generate \$76.5 million for the 2022 property tax collection year.

Deferred inflow of resources in the General Fund, ProComp Special Revenue Fund and Mill Levy Technology Maintenance Fund included \$21,804,217, \$997,057 and \$924,533, respectively, of property taxes at June 30, 2022. In addition, property taxes levied for the Bond Redemption Fund totaled \$210,899,205 in 2022 and accounted for the entire deferred inflow of resources of \$5,921,134 at June 30, 2022. Property tax revenue is recorded in the General Fund, the ProComp Special Revenue Fund, the Mill Levy Technology Maintenance Fund and the Bond Redemption Fund. The taxes receivable are recorded net of an estimated uncollectible amount of \$3,795,368 in the governmental activities, \$3,040,599 in the General Fund and \$754,769 in the Bond Redemption Fund.

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

DURA

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

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

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In accordance with the Funding Agreement, the District has performed work and is eligible for reimbursement with respect to an elementary school, a K-8 school and the acquisition and construction of a District high school and sports field. The District entered into a supplemental agreement with the Authority which included land for an elementary school and construction of a new fire station to accommodate the needs of the growing area. Per the supplemental agreement, the District also received donated land for a second school site. Reimbursement to the District is in accordance with the Redevelopment Plan and Funding Agreement including amendments. Payments are expected each year through 2026. The following table summarizes the projects and outstanding reimbursable amounts as of June 30, 2022. The remaining balances are reflected as accounts receivable and deferred inflow of resources in the Capital Reserve Fund.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2022
Stapleton Redevelopment Plan	\$ 69,462,993	\$ -	\$ 12,116,830	\$ 57,346,163

The District has an agreement with National Jewish Health. Per the agreement, the final payment shall be due and payable by October 1, 2022. The amount that remains is outlined below.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2022
National Jewish Health	\$ 1,250,000	\$ -	\$ -	\$ 1,250,000

Other Revenue

The District holds Build America Bonds comprised of 2009C, 2010A, 2010B and 2012C issuances which credits payments to issuers. There is nothing outstanding for the current fiscal year but the District is expecting credits that will be paid the following fiscal year as outlined below.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2022
U.S. Treasury Subsidy	\$ 25,113	\$ 6,573,028	\$ 6,573,028	\$ 25,113

Other Receivables

Other Receivables for the District include the receivables mentioned above for Stapleton Redevelopment, National Jewish Health, the U.S. Treasury and other receivables that are expected to be paid in the following fiscal year. General Fund receivables of \$25.0 million consists of fiscal year 2022 State Equalization and other local and state revenues. Grants Special Revenue receivables of \$4.3 million consists of private grants and higher education student tuition.

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4. INTERFUND BALANCES AND TRANSFERS

Balances of interfund receivables, payables and transfers at June 30, 2022 are as follows:

	Due From	Due To	Transfer In	Transfer Out
Major Funds				
General Fund - Due to Other Funds	\$ 20,272,174	\$ -	\$ -	\$ 23,728,558
Grants Special Revenue	-	66,027,214	648,908	-
Bond Redemption	-	184,933	-	-
Building	-	26,978,514	-	-
Capital Reserve	87,437,849	-	18,454,898	-
Subtotal	<u>\$ 107,710,023</u>	<u>\$ 93,190,661</u>	<u>\$ 19,103,806</u>	<u>\$ 23,728,558</u>
Nonmajor Funds				
Food Service	-	717,347	-	-
Pupil Activity Fund	5,895,145	-	4,624,752	-
ProComp	-	18,602,746	-	-
Mill Levy Technology Maintenance	-	1,123,485	-	-
Permanent	-	60,839	-	-
Subtotal	<u>\$ 5,895,145</u>	<u>\$ 20,504,417</u>	<u>\$ 4,624,752</u>	<u>\$ -</u>
Fiduciary Funds				
Private Purpose Trust	8,940	-	-	-
Internal Service Funds	80,970	-	-	-
Total	<u><u>\$ 113,695,078</u></u>	<u><u>\$ 113,695,078</u></u>	<u><u>\$ 23,728,558</u></u>	<u><u>\$ 23,728,558</u></u>

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



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5. CAPITAL and LEASE ASSETS

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

All capital and lease assets are capitalized at cost, or estimated historical cost and updated for additions and retirements during the year. The presentation of capital assets has changed to incorporate lease assets as per the implementation of GASB 87 lease reporting requirements effective July 1, 2021. Donated capital assets are recorded at acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital and lease assets except land and construction in progress are depreciated.

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

Description	Estimated Lives
Buildings and improvements	5-39 years
Furniture and equipment	5 years
Computer equipment	3-5 years
Buses	7 years
Other vehicles	5 years
Right-to-use leased assets	Varies**

** The shorter of the lease term or useful life of the underlying asset.

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

Instruction:	
Regular	\$ 47,972,568
Special education	8,138,315
Vocational	65,079
Other Instruction	1,097,339
Supporting services:	
Pupil support	8,577,148
Instructional support	10,215,477
General administration	1,056,900
School administration	6,150,401
Business services	1,278,375
Operations and maintenance	10,261,261
Pupil transportation	2,281,582
Central services	4,046,354
Other support services	5,069,040
Community services	1,218,027
Education for adults	1,893,182
Total Depreciation Expense	<u>\$ 109,321,048</u>

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

	<u>July 1, 2021 *</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Land	\$ 108,484,783	\$ 2,003,180	\$ -	\$ -	\$ 110,487,963
Buildings and Improvements	2,265,688,396	137,943	56,683,319	(58,373)	2,322,451,285
Less accumulated depreciation	858,985,761	78,331,719	-	(11,071)	937,306,409
Net	\$ 1,406,702,635	\$ (78,193,776)	\$ 56,683,319	\$ (47,302)	\$ 1,385,144,876
Equipment	301,617,251	4,468,848	22,780,558	(2,609,269)	326,257,388
Less accumulated depreciation	247,485,227	27,980,260	-	(2,610,608)	272,854,879
Net	\$ 54,132,024	\$ (23,511,412)	\$ 22,780,558	\$ 1,339	\$ 53,402,509
Construction in progress	\$ 40,743,353	\$ 120,414,930	\$ (79,463,877)	\$ -	\$ 81,694,406
Right to use leased assets	16,387,674	912,209	-	(1,132,159)	16,167,724
Less accumulated depreciation	-	3,009,069	-	(820,459)	2,188,610
Net	\$ 16,387,674	\$ (2,096,860)		\$ (311,700)	\$ 13,979,114
Total Capital Assets (Net)	\$ 1,626,450,469	\$ 18,616,062		\$ (357,663)	\$ 1,644,708,868

* With the implementation of GASB 87 lease reporting in the current fiscal year, it was required to restate prior fiscal year ending balance for the right to use leased assets.

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Net investment in capital assets is estimated by first comparing the total building fund expenditures since 2013 to the capital outlay from the building fund for the same time frame which is 84.40% as of June 30, 2022. The calculation of net investment in capital assets is below and results in a negative net investment in capital assets as certain capital assets are depreciated over a shorter life than the related debt service.

Capital assets (net)	\$	1,644,708,868
Outstanding bonds payable	\$	2,473,558,246
Less unspent bond proceeds		(777,646,743)
Less capital related deferred loss on refunding		(20,786,887)
Plus capital related deferred gain on refunding		5,022,635
Adjusted bonds payable	\$	1,680,147,251
Percent of capitalized assets		84.40%
Bonds payable related to capital assets	\$	<u>1,418,044,280</u>
Related Debt:		
Certificates of participation		268,051,758
Leased assets liability		14,042,628
Retainage payable		3,167,030
Total related debt	\$	<u>1,703,305,696</u>
Net investment in capital assets	\$	<u>(58,596,828)</u>

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6. LEASES

Lessee

Denver Public Schools implemented GASB No. 87 July 1, 2021, and recognized a lease liability for Equipment Leases, Building Leases, Land Leases, during fiscal year 2022.

At the fund level, total lease expenditures recognized during the fiscal year ending June 2022 includes lease termination payments of \$204,388 in addition to the below payment as follows:

	Principal	Interest	Total Expenditure
Equipment	961,587	31,574	993,161
Buildings	1,503,321	524,018	2,027,339
Land	190,233	16,137	206,370
	<u>\$ 2,655,141</u>	<u>\$ 571,729</u>	<u>\$ 3,226,870</u>

The following is the lease payment schedule as of June 30, 2022:

	Fiscal Year	Principal	Interest	Total Expenditures
Equipment	2023	1,013,898	21,935	1,035,833
	2024	140,853	2,373	143,226
	2025	76,018	805	76,823
	2026	2,219	26	2,245
		<u>\$ 1,232,988</u>	<u>\$ 25,139</u>	<u>\$ 1,258,127</u>
Buildings	2023	816,700	537,128	1,353,828
	2024	878,047	501,634	1,379,681
	2025	952,774	462,913	1,415,687
	2026	1,037,860	420,761	1,458,621
	2027	1,121,668	374,956	1,496,624
	2028-2032	4,920,089	1,203,175	6,123,264
	2033-2035	2,763,277	163,885	2,927,162
		<u>\$ 12,490,415</u>	<u>\$ 3,664,452</u>	<u>\$ 16,154,867</u>
Land	2023	202,615	9,911	212,526
	2024	113,303	2,293	115,596
	2025	1,057	143	1,200
	2026	1,102	98	1,200
	2027	1,148	50	1,198
		<u>\$ 319,225</u>	<u>\$ 12,495</u>	<u>\$ 331,720</u>
Total Lease Payables		<u>\$ 14,042,628</u>	<u>\$ 3,702,086</u>	<u>\$ 17,744,714</u>

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Lessor

Denver Public Schools implemented GASB No. 87 July 1, 2021, and recognized a lease receivable for twenty-five Cell Towers, and two Building Leases during fiscal year 2022.

Total lease revenue recognized during the fiscal year ending June 2022 is as follows:

	Revenue	Interest	Total Revenue
Cell Towers	\$ 579,004	\$ 118,333	\$ 697,337
Buildings	91,002	73,998	165,000
	<u>\$ 670,006</u>	<u>\$ 192,331</u>	<u>\$ 862,337</u>

The following is the lease receivable schedule by year as of June 30, 2022:

	Fiscal Year	Principal	Interest	Total Receivable
Cell Towers	2023	607,406	108,191	715,597
	2024	589,219	86,500	675,719
	2025	547,242	65,977	613,219
	2026	548,292	46,210	594,502
	2027	467,976	27,150	495,126
	2028-2032	302,618	44,566	347,184
	2033-2037	107,124	20,184	127,308
	2038-2042	42,839	1,455	44,294
		<u>\$ 3,212,716</u>	<u>\$ 400,233</u>	<u>\$ 3,612,949</u>
Buildings	2023	21,285	142,465	163,750
	2024	9,742	141,758	151,500
	2025	12,007	141,008	153,015
	2026	14,455	140,090	154,545
	2027	17,100	138,990	156,090
	2028-2032	133,171	671,010	804,181
	2033-2037	238,772	606,429	845,201
	2038-2042	392,232	496,084	888,316
	2043-2047	614,240	319,389	933,629
	2048-2051	517,891	68,635	586,526
		<u>\$ 1,970,895</u>	<u>\$ 2,865,858</u>	<u>\$ 4,836,753</u>
Total Lease Receivable		<u>\$ 5,183,611</u>	<u>\$ 3,266,091</u>	<u>\$ 8,449,702</u>

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7. LONG-TERM LIABILITIES

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

	Balance June 30, 2021 **	Additions	Refunded/ Reductions	Balance June 30, 2022	Due Within One Year
Bonds payable	\$ 1,974,762,000	\$ 397,890,000	\$ (180,480,000)	\$ 2,192,172,000	\$ 121,740,000
Premiums	219,533,385	86,575,794	(24,722,933)	281,386,246	-
Total bonds payable	2,194,295,385	484,465,794	(205,202,933)	2,473,558,246	121,740,000
Certificates of participation	970,095,000	-	(34,610,000)	935,485,000	38,500,000
Premiums	20,948,449	-	(2,337,626)	18,610,823	-
Total certificates of participation	991,043,449	-	(36,947,626)	954,095,823	38,500,000
Other long-term liabilities:					
Compensated absences	19,740,694	10,064,048	(11,612,286)	18,192,456	3,114,414
Lease Liability	15,989,948	912,209	(2,859,529)	14,042,628	2,033,213
Accrued Claims Liability	11,979,342	2,890,528	(3,291,797)	11,578,073	4,082,688
Net OPEB obligation*	40,625,946	-	(14,073,216)	26,552,730	-
Net Pension Liability*	395,426,442	-	(391,391,331)	4,035,111	-
Other obligation	1,500,000	-	-	1,500,000	-
Total other long-term liabilities	485,262,372	13,866,785	(423,228,159)	75,900,998	9,230,315
Total long-term liabilities	\$ 3,670,601,206	\$ 498,332,579	\$ (665,378,718)	\$ 3,503,555,067	\$ 169,470,315

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

** Restated for GASB 87 implementation see Note 16.

Bonds payable and certificates of participation at June 30, 2022 are comprised of the following:

Bonds:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2005A GO Refunding Bonds	\$ 130,290,000	\$ 51,520,000	5.00% - 5.50%	12/1/2023
2009B GO Qualified School Construction Bonds	24,022,000	24,022,000	1.39%	12/1/2024
2009C GO Taxable Build America New Money bonds	250,000,000	250,000,000	5.664%	12/1/2023
2009F GO Tax-Exempt Refunding Bonds	24,700,000	540,000	3.20%-5.00%	12/1/2023
2010A GO Qualified School Construction Bonds	29,260,000	29,260,000	4.73%	9/1/2027
2010B GO Taxable Build America New Money Bonds	1,545,000	1,545,000	4.93%	12/1/2028
2010C GO Tax-Exempt Refunding Bonds	85,390,000	34,550,000	2.50% - 5.00%	12/1/2023
2012B GO Tax-Exempt Bonds	428,600,000	127,815,000	3.00% - 5.00%	12/1/2032
2012C GO Taxable Qualified Zone Academy Bonds	16,000,000	16,000,000	3.773%	12/1/2035
2012D GO Taxable Refunding Bonds	67,220,000	2,775,000	1.680% - 3.154%	12/1/2028
2014A GO Bonds	21,400,000	16,200,000	5.00% - 5.50%	12/1/2034
2014B GO Refunding Bonds	149,170,000	130,805,000	3.50% - 5.00%	12/1/2029
2016A GO Refunding Bonds	143,280,000	138,605,000	1.75% - 5.00%	12/1/2031
2017 GO Bonds	466,675,000	431,110,000	4.00% - 5.00%	12/1/2041
2018A GO Bonds	105,325,000	95,550,000	5.00% - 5.50%	12/1/2041
2018B GO Refunding Bonds	106,130,000	37,210,000	2.297% - 3.587%	12/1/2032
2021 GO Bonds	450,000,000	406,775,000	3.00% - 5.00%	12/1/2045
2021A GO Refunding Bonds	52,890,000	52,890,000	4.00%	12/1/2028
2022A GO Bonds	345,000,000	345,000,000	5.00%	12/1/2045
Premium	-	281,386,246	-	-
Total bonds payable		\$ 2,473,558,246		

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Certificates of Participation:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2011B Taxable	\$ 396,235,000	\$ 357,850,000	6.22% - 7.017%	12/15/2037
2013B Taxable	536,855,000	437,920,000	2.018% - 4.242%	12/31/2037
2013C	58,740,000	47,625,000	3.25% - 5.00%	12/15/2033
2015B Tax-exempt	8,570,000	7,915,000	2.50% - 5.00%	12/15/2045
2017A	32,080,000	22,690,000	2.00% - 5.00%	12/1/2030
2017B	14,095,000	11,725,000	4.00% - 5.00%	12/1/2025
2017C	10,000,000	8,335,000	2.94%	12/1/2036
2018	7,710,000	6,690,000	3.000% - 5.000%	12/1/2037
2020A	35,225,000	34,735,000	5.000%	12/1/2041
Premium	-	18,610,823	-	-
Total certificates of participation		<u>\$ 954,095,823</u>		

In prior years, the registered voters of Denver authorized the School District to issue general obligation bonds. As of June 30, 2022, all previously authorized bonds had been issued.

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

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

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

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

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

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

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

In November of 2020, as authorized by Board resolution, the District issued \$450 million general obligation bonds, series 2021A. The proceeds will finance investments in critical maintenance, the Montbello campus, air conditioning, 2020A COP payback of Kepner portion, upgrading quality learning environments for students, District capacity needs, upgraded technology and safety, general fund relief, a greenhouse for food and nutrition services, master planning, and the prepayment of the District's obligations under the 2018B issuance.

In August of 2021, as authorized by the Board resolution, the District issued \$52.8 million Refunding general obligations bonds, Series 2021B. The proceeds for the issuance were used for the refunding of \$61.2 million of 2012A general obligation bonds. This results in a deferred gain on refunding of \$3.4 million.

In February of 2022, as authorized by board resolution, the District issued \$345 million general obligations bonds, series 2022A. The proceeds will finance investments in critical maintenance, the Montbello campus, air conditioning, 2020A COP payback of Kepner portion, upgrading quality learning environments for students, District capacity needs, upgraded technology and safety, general fund relief, a greenhouse for food and nutrition services, master planning, and the prepayment of the District's obligations under the 2018B issuance.

Annual requirements to maturity are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2023	121,740,000	99,652,165	38,500,000	47,425,095
2024	82,425,000	94,690,437	41,315,000	45,743,112
2025	133,397,000	89,816,269	45,445,000	43,836,635
2026	92,330,000	84,675,860	48,550,000	42,023,550
2027	94,215,000	80,244,453	44,955,000	39,573,505
2028-2032	595,170,000	321,876,596	271,500,000	159,484,976
2033-2037	430,010,000	190,240,211	348,140,000	76,289,487
2038-2042	385,470,000	102,042,600	91,065,000	4,982,540
2043-2046	257,415,000	23,772,825	6,015,000	243,250
Total	<u>\$ 2,192,172,000</u>	<u>\$ 1,087,011,416</u>	<u>\$ 935,485,000</u>	<u>\$ 459,602,150</u>

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

All bond obligations will be paid from the Bond Redemption Fund. The 2013C, 2017A, 2017B, 2017C and 2020A COPs are to be paid from the Capital Reserve Fund; whereas the 2011B and 2013B taxable COPs

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are attributable to pension obligations and are paid from the General Fund. The 2015B tax-exempt COPs are paid from General Fund.

The Building Fund ending fund balance of \$777,646,743 is from the issuance of Series 2017, 2018 and 2020 general obligation bonds and related interest earnings. At June 30, 2022, the Building Fund had capital expenditure purchase commitments outstanding of \$201,654,894.

Lease Liability

The District has multiple lease arrangements for leasing of various types. In accordance with generally accepted accounting principles, the leases have been capitalized at the present value of future minimum lease payments and the assets are reflected in the government-wide financial statements and as of June 30, 2022 were:

Lease Type	Original Amount	Amount Outstanding	Interest Rate	Final Maturity
Building	\$ 13,452,000	\$ 12,490,415	Variable	06/01/2035
Equipment	2,028,483	1,232,988	Variable	05/01/2026
Land	509,465	319,225	Variable	06/01/2028
Total Lease Liability	<u>\$ 15,989,948</u>	<u>\$ 14,042,628</u>		

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

Year Ending June 30,	Total
2023	\$ 2,602,187
2024	1,638,502
2025	1,493,710
2026	1,462,065
2027	1,497,824
2028 - 2032	6,123,264
2033 - 2035	2,927,162
Total Minimum Lease Payments	<u>\$ 17,744,714</u>
Less: Interest	<u>3,702,086</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 14,042,628</u></u>

Defeasance of General Obligation Bonds

In prior years, the District advance refunded a portion of the District's general obligation bonds with the proceeds from the issuance of new general obligation bonds. The defeased bonds are not considered a liability of the District. At June 30, 2022, \$225,545,000 of refunded 2009F, 2012A, and 2012B bonds are considered in-substance defeased.

On October 28, 2021, the District refunded a portion of the District's Series 2012A general obligation bonds with the proceeds from the issuance of general obligation refunding bonds, Series 2021B, with an average rate of 4.0%. The total debt service on the 2021B refunding bonds will be \$65,832,730 through December 2028 for a decrease of \$10,913,782 from prior debt service on 2012A bonds. As a result of the refunding, the District will experience an economic gain (the present value of the difference between the old and the new debt service) of \$10,451,884.

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Compensated Absences Liability

Compensated absences liability consists of accumulated sick leave time that vests and is payable upon retirement and accumulated vacation leave time that vests and is payable upon retirement or termination. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid. The estimated cost for fiscal year 2023 is \$3,114,414. These expenditures are recognized in the fund where incurred.

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8. SHORT-TERM DEBT

The District participates in the State Treasurer's Interest-Free Loan Program for Colorado School Districts authorized by Sections 29-15-112 and 22-54-110 of the Colorado Revised Statutes. The loan is secured by ad valorem taxes on real and personal property received by the District on and after March 1, 2022, to and including June 30, 2022. The District borrowed \$534,940,086 throughout the fiscal year to meet cash flow needs since the majority of property taxes are received starting in March. The loan was repaid during the months of March and May. In June of 2022, the District's Board of Education authorized participation in the Fiscal Year 2023 State Interest Free Loan Program with a Maximum Principal Amount of \$530,000,000.

June 30, 2021 Balance	Borrowed	Repayment	June 30, 2022 Balance
<u>\$ 0</u>	<u>\$ 534,940,086</u>	<u>\$ 534,940,086</u>	<u>\$ 0</u>

9. PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the DPS Division—a single-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients of the DPS benefit structure, and eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00 percent unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00 percent AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10 percent of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned AI cap by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2022. Eligible employees of the District, and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50 percent of their PERA-includable salary period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

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	July 1, 2021 through December 31, 2021	January 1, 2022 through June 30, 2022
Employer Contribution Rate	10.90%	10.90%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
PCOP offset as specified in C.R.S. § 24-51-412*	(12.09)%	(11.47)%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the DPS Division	7.79%	8.41%

*To conform with this presentation of contribution rates, the 2021 annual PCOP offset of 12.50 percent has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the District and the discretely presented component units were \$57,913,199 and \$8,208,447 respectively, for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

The net pension liability for the DPS Division was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the TPL to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the DPS Division for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the District and its discretely presented component units reported a liability of \$4,035,111 and \$580,771, respectively, for their proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity.

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The amount recognized by the District and the discretely presented component units as their proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District and its component units were as follows:

The District's proportionate share of the net pension liability	\$ 4,035,111
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	1,167,079
Discretely presented component units	580,771
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	188,039
Total	\$ 5,971,000

At December 31, 2021, the District's proportion was 67.58 percent, which was a decrease of 20.32 percent from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District and its discretely presented component units recognized a pension credit of \$(163,558,742) and \$(17,143,682), respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (394,269,027)
Contributions subsequent to the measurement date	31,286,655	-
Difference between expected and actual experience	34,454,208	-
Changes in proportion	109,805,790	(149,875,758)
Changes of assumptions or other inputs	42,070,302	
Total	\$ 217,616,955	\$ (544,144,785)

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At June 30, 2022, the District's discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (56,746,561)
Contributions subsequent to the measurement date	4,896,533	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,806,078	(16,748,729)
Difference between expected and actual experience	4,958,944	-
Changes of assumptions or other inputs	6,055,117	-
Total	<u>\$ 31,716,672</u>	<u>\$ (73,495,290)</u>

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The District and the component units reported \$31,286,655 and \$4,896,533 respectively as deferred outflows of resources from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

District	
Year ended:	
2023	\$ (80,733,233)
2024	(107,678,664)
2025	(121,847,616)
2026	(47,554,972)
Total	<u>\$ (357,814,485)</u>

Component units	
Year ended:	
2023	\$ (8,297,825)
2024	(15,095,686)
2025	(16,407,734)
2026	(6,873,906)
Total	<u>\$ (46,675,151)</u>

Actuarial assumptions. The TPL in the December 31, 2020, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% – 11.50%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50 percent resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions for the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll

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of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, 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 FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- The project benefit payments reflect the lowered AI cap, from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2021	\$ 4,561,400,000	\$ 4,111,486,000	\$ 449,914,000
Changes for the year:			
Service cost	107,672,000	-	107,672,000
Interest	327,930,000	-	327,930,000
Changes of benefit terms	(89,028,000)	-	(89,028,000)
Differences between expected and actual experience	23,523,000	-	23,523,000
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	65,215,000	(65,215,000)
Contributions - nonemployer	-	19,153,000	(19,153,000)
Contributions - active member (includes purchased service)	-	90,154,000	(90,154,000)
Net investment income	-	645,462,000	(645,462,000)
Benefit payments, including refunds and disability premiums	(291,799,000)	(291,799,000)	-
Administrative expense	-	(2,829,000)	2,829,000
Other changes	-	(3,115,000)	3,115,000
Net changes	78,298,000	522,241,000	(443,943,000)
Balances at 6/30/2022	\$ 4,639,698,000	\$ 4,633,727,000	\$ 5,971,000

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

Sensitivity of proportionate share of the Net Pension Liability/(Asset)	1% Decrease (6.25)%	Current Discount Rate (7.25%)	1% Increase (8.25)%
District	\$ 389,049,942	\$ 4,035,111	\$ (313,862,133)
Component units	55,995,716	580,771	(45,173,982)
	<u>\$ 445,045,658</u>	<u>\$ 4,615,882</u>	<u>\$ (359,036,115)</u>

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

Membership – Benefit recipients and members of PERA consisted of the following as of December 31, 2021. These numbers include all recipients and members for the DPS Division, including those from the District's discretely presented component units.

Classification	Members
Retirees and beneficiaries	7,186
Inactive members eligible but not yet receiving benefits	2,249
Inactive members not eligible for benefits	15,426
Active members	
Vested general employees	8,432
Non-vested general employees	7,263
Total Actives	15,695
Total	<u>40,556</u>

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2022, Program members contributed \$2,940,274 for the Voluntary Investment Program.

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10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Denver Public Schools provides the following other postemployment benefit plans:

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

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

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Credit)
DPSRLIT				
District	\$ 17,345,758	\$ 117,213	\$ -	\$ 514,515
DPS HCTF				
District	9,206,972	4,226,419	(14,855,750)	(1,444,006)
DPCU	1,312,030	1,263,576	(2,481,385)	(189,465)
Plan Total	10,519,002	5,489,995	(17,337,135)	(1,633,471)
Combined OPEB				
District	26,552,730	4,343,632	(14,855,750)	(929,491)
DPCU	1,312,030	1,263,576	(2,481,385)	(189,465)
Combined OPEB Totals	<u>\$ 27,864,760</u>	<u>\$ 5,607,208</u>	<u>\$ (17,337,135)</u>	<u>\$ (1,118,956)</u>

Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)

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

Plan Descriptions and Contribution Information - DPSRLIT

The contributions and benefits are provided to certain employees who retired under the provisions of early, regular or disability retirement who meet the other eligibility requirements. Contributions to the plan are paid from the general fund. Plan participants consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Number Retired	2,805
Number Disabled	131
Total	<u>2,936</u>

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

Contributions. For the year ended June 30, 2022, the District's average contribution rate was \$3.92 per \$1,000 coverage for premiums. MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates. Required contribution rates are established on an actuarial basis to account for claims charges, margin and retention charges. To calculate contribution rates, claims data is divided into yearly blocks, which are divided by the required contribution to determine the claim loss ratio. This ratio is then adjusted to reflect the demographics of the current group. The expected claim loss ratio for each year is then averaged into a single claim loss ratio and adjusted for margin and retention charges.

The District's actual contribution amount for the year ended June 30, 2022 was \$3,687,568. Should the plan structure change or the number of covered employees change by more than 10%, MetLife reserves the right to change plan contribution rates accordingly. Plan participants do not make contributions to the plan. In prior years, the general fund has been used to pay down the net plan liability.

Net OPEB Liability - DPSRLIT

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

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Actuarial assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Last experience study	Not applicable since only standard tables are used due to credibility constraints for actual experience.
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	3.92 percent
Discount rate	2.90 percent

Mortality table - 2010 Pub General Healthy Retiree with 100 percent of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100 percent of MP Ultimate scale for disabled participants.

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

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

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

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

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Changes in the Net OPEB Liability - DPSRLIT

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2021	\$ 36,857,921	\$ 16,353,001	\$ 20,504,920
Changes for the year:			
Service cost	-	-	-
Interest on total OPEB liability	1,039,438	-	1,039,438
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(265,018)	-	(265,018)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(2,045,098)	(2,045,098)	-
Employer contributions	-	3,687,568	(3,687,568)
Member contributions	-	-	-
Net investment income	-	427,558	(427,558)
Administrative expenses	-	(181,544)	181,544
Net changes during fiscal year	(1,270,678)	1,888,484	(3,159,162)
Balances as of June 30, 2022	\$ 35,587,243	\$ 18,241,485	\$ 17,345,758

The plan's fiduciary net position is 51.26% as a percentage of total OPEB liability.

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

	1% Decrease (1.90%)	Current Discount Rate (2.90%)	1% Increase (3.90%)
Net OPEB Liability	\$ 20,579,374	\$ 17,345,758	\$ 14,550,144

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$514,515. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	117,213	-
Total	\$ 117,213	\$ -

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

District	
Year Ended June 30:	
2023	\$ 46,364
2024	39,077
2025	18,229
2026	13,543
Total	<u>\$ 117,213</u>

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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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 health benefits program 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.

Membership. Benefit recipients and members of PERA consisted of the following as of December 31, 2021. These numbers include all recipients and members for the DPS Division, including those from the District's discretely presented component units.

Classification	Members
Retirees and beneficiaries	7,186
Inactive members eligible but not yet receiving benefits	2,249
Inactive members not eligible for benefits	15,426
Active members	
Vested general employees	8,432
Non-vested general employees	7,263
Total active members	15,695
Total	40,556

PERA Benefit Structure - HCTF

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure - HCTF

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

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

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

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the District and its discretely presented component units were \$7,675,075 and \$1,074,814 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$9,206,972 for its proportionate share of the net OPEB liability and the discretely presented component units reported an aggregate liability of \$1,312,030. The net OPEB liability for the DPS HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District proportion of the net OPEB liability was based on District contributions to the DPS HCTF for the calendar year 2021 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2021, the District's proportion was 87.53 percent, which is a decrease of 0.37 percent from its proportion measured as of December 31, 2020, and the discretely presented component units proportion was 12.47 percent, which is an increase of 0.37 percent from the proportion measured as of December 31, 2020.

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For the year ended June 30, 2022, the District recognized OPEB credit of \$(1,444,006) and the discretely presented component units recognized OPEB expense of \$(189,465). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (8,354,458)
Changes of assumptions or other inputs	875	(1,118,596)
Net difference between projected and actual earnings on OPEB plan investments	-	(4,985,541)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	61,383	(397,155)
Contributions subsequent to the measurement date	4,164,161	-
Total	<u>\$ 4,226,419</u>	<u>\$ (14,855,750)</u>

At June 30, 2022, the District's discretely presented components units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ (1,190,542)
Changes of assumptions or other inputs	125	(159,404)
Net difference between projected and actual earnings on OPEB plan investments		(710,459)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	690,182	(420,980)
Contributions subsequent to the measurement date	573,269	-
Total	<u>\$ 1,263,576</u>	<u>\$ (2,481,385)</u>

The District and its component units reported \$4,164,161 and \$573,269, respectively, as deferred outflow of resources from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the year ended 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

District	
Year Ended:	
2023	\$ (3,514,280)
2024	(3,945,997)
2025	(3,378,539)
2026	(2,251,507)
2027	(1,207,285)
Thereafter	(495,884)
Total	<u>\$ (14,793,492)</u>

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Discretely Presented Component Units		
Year Ended June 30:		
2023	\$	(412,177)
2024		(477,944)
2025		(437,034)
2026		(316,517)
2027		(82,925)
Thereafter		(64,481)
Total	\$	<u>(1,791,078)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of OPEB plan 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	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020 valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$ 633	\$ 230	\$ 591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, 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 used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020, valuation for the determination of the total pension liability for the DPS Division as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the DPS HCTF, but developed using a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

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The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 2021 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

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As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note: 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 nominal rate of return assumption of 7.25 percent.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 10,518,000	\$ 10,519,002	\$ 105,210,000
District Portion	\$ 9,206,096	\$ 9,206,972	\$ 9,208,722
Discretely Presented Component Units	\$ 1,311,904	\$ 1,312,030	\$ 1,312,278

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, 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 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarial determined contributions assuming an analogous future plan member growth rate.

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- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 14,741,308	\$ 9,206,972	\$ 4,487,512
Discretely Presented Component Units	\$ 2,100,692	\$ 1,312,030	\$ 639,488

Schedule of Changes in Net OPEB Liability - HCTF

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2021	\$ 66,213,000	\$ 43,321,000	\$ 22,892,000
Changes for the year:			
Service cost	1,237,000	-	1,237,000
Interest	4,750,000	-	4,750,000
Differences between expected and actual experience	(2,855,000)	-	(2,855,000)
Changes of assumptions or other inputs	-	-	-
Benefit payments	(3,873,000)	(3,516,000)	(357,000)
Contributions - employer	-	8,622,000	(8,622,000)
Purchased service transfers	-	206,000	(206,000)
Net investment income	-	6,963,000	(6,963,000)
Administrative expense	-	(639,000)	639,000
Other additions and deductions	-	(4,000)	4,000
Balances as of June 30, 2022	<u>\$ 65,472,000</u>	<u>\$ 54,953,000</u>	<u>\$ 10,519,000</u>

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

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11. RISK MANAGEMENT

The District's risk management program deals with the efficient operations of the commercial insurance programs that provide financial protection to the District. These programs include property insurance, several lines of liability insurance, workers' compensation insurance, medical, and dental. For the prior three years the amount of claim payments for property and liability insurance has not exceeded the amount of insurance coverage.

Property and Liability Insurance

The District has the normal exposures to loss that are part of any large organization. The District is a public facility that teaches and supervises over 90,000 students, employs approximately 12,000 people to accomplish these functions and provides these services in over 207 facilities located throughout the City and County of Denver. Exposures to loss includes damages and theft of property, tort claims, errors and omissions on the part of District employees or Board members, on the job injuries and automobile liability claims.

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

The District retains a certain level of all liability losses. For the year ended June 30, 2022 the District retained \$250,000 of each school entity liability loss and \$250,000 for each automobile liability loss. For the same period the retention level for each property claim was \$100,000. These deductible levels were arrived at after reviewing the average historical losses and determining the amount of each loss the District could pay directly.

Fiscal Year ended June 30	2022	2021
Claims Liability, Beginning of Fiscal Year	\$ 2,336,301	\$ 2,456,110
Claims Adjusted	(118,122)	166,055
Claims Reimbursed	575,027	435,975
Claims Paid	(666,855)	(721,839)
Claims Liability, End of Fiscal Year	<u>\$ 2,126,351</u>	<u>\$ 2,336,301</u>

Workmen's Compensation

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

Fiscal Year Ended June 30	2022	2021
Claims Liability, Beginning of Fiscal Year	\$ 9,643,041	\$ 10,283,801
Claims Incurred	3,008,650	3,306,505
Claims Paid	(3,199,969)	(3,947,265)
Claims Liability, End of Fiscal Year	<u>\$ 9,451,722</u>	<u>\$ 9,643,041</u>

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Medical and Dental

The District began self-insuring for employee medical and dental benefits on July 1, 2021. Premiums are paid into the Medical, Dental and Vision account in the General Fund by all participating employees and operating departments to pay claims, claim reserves, and administrative costs. Sun Life Provides Stop Loss Insurance for the District's medical plans. Sun Life covers claims that are in excess of 400k and this insurance helps DPS limit our exposure/risk to high medical claims. All claims are reviewed and approved for payment by Kaiser and Aetna in accordance with their administrative services agreement with the District.

Fiscal Year ended June 30	2022	2021
Claims Liability, Beginning of Fiscal Year	\$ 4,494,574	\$ -
Claims Incurred	45,420,827	48,119,758
Claims Paid	(55,146,142)	(43,625,184)
Claims Liability, end of Fiscal Year	\$ 5,230,741	\$ 4,494,574

Medical and dental claims liability are reflected in the fund financial statements as the claims are generally settled utilizing current financial resources.



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12. RELATED PARTIES

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

By contract, the maximum number of students the RMSEL may serve is 400. These students must be residents of one of the five participating school districts. All students at RMSEL are included in the District's enrollment number that is reported to the Colorado Department of Education for funding purposes. The District receives the funding related to the RMSEL students and passes 100% of that funding on to RMSEL along with a portion of state and federal categorical aid as appropriate. That funding was \$3,680,127 for FY 2022. RMSEL purchased special education services from the District for \$139,590 for the same year.

RMSEL is located at 1700 South Holly St., Denver, CO 80222 in one of the District's buildings. RMSEL leases the facility from the District for \$150,000 per year and is included as part of GASB 87 lease reporting requirements in our government wide statements and lease note to the financials.

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13. COMMITMENTS AND CONTINGENCIES

The District is a party to pending or potential lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the District's management has concluded that no significant adverse effect on the June 30, 2022 financial statements should result upon final disposition of these proceedings.

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

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

For the year ended June 30, 2022, the District reported a deficit net position of \$720,895,422 in the government-wide statements. This deficit can be partially attributed to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requiring the recognition of a long-term liability for pensions and postemployment benefits other than pensions respectively. The deficit net position can also be attributed to liabilities related to the District's Certificates of Participation and General Obligation bonds to fund retirement and necessary capital and maintenance projects of the District's facilities.

Encumbrances represent a contractual obligation and expenditures are recognized when the goods and services are delivered and/or received. As of June 30, 2022 encumbrances for the governmental funds were:

Fund	Encumbrances
Building	201,654,894
General	44,339,457
Grant Special Revenue Fund	10,251,342
Capital Reserve	2,997,136
Nonmajor Funds	4,701,040
Total	<u>\$ 263,943,869</u>

Building Fund encumbrances include commitments towards major capital maintenance and construction projects such as but not limited to construction of the new Montbello campus, Martin Luther King gym and soccer field, West high school heating ventilation and cooling. Also included are commitments towards the implementation of the new ERP management system.

General Fund encumbrances include utilities, commitments to the District's health care plans as well as districtwide and school level operations.

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Grant Special Revenue Fund comprises commitments for literacy professional services, summer school tuition assistance and student technology devices.

Capital Reserve Fund encumbrances include commitments towards capital and maintenance construction projects and operational software renewals.

14. CERTAIN CONSTITUTIONAL LIMITATIONS

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

In accordance with TABOR, the District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. For fiscal year 2022, spending was \$1,340,032,466 and the 3% emergency reserve was \$40,200,974, which excludes multi-year obligations of \$264,116. Additionally, in accordance with C.R.S. Section 22-44-105, the District established an emergency cash reserve as a restricted fund balance in the General Fund for \$40,200,974 equal to 3% of budgeted General Fund revenues.

15. COMPONENT UNITS

The District has 27 component units consisting of 3 blended component units and 24 discretely presented component units. Charter schools are included in the component units as they are fiscally dependent upon revenues derived from the State per pupil revenue funding calculation.

Change in Reporting Entity

The component units combining financial statements reflect changes in reporting entity. The changes in reporting entity include charter schools that closed and a new charter French American School which opened during FY 2022.

As of June 30, 2022, Ridgeview Academy and The CUBE closed due to decreasing enrollment.

Blended Component Units

Denver School Facilities Leasing Corporation

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

Denver Public Schools Professional Compensation System for Teachers

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

Denver Public Schools Retiree Life Insurance Trust

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

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Discretely Presented Component Units

Denver Public Schools Foundation

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

Charter Schools

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

Separately issued financial statements for the District's 24 charter schools are available from the individual charter schools at the addresses noted below:

- 5280 High School, 899 Broadway, Denver, CO 80203
- Academy 360 Charter School, 12505 Elmendorf Place, Denver, CO 80239
- Academy of Urban Learning, 2417 W. 29th Avenue, Denver, CO 802
- American Indian Academy, 1865 W. Mississippi Avenue, Denver, Co 80223
- Colorado High School Charter, 1175 Osage Street, Suite #100, Denver, CO 80204
- Compass Academy, 2285 S. Federal Boulevard, Denver, CO, 80219
- Denver Justice High School, 300 E. 9th Avenue, Denver, CO 80203
- Denver Language School, 451 Newport Street, Denver, CO 80220
- Downtown Denver Expeditionary School, 1860 Lincoln Street, Denver CO 80295
- DSST Public Schools, 3401 Quebec Street, Suite 7200, Denver, CO 80207
- French American School of Denver, 2350 N. Gaylord Street, Denver, CO 80205
- Girls Athletic Leadership Schools, 750 Galapago Street, Denver CO 80204
- Highline Academy Schools, 2170 S. Dahlia Street, Denver, CO 80222
- KIPP Colorado Schools, 1390 Lawrence Street, Suite 200, Denver, CO 80204
- Monarch Montessori of Denver Charter, 4895 Peoria Street, Denver, CO 80239
- Odyssey School of Denver, 6550 E. 21st Avenue, Denver, CO 80207
- Omar D. Blair Charter School, 4905 Cathay Street, Denver, CO 80249
- REACH Charter School, 940 Fillmore Street, Denver, CO 80206
- RiseUp Community School, 1801 Federal Boulevard, Denver, CO 80204
- Rocky Mountain Preparatory Schools, 7808 Cherry Creek South Drive, Denver, CO 80231
- SOAR Charter School, 4800 Telluride Street, #4, Denver, CO 80249

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

Pension Plan

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

OPEB Plan

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

Change in Reporting Entity and Correction of an Error:

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

Ending net position for component units in the aggregate from prior report	\$ 73,325,481
School Closures:	
Ridgeview Academy	\$ (451,661)
The Cube	\$ (4,847)
Beginning net position for component units in the aggregate in this report	\$ 72,868,973
Adjustments to beginning net position for:	
Change in Reporting entity:	
French American School	\$ 4,048
Correction of Error:	
5280 High School	(98,478)
Beginning net position, restated	<u>\$ 72,774,543</u>



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	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 13,055,795	\$ 611,775	\$ 1,184,021	\$ 1,492,363	\$ 162,217
Deposits	-	-	-	-	25,000
Receivables:					
Accounts	-	137,651	74,072	142,160	-
Grants	-	-	-	-	256,172
Other	398,500	-	-	-	113,384
Inventory	-	-	-	-	-
Prepaid items	-	43,080	43,999	12,958	28,600
Restricted cash	-	-	-	-	-
Restricted investments	2,281,968	-	-	-	-
Capital assets, net	230	1,697,653	1,679,395	5,536	1,281,174
Total assets	<u>15,736,493</u>	<u>2,490,159</u>	<u>2,981,487</u>	<u>1,653,017</u>	<u>1,866,547</u>
Deferred Outflows of Resources					
Related to pensions	-	216,897	466,619	405,397	468,320
Related to OPEB	-	27,514	23,226	10,944	31,569
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>244,411</u>	<u>489,845</u>	<u>416,341</u>	<u>499,889</u>
LIABILITIES					
Liabilities:					
Accounts payable	53,251	66,055	-	-	268,661
Grants payable	313,447	-	-	-	-
Accrued interest	-	-	-	-	3,788
Accrued payroll	-	82,421	-	106,959	94,040
Compensated absences	-	-	-	-	-
Other liabilities	3,256,365	-	-	-	-
Accrued liabilities	-	-	136,115	-	26,713
Unearned revenue	-	-	258,714	143,750	-
Noncurrent liabilities:					
Due within one year	-	91,921	796,925	-	381,504
Due in more than one year	-	-	835,256	-	253,899
Pension liabilities	-	4,289	7,946	6,755	4,756
OPEB liabilities	-	9,689	17,950	15,259	10,744
Total liabilities	<u>3,623,063</u>	<u>254,375</u>	<u>2,052,906</u>	<u>272,723</u>	<u>1,044,105</u>
Deferred Inflows of Resources					
Related to pensions	-	372,729	956,328	768,081	464,679
Related to OPEB	-	10,080	28,343	115,812	16,872
Inflows_Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>382,809</u>	<u>984,671</u>	<u>883,893</u>	<u>481,551</u>
NET POSITION (deficit)					
Net investment in capital assets	-	1,605,732	47,214	5,536	645,771
Restricted for:					
Donor-designated purposes	6,517,228	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	19,248	-
Emergency reserve	-	58,666	94,363	81,700	88,000
Unrestricted (deficit)	5,596,202	432,988	292,178	806,258	107,009
Total net position (deficit)	<u>\$ 12,113,430</u>	<u>\$ 2,097,386</u>	<u>\$ 433,755</u>	<u>\$ 912,742</u>	<u>\$ 840,780</u>

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	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 3,670,251	\$ 2,518,847	\$ 983,864	\$ 3,114,226	\$ 1,511,682
Deposits	8,634	-	-	-	-
Receivables:					
Accounts	166,164	-	617,192	57,073	239,252
Grants	-	232,865	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	11,403	-	79,399	3,354
Restricted cash	16	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	5,052,584	4,775	2,639	86,290	102,278
Total assets	8,897,649	2,767,890	1,603,695	3,336,988	1,856,566
Deferred Outflows of Resources					
Related to pensions	1,006,046	580,812	229,689	1,786,198	558,533
Related to OPEB	41,303	41,304	(1,289)	55,442	10,941
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	1,047,349	622,116	228,400	1,841,640	569,474
LIABILITIES					
Liabilities:					
Accounts payable	84,285	38,333	44,160	10,672	5,958
Grants payable	-	-	-	-	-
Accrued interest	5,127	-	-	-	-
Accrued payroll	376,493	151,604	24,977	435,255	158,541
Compensated absences	48,327	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	1,673	-	-	-
Unearned revenue	-	5,000	-	-	-
Noncurrent liabilities:					
Due within one year	39,822	-	-	-	-
Due in more than one year	1,460,058	-	-	-	-
Pension liabilities	16,727	11,556	5,080	26,696	11,537
OPEB liabilities	37,788	26,106	11,476	60,308	26,062
Total liabilities	2,068,627	234,272	85,693	532,931	202,098
Deferred Inflows of Resources					
Related to pensions	2,070,510	1,543,767	599,185	3,639,138	1,762,696
Related to OPEB	59,342	45,410	12,125	94,708	101,351
Inflows_Related to leases	-	-	-	-	-
Total deferred inflows of resources	2,129,852	1,589,177	611,310	3,733,846	1,864,047
NET POSITION (deficit)					
Net investment in capital assets	3,552,704	-	2,639	86,290	102,278
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	90,301	49,690
Emergency reserve	1,144,046	118,000	55,327	288,000	106,000
Unrestricted (deficit)	1,049,769	1,448,557	1,077,126	447,260	101,927
Total net position (deficit)	\$ 5,746,519	\$ 1,566,557	\$ 1,135,092	\$ 911,851	\$ 359,895

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	DSST Public Schools	French American School	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 27,328,527	\$ 96,070	\$ 1,549,462	\$ 5,283,543	\$ 14,212,659
Deposits	-	24,000	-	-	-
Receivables:					
Accounts	748,299	50,902	-	403,330	-
Grants	-	-	471,424	-	65,911
Other	24,088,041	-	19,014	-	-
Inventory	-	-	-	21,890	-
Prepaid items	154,481	17,400	48,202	44,087	184,641
Restricted cash	6,039,660	-	-	43,584	-
Restricted investments	-	-	-	-	-
Capital assets, net	29,359,256	60,605	23,150	5,892,242	172,844
Total assets	<u>87,718,264</u>	<u>248,977</u>	<u>2,111,252</u>	<u>11,688,676</u>	<u>14,636,055</u>
Deferred Outflows of Resources					
Related to pensions	-	188,996	476,143	2,440,345	5,458,809
Related to OPEB	-	12,571	52,560	115,913	299,391
Loss on deferred charges	-	-	-	619,707	-
Total deferred outflows of resources	<u>-</u>	<u>201,567</u>	<u>528,703</u>	<u>3,175,965</u>	<u>5,758,200</u>
LIABILITIES					
Liabilities:					
Accounts payable	3,778,723	78,210	136,981	58,718	1,415,300
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Accrued payroll	5,275,388	35,035	176,397	167,467	-
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	-	-	825,810
Unearned revenue	-	-	5,000	1,264	10,000
Noncurrent liabilities:					
Due within one year	100,000	32,175	-	246,618	76,252
Due in more than one year	19,395,668	67,825	-	7,370,091	74,017
Pension liabilities	-	1,593	15,491	40,043	100,748
OPEB liabilities	-	3,600	35,017	90,460	227,596
Total liabilities	<u>28,549,779</u>	<u>218,438</u>	<u>368,886</u>	<u>7,974,661</u>	<u>2,729,723</u>
Deferred Inflows of Resources					
Related to pensions	-	155,691	2,109,306	5,197,061	12,511,091
Related to OPEB	-	5,652	113,448	143,505	380,562
Inflows Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>161,343</u>	<u>2,222,754</u>	<u>5,340,566</u>	<u>12,891,653</u>
NET POSITION (deficit)					
Net investment in capital assets	15,048,227	60,605	23,150	(1,787,588)	22,575
Restricted for:					
Donor-designated purposes	2,034,806	-	-	-	-
Multi Year Obligations	-	-	32,969	-	-
Capital Construction	-	-	-	-	605,698
Emergency reserve	3,027,858	39,002	146,000	459,113	1,008,313
Unrestricted (deficit)	39,057,594	(28,844)	(153,804)	2,877,889	3,136,293
Total net position (deficit)	<u>\$ 59,168,485</u>	<u>\$ 70,763</u>	<u>\$ 48,315</u>	<u>\$ 1,549,414</u>	<u>\$ 4,772,879</u>

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	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	RiseUp Community School
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 1,095,568	\$ 1,161,920	\$ 4,976,496	\$ 560,245	\$ 173,627
Deposits	-	-	-	-	10,000
Receivables:					
Accounts	168,320	-	-	32,520	520,203
Grants	-	53,771	77,318	-	-
Other	-	57,287	-	-	-
Inventory	-	1,355	-	-	-
Prepaid items	18,679	13,344	16,650	-	9,947
Restricted cash	343,205	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	9,678,104	69,425	194,677	-	1,141,098
Total assets	<u>11,303,876</u>	<u>1,357,102</u>	<u>5,265,141</u>	<u>592,765</u>	<u>1,854,875</u>
Deferred Outflows of Resources					
Related to pensions	445,128	545,758	704,776	389,886	649,489
Related to OPEB	8,069	20,180	22,282	11,373	5,639
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>453,197</u>	<u>565,938</u>	<u>727,058</u>	<u>401,259</u>	<u>655,128</u>
LIABILITIES					
Liabilities:					
Accounts payable	-	16,530	63,663	-	2
Grants payable	-	-	-	-	-
Accrued interest	50,528	-	-	-	-
Accrued payroll	146,278	-	470,384	-	-
Compensated absences	-	-	-	-	-
Other liabilities	(404,163)	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	212	3,055	-	-	155,785
Noncurrent liabilities:					
Due within one year	-	7,509	-	-	174,704
Due in more than one year	8,325,000	-	-	-	888,342
Pension liabilities	8,306	9,418	21,184	6,239	5,155
OPEB liabilities	18,763	21,277	47,857	14,093	11,646
Total liabilities	<u>8,144,924</u>	<u>57,789</u>	<u>603,088</u>	<u>20,332</u>	<u>1,235,634</u>
Deferred Inflows of Resources					
Related to pensions	1,062,921	1,180,239	2,612,499	857,350	503,674
Related to OPEB	39,289	33,413	75,240	23,977	52,567
Inflows_Related to leases	404,163	-	-	-	-
Total deferred inflows of resources	<u>1,506,373</u>	<u>1,213,652</u>	<u>2,687,739</u>	<u>881,327</u>	<u>556,241</u>
NET POSITION (deficit)					
Net investment in capital assets	1,696,309	69,425	194,677	-	(7,479)
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	27,771	-	-	-
Emergency reserve	103,071	99,000	263,500	48,700	42,000
Unrestricted (deficit)	306,396	455,403	2,243,195	43,665	683,607
Total net position (deficit)	<u>\$ 2,105,776</u>	<u>\$ 651,599</u>	<u>\$ 2,701,372</u>	<u>\$ 92,365</u>	<u>\$ 718,128</u>

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	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 10,121,652	\$ 4,160,468	\$ 12,412,525	\$ 4,502,004	\$ 1,047,021
Deposits	-	-	-	-	-
Receivables:					
Accounts	2,250,024	100,290	64,239	42,985	34,740
Grants	-	-	1,313,057	660,332	-
Other	-	-	-	-	-
Inventory	-	-	79,359	39,390	-
Prepaid items	23,107	1,325	273,929	4,320	984
Restricted cash	730,963	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	5,660,669	-	1,309,284	46,486	1,364,420
Total assets	18,786,415	4,262,083	15,452,393	5,295,517	2,447,165
Deferred Outflows of Resources					
Related to pensions	3,815,297	785,671	8,397,267	1,355,787	344,809
Related to OPEB	125,356	28,030	286,309	27,145	7,804
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	3,940,653	813,701	8,683,576	1,382,932	352,613
LIABILITIES					
Liabilities:					
Accounts payable	786,964	43,721	769,997	341,153	143,791
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Accrued payroll	-	344,303	-	-	134,385
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	483,455	49,281	79,692
Unearned revenue	(1,572)	44,202	465,490	58,333	12
Noncurrent liabilities:					
Due within one year	398,062	-	221,822	-	43,804
Due in more than one year	4,612,592	-	1,099,175	-	87,607
Pension liabilities	59,872	15,409	167,492	27,089	7,390
OPEB liabilities	135,255	34,810	378,377	61,202	16,695
Total liabilities	5,991,173	482,445	3,585,808	537,058	513,376
Deferred Inflows of Resources					
Related to pensions	7,432,933	1,804,335	21,218,813	3,457,904	1,214,360
Related to OPEB	178,309	56,325	672,362	146,567	76,126
Inflows_Related to leases	-	-	-	-	-
Total deferred inflows of resources	7,611,242	1,860,660	21,891,175	3,604,471	1,290,486
NET POSITION (deficit)					
Net investment in capital assets	650,015	-	(11,713)	46,486	1,320,616
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	544,063	-	-
Emergency reserve	730,963	187,000	1,307,446	270,200	78,000
Unrestricted (deficit)	7,743,675	2,545,679	(3,180,810)	2,220,234	(402,700)
Total net position (deficit)	\$ 9,124,653	\$ 2,732,679	\$ (1,341,014)	\$ 2,536,920	\$ 995,916

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	<u>Total</u>
ASSETS	
Assets:	
Cash, cash equivalents, and investments	\$ 116,986,828
Deposits	67,634
Receivables:	
Accounts	5,849,416
Grants	3,130,850
Other	24,676,226
Inventory	141,994
Prepaid items	1,033,889
Restricted cash	7,157,428
Restricted investments	2,281,968
Capital assets, net	<u>64,884,814</u>
Total assets	<u>226,211,047</u>
Deferred Outflows of Resources	
Related to pensions	31,716,672
Related to OPEB	1,263,576
Loss on deferred charges	<u>619,707</u>
Total deferred outflows of resources	<u>33,599,955</u>
LIABILITIES	
Liabilities:	
Accounts payable	8,205,128
Grants payable	313,447
Accrued interest	59,443
Accrued payroll	8,179,927
Compensated absences	48,327
Other liabilities	2,852,202
Accrued liabilities	1,602,739
Unearned revenue	1,149,245
Noncurrent liabilities:	
Due within one year	2,611,118
Due in more than one year	44,469,530
Pension liabilities	580,771
OPEB liabilities	<u>1,312,030</u>
Total liabilities	<u>71,383,907</u>
Deferred Inflows of Resources	
Related to pensions	73,495,290
Related to OPEB	2,481,385
Inflows_Related to leases	<u>404,163</u>
Total deferred inflows of resources	<u>76,380,838</u>
NET POSITION (deficit)	
Net investment in capital assets	23,373,469
Restricted for:	
Donor-designated purposes	8,552,034
Multi Year Obligations	32,969
Capital Construction	1,336,771
Emergency reserve	9,844,268
Unrestricted (deficit)	<u>68,906,746</u>
Total net position (deficit)	<u>\$ 112,046,257</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
Expenses:					
Instruction	\$ -	\$ 622,624	\$ 1,196,138	\$ 975,766	\$ 1,119,437
Supporting services	-	1,098,087	1,498,317	1,239,231	1,805,318
Interest	-	8,649	131,752	-	29,877
Program services	4,945,261	-	-	-	-
Fundraising	761,598	-	-	-	-
Management and general	857,222	-	-	-	-
Total expenses	<u>6,564,081</u>	<u>1,729,360</u>	<u>2,826,207</u>	<u>2,214,997</u>	<u>2,954,632</u>
Program revenues:					
Operating grants and contributions	3,709,081	857,495	1,079,114	557,004	1,385,622
Capital grants and contributions	-	30,964	55,824	23,818	30,368
Charges for services	-	-	8,520	-	-
Total program revenues	<u>3,709,081</u>	<u>888,459</u>	<u>1,143,458</u>	<u>580,822</u>	<u>1,415,990</u>
Net program expense	<u>(2,855,000)</u>	<u>(840,901)</u>	<u>(1,682,749)</u>	<u>(1,634,175)</u>	<u>(1,538,642)</u>
General revenues:					
Per pupil revenue	-	1,014,317	1,387,984	1,492,558	1,376,195
Capital construction funding	-	-	-	-	-
Property tax mill levy override	-	515,760	470,603	797,871	361,980
Investment earnings	(2,244)	-	-	-	-
Interest income (loss)	-	-	905	504	-
Unrestricted grants and contributions	2,126,000	-	-	(58,536)	369,334
At-risk supplemental aid	-	-	-	-	54,809
Forgiveness of Debt	-	-	-	-	-
Other	-	4,380	455,496	10,194	(3,539)
Transfers to/from Denver Public Schools	88,000	-	-	-	-
Total general revenues	<u>2,211,756</u>	<u>1,534,457</u>	<u>2,314,988</u>	<u>2,242,591</u>	<u>2,158,779</u>
Change in net position	<u>(643,244)</u>	<u>693,556</u>	<u>632,239</u>	<u>608,416</u>	<u>620,137</u>
Net position (deficit) - beginning	12,756,674	1,502,308	(198,484)	304,326	220,643
Change in reporting entity	-	-	-	-	-
Correction of error	-	(98,478)	-	-	-
Net position (deficit) - beginning, as restated	12,756,674	1,403,830	(198,484)	304,326	220,643
Net position (deficit) - ending	<u>\$ 12,113,430</u>	<u>\$ 2,097,386</u>	<u>\$ 433,755</u>	<u>\$ 912,742</u>	<u>\$ 840,780</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
Expenses:					
Instruction	\$ 2,133,074	\$ 2,049,669	\$ 637,297	\$ 5,303,315	\$ 1,690,499
Supporting services	2,927,559	1,742,899	820,189	3,893,776	1,609,039
Interest	62,296	-	-	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>5,122,929</u>	<u>3,792,568</u>	<u>1,457,486</u>	<u>9,197,091</u>	<u>3,299,538</u>
Program revenues:					
Operating grants and contributions	1,156,759	916,660	438,846	970,131	515,828
Capital grants and contributions	120,603	-	17,268	128,240	45,687
Charges for services	51,518	10,591	-	429,532	404,788
Total program revenues	<u>1,328,880</u>	<u>927,251</u>	<u>456,114</u>	<u>1,527,903</u>	<u>966,303</u>
Net program expense	<u>(3,794,049)</u>	<u>(2,865,317)</u>	<u>(1,001,372)</u>	<u>(7,669,188)</u>	<u>(2,333,235)</u>
General revenues:					
Per pupil revenue	3,163,293	2,745,252	1,157,290	7,733,186	2,423,944
Capital construction funding	-	38,918	-	-	-
Property tax mill levy override	1,746,975	711,755	675,601	1,423,633	488,489
Investment earnings	-	289	-	-	148
Interest income (loss)	97	-	17	2,871	-
Unrestricted grants and contributions	(144,959)	-	-	(231,532)	77,288
At-risk supplemental aid	-	22,692	-	-	-
Forgiveness of Debt	-	507,600	182,311	-	-
Other	-	32,771	11,313	-	214,596
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>4,765,406</u>	<u>4,059,277</u>	<u>2,026,532</u>	<u>8,928,158</u>	<u>3,204,465</u>
Change in net position	<u>971,357</u>	<u>1,193,960</u>	<u>1,025,160</u>	<u>1,258,970</u>	<u>871,230</u>
Net position (deficit) - beginning	<u>4,775,162</u>	<u>372,597</u>	<u>109,932</u>	<u>(347,119)</u>	<u>(511,335)</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>4,775,162</u>	<u>372,597</u>	<u>109,932</u>	<u>(347,119)</u>	<u>(511,335)</u>
Net position (deficit) - ending	<u>\$ 5,746,519</u>	<u>\$ 1,566,557</u>	<u>\$ 1,135,092</u>	<u>\$ 911,851</u>	<u>\$ 359,895</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	DSST Public Schools	French American School	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools
Expenses:					
Instruction	\$ 89,698,249	\$ 829,766	\$ 2,515,091	\$ 6,730,378	\$ 19,256,763
Supporting services	-	652,048	1,954,216	5,835,383	16,933,514
Interest	-	6,931	-	394,888	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>89,698,249</u>	<u>1,488,745</u>	<u>4,469,307</u>	<u>12,960,649</u>	<u>36,190,277</u>
Program revenues:					
Operating grants and contributions	8,626,344	492,107	1,129,570	1,661,124	1,370,631
Capital grants and contributions	-	28,880	57,387	231,633	-
Charges for services	<u>747,894</u>	<u>-</u>	<u>94,710</u>	<u>63,698</u>	<u>82,712</u>
Total program revenues	<u>9,374,238</u>	<u>520,987</u>	<u>1,281,667</u>	<u>1,956,455</u>	<u>1,453,343</u>
Net program expense	<u>(80,324,011)</u>	<u>(967,758)</u>	<u>(3,187,640)</u>	<u>(11,004,194)</u>	<u>(34,736,934)</u>
General revenues:					
Per pupil revenue	60,252,766	848,925	3,049,460	9,687,922	23,536,263
Capital construction funding	-	-	-	-	-
Property tax mill levy override	16,037,307	159,767	703,995	2,321,335	7,251,696
Investment earnings	-	-	4,283	-	15,902
Interest income (loss)	365,199	20	-	3,486	-
Unrestricted grants and contributions	14,125,998	-	385,163	-	6,071,517
At-risk supplemental aid	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	312,415
Other	-	25,761	15,517	1,515,653	-
Transfers to/from Denver Public Schools	<u>(488,138)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>90,293,132</u>	<u>1,034,473</u>	<u>4,158,418</u>	<u>13,528,396</u>	<u>37,187,793</u>
Change in net position	<u>9,969,121</u>	<u>66,715</u>	<u>970,778</u>	<u>2,524,202</u>	<u>2,450,859</u>
Net position (deficit) - beginning	49,199,364	-	(922,463)	(974,788)	2,322,020
Change in reporting entity	-	4,048	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>49,199,364</u>	<u>4,048</u>	<u>(922,463)</u>	<u>(974,788)</u>	<u>2,322,020</u>
Net position (deficit) - ending	<u>\$ 59,168,485</u>	<u>\$ 70,763</u>	<u>\$ 48,315</u>	<u>\$ 1,549,414</u>	<u>\$ 4,772,879</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	RiseUp Community School
Expenses:					
Instruction	\$ 1,535,952	\$ 1,764,565	\$ 4,368,294	\$ 1,086,423	\$ 474,919
Supporting services	1,155,368	1,130,297	3,616,926	816,236	1,159,063
Interest	395,437	808	-	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>3,086,757</u>	<u>2,895,670</u>	<u>7,985,220</u>	<u>1,902,659</u>	<u>1,633,982</u>
Program revenues:					
Operating grants and contributions	598,584	248,927	1,166,718	542,026	816,401
Capital grants and contributions	62,225	39,003	99,590	27,684	34,090
Charges for services	3,269	22,818	29,897	80	-
Total program revenues	<u>664,078</u>	<u>310,748</u>	<u>1,296,205</u>	<u>569,790</u>	<u>850,491</u>
Net program expense	<u>(2,422,679)</u>	<u>(2,584,922)</u>	<u>(6,689,015)</u>	<u>(1,332,869)</u>	<u>(783,491)</u>
General revenues:					
Per pupil revenue	2,091,200	2,593,881	6,348,921	742,154	898,774
Capital construction funding	-	-	-	-	-
Property tax mill levy override	565,061	482,800	1,580,123	250,608	467,881
Investment earnings	-	2,535	96	-	-
Interest income (loss)	27,289	-	-	764	-
Unrestricted grants and contributions	-	33,060	999	(54,604)	-
At-risk supplemental aid	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	-
Other	172,638	1,363	269,265	627,434	36,150
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>2,856,188</u>	<u>3,113,639</u>	<u>8,199,404</u>	<u>1,566,356</u>	<u>1,402,805</u>
Change in net position	<u>433,509</u>	<u>528,717</u>	<u>1,510,389</u>	<u>233,487</u>	<u>619,314</u>
Net position (deficit) - beginning	<u>1,672,267</u>	<u>122,882</u>	<u>1,190,983</u>	<u>(141,122)</u>	<u>98,814</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>1,672,267</u>	<u>122,882</u>	<u>1,190,983</u>	<u>(141,122)</u>	<u>98,814</u>
Net position (deficit) - ending	<u>\$ 2,105,776</u>	<u>\$ 651,599</u>	<u>\$ 2,701,372</u>	<u>\$ 92,365</u>	<u>\$ 718,128</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
Expenses:					
Instruction	\$ 14,528,979	\$ 3,829,367	\$ 23,503,027	\$ 4,980,592	\$ 872,760
Supporting services	5,343,260	2,092,465	23,367,063	5,159,360	1,244,364
Interest	256,336	-	3,439	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>20,128,575</u>	<u>5,921,832</u>	<u>46,873,529</u>	<u>10,139,952</u>	<u>2,117,124</u>
Program revenues:					
Operating grants and contributions	6,344,935	1,007,175	10,410,161	3,270,243	477,318
Capital grants and contributions	-	51,582	573,633	-	-
Charges for services	-	26,350	-	909,133	6,786
Total program revenues	<u>6,344,935</u>	<u>1,085,107</u>	<u>10,983,794</u>	<u>4,179,376</u>	<u>484,104</u>
Net program expense	<u>(13,783,640)</u>	<u>(4,836,725)</u>	<u>(35,889,735)</u>	<u>(5,960,576)</u>	<u>(1,633,020)</u>
General revenues:					
Per pupil revenue	12,422,616	4,569,840	31,583,761	5,981,148	1,676,190
Capital construction funding	-	-	-	-	54,484
Property tax mill levy override	3,177,101	1,258,540	8,533,284	1,658,025	401,366
Investment earnings	5,988	2,480	17,251	-	-
Interest income (loss)	-	-	-	3,400	587
Unrestricted grants and contributions	-	(133,532)	1,901,058	(234,756)	297,113
At-risk supplemental aid	-	-	-	-	50,851
Forgiveness of Debt	-	-	-	-	-
Other	152,422	357,657	984,243	84,943	30,478
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>15,758,127</u>	<u>6,054,985</u>	<u>43,019,597</u>	<u>7,492,760</u>	<u>2,511,069</u>
Change in net position	<u>1,974,487</u>	<u>1,218,260</u>	<u>7,129,862</u>	<u>1,532,184</u>	<u>878,049</u>
Net position (deficit) - beginning	<u>7,150,166</u>	<u>1,514,419</u>	<u>(8,470,876)</u>	<u>1,004,736</u>	<u>117,867</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>7,150,166</u>	<u>1,514,419</u>	<u>(8,470,876)</u>	<u>1,004,736</u>	<u>117,867</u>
Net position (deficit) - ending	<u>\$ 9,124,653</u>	<u>\$ 2,732,679</u>	<u>\$ (1,341,014)</u>	<u>\$ 2,536,920</u>	<u>\$ 995,916</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	<u>Total</u>
Expenses:	
Instruction	\$ 191,702,944
Supporting services	87,093,978
Interest	1,290,413
Program services	4,945,261
Fundraising	761,598
Management and general	857,222
Total expenses	<u>286,651,416</u>

Program revenues:	
Operating grants and contributions	49,748,804
Capital grants and contributions	1,658,479
Charges for services	2,892,296
Total program revenues	<u>54,299,579</u>
Net program expense	<u>(232,351,837)</u>

General revenues:	
Per pupil revenue	188,777,840
Capital construction funding	93,402
Property tax mill levy override	52,041,556
Investment earnings	46,728
Interest income (loss)	405,139
Unrestricted grants and contributions	24,529,611
At-risk supplemental aid	128,352
Forgiveness of Debt	1,002,326
Other	4,998,735
Transfers to/from Denver Public Schools	<u>(400,138)</u>
Total general revenues	<u>271,623,551</u>
Change in net position	<u>39,271,714</u>
Net position (deficit) - beginning	72,868,973
Change in reporting entity	4,048
Correction of error	<u>(98,478)</u>
Net position (deficit) - beginning, as restated	<u>72,774,543</u>
Net position (deficit) - ending	<u><u>\$ 112,046,257</u></u>

16. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In June 2017, the GASB issued Statement No. 87, "Leases". The statement requires recognition of lease assets and liabilities for certain leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the lease contract. It establishes a single model for lease accounting based on the foundational principle that leases are the financing of the right-to-use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and a tangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Effective July 1, 2021, the District implemented the provisions of GASB Statement No. 87. This amendment did not have an impact on beginning net position.

17. Subsequent Events

On September 15, 2022 the District issued general obligation refunding bonds to refund the 2012B GO Refunding Bonds in the amount of \$34M.

On October 20, 2022 the District presented for approval, to the DPS Board of Education, two tentative 3-year agreements with Denver Classroom Teachers Association (DCTA) and Denver Association of Educational Office Professionals (DAEOP).

On October 25, 2022 the District announced nine schools recommended for consolidation due to significant declines in enrollment caused by lower birth rates and a changing housing market.

On November 8, 2022 Colorado voters passed Proposition FF which will provide free meals for all students to all Colorado school districts.

On November 10, 2022 the District reached a tentative 3-year agreement on compensation with the Association for Building, Grounds and Warehouse Workers (ABGW). The agreement is subject to ratification by ABGW membership and approval by DPS Board of Education.



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REQUIRED SUPPLEMENTARY INFORMATION

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

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 863,986	\$ 855,444	\$ 828,144	\$ (27,300)
State sources	248,943	255,489	284,201	28,712
Federal sources	1,042	1,042	1,143	101
Local sources	75,730	80,170	80,753	583
Total revenues	<u>1,189,701</u>	<u>1,192,145</u>	<u>1,194,241</u>	<u>2,096</u>
EXPENDITURES				
Employee Salaries	640,753	595,517	592,710	2,807
Employee Benefits	123,894	116,698	105,459	11,239
Charter school*	228,613	228,213	229,678	(1,465)
Supplies and Materials	35,196	60,344	55,306	5,038
Purchased Services	51,673	75,941	94,954	(19,013)
Property	7,278	6,528	7,079	(551)
Other Expenses	27,675	23,955	6,448	17,507
Debt Service Principal	26,222	26,222	29,059	(2,837)
Debt Service Interest	44,004	44,004	42,474	1,530
Appropriated Reserves	99,152	112,979	-	112,979
Unappropriated reserves	4,291	17,703	-	17,703
Total expenditures	<u>1,288,751</u>	<u>1,308,104</u>	<u>1,163,167</u>	<u>144,937</u>
Excess (deficiency) of revenues over expenditures	<u>(99,050)</u>	<u>(115,959)</u>	<u>31,074</u>	<u>147,033</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(8,183)	(9,176)	(23,729)	(14,553)
Issuance of leases	-	-	912	912
Total other financing sources (uses)	<u>(8,183)</u>	<u>(9,176)</u>	<u>(22,817)</u>	<u>(13,641)</u>
Net change in fund balance	<u>(107,233)</u>	<u>(125,135)</u>	<u>8,257</u>	<u>133,392</u>
Beginning fund balance	<u>107,233</u>	<u>125,135</u>	<u>125,135</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,392</u>	<u>\$ 133,392</u>

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

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

BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 10,208	\$ 17,102	\$ 23,362	\$ 6,260
Federal sources	232,169	243,967	167,803	(76,164)
Local sources	20,538	29,644	29,289	(355)
Total revenues	262,915	290,713	220,454	(70,259)
EXPENDITURES				
Employee Salaries	31,974	88,180	86,248	1,932
Employee Benefits	7,881	21,566	22,359	(793)
Charter school	7,993	26,753	41,181	(14,428)
Supplies and Materials	4,695	15,232	11,099	4,133
Purchased Services	32,719	81,387	22,076	59,311
Property	258	9,658	7,344	2,314
Other Expenses	176,823	49,647	29,667	19,980
Appropriated Reserves	12,584	15,236	-	15,236
Total expenditures	274,927	307,659	219,974	87,685
Excess (deficiency) of revenues over expenditures	(12,012)	(16,946)	480	17,426
OTHER FINANCING SOURCES (USES)				
Interfund transfers	649	649	649	-
Total other financing sources (uses)	649	649	649	-
Net change in fund balance	(11,363)	(16,297)	1,129	17,426
Beginning fund balance	11,363	16,297	16,297	-
Ending fund balance	\$ -	\$ -	\$ 17,426	\$ 17,426



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

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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost at end of year	\$ 107,672,000	\$ 94,943,000	\$ 91,764,000	\$ 90,657,000	\$ 91,986,000
Interest	327,930,000	309,311,000	301,210,000	313,294,000	295,838,000
Changes of benefit terms	(89,028,000)	-	(82,064,000)	(318,480,000)	-
Difference between expected and actual experience	23,523,000	3,491,000	86,001,000	35,147,000	47,121,000
Changes of assumptions or other inputs	-	126,104,000	-	-	-
Benefit payments, including refunds of active member contributions and disability premiums	(291,799,000)	(287,719,000)	(288,984,000)	(287,825,000)	(281,844,000)
Net change in total pension liability	78,298,000	246,130,000	107,927,000	(167,207,000)	153,101,000
Total pension liability - beginning	4,561,400,000	4,315,270,000	4,207,343,000	4,374,550,000	4,221,449,000
Total pension liability - ending (a)	4,639,698,000	4,561,400,000	4,315,270,000	4,207,343,000	4,374,550,000
Plan fiduciary net position					
Contributions - employer	65,215,000	56,245,000	43,340,000	35,994,000	27,578,000
Contributions - nonemployer	19,153,000	-	19,201,000	18,621,000	56,820,000
Contributions - active member (includes purchased service)	90,154,000	75,456,000	65,496,000	61,098,000	-
Net investment income	645,462,000	610,847,000	632,669,000	(114,070,000)	548,585,000
Benefit payments (includes refunds and disability premiums)	(291,799,000)	(287,719,000)	(288,984,000)	(287,825,000)	(281,844,000)
Administrative expense	(2,829,000)	(2,667,000)	(2,713,000)	(2,919,000)	(2,857,000)
Other additions and deductions	(3,115,000)	2,898,000	2,975,000	(4,497,000)	3,781,000
Net change in plan fiduciary net position	522,241,000	455,060,000	471,984,000	(293,598,000)	352,063,000
Plan fiduciary net position - beginning	4,111,486,000	3,656,426,000	3,184,442,000	3,478,040,000	3,125,977,000
Plan fiduciary net position - ending (b)	4,633,727,000	4,111,486,000	3,656,426,000	3,184,442,000	3,478,040,000
Collective net pension liability - ending (a)-(b)	\$ 5,971,000	\$ 449,914,000	\$ 658,844,000	\$ 1,022,901,000	\$ 896,510,000
Plan fiduciary net position as a percentage of the total pension liability	99.87%	90.14%	84.73%	75.69%	79.51%
The District's proportionate share of the net pension liability	\$ 4,035,111	\$ 395,426,442	\$ 400,400,429	\$ 594,110,636	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	\$ 1,167,079	\$ -	\$ 177,449,057	\$ 307,805,513	\$ -
Discretely presented component units	\$ 580,771	\$ 54,487,558	\$ 56,122,281	\$ 79,695,199	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	\$ 188,039	\$ -	\$ 24,872,233	\$ 41,289,652	\$ -
Covered payroll	823,396,000	771,347,000	736,264,000	722,040,000	658,198,000
District's net pension liability as a percentage of covered payroll	0.73%	58.33%	89.48%	141.67%	136.21%

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

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

	2017	2016	2015
Total pension liability			
Service cost at end of year	\$ 85,988,000	\$ 82,079,000	\$ 76,564,000
Interest	283,862,000	281,752,000	274,862,000
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,839,000)	45,767,000	(174,000)
Changes of assumptions or other inputs	205,645,000	(113,772,000)	-
Benefit payments, including refunds of active member contributions and disability premiums	(272,071,000)	(263,323,000)	(255,434,000)
Net change in total pension liability	300,585,000	32,503,000	95,818,000
Total pension liability - beginning	3,920,864,000	3,888,361,000	3,792,543,000
Total pension liability - ending (a)	4,221,449,000	3,920,864,000	3,888,361,000
Plan fiduciary net position			
Contributions - employer	17,071,000	8,494,000	18,478,000
Contributions - nonemployer	54,852,000	53,558,000	49,409,000
Contributions - active member (includes purchased service)	-	-	-
Net investment income	218,415,000	49,172,000	182,823,000
Benefit payments (includes refunds and disability premiums)	(272,071,000)	(263,323,000)	(255,434,000)
Administrative expense	(2,754,000)	(2,599,000)	(2,377,000)
Other additions and deductions	3,135,000	(1,764,000)	(1,547,000)
Net change in plan fiduciary net position	18,648,000	(156,462,000)	(8,648,000)
Plan fiduciary net position - beginning	3,107,329,000	3,263,791,000	3,272,439,000
Plan fiduciary net position - ending (b)	3,125,977,000	3,107,329,000	3,263,791,000
Collective net pension liability - ending (a)-(b)	\$ 1,095,472,000	\$ 813,535,000	\$ 624,570,000
Plan fiduciary net position as a percentage of the total pension liability	74.05%	79.25%	83.94%
The District's proportionate share of the net pension liability	\$ -	\$ -	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	-	-	-
Discretely presented component units	-	-	-
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	-	-	-
Covered payroll	642,177,000	642,177,000	584,319,000
District's net pension liability as a percentage of covered payroll	170.59%	126.68%	106.89%

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

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

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 66,121,676	\$ 62,056,740	\$ 70,421,044	\$ 57,730,581	\$ 31,585,070
Contributions in relation to the statutorily required contribution	66,121,676	62,056,740	70,421,044	57,730,581	31,585,070
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	830,670,252	787,919,015	759,247,080	725,751,189	677,633,712
Contributions as a percentage of covered payroll	7.96%	7.88%	9.28%	7.95%	4.66%

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

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

Notes to Schedule

Valuation date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization method	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open
Remaining amortization period	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market
Asset valuation method	2.30% annually	2.30% annually	2.40% annually	2.40% annually	2.40% annually
Inflation	3.80% - 11.50%	3.80% - 11.50%	3.50% - 9.70%	3.50% - 9.70%	3.90% - 9.70%
	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation
Salary increases					
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	1.00%	1.25%	1.25%	2.00%	2.00%
	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR
PERA benefit structure hired after 12/31/06					
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%

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

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2017	2016	2015
Statutorily required contribution	\$ 21,625,469	\$ 12,672,704	\$ 8,102,466
Contributions in relation to the statutorily required contribution	21,625,469	12,672,704	8,102,466
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	649,296,499	626,445,854	590,847,652
Contributions as a percentage of covered payroll	3.33%	2.02%	1.37%

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

Notes to Schedule

Valuation date:	December 31, 2015	December 31, 2014	December 31, 2013
Methods and assumptions used to determine contribution rates:			
Actuarial cost method	Entry Age	Entry Age	Entry Age
	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization method	30 Years, Open	30 Years, Open	30 Years, Open
Remaining amortization period	4-year smoothed market	4-year smoothed market	4-year smoothed market
Asset valuation method	2.80% annually	2.80% annually	2.80% annually
Inflation	3.90% - 10.10%	3.90% - 10.85%	3.90% - 10.10%
	Inclusive of wage inflation	Inclusive of wage inflation	Inclusive of wage inflation
Salary increases			
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	2.00%	2.00%	2.00%
	0.00% as financed by the AIR	0.00% as financed by the AIR	0.00% as financed by the AIR
PERA benefit structure hired after 12/31/06			
Investment rate of return	7.25%	7.50%	7.50%

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

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

DPS Retiree Life Insurance Trust	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost at end of year	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,039,438	1,055,152	1,258,786	1,288,036	1,289,505
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	(265,018)	-	(1,231,536)	(620,709)	-
Effect of assumptions changes or inputs		-	1,782,321	15,315	194,817
Benefit payments, including refunds of active member contributions and disability premiums	(2,045,098)	(1,155,331)	(1,619,675)	(1,418,760)	(1,631,943)
Net change in total OPEB liability	(1,270,678)	(100,179)	189,896	(736,118)	(147,621)
Total OPEB liability - beginning	36,857,921	36,958,100	36,768,204	37,504,322	37,651,943
Total OPEB liability - ending (a)	35,587,243	36,857,921	36,958,100	36,768,204	37,504,322
Plan fiduciary net position					
Contributions - employer	3,687,568	3,080,000	1,980,000	2,860,000 ¹	2,640,000
Contributions - active member (includes purchased service)	-	-	-	-	-
Net investment income	427,558	427,017	397,523	357,146	280,483
Benefit payments (includes refunds and disability premiums)	(2,045,098)	(2,101,487)	(2,173,823)	(2,234,262)	(2,302,539)
Administrative expense	(181,544)	(197,484)	(189,345)	(56,436)	(251,430)
Other additions and deductions	-	-	-	27,518	436,517
Net change in plan fiduciary net position	1,888,484	1,208,046	14,355	953,966	803,031
Contributions receivable	-	-	1,198,767	1,770,266 ²	1,689,004
Plan fiduciary net position - beginning	16,353,001	15,144,955	13,931,833	11,207,601	8,715,566
Plan fiduciary net position - ending (b)	18,241,485	16,353,001	15,144,955	13,931,833	11,207,601
Collective net OPEB liability - ending (a) - (b)	\$ 17,345,758	\$ 20,504,920	\$ 21,813,145	\$ 22,836,371	\$ 26,296,721
Plan fiduciary net position as a percentage of the total OPEB liability	51.26%	44.37%	40.98%	37.89%	29.88%
Covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*
District's net OPEB liability as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*

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

² Includes dividend payable by MetLife for DPS

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

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

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

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

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

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

DPS Retiree Life Insurance Trust	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000
Contributions in relation to the actuarially determined contribution	3,687,568	3,080,000	3,178,767	4,681,325	4,329,004
Contribution deficiency (excess)	<u>\$(1,047,568)</u>	<u>\$ (440,000)</u>	<u>\$ (538,767)</u>	<u>\$(2,041,325)</u>	<u>\$(1,689,004)</u>

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



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

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

DPS Health Care Trust Fund	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 1,237,000	\$ 1,291,000	\$ 1,342,000	\$ 1,420,000	\$ 1,591,000
Interest	4,750,000	5,005,000	4,970,000	5,245,000	5,057,000
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,855,000)	(4,339,000)	(2,070,000)	(6,045,000)	(35,000)
Changes of assumptions or other inputs	-	(1,764,000)	-	5,000	
Benefit payments	(3,873,000)	(3,453,000)	(3,968,000)	(4,693,000)	(6,191,000)
Net change in total OPEB liability	(741,000)	(3,260,000)	274,000	(4,068,000)	422,000
Total OPEB liability - beginning	66,213,000	69,473,000	69,199,000	73,267,000	72,845,000
Total OPEB liability - ending (a)	65,472,000	66,213,000	69,473,000	69,199,000	73,267,000
Plan fiduciary net position					
Contributions - employer	8,622,000	8,045,000	7,649,000	7,417,000	6,930,000
Other additions (includes purchased service)	206,000	224,000	188,000	(4,000)	242,000
Net investment income	6,963,000	6,019,000	4,892,000	(894,000)	3,305,000
Benefit payments	(3,516,000)	(3,086,000)	(3,644,000)	(4,158,000)	(5,694,000)
Administrative expense	(639,000)	(516,000)	(477,000)	(845,000)	(808,000)
Other deductions	(4,000)	(1,000)	(1,000)	205,000	(4,000)
Net change in plan fiduciary net position	11,632,000	10,685,000	8,607,000	1,721,000	3,971,000
Plan fiduciary net position - beginning	43,321,000	32,636,000	24,029,000	22,308,000	18,337,000
Plan fiduciary net position - ending (b)	54,953,000	43,321,000	32,636,000	24,029,000	22,308,000
Collective net OPEB liability - ending (a) - (b)	\$ 10,519,000	\$ 22,892,000	\$ 36,837,000	\$ 45,170,000	\$ 50,959,000
Plan fiduciary net position as a percentage of the total OPEB liability	83.93%	65.43%	46.98%	34.72%	30.45%
Covered payroll	823,396,000	771,347,000	736,264,000	722,040,000	658,198,000
District's net OPEB liability as a percentage of covered payroll	1.28%	2.97%	5.00%	6.26%	7.74%

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

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

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

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

DPS Health Care Trust Fund	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,623,000	\$ 3,934,000	\$ 4,418,000	\$ 4,838,000	\$ 4,476,000
Contributions in relation to the actuarially determined contribution	8,749,889	8,159,161	7,847,796	\$ 7,662,714	\$ 7,079,432
Contribution deficiency (excess)	<u>\$ (5,126,889)</u>	<u>\$ (4,225,161)</u>	<u>\$ (3,429,796)</u>	<u>\$ (2,824,714)</u>	<u>\$ (2,603,432)</u>
Covered payroll	\$ 830,670,252	\$ 787,919,015	\$ 759,247,080	\$ 725,751,189	\$ 677,633,712
Contribution as a percentage of covered payroll	1.05%	1.04%	1.03%	1.06%	1.04%

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



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1. SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION - PENSIONS

2021 Changes in Plan Provisions and Assumptions or Other Inputs Since 2020

- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter

2020 Changes in Plan Provisions and Assumptions or Other Inputs Since 2019

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$225 million direct distribution payable on July 1, 2020 for the State's 2020-2021 fiscal year
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.70%

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

NOTES TO OTHER REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

2. OPEB

Denver Public Schools Retiree Life Insurance Trust

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

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2022.
Valuation Date	7/1/2022
Measurement Date	6/30/2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Contribution Rate	MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates.
Inflation	3.92%
Discount Rate	2.90% was selected by Denver Public Schools based on the prevailing trust yields at the valuation date. MetLife is anticipated to set premium levels such that trust assets will be sufficient to pay future benefits.
Long-term expected rate of return net of investment expense	2.90%
Mortality	2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants. The plan does not have enough credible data to develop a mortality assumption. As a result, the plan must rely on publically available mortality tables. The Society of Actuaries recently published and recommends using both 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale. Based on this recommendation, we believe these tables are appropriate for the plan's mortality assumption.
Changes since prior year	None

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

NOTES TO OTHER REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

Denver Public Schools Health Care Trust Fund

2021 Changes in Plan Provisions and Assumptions or Other Inputs Since 2020

- There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB

2020 Changes in Plan Provisions and Assumptions or Other Inputs Since 2019

- There were no changes made to the plan provisions
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.70%

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent for 2020, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A



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OTHER SUPPLEMENTARY INFORMATION



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GOVERNMENTAL FUNDS

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Mill Levy Technology Maintenance	Permanent Fund	Total
ASSETS						
Cash and cash equivalents	\$ 29,756	\$ -	\$ 25,007,929	\$ -	\$ 117,348	\$ 25,155,033
Investments	-	-	-	-	3,982	3,982
Taxes receivable	-	-	2,208,673	2,048,018	-	4,256,691
Intergovernmental receivables	6,010,429	-	-	-	-	6,010,429
Other receivables	16,990	-	-	-	-	16,990
Due from other funds	-	5,895,145	-	-	-	5,895,145
Inventory	4,581,732	-	-	-	-	4,581,732
Total assets	<u>10,638,907</u>	<u>5,895,145</u>	<u>27,216,602</u>	<u>2,048,018</u>	<u>121,330</u>	<u>45,920,002</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	717,347	-	18,602,746	1,123,485	60,839	20,504,417
Unearned revenue	601,948	1,178,228	-	-	-	1,780,176
Total liabilities	<u>1,319,295</u>	<u>1,178,228</u>	<u>18,602,746</u>	<u>1,123,485</u>	<u>60,839</u>	<u>22,284,593</u>
Deferred inflows of resources:						
Property taxes	-	-	997,057	924,533	-	1,921,590
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>997,057</u>	<u>924,533</u>	<u>-</u>	<u>1,921,590</u>
Fund balances:						
Nonspendable:						
Inventory	801,824	-	-	-	-	801,824
Permanent fund	-	-	-	-	60,491	60,491
Restricted for:						
Performance-based teacher compensation	-	-	7,616,799	-	-	7,616,799
Committed to:						
Pupil activities	-	4,716,917	-	-	-	4,716,917
Assigned to:						
Food service	8,517,788	-	-	-	-	8,517,788
Total fund balances	<u>9,319,612</u>	<u>4,716,917</u>	<u>7,616,799</u>	<u>-</u>	<u>60,491</u>	<u>21,713,819</u>
Total liabilities and fund balances	<u>\$ 10,638,907</u>	<u>\$ 5,895,145</u>	<u>\$ 27,216,602</u>	<u>\$ 2,048,018</u>	<u>\$ 121,330</u>	<u>\$ 45,920,002</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Mill Levy Technology Maintenance	Permanent Fund	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 35,239,080	\$ 32,646,862	\$ -	\$ 67,885,942
Intergovernmental:						
Revenue from state sources	328,253	-	-	-	-	328,253
Revenue from federal sources	48,318,780	-	-	-	-	48,318,780
Charges for services	569,201	546,250	-	-	-	1,115,451
Investment income	-	-	28,159	-	972	29,131
Other local sources	8,015	4,737,532	-	-	-	4,745,547
Total revenues	49,224,249	5,283,782	35,267,239	32,646,862	972	122,423,104
EXPENDITURES						
Instruction:						
Regular instruction	-	224,488	26,483,276	-	-	26,707,764
Special education	-	-	3,512,614	-	-	3,512,614
Vocational education	-	-	11,589	-	-	11,589
Other instruction	-	9,310,930	-	-	-	9,310,930
Total instruction	-	9,535,418	30,007,479	-	-	39,542,897
Support services:						
Pupil supporting services	-	-	3,115,514	-	-	3,115,514
Instructional support	-	1,006,086	1,448,316	-	-	2,454,402
General administration	-	-	70,218	74,890	-	145,108
School administration	-	-	5,874	-	-	5,874
Operations and maintenance	-	-	-	31,207,889	-	31,207,889
Central services	-	-	676,457	1,364,083	-	2,040,540
Other support services	42,466,802	-	-	-	-	42,466,802
Total support services	42,466,802	1,006,086	5,316,379	32,646,862	-	81,436,129
Community services	-	-	2,843	-	-	2,843
Capital outlay	379,172	31,713	-	-	-	410,885
Total expenditures	42,845,974	10,573,217	35,326,701	32,646,862	-	121,392,754
Excess (deficiency) of revenues over (under) expenditures	6,378,275	(5,289,435)	(59,462)	-	972	1,030,350
OTHER FINANCING SOURCES						
Transfers in	-	4,624,752	-	-	-	4,624,752
Total other financing sources	-	4,624,752	-	-	-	4,624,752
Net change in fund balances	6,378,275	(664,683)	(59,462)	-	972	5,655,102
Fund balances - beginning	2,941,337	5,381,600	7,676,261	-	59,519	16,058,717
Fund balances - ending	\$ 9,319,612	\$ 4,716,917	\$ 7,616,799	\$ -	\$ 60,491	\$ 21,713,819

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

BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 226,562	\$ 215,511	\$ 205,712	\$ (9,799)
Local sources	68	68	996	928
Total revenues	<u>226,630</u>	<u>215,579</u>	<u>206,708</u>	<u>(8,871)</u>
EXPENDITURES				
Purchased Services	120	120	416	(296)
Debt Service Principal	119,265	119,265	119,265	-
Debt Service Interest	88,480	88,480	91,749	(3,269)
Appropriated Reserves	244,383	231,733	-	231,733
Total expenditures	<u>452,248</u>	<u>439,598</u>	<u>211,430</u>	<u>228,168</u>
Excess (deficiency) of revenues over expenditures	<u>(225,618)</u>	<u>(224,019)</u>	<u>(4,722)</u>	<u>219,297</u>
OTHER FINANCING SOURCES (USES)				
Issuance of certification of participation	-	-	9,895	9,895
Other sources (uses)	-	-	(8,325)	(8,325)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,570</u>	<u>1,570</u>
Net change in fund balance	<u>(225,618)</u>	<u>(224,019)</u>	<u>(3,152)</u>	<u>220,867</u>
Beginning fund balance	<u>225,618</u>	<u>224,019</u>	<u>224,019</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,867</u>	<u>\$ 220,867</u>

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

BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 2,000	\$ 2,000	\$ (11,395)	\$ (13,395)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>(11,395)</u>	<u>(13,395)</u>
EXPENDITURES				
Employee Salaries	8,117	8,117	8,458	(341)
Employee Benefits	2,182	2,182	2,124	58
Supplies and Materials	-	-	142	(142)
Purchased Services	-	-	8,726	(8,726)
Property	180,000	180,000	121,032	58,968
Other Expenses	-	-	(5,030)	5,030
Appropriated Reserves	30,000	30,000	-	30,000
Unappropriated reserves	258,316	284,513	-	284,513
Total expenditures	<u>478,615</u>	<u>504,812</u>	<u>135,452</u>	<u>369,360</u>
Excess (deficiency) of revenues over expenditures	<u>(476,615)</u>	<u>(502,812)</u>	<u>(146,847)</u>	<u>355,965</u>
OTHER FINANCING SOURCES (USES)				
Other sources (uses)	-	-	421,681	421,681
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>421,681</u>	<u>421,681</u>
Net change in fund balance	<u>(476,615)</u>	<u>(502,812)</u>	<u>274,834</u>	<u>777,646</u>
Beginning fund balance	<u>476,615</u>	<u>502,812</u>	<u>502,812</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,646</u>	<u>\$ 777,646</u>

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

BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Federal sources	\$ 6,413	\$ 6,413	\$ 6,573	\$ 160
Local sources	19,397	19,397	22,698	3,301
Total revenues	25,810	25,810	29,271	3,461
EXPENDITURES				
Supplies and Materials	7,818	7,818	6,260	1,558
Purchased Services	2,260	2,260	2,729	(469)
Property	12,707	12,707	5,199	7,508
Other Expenses	-	-	(615)	615
Debt Service Principal	7,045	7,045	8,318	(1,273)
Debt Service Interest	6,245	6,245	6,755	(510)
Appropriated Reserves	30,309	62,669	-	62,669
Total expenditures	66,384	98,744	28,646	70,098
Excess (deficiency) of revenues over expenditures	(40,574)	(72,934)	625	73,559
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(426)	-	18,455	18,455
Total other financing sources (uses)	(426)	-	18,455	18,455
Net change in fund balance	(41,000)	(72,934)	19,080	92,014
Beginning fund balance	41,000	72,934	72,934	-
Ending fund balance	\$ -	\$ -	\$ 92,014	\$ 92,014

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

BUDGETARY COMPARISON SCHEDULE
FOOD SERVICES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 918	\$ 918	\$ 328	\$ (590)
Federal sources	34,757	34,757	48,319	13,562
Local sources	5,852	5,852	577	(5,275)
Total revenues	41,527	41,527	49,224	7,697
EXPENDITURES				
Employee Salaries	17,381	17,381	18,179	(798)
Employee Benefits	6,252	6,252	4,302	1,950
Supplies and Materials	18,261	18,261	19,532	(1,271)
Purchased Services	1,131	1,131	1,219	(88)
Property	178	178	544	(366)
Other Expenses	883	883	(930)	1,813
Appropriated Reserves	-	2,941	-	2,941
Total expenditures	44,086	47,027	42,846	4,181
Excess (deficiency) of revenues over expenditures	(2,559)	(5,500)	6,378	11,878
OTHER FINANCING SOURCES (USES)				
Interfund transfers	2,559	2,559	-	(2,559)
Total other financing sources (uses)	2,559	2,559	-	(2,559)
Net change in fund balance	-	(2,941)	6,378	9,319
Beginning fund balance	-	2,941	2,941	-
Ending fund balance	\$ -	\$ -	\$ 9,319	\$ 9,319

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

BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 10,530	\$ 10,530	\$ 5,283	\$ (5,247)
Total revenues	10,530	10,530	5,283	(5,247)
EXPENDITURES				
Employee Salaries	3,600	3,169	3,400	(231)
Employee Benefits	842	731	775	(44)
Supplies and Materials	10,240	10,652	4,093	6,559
Purchased Services	605	2,000	1,662	338
Property	9	4	40	(36)
Other Expenses	334	307	603	(296)
Appropriated Reserves	4,500	4,717	-	4,717
Total expenditures	20,130	21,580	10,573	11,007
Excess (deficiency) of revenues over expenditures	(9,600)	(11,050)	(5,290)	5,760
OTHER FINANCING SOURCES (USES)				
Interfund transfers	5,101	5,668	4,625	(1,043)
Total other financing sources (uses)	5,101	5,668	4,625	(1,043)
Net change in fund balance	(4,499)	(5,382)	(665)	4,717
Beginning fund balance	4,499	5,382	5,382	-
Ending fund balance	\$ -	\$ -	\$ 4,717	\$ 4,717

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

BUDGETARY COMPARISON SCHEDULE
PROCOMP SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 36,470	\$ 36,470	\$ 35,239	\$ (1,231)
Local sources	40	40	28	(12)
Total revenues	<u>36,510</u>	<u>36,510</u>	<u>35,267</u>	<u>(1,243)</u>
EXPENDITURES				
Employee Salaries	29,977	29,977	28,889	1,088
Employee Benefits	6,512	6,512	6,269	243
Supplies and Materials	1	1	-	1
Purchased Services	150	150	169	(19)
Unappropriated reserves	7,235	7,546	-	7,546
Total expenditures	<u>43,875</u>	<u>44,186</u>	<u>35,327</u>	<u>8,859</u>
Net change in fund balance	<u>(7,365)</u>	<u>(7,676)</u>	<u>(60)</u>	<u>7,616</u>
Beginning fund balance	<u>7,365</u>	<u>7,676</u>	<u>7,676</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,616</u>	<u>\$ 7,616</u>

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

BUDGETARY COMPARISON SCHEDULE
MILL LEVY TECHNOLOGY MAINTENANCE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 33,600	\$ 34,003	\$ 32,647	\$ (1,356)
Total revenues	<u>33,600</u>	<u>34,003</u>	<u>32,647</u>	<u>(1,356)</u>
EXPENDITURES				
Employee Salaries	12,552	21,724	19,401	2,323
Employee Benefits	3,149	4,703	4,195	508
Charter school	7,615	7,576	7,612	(36)
Supplies and Materials	6,469	-	1,364	(1,364)
Purchased Services	3,815	-	75	(75)
Total expenditures	<u>33,600</u>	<u>34,003</u>	<u>32,647</u>	<u>1,356</u>
Net change in fund balance	-	-	-	-
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BUDGETARY COMPARISON SCHEDULE
PERMANENT FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	1	1
EXPENDITURES				
Supplies and Materials	59	60	-	60
Total expenditures	59	60	-	60
Net change in fund balance	(59)	(60)	1	61
Beginning fund balance	59	60	59	(1)
Ending fund balance	\$ -	\$ -	\$ 60	\$ 60



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INTERNAL SERVICE FUND

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

BUDGETARY COMPARISON SCHEDULE
WAREHOUSE FUND
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources	\$ 636	\$ 636	\$ 174	\$ (462)
Total revenues	636	636	174	(462)
EXPENDITURES				
Employee Salaries	24	24	29	(5)
Employee Benefits	9	9	7	2
Supplies and Materials	300	300	141	159
Purchased Services	200	200	13	187
Property	100	100	-	100
Other Expenses	-	-	189	(189)
Appropriated Reserves	407	289	-	289
Total expenditures	1,040	922	379	543
Net change in fund balance	(404)	(286)	(205)	81
Beginning fund balance	404	286	286	-
Ending fund balance	\$ -	\$ -	\$ 81	\$ 81



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FIDUCIARY FUND

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

BUDGETARY COMPARISON SCHEDULE
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Employer contributions	\$ 2,040	\$ 2,040	\$ 3,688	\$ 1,648
Interest income	132	132	430	298
Total revenues	<u>2,172</u>	<u>2,172</u>	<u>4,118</u>	<u>1,946</u>
EXPENDITURES				
Medical and life insurance for retirees	2,380	2,380	2,227	153
Appropriated Reserves	15,948	17,158	-	17,158
Total expenditures	<u>18,328</u>	<u>19,538</u>	<u>2,227</u>	<u>17,311</u>
Net change in fund balance	<u>(16,156)</u>	<u>(17,366)</u>	<u>1,891</u>	<u>19,257</u>
Beginning fund balance	<u>16,156</u>	<u>17,366</u>	<u>17,366</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,257</u>	<u>\$ 19,257</u>



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Colorado Department of Education
Auditors Integrity Report
District: 0880 - Denver County 1
Fiscal Year 2021-22
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+			=
10 General Fund	125,135,421	983,930,778	975,672,862	133,393,336
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	125,135,421	983,930,778	975,672,862	133,393,336
11 Charter School Fund	133,038,331	323,251,536	329,275,505	127,014,362
20,26-29 Special Revenue Fund	7,676,261	35,267,239	35,326,701	7,616,799
06 Supplemental Cap Const, Tech, Main, Fund	0	32,646,862	32,646,862	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,941,336	49,224,249	42,845,974	9,319,612
22 Govt Designated-Purpose Grants Fund	16,296,859	221,103,561	219,974,290	17,426,130
23 Pupil Activity Special Revenue Fund	5,381,600	9,908,534	10,573,217	4,716,917
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	224,018,962	208,277,685	211,429,875	220,866,772
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	502,812,488	410,286,434	135,452,179	777,646,743
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	72,933,581	47,726,022	28,645,742	92,013,861
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,090,234,839	2,321,622,901	2,021,843,208	1,390,014,532
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	286,723	173,839	379,552	81,010
Totals	286,723	173,839	379,552	81,010
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	17,366,242	4,117,477	2,226,642	19,257,077
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	59,519	972	0	60,491
85 Foundations	12,756,674	5,920,837	6,564,081	12,113,430
Totals	30,182,435	10,039,286	8,790,723	31,430,998
FINAL				



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STATISTICAL SECTION

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

STATISTICAL SECTION
YEAR ENDED JUNE 30, 2022

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

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
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Operating Information	
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SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)

	2022	2021	2020	2019	2018
Governmental activities					
Net investment in capital assets	\$ (58,596,829)	\$ (54,971,225)	\$ (67,160,973)	\$ (62,814,668)	\$ (48,797,256)
Restricted	287,564,514	281,985,613	260,280,665	616,186,143	650,615,101
Unrestricted (deficit)	(949,863,107)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)	(2,093,681,026)
Total governmental activities net position (deficit)	<u>(720,895,422)</u>	<u>(1,007,436,104)</u>	<u>(1,129,522,542)</u>	<u>(1,281,258,380)</u>	<u>(1,491,863,181)</u>
Business-type activities*					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-
Total business-type activities net position (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government					
Net investment in capital assets	(58,596,829)	(54,971,225)	(67,160,973)	(62,814,668)	(48,797,256)
Restricted	287,564,514	281,985,613	260,280,665	616,186,143	650,615,101
Unrestricted (deficit)	(949,863,107)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)	(2,093,681,026)
Total primary government net position (deficit)	<u>\$ (720,895,422)</u>	<u>\$ (1,007,436,104)</u>	<u>\$ (1,129,522,542)</u>	<u>\$ (1,281,258,380)</u>	<u>\$ (1,491,863,181)</u>
	2017	2016	2015	2014	2013
Governmental activities					
Net investment in capital assets	\$ 148,648,229	\$ 104,965,907	\$ 118,645,799	\$ 130,564,763	\$ 135,651,903
Restricted	648,556,477	290,705,891	391,653,002	175,105,064	192,765,619
Unrestricted (deficit)	(2,154,349,495)	(1,652,698,513)	(1,702,868,865)	(961,343,671)	(977,859,419)
Total governmental activities net position (deficit)	<u>(1,357,144,789)</u>	<u>(1,257,026,715)</u>	<u>(1,192,570,064)</u>	<u>(655,673,844)</u>	<u>(649,441,897)</u>
Business-type activities					
Net investment in capital assets	-	-	-	643,501	463,179
Unrestricted (deficit)	-	-	-	(760,348)	(383,151)
Total business-type activities net position (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,847)</u>	<u>80,028</u>
Primary government					
Net investment in capital assets	148,648,229	104,965,907	118,645,799	131,208,264	136,115,082
Restricted	648,556,477	290,705,891	391,653,002	175,105,064	192,765,619
Unrestricted (deficit)	(2,154,349,495)	(1,652,698,513)	(1,702,868,865)	(962,104,019)	(978,242,570)
Total primary government net position (deficit)	<u>\$ (1,357,144,789)</u>	<u>\$ (1,257,026,715)</u>	<u>\$ (1,192,570,064)</u>	<u>\$ (655,790,691)</u>	<u>\$ (649,361,869)</u>

Source: School District annual financial reports for the respective years

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

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)

	2022	2021	2020	2019	2018
Expenses:					
Governmental activities:					
Instructional services	\$ 676,114,938	\$ 721,672,819	\$ 696,846,877	\$ 605,647,740	\$ 647,048,830
Supporting services:					
Pupil support	101,253,791	105,227,056	83,180,894	71,532,274	66,443,705
Instructional support	120,594,357	139,036,789	129,767,373	124,605,828	125,760,427
General administration	12,476,768	9,927,774	8,188,423	6,123,865	7,526,400
School administration	72,605,869	83,576,693	80,450,074	78,604,576	78,617,586
Business services	15,091,303	15,260,179	14,857,663	14,842,975	14,882,801
Operations and maintenance	121,134,834	126,680,477	102,853,799	100,668,711	96,681,984
Pupil transportation	26,934,216	26,904,924	28,916,105	29,743,657	26,546,492
Central services	47,767,462	52,582,084	49,694,958	70,219,410	183,402,521
Other support services	59,840,338	40,929,494	51,852,458	51,903,765	46,450,521
Community services	14,378,888	10,546,516	16,698,518	15,982,204	17,638,447
Education for adults	22,349,130	26,212,064	23,954,101	21,951,395	22,244,905
Food services	-	-	-	-	-
Principal payments	-	-	7,172,890	-	-
Interest and fiscal charges	115,823,208	126,994,110	118,717,714	129,019,562	162,850,968
Total governmental activities expenses	1,406,365,102	1,485,550,979	1,413,151,847	1,320,845,962	1,496,095,587
Business-type activities:					
Food services	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Total primary government expenses	1,406,365,102	1,485,550,979	1,413,151,847	1,320,845,962	1,496,095,587
Program revenues:					
Governmental activities:					
Charges for services - Instructional	43,919,285	35,081,610	42,579,085	42,939,547	36,974,879
Charges for services - Other	39,877,300	30,797,332	35,150,712	41,558,397	33,989,449
Operating grants and contributions	282,026,841	270,988,646	187,021,129	264,820,334	220,120,675
Capital grants and contributions	-	-	10,077,400	-	-
Total governmental activities program revenues	365,823,426	336,867,588	274,828,326	349,318,278	291,085,003
Business-type activities:					
Food services	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-
Total primary government program revenues	365,823,426	336,867,588	274,828,326	349,318,278	291,085,003
Net Expenses					
Governmental activities	(1,040,541,676)	(1,148,683,391)	(1,138,323,521)	(971,527,684)	(1,205,010,584)
Business-type activities	-	-	-	-	-
Total primary government net expense	(1,040,541,676)	(1,148,683,391)	(1,138,323,521)	(971,527,684)	(1,205,010,584)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	1,026,245,124	997,407,662	956,891,384	814,556,942	796,450,648
Specific ownership taxes	58,412,078	53,379,052	50,937,342	52,944,185	51,821,726
Payment in lieu of taxes	-	4,205,252	3,596,102	3,604,926	2,990,033
State equalization	222,280,693	182,477,557	238,991,040	279,467,577	243,213,839
Interest and investment income	(10,085,488)	1,753,078	10,546,065	18,101,994	8,630,469
Other	30,229,951	31,547,228	24,855,144	13,456,861	38,472,898
Total governmental activities	1,327,082,358	1,270,769,829	1,285,817,077	1,182,132,485	1,141,579,613
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	1,327,082,358	1,270,769,829	1,285,817,077	1,182,132,485	1,141,579,613
Change in net position					
Governmental activities	286,540,682	122,086,438	147,493,556	210,604,801	(63,430,971)
Business-type activities	-	-	-	-	-
Total primary government	\$ 286,540,682	\$ 122,086,438	\$ 147,493,556	\$ 210,604,801	\$ (63,430,971)

Continued net page

Source: School District annual financial reports for the respective years

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

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)

	2017	2016	2015	2014	2013
Expenses:					
Governmental activities:					
Instructional services	\$ 661,536,065	\$ 668,873,429	\$ 606,202,845	\$ 525,401,180	507,722,226
Supporting services:					
Pupil support	58,337,272	45,246,471	36,294,290	30,804,590	29,638,062
Instructional support	114,572,496	111,594,016	113,735,904	89,761,367	81,086,728
General administration	6,964,963	6,096,731	5,299,658	5,862,233	6,652,309
School administration	77,079,051	69,544,540	65,203,286	57,364,780	58,734,139
Business services	12,957,204	8,609,001	6,971,488	9,069,995	7,487,603
Operations and maintenance	91,074,789	79,314,548	74,977,465	68,752,560	69,409,493
Pupil transportation	25,164,705	26,012,440	22,571,539	22,069,496	22,182,306
Central services	176,020,151	134,964,286	126,422,167	139,191,526	74,998,203
Other support services	51,052,612	48,582,600	47,742,261	4,570,465	4,045,531
Community services	16,515,410	14,366,660	12,899,167	11,611,773	10,497,464
Education for adults	20,508,759	17,828,984	17,810,825	14,527,846	14,790,637
Food services	-	-	-	43,974	96,963
Principal payments	-	-	-	-	-
Interest and fiscal charges	137,843,846	128,003,672	127,899,257	117,380,359	113,073,282
Total governmental activities expenses	1,449,627,323	1,359,037,378	1,264,030,152	1,096,412,144	1,000,414,946
Business-type activities:					
Food services	-	-	-	38,774,528	36,404,972
Total business-type activities expenses	-	-	-	38,774,528	36,404,972
Total primary government expenses	1,449,627,323	1,359,037,378	1,264,030,152	1,135,186,672	1,036,819,918
Program revenues:					
Governmental activities:					
Charges for services - Instructional	33,194,921	29,805,479	27,970,405	24,268,736	29,467,729
Charges for services - Other	30,514,695	27,398,922	25,712,014	22,309,227	12,389,843
Operating grants and contributions	214,428,461	212,702,661	221,919,647	170,631,292	163,451,886
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	278,138,077	269,907,062	275,602,066	217,209,255	205,309,458
Business-type activities:					
Food services	-	-	-	4,388,602	4,026,244
Operating grants and contributions	-	-	-	34,152,589	30,190,114
Total business-type activities program revenues	-	-	-	38,541,191	34,216,358
Total primary government program revenues	278,138,077	269,907,062	275,602,066	255,750,446	239,525,816
Net Expenses					
Governmental activities	(1,171,489,246)	(1,089,130,316)	(988,428,086)	(879,202,889)	(795,105,488)
Business-type activities	-	-	-	(233,337)	(2,188,614)
Total primary government net expense	(1,171,489,246)	(1,089,130,316)	(988,428,086)	(879,436,226)	(797,294,102)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	671,768,786	623,495,039	512,100,229	545,898,621	498,552,760
Specific ownership taxes	44,805,199	40,303,943	36,829,683	33,376,380	30,035,934
Payment in lieu of taxes	2,828,616	2,522,094	2,489,581	2,492,618	2,143,237
State equalization	296,486,570	294,025,391	331,479,392	282,036,930	257,727,049
Interest and investment income	5,922,616	1,958,554	2,481,057	7,214,663	5,904,892
Other	49,559,385	62,368,644	35,645,024	12,430,956	5,867,733
Total governmental activities	1,071,371,172	1,024,673,665	921,024,966	883,450,168	800,231,605
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	36,462	14,416
Total business-type activities	-	-	-	36,462	14,416
Total primary government	1,071,371,172	1,024,673,665	921,024,966	883,486,630	800,246,021
Change in net position					
Governmental activities	(100,118,074)	(64,456,651)	(67,403,120)	4,247,279	5,126,117
Business-type activities	-	-	-	(196,875)	(2,174,198)
Total primary government	\$ (100,118,074)	\$ (64,456,651)	\$ (67,403,120)	\$ 4,050,404	\$ 2,951,919

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

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

	2022	2021	2020	2019	2018
General Fund					
Nonspendable:					
Inventory	\$ 1,386,782	\$ 1,160,643	\$ 1,238,552	\$ 1,107,816	\$ 892,874
Prepaid expenses	-	-	-	-	-
Restricted for:					
Emergency reserve	40,200,974	31,697,040	33,618,750	31,046,220	28,893,630
Committed to:					
Pupil Activities	2,316,528	8,672,016	1,448,767	1,266,865	-
Emergency reserve	-	-	-	-	-
Assigned to:					
Special projects	24,128,060	23,671,535	23,478,391	25,093,990	22,869,037
Subsequent year expenditures	11,760,000	3,790,000	13,847,000	6,827,418	17,886,037
Unassigned	53,600,992	56,144,186	45,424,828	53,165,742	48,469,286
Total General Fund	<u>133,393,336</u>	<u>125,135,420</u>	<u>119,056,288</u>	<u>118,508,051</u>	<u>119,010,864</u>
All other governmental funds					
Nonspendable:					
Permanent fund	60,491	59,519	58,871	131,044	131,371
Inventory	801,824	497,844	504,881	393,196	2,935,450
Prepaid expenses	142,325	424,389	913,699	288,384	458,901
Restricted for:					
Debt service	222,260,120	226,255,934	203,916,531	173,213,859	160,157,619
Capital projects	780,687,082	508,861,239	236,677,860	381,306,757	443,137,420
Performance-based teacher compensation	7,616,799	7,676,261	7,858,567	11,664,070	8,590,764
Higher education	16,439,498	15,091,649	12,819,754	11,235,893	9,936,855
Non-governmental grantor-designated purposes	986,632	1,077,193	1,043,138	817,330	1,013,135
State programs	-	-	-	-	-
Federal programs	-	128,017	965,054	4,981,574	7,766,488
Committed to:					
Capital projects	-	-	-	-	28,005,130
Pupil activities	4,716,917	5,381,600	4,808,712	332,120	2,263,445
Assigned to:					
Debt service	-	-	-	-	16,447,000
Capital projects	87,437,849	64,223,469	16,683,835	28,209,850	-
Food service	8,517,788	2,443,493	935,636	6,992	-
Unassigned	-	-	-	-	(737,940)
Total all other governmental funds	<u>1,129,667,325</u>	<u>832,120,607</u>	<u>487,186,538</u>	<u>612,581,069</u>	<u>680,105,638</u>
Total fund balances	<u>\$ 1,263,060,661</u>	<u>\$ 957,256,027</u>	<u>\$ 606,242,826</u>	<u>\$ 731,089,120</u>	<u>\$ 799,116,502</u>

Continued next page

Source: District annual financial reports for the respective years

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

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

	2017	2016	2015	2014	2013
General Fund					
Nonspendable:					
Inventory	\$ 761,736	\$ 704,168	\$ 824,309	\$ 73,575	\$ 866,501
Prepaid expenses	150,566	142,383	-	-	-
Restricted for:					
Emergency reserve	27,033,570	24,910,740	23,587,040	-	-
Committed to:					
Pupil Activities	-	-	-	-	-
Emergency reserve	-	-	-	21,562,473	20,575,246
Assigned to:					
Special projects	15,923,740	17,397,322	15,920,181	12,483,461	10,737,052
Subsequent year expenditures	8,182,740	1,315,705	4,082,181	9,736,417	25,054,712
Unassigned	70,097,523	50,072,162	62,139,089	54,441,927	52,305,933
Total General Fund	<u>122,149,875</u>	<u>94,542,480</u>	<u>106,552,800</u>	<u>98,297,853</u>	<u>109,539,444</u>
All other governmental funds					
Nonspendable:					
Permanent fund	130,992	128,553	128,806	127,586	123,986
Inventory	332,113	3,485,663	3,059,757	16	-
Prepaid expenses	1,531,060	509,302	-	-	-
Restricted for:					
Debt service	130,144,786	140,280,738	109,761,547	109,621,401	109,580,300
Capital projects	470,254,135	87,492,008	202,717,436	428,287,451	600,539,662
Performance-based teacher compensation	11,837,366	18,345,329	31,352,361	44,698,850	52,566,684
Higher education	9,595,895	10,572,551	10,047,631	11,180,577	9,809,638
Non-governmental grantor-designated purposes	1,492,383	6,111,724	9,859,915	9,584,310	9,136,215
State programs	-	-	-	-	1,664,931
Federal programs	5,876,870	8,548,506	4,198,266	-	5,714
Committed to:					
Capital projects	35,949,286	5,554,771	17,390,944	7,438,353	16,273,544
Pupil activities	3,505,285	3,168,599	-	-	-
Assigned to:					
Debt service	46,598,000	10,963,000	6,964,000	-	-
Capital projects	-	-	-	-	-
Food service	-	-	-	-	-
Unassigned	(46,913)	(3,344,733)	(3,059,757)	-	-
Total all other governmental funds	<u>717,201,258</u>	<u>291,816,011</u>	<u>392,420,906</u>	<u>610,938,544</u>	<u>799,700,674</u>
Total fund balances	<u>\$ 839,351,133</u>	<u>\$ 386,358,491</u>	<u>\$ 498,973,706</u>	<u>\$ 709,236,397</u>	<u>\$ 909,240,118</u>

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

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

	2022	2021	2020	2019	2018
Revenues:					
Taxes	\$ 1,101,742,098	\$ 1,054,513,077	\$ 998,219,378	\$ 858,529,862	\$ 848,458,684
Intergovernmental:					
State sources	307,891,606	244,656,236	326,157,713	357,074,878	304,016,976
Federal sources	223,838,236	192,730,693	109,255,314	111,381,652	114,906,618
Charges for services	83,796,585	65,878,942	75,572,797	84,497,944	78,175,058
Investment income (loss)	(10,082,439)	1,753,078	10,546,065	18,101,994	8,440,469
Other local sources	54,517,271	51,832,738	55,339,778	53,325,393	55,720,801
Total revenue	1,761,703,357	1,611,364,764	1,575,091,045	1,482,911,723	1,409,718,606
Expenditures:					
Current:					
Instructional services	780,510,913	694,846,491	709,651,580	625,813,397	563,170,061
Supporting services:					
Pupil support	115,228,146	100,576,930	82,736,120	73,950,774	66,443,705
Instructional support	125,935,594	133,611,460	129,073,497	128,828,831	125,760,427
General administration	14,198,726	9,501,382	8,062,993	6,330,914	7,526,400
School administration	82,626,435	80,403,979	80,112,333	81,262,191	78,617,586
Business services	14,490,900	14,575,241	14,716,470	15,679,087	14,996,029
Operations and maintenance	124,211,645	119,394,688	102,251,049	104,354,778	95,181,985
Pupil transportation	30,447,107	25,992,801	28,761,438	30,768,374	26,546,492
Central services	54,502,677	50,736,344	49,678,519	72,593,522	96,964,007
Other support services	68,028,876	39,834,647	51,574,682	53,658,626	46,450,521
Total support services	629,670,106	574,627,472	546,967,101	567,427,097	558,487,152
Community services	16,363,364	10,383,123	16,609,229	16,522,561	17,638,447
Education for adults	24,574,574	24,979,010	23,573,860	22,693,569	22,244,905
Capital outlay	129,424,043	161,111,733	205,539,953	166,970,851	200,399,726
Debt service:					
Principal	156,734,529	212,403,162	114,480,000	101,926,321	75,815,765
Interest and fiscal charges	142,784,197	135,496,728	133,013,278	134,464,342	141,457,068
Total debt service	299,518,726	347,899,890	247,493,278	236,390,663	217,272,833
Debt issuance costs	-	-	-	-	-
Total expenditures	1,880,061,726	1,813,847,719	1,749,835,001	1,635,818,138	1,579,213,124
Deficiency of revenues under expenditures	(118,358,369)	(202,482,955)	(174,743,956)	(152,906,415)	(169,494,518)
Other financing sources (uses):					
Transfers in	23,728,558	22,323,536	18,184,640	20,519,669	23,722,566
Transfers out	(23,728,558)	(22,323,536)	(18,184,640)	(20,519,669)	(23,722,566)
Issuance of leases	912,209	355,289	110,658	395,098	5,468,230
Issuance of certificates of participation	-	-	45,544,722	84,483,935	17,710,000
Issuance of bonds	345,000,000	450,000,000	-	-	105,325,000
Premium on issuance of debt	86,575,794	103,140,867	-	-	25,776,657
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	52,890,000	-	-	-	106,130,000
Premium on refunding bonds	-	-	-	-	-
Payment to Bond Escrow Agent	(61,215,000)	-	-	-	(131,150,000)
Total other financing sources	424,163,003	553,496,156	45,655,380	84,879,033	129,259,887
Special Items	-	-	-	-	-
Change in fund balances	\$ 305,804,634	\$ 351,013,201	\$ (129,088,576)	\$ (68,027,382)	\$ (40,234,631)
Debt service as a percentage of noncapital expenditures	17.09%	21.05%	16.03%	16.09%	15.75%

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Source: School District annual financial reports for the respective years

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

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

	2017	2016	2015	2014	2013
Revenues:					
Taxes	\$ 717,451,368	\$ 662,087,462	\$ 549,453,629	\$ 549,095,824	\$ 527,488,569
Intergovernmental:					
State sources	354,546,283	352,543,848	386,841,732	321,083,838	292,811,118
Federal sources	118,038,010	128,143,943	135,266,941	91,110,827	94,585,766
Charges for services	70,136,444	63,538,071	58,485,884	46,577,962	41,857,571
Investment income	5,697,617	1,703,554	2,191,056	6,646,572	5,346,754
Other local sources	72,195,800	45,033,043	46,432,436	56,121,534	42,198,314
Total revenue	1,338,065,522	1,253,049,921	1,178,671,678	1,070,636,557	1,004,288,092
Expenditures:					
Current:					
Instructional services	533,413,133	580,342,703	545,258,244	524,717,767	474,740,668
Supporting services:					
Pupil support	58,337,272	45,246,471	36,294,290	30,750,759	29,191,916
Instructional support	114,572,496	111,594,016	113,735,903	89,657,359	80,726,483
General administration	6,964,963	6,096,731	5,299,657	5,855,666	6,621,029
School administration	77,079,051	69,544,540	65,203,286	57,265,795	58,420,495
Business services	12,817,546	8,581,051	6,700,984	8,511,434	7,049,603
Operations and maintenance	91,074,789	79,314,548	74,977,466	77,295,764	75,907,378
Pupil transportation	25,164,705	26,012,440	22,571,539	21,759,520	20,626,032
Central services	104,428,614	67,066,399	72,231,405	76,726,379	64,742,988
Other support services	49,799,171	48,582,600	47,742,261	4,570,465	4,045,531
Total support services	540,238,607	462,038,796	444,756,791	372,393,141	347,331,455
Community services	16,515,410	14,366,660	12,899,168	11,600,514	10,465,425
Education for adults	20,508,759	17,828,984	17,810,826	14,504,741	14,775,707
Capital outlay	161,734,202	132,056,762	207,594,348	209,752,895	88,411,292
Debt service:					
Principal	90,105,000	62,663,175	57,125,000	52,638,533	424,254,920
Interest and fiscal charges	118,391,994	106,825,938	284,599,941	115,257,640	243,687,187
Total debt service	208,496,994	169,489,113	341,724,941	167,896,173	667,942,107
Debt issuance costs	-	-	-	-	7,419,384
Total expenditures	1,480,907,105	1,376,123,018	1,570,044,318	1,300,865,231	1,611,086,038
Deficiency of revenues under expenditures	(142,841,583)	(123,073,097)	(391,372,640)	(230,228,674)	(606,797,946)
Other financing sources (uses):					
Transfers in	23,172,970	16,052,982	26,513,288	7,384,908	25,776,235
Transfers out	(23,256,436)	(16,052,982)	(26,513,288)	(7,384,908)	(25,776,235)
Issuance of capital leases	2,271,141	-	-	-	-
Issuance of certificates of participation	46,175,000	9,680,591	-	-	-
Issuance of bonds	466,675,000	-	-	25,347,008	1,075,390,000
Premium on issuance of debt	80,796,550	-	-	-	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	-	143,280,000	149,170,000	-	67,220,000
Premium on refunding bonds	-	26,500,712	24,225,792	-	78,030,437
Payment to Bond Escrow Agent	-	(169,003,421)	-	-	(66,816,759)
Total other financing sources	595,834,225	10,457,882	173,395,792	25,347,008	1,153,823,678
Special Items	-	-	-	-	-
Change in fund balances	\$ 452,992,642	\$ (112,615,215)	\$ (217,976,848)	\$ (204,881,666)	\$ 547,025,732
Debt service as a percentage of noncapital expenditures	15.89%	13.71%	25.08%	15.39%	43.87%

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

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

	2022	2021	2020	2019	2018
Expenditures:					
Instructional services	\$ 657,192,165	\$ 580,623,950	\$ 622,903,734	\$ 555,976,258	\$ 484,208,616
Supporting services:					
Pupil support	74,193,579	74,251,724	69,814,604	58,488,826	56,583,981
Instructional support	93,651,824	97,018,956	99,003,429	99,065,785	95,764,566
General administration	9,994,152	8,626,792	7,539,801	5,740,240	7,064,098
School administration	79,687,970	77,298,216	77,047,427	78,720,284	75,888,710
Business services	13,602,200	11,505,865	13,294,858	15,033,777	14,339,316
Operations and maintenance	76,820,175	64,396,850	86,305,872	86,106,056	79,691,394
Pupil transportation	29,788,063	25,126,430	28,368,149	30,726,808	26,546,492
Central services	42,583,410	37,729,172	38,847,732	61,936,798	86,356,839
Other support services	492,055	1,404,453	51,261	24,650	97,898
Total support services	420,813,428	397,358,458	420,273,133	435,843,224	442,333,294
Community services	11,037,996	6,836,774	13,994,995	14,539,363	15,120,743
Education for adults	-	14,098	20,353	124,599	952,581
Capital outlay	2,587,751	2,063,854	1,603,160	1,642,364	6,387,652
Debt service:					
Principal payments	29,059,492	27,355,402	24,185,000	24,138,012	21,891,858
Lease expenditure	-	-	-	-	-
Interest and fiscal charges	42,476,054	43,696,155	46,185,341	45,508,555	46,097,937
Issuance costs of debt	-	-	-	-	-
Total expenditures	1,163,166,886	1,057,948,691	1,129,165,716	1,077,772,375	1,016,992,681
Other financing uses:					
Transfers out	23,728,558	22,323,536	18,114,719	20,440,202	23,176,635
Debt service principal	-	-	-	-	-
Total other financing uses	23,728,558	22,323,536	18,114,719	20,440,202	23,176,635
Total expenditures and other financing uses	\$ 1,186,895,444	\$ 1,080,272,227	\$ 1,147,280,435	\$ 1,098,212,577	\$ 1,040,169,316

Continued next page

Source: School District annual financial reports for the respective years

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

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

	2017	2016	2015	2014	2013
Expenditures:					
Instructional services	\$ 437,905,667	\$ 466,866,692	\$ 435,036,390	\$ 418,723,429	\$ 364,156,448
Supporting services:					
Pupil support	49,753,091	37,126,952	29,300,812	25,685,836	23,591,382
Instructional support	79,952,672	70,635,195	64,420,077	50,236,006	42,541,541
General administration	6,525,345	5,642,389	4,891,160	5,465,573	6,068,298
School administration	73,368,180	68,299,902	63,290,849	54,895,533	55,494,061
Business services	12,152,815	7,571,069	5,970,739	7,718,542	6,560,065
Operations and maintenance	77,568,148	71,563,249	57,100,385	56,461,321	51,263,651
Pupil transportation	25,102,779	25,724,818	21,942,671	20,913,687	19,627,160
Central services	89,188,409	53,956,802	54,801,151	54,075,641	45,444,542
Other support services	1,131,085	1,036,037	914,267	705,984	719,810
Total support services	414,742,524	341,556,413	302,632,111	276,158,123	251,310,510
Community services	13,587,690	11,021,566	8,555,867	7,790,165	6,651,925
Education for adults	1,750,462	2,256,856	629,177	1,173,530	823,417
Capital outlay	2,092,671	1,467,271	1,270,899	528,674	195,172
Debt service:					
Principal payments	18,945,000	14,730,000	13,360,000	9,305,000	401,540,000
Lease expenditure	-	-	-	-	-
Interest and fiscal charges	46,170,414	46,114,624	45,878,257	48,629,712	188,137,089
Issuance costs of debt	-	-	-	-	3,633,148
Total expenditures	935,194,428	884,013,422	807,362,701	762,308,633	1,216,447,709
Other financing uses:					
Transfers out	9,775,503	9,926,794	19,727,702	7,067,866	22,505,189
Debt service principal	-	-	-	-	-
Total other financing uses	9,775,503	9,926,794	19,727,702	7,067,866	22,505,189
Total expenditures and other financing uses	\$ 944,969,931	\$ 893,940,216	\$ 827,090,403	\$ 769,376,499	\$ 1,238,952,898

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

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

	2022	2021	2020	2019	2018
Revenues:					
Property taxes	\$ 828,144,100	\$ 788,001,851	\$ 769,149,008	\$ 664,565,675	\$ 657,100,914
Intergovernmental:					
State sources	284,201,031	227,877,959	303,212,342	339,992,597	281,166,970
Federal sources	1,142,972	1,312,843	1,195,373	1,154,792	1,047,048
Charges for services	73,155,090	56,492,660	61,185,131	67,507,804	62,970,356
Investment income	274,821	176,958	1,593,600	2,442,363	1,967,899
Other local sources	7,323,137	11,460,481	11,382,560	21,571,968	25,694,780
Total revenue	1,194,241,151	1,085,322,752	1,147,718,014	1,097,235,199	1,029,947,967
Other financing sources:					
Transfers in	-	673,318	-	79,467	1,876,568
Face amounts of refunding COPs	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Issuance of leases	912,209	355,289	110,658	395,098	5,205,770
Total other financing sources	912,209	1,028,607	110,658	474,565	7,082,338
Total revenue and other financing sources	\$ 1,195,153,360	\$ 1,086,351,359	\$ 1,147,828,672	\$ 1,097,709,764	\$ 1,037,030,305

Continued next page

Source: School District annual financial reports for the respective years

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

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

	2017	2016	2015	2014	2013
Revenues:					
Property taxes	\$ 559,685,741	\$ 495,515,584	\$ 408,845,811	\$ 409,088,016	\$ 390,026,018
Intergovernmental:					
State sources	334,508,875	330,071,454	367,131,089	307,706,457	279,032,257
Federal sources	1,051,459	1,021,504	1,017,755	922,508	7,573,147
Charges for services	40,640,410	36,843,509	33,656,565	28,913,976	23,888,965
Investment income	1,243,941	876,883	725,088	659,844	695,884
Other local sources	20,344,239	8,669,688	8,708,951	5,899,120	7,923,953
Total revenue	957,474,665	872,998,622	820,085,259	753,189,921	709,140,224
Other financing sources:					
Transfers in	12,969,063	8,931,274	6,785,586	67,042	3,631,681
Face amounts of refunding COPs	-	-	-	-	-
Bond proceeds	-	-	-	-	536,855,000
Issuance of leases	2,133,598	-	-	-	-
Total other financing sources	15,102,661	8,931,274	6,785,586	67,042	540,486,681
Total revenue and other financing sources	\$ 972,577,326	\$ 881,929,896	\$ 826,870,845	\$ 753,256,963	\$ 1,249,626,905

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

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

	2021	2020	2019	2018	2017
Vacant property	\$ 435,603	\$ 328,355	\$ 352,077	\$ 231,259	\$ 259,521
Residential property	10,027,431	9,211,401	8,957,539	7,428,065	7,211,589
Commercial property	11,100,462	10,832,339	10,664,888	8,224,419	8,084,596
Industrial property	275,978	219,793	230,238	175,198	179,325
Agricultural property	-	125	133	356	92
Personal property	816,884	970,056	988,926	918,036	887,721
State assessed property	872,881	965,822	914,200	947,791	925,503
Total taxable assessed value	23,529,239	22,527,891	22,108,001	17,925,124	17,548,347
 Total direct tax rate	 25.120	 25.184	 72.116	 77.365	 77.134
 Estimated actual taxable value	 \$ 192,464,828	 \$ 166,203,442	 \$ 171,449,490	 \$ 139,408,175	 \$ 134,744,419
 Assessed value as a percentage of estimated actual value	 12.2%	 13.6%	 12.9%	 12.9%	 13.0%

Continued next page

Source: December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

Taxable assessed values are reported net of tax-exempt property

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

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

	2016	2015	2014	2013	2012
Vacant property	\$ 186,774	\$ 219,528	\$ 181,758	\$ 212,668	\$ 193,826
Residential property	6,059,029	5,919,659	4,567,603	4,469,706	4,345,018
Commercial property	6,521,348	6,445,053	4,909,533	4,886,510	4,567,479
Industrial property	143,930	150,606	122,425	124,503	120,329
Agricultural property	138	79	69	69	55
Personal property	827,331	825,798	765,486	741,538	722,513
State assessed property	920,535	824,187	838,378	829,207	808,218
Total taxable assessed value	14,659,085	14,384,910	11,385,252	11,264,201	10,757,438
 Total direct tax rate	 81.547	 78.127	 83.054	 83.090	 84.071
 Estimated actual taxable value	 \$ 105,772,919	 \$ 100,203,607	 \$ 80,891,083	 \$ 79,581,379	 \$ 76,697,449
 Assessed value as a percentage of estimated actual value	 13.9%	 14.4%	 14.1%	 14.2%	 14.0%

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

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

Levy Collection Year	Assessed Valuation	Tax Increment Valuation	Net Assessed Value	Percent Change
2022	\$ 21,091,522,247	\$ 950,618,789	\$ 22,042,141,036	4.31%
2021	\$ 20,722,174,107	\$ 369,348,140	\$ 21,091,522,247	1.75%
2020	\$ 16,824,261,116	\$ 3,897,912,991	\$ 20,722,174,107	18.81%
2019	\$ 16,576,650,104	\$ 247,611,012	\$ 16,824,261,116	1.47%
2018	\$ 13,460,852,897	\$ 3,115,797,207	\$ 16,576,650,104	18.80%
2017	\$ 13,221,694,094	\$ 239,158,803	\$ 13,460,852,897	1.78%
2016	\$ 10,517,386,669	\$ 2,704,307,425	\$ 13,221,694,094	20.45%
2015	\$ 10,454,481,228	\$ 62,905,441	\$ 10,517,386,669	0.60%
2014	\$ 10,007,267,892	\$ 447,213,336	\$ 10,454,481,228	4.28%
2013	\$ 10,200,816,964	\$ (193,549,072)	\$ 10,007,267,892	-1.93%

Levy Collection Year	General Fund Mills	Debt Service Mills	Special Revenue Mill Levy	Mill Levy Override	Abatement Mills	Total Mill Levy
2022	26.541	9.568	1.517	10.445	0.427	48.498
2021	25.541	9.568	1.517	10.852	0.533	48.011
2020	25.541	9.568		11.014	0.541	46.664
2019	25.541	9.568		12.829	0.306	48.244
2018	25.541	9.650		12.547	0.506	48.244
2017	25.541	9.383		14.948	0.524	50.396
2016	25.541	10.250		10.976	0.630	47.397
2015	25.541	10.519		12.466	0.773	49.299
2014	25.541	10.446		12.431	0.881	49.299
2013	25.541	10.913		12.714	1.320	50.488

For Fiscal Year Ended June 30, 2022

Taxing Entity	Mill Levy
City and County of Denver	25.120
Urban Drainage and Flood Control	1.000
Overlapping Mill Levy	26.120
School District #1	48.498
Total Mill Levy	74.618

Source: Certification of Levy for Current Year

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

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

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

<u>Tax Year</u>	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Special Revenue Mill</u>	<u>Total</u>	<u>Denver County</u>	<u>Police and Firemen Pension</u>	<u>Improvement and Services Districts</u>	<u>Total</u>
2021	37.413	9.568	1.517	48.498	16.320	2.277	7.523	74.618
2020	36.926	9.568	1.517	48.011	16.320	2.280	7.590	74.201
2019	37.096	9.568	0.000	46.664	15.760	2.285	7.407	72.116
2018	38.676	9.568	0.000	48.244	18.355	2.594	8.172	77.365
2017	38.594	9.650	0.000	48.244	18.377	2.598	7.915	77.134
2016	41.013	9.383	0.000	50.396	19.709	2.949	8.493	81.547
2015	37.147	10.250	0.000	47.397	19.764	2.960	8.006	78.127
2014	38.780	10.519	0.000	49.299	21.589	3.438	8.728	83.054
2013	38.853	10.446	0.000	49.299	21.618	3.447	8.726	83.090
2012	39.575	10.913	0.000	50.488	21.312	3.480	8.791	84.071

Source: December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Brookfield Properties	\$ 476,241	1	1.97%	\$ 122,683	3	1.14%
Public Service Co.	367,291	2	1.52%	214,175	1	1.99%
Beacon Capital Partners	181,727	3	0.75%	-	-	0.00%
Hines Securities Inc	156,607	4	0.65%	-	-	0.00%
Invesco Realty Advisers Inc.	149,098	5	0.62%	-	-	0.00%
Kroenke Sports Enterprises	145,250	6	0.60%	-	-	0.00%
Franklin Streen Properties	135,033	7	0.56%	-	-	0.00%
Dikeon Realty	123,185	8	0.51%	-	-	0.00%
Simon Property Group	114,855	9	0.48%	-	-	0.00%
Columbia-Healthone, LLC	106,695	10	0.44%	82,905	5	0.77%
CenturyLink, Inc.1				199,811	2	1.86%
Callahan Capital Partners				113,832	4	1.06%
United Airlines, Inc.				76,442	6	0.71%
UBS Realty Investors				74,116	7	0.69%
LBA Realty Fund II Co IV				73,573	8	0.68%
Temple-Hoyne Buell Foundation				71,503	9	0.66%
Frontier Airlines				71,028	10	0.66%
Totals	<u>\$ 1,955,982</u>		<u>8.10%</u>	<u>\$ 1,100,068</u>		<u>10.22%</u>

Source: December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS (Unaudited)

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Taxes Collected (Taxes Refunded)</u>	<u>Total Taxes Collected</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2013	505,246,942	502,946,005	99.54	(809,506)	502,136,499	99.38
2014	515,395,470	511,059,056	99.16	460,277	511,519,333	99.25
2015	518,496,645	513,820,030	99.10	(1,163,514)	512,656,516	98.87
2016	626,668,635	621,313,860	99.15	160,185	621,474,045	99.17
2017	678,373,143	674,714,380	99.46	(620,259)	674,094,121	99.37
2018	799,723,908	793,052,267	99.17	557,110	793,609,377	99.24
2019	811,669,653	807,221,301	99.45	(3,315,419)	803,905,882	99.04
2020	966,979,533	957,264,361	99.00	(972,185)	956,292,176	98.89
2021**	1,012,625,074	978,177,687	96.60	(3,212,794)	974,964,893	96.28
2022*	1,068,999,756	1,029,766,202	96.33	(5,253,965)	1,024,512,237	95.84

Source: District financial records for the respective years

* Property taxes are levied on a calendar year basis. Tax collections for 2022 represent collections for January through September 2022.

** Current Tax Collections for 2021 have been updated with the full calendar year figures.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)

	2022	2021	2020	2019	2018
Assessed value (prior year)	\$ 23,529,238,541	\$ 22,527,890,740	\$ 22,108,001,450	\$ 17,925,134,030	\$ 17,548,347,337
Actual value (prior year)	187,562,086,035	175,333,718,321	171,449,489,953	139,408,174,638	134,744,419,497
Debt limit is greater of:					
20% of assessed value	4,705,847,708	4,505,578,148	4,421,600,290	3,585,026,806	3,509,669,467
or 6% of actual value*	11,253,725,162	10,520,023,099	10,286,969,397	8,364,490,478	8,084,665,170
Debt limit	11,253,725,162	10,520,023,099	10,286,969,397	8,364,490,478	8,084,665,170
Amount of debt applicable to debt limits	2,192,172,000	1,974,762,000	1,623,512,000	1,708,747,000	1,783,592,000
Less: amount reserved for long-term debt	(220,866,772)	(224,018,962)	(201,801,053)	(167,631,916)	(160,157,619)
Net chargeable to bond limit	1,971,305,228	1,750,743,038	1,421,710,947	1,541,115,084	1,623,434,381
Legal debt margin	<u>\$ 9,282,419,934</u>	<u>\$ 8,769,280,061</u>	<u>\$ 8,865,258,450</u>	<u>\$ 6,823,375,394</u>	<u>\$ 6,461,230,789</u>
Total net debt applicable to the limit as a percentage of debt limit	17.52%	16.64%	13.82%	18.42%	20.08%

Continued next page

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

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

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)

	2017	2016	2015	2014	2013
Assessed value (prior year)	\$ 14,659,085,700	\$ 14,384,909,283	\$ 11,385,251,250	\$ 11,264,201,810	\$ 10,757,438,400
Actual value (prior year)	105,772,919,056	100,203,607,405	80,891,082,600	79,581,379,500	76,697,448,800
Debt limit is greater of:					
20% of assessed value	2,931,817,140	2,876,981,857	2,277,050,250	2,252,840,362	2,151,487,680
or 6% of actual value*	6,346,375,143	6,012,216,444	4,853,464,956	4,774,882,770	4,601,846,928
Debt limit	6,346,375,143	6,012,216,444	4,853,464,956	4,774,882,770	4,601,846,928
Amount of debt applicable to debt limits	1,718,072,000	1,321,607,000	1,364,745,175	1,408,510,175	1,430,390,175
Less: amount reserved for long-term debt	(130,144,786)	(140,280,738)	(109,761,547)	(105,629,590)	(102,079,673)
Net chargeable to bond limit	1,587,927,214	1,181,326,262	1,254,983,628	1,302,880,585	1,328,310,502
Legal debt margin	\$ 4,758,447,929	\$ 4,830,890,182	\$ 3,598,481,328	\$ 3,472,002,185	\$ 3,273,536,426
Total net debt applicable to the limit as a percentage of debt limit	25.02%	19.65%	25.86%	27.29%	28.86%

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

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

Year	District Population*	Assessed Property Valuation*	General Bonded Debt	Certificates of Participation	Leases	Gross Debt Primary Government
2022	749,103	\$ 23,529,238,541	\$ 2,473,558,246	\$ 954,095,823	\$ 14,042,628	\$ 3,441,696,697
2021	738,200	22,527,890,740	2,194,295,385	991,043,448	2,101,534	3,187,440,367
2020	727,211	22,108,001,450	1,758,455,749	1,105,613,043	3,259,407	2,867,328,199
2019	716,492	17,925,134,030	1,860,560,351	1,091,324,507	4,567,393	2,956,452,251
2018	693,292	17,548,347,337	1,953,095,785	1,034,383,784	5,430,536	2,992,910,105
2017	693,060	14,659,085,700	1,889,552,488	1,077,242,045	1,253,441	2,968,047,974
2016	682,545	14,384,909,283	1,433,272,568	1,044,456,762	-	2,477,729,330
2015	663,862	11,385,251,250	1,482,464,966	1,049,340,225	-	2,531,805,191
2014	649,495	11,264,201,810	1,513,418,866	1,062,149,172	-	2,575,568,038
2013	634,265	10,757,438,400	1,506,436,908	863,946,953	53,534	2,370,437,395

Continued next page

Source: School District Financials

Source: * December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

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

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

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

Year	Less Debt Service Funds Available	Net General Bonded Debt	Net General Bonded Debt to Assessed Value	Total Debt Per Capita	Net General Bonded Debt Per Capita	Personal Income (expressed in millions)	Percentage of Personal Income to O/S Debt
2022	\$ 222,260,120	\$ 2,251,298,126	9.57%	\$ 4,594	\$ 3,005	n/a	** n/a
2021	226,255,934	1,968,039,451	8.74%	4,318	2,666	51,543,000	6.18%
2020	203,916,531	1,554,539,218	7.03%	3,943	2,138	61,348,000	4.67%
2019	173,213,859	1,687,346,492	9.41%	4,126	2,355	57,211,000	5.17%
2018	160,157,619	1,792,938,166	10.22%	4,317	2,586	47,289,000	6.33%
2017	130,144,786	1,759,407,702	12.00%	4,283	2,539	46,612,000	6.37%
2016	140,280,738	1,292,991,830	8.99%	3,630	1,894	46,617,000	5.32%
2015	109,761,547	1,372,703,419	12.06%	3,814	2,068	41,743,000	6.07%
2014	109,621,401	1,403,797,465	12.46%	3,965	2,161	36,999,000	6.96%
2013	109,580,300	1,396,856,608	12.99%	3,737	2,202	35,271,000	6.72%

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

DIRECT AND OVERLAPPING DEBT
(Unaudited)

<u>Taxing Body</u>	<u>Total Debt Outstanding</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping Debt				
City and County of Denver	<u>3,187,440,000</u>	12/31/21	100%	<u>3,187,440,000</u>
School District No. 1 Denver	<u>3,441,696,697</u>	06/30/22	100%*	<u>3,441,696,697</u>
	<u>\$ 6,629,136,697</u>			<u>\$ 6,629,136,697</u>

Source: December 31, 2021 - City and County of Denver Comprehensive Annual Financial Report

Source: School District Financials - June 30, 2022

*As per City and County of Denver 2021 Annual Comprehensive Financial Report, all overlapping debt for Denver Public Schools is considered overlapping at 100%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (Unaudited)

Year Ended June 30,	Population	Total Personal Income	Median Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2021	749,103	N/A*	N/A*	34.6	90,250	4.2%
2020	738,200	\$ 51,543	\$ 69,822	36.6	90,296	6.9%
2019	727,211	\$ 61,348	\$ 81,405	36.2	92,039	2.5%
2018	716,492	\$ 57,211	\$ 79,849	35.8	93,356	3.0%
2017	693,292	\$ 47,289	\$ 69,862	35.5	92,686	3.0%
2016	693,060	\$ 46,612	\$ 67,256	35.2	92,331	3.0%
2015	682,545	\$ 46,617	\$ 68,299	35.1	91,429	3.7%
2014	663,862	\$ 41,743	\$ 62,880	34.9	90,150	4.3%
2013	649,495	\$ 36,999	\$ 56,967	34.7	87,398	7.0%
2012	634,265	\$ 35,721	\$ 56,318	34.5	84,424	8.2%

Source: December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

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

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

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	12,364	1	2.2%	11,332	1	3.1%
City and County of Denver	10,752	2	1.9%	9,704	2	2.7%
State of Colorado Central Payroll	9,978	3	1.7%	9,606	3	2.6%
Denver Health & Hospital Authority	7,212	4	1.3%	5,314	5	1.5%
United Airlines, Inc	6,814	5	1.2%	4,209	6	1.2%
CHC Payroll Agent, Inc. (HCA Health One)	4,390	6	0.8%	4,180	7	1.1%
University of Denver	4,332	7	0.8%	3,713	8	1.0%
USDA National Finance Center	4,252	8	0.7%	7,593	4	2.1%
Southwest Airlines	2,892	9	0.5%			
ADP TotalSource	2,682	10	0.5%			
University of Colorado	-		-	3,314	9	0.9%
Accounting Service Center (U.S. Postal Service)	-		-	3,262	10	0.9%
Total	65,668		11.6%	62,227		17.1%

Source: December 31, 2021 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)
Based on 2021 and 2012 Principal Employers.

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

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

	2022*	2021	2020	2019	2018
Number of schools participating in:					
Lunch - regular schedule	162	161	246	201	201
Breakfast program	162	161	244	201	205
Student lunches served:					
Free	6,881,866	2,861,259	3,951,058	5,188,252	5,543,297
Reduced			730,590	755,021	842,383
Fully paid			1,259,076	1,657,770	1,492,549
Total	6,881,866	2,861,259	5,940,724	7,601,043	7,878,229
Adult lunches served	4,353	2,794	307,522	19,463	18,795
Student breakfasts served:					
Free	4,375,632	2,588,037	2,746,512	3,569,110	4,051,403
Reduced			499,217	544,058	670,302
Fully paid			935,579	1,233,206	1,277,618
Total	4,375,632	2,588,037	4,181,308	5,346,374	5,999,323
Number of serving days:					
Regular schedule	173.5	169.5	174.5	174.5	173
Average daily participation:					
Student lunch	39,665	16,881	34,044	43,559	45,539
Adult lunch	25	16	1762	112	109
Student breakfast	25,220	15,269	23,962	30,638	34,678
October 1 pupil count	90,250	90,296	93,815	93,356	93,403
Percentage of students daily eating school lunch	43.95%	18.69%	36.29%	46.66%	48.76%
October 1 count of benefits					
Students on free lunch		45,398	48,474	51,467	53,167
Students on reduced lunch		5,938	10,041	8,235	9,053
Percentage of students on:					
Free lunch	0.00%	50.28%	51.67%	55.13%	56.92%
Reduced lunch	0.00%	6.58%	10.70%	8.82%	9.69%
Total	0.00%	56.86%	62.37%	63.95%	66.61%

Continued next page

Source: School District Planning Department

*During the 2021-2022 school year, all students were eligible for free meals across the District.

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

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

	2017	2016	2015	2014	2013
Number of schools participating in:					
Lunch - regular schedule	196	190	178	170	167
Breakfast program	196	187	176	164	163
Student lunches served:					
Free	5,790,913	6,039,463	6,321,861	6,545,540	6,157,279
Reduced	766,864	710,818	740,182	560,806	498,219
Fully paid	1,308,708	1,262,199	1,229,486	1,104,247	1,009,743
Total	<u>7,866,485</u>	<u>8,012,480</u>	<u>8,291,529</u>	<u>8,210,593</u>	<u>7,665,241</u>
Adult lunches served	21,142	25,558	40,205	47,833	50,983
Student breakfasts served:					
Free	4,181,279	4,360,853	4,598,757	3,915,825	3,200,617
Reduced	613,974	555,004	564,425	365,988	282,440
Fully paid	1,226,889	1,143,377	1,080,075	826,957	614,875
Total	<u>6,022,142</u>	<u>6,059,234</u>	<u>6,243,257</u>	<u>5,108,770</u>	<u>4,097,932</u>
Number of serving days:					
Regular schedule	173.5	173.5	172.5	172.5	171
Average daily participation:					
Student lunch	45,340	46,181	48,067	47,598	44,826
Adult lunch	122	147	233	277	298
Student breakfast	34,710	34,924	36,193	29,616	23,965
October 1 pupil count	92,754	91,860	90,591	87,398	84,424
Percentage of students daily eating school lunch	48.88%	50.27%	53.06%	54.46%	53.10%
October 1 count of benefits					
Students on free lunch	53,734	55,505	55,755	56,945	55,415
Students on reduced lunch	8,469	7,430	7,382	6,032	5,512
Percentage of students on:					
Free lunch	57.93%	60.42%	61.55%	65.16%	65.64%
Reduced lunch	9.13%	8.09%	8.15%	6.90%	6.53%
Total	<u>67.06%</u>	<u>68.51%</u>	<u>69.70%</u>	<u>72.06%</u>	<u>72.17%</u>



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

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

	2022	2021	2020	2019	2018
<u>All Funds</u>					
Instruction	6,624	6,510	6,340	6,575	6,439
Pupil support	1,232	1,076	1,089	1,177	1,173
Instructional support	1,118	1,174	1,200	1,240	1,160
General administration	106	52	61	58	46
School administration	841	834	878	849	865
Business services	131	140	138	128	124
Operation & maintenance	985	1,038	1,002	1,115	1,089
Pupil transportation	452	435	461	469	502
Central services	514	520	641	561	537
Community services	173	185	156	171	183
Education for adults	152	148	207	343	163
Food services	857	710	768	764	772
	13,185	12,822	12,941	13,450	13,053
	2022	2021	2020	2019	2018
<u>Degree Held</u>					
Bachelor's	3,453	3,552	3,760	3,834	3,761
Master's	4,282	4,372	4,408	4,271	4,449
Doctoral / Master's plus	218	224	229	211	217
Other	520	543	595	620	630
	2017	2016	2015	2014	2013
<u>All Funds</u>					
Instruction	6,686	6,948	7,495	6,911	4,893
Pupil support	849	792	533	448	386
Instructional support	1,355	1,361	1,133	803	812
General administration	39	40	37	36	26
School administration	833	827	756	37	699
Business services	122	118	131	108	114
Operation & maintenance	1,073	964	917	1,011	722
Pupil transportation	527	523	544	579	190
Central services	628	619	589	602	384
Community services	315	246	205	283	121
Education for adults	422	240	130	20	77
Food services	790	675	676	581	156
	13,639	13,353	13,146	11,419	8,580

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

As of June 30, 2022 the degree held data is for 11,791 actual FTE's (9,669 of whom are full-time and 2,122 of whom are part-time) and reflect degrees disclosed for the respective year.

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

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

Enrollment is as of October 1 in fiscal year.					
	2022	2021	2020	2019	2018
Elementary & K-8 Schools:**	111	111	111	111	110
Total Square Feet	8,641,464	8,257,097	8,227,573	8,176,304	8,055,067
Total Capacity (Students)	74,214	74,214	74,214	74,214	73,575
Enrollment	39,939	39,915	43,530	43,994	45,426
Middle Schools:**	14	14	14	14	14
Total Square Feet	1,667,851	1,667,851	1,651,073	1,651,073	1,651,073
Total Capacity (Students)	12,325	12,325	12,325	12,325	12,325
Enrollment	9,338	9,525	9,443	9,271	12,157
High Schools:**	44	44	44	43	43
Total Square Feet	5,891,550	5,776,799	5,778,945	5,683,459	5,683,459
Total Capacity (Students)	44,593	44,593	44,593	44,025	44,025
Enrollment	20,147	19,506	19,046	18,711	14,786
Alternative Schools:***	14	14	14	14	13
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	1,521	1,619	1,743	1,791	1,852
Charter Schools:***	56	58	58	58	58
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	19,305	19,731	20,053	19,589	18,763
	2017	2016	2015	2014*	2013
Elementary & K-8 Schools:**	111	121	120	136	82
Total Square Feet	7,848,747	6,694,908	6,694,908	6,694,908	5,651,281
Total Capacity (Students)	73,200	67,050	67,050	67,050	42,226
Enrollment	46,002	46,388	48,153	46,658	44,391
Middle Schools:**	13	29	29	15	15
Total Square Feet	1,647,064	1,955,193	1,955,193	1,955,193	2,114,045
Total Capacity (Students)	12,425	14,825	14,825	14,825	14,364
Enrollment	10,185	9,921	9,146	9,738	9,551
High Schools:**	43	35	27	38	12
Total Square Feet	5,660,945	4,843,312	4,824,362	4,824,362	3,793,938
Total Capacity (Students)	44,425	39,050	39,050	39,050	21,385
Enrollment	17,082	16,679	16,053	15,822	15,608
Alternative Schools:***	14	18	18	13	4
Total Square Feet	-	-	-	-	263,581
Total Capacity (Students)	-	-	-	-	1,006
Enrollment	1,884	1,727	1,774	1,613	1,597
Charter Schools:***	54	60	51	43	18
Total Square Feet	-	-	-	-	11,414
Total Capacity (Students)	-	-	-	-	-
Enrollment	17,178	16,714	15,024	13,567	11,567

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

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

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

*** Program Count



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SINGLE AUDIT REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2022, which contained emphasis of matter paragraphs regarding a change in accounting principle and change in reporting entity. Our report includes a reference to other auditors who audited the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust Fund (the ProComp fund), a blended component unit. Our report also includes a reference to other auditors who audited the financial statements of all of the discretely presented component units, except for DSST Public Schools, KIPP Colorado Schools and STRIVE Preparatory Schools. The component units included as aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for American Indian Academy, Compass Academy, DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, Wyatt Academy, and STRIVE Preparatory Schools. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

FORVIS,LLP

Denver, Colorado
December 15, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District No. 1 in the City and County of Denver and State of Colorado's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

FORVIS, LLP

Denver, Colorado
December 15, 2022

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Agriculture				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	Colorado Department of Education	4553	10.553	\$ 11,095,617
National School Lunch Program	Colorado Department of Education	4555	10.555	32,283,011
Donated Commodities	Colorado Department of Human Services	None	10.555	3,262,599
Summer Food Service Program for Children	Colorado Department of Education	4559	10.559	717,963
Fresh Fruit and Vegetable Program	Colorado Department of Education	4582	10.582	959,590
<i>Child Nutrition Cluster Subtotal</i>				<u>48,318,780</u>
Child and Adult Care Food Program	Colorado Department of Public Health- Environment	193CO301N1090	10.558	18,043
Farm to School Grant Program	Colorado Department of Education	4575	10.575	82,608
Total Department of Agriculture				<u>48,419,431</u>
Department of Defense				
JROTC Career Academy			12.000	1,044,401
Total Department of Defense				<u>1,044,401</u>
Department of Labor				
<i>WIA/WIOA Cluster</i>				
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201842412-00	17.259	(5,464)
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201948967-00	17.259	122
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-202054628-00	17.259	(3,218)
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-202158705-00	17.259	291,199
<i>WIA/WIOA Cluster Subtotal</i>				<u>282,639</u>
H-1B Job Training Grants	Colorado Community College System	7268	17.268	11,306
Total Department of Labor				<u>293,945</u>
National Science Foundation				
<i>Research and Development Cluster</i>				
Education and Human Resources	University of Colorado	1742053	47.076	36,715
<i>Research and Development Total</i>				<u>36,715</u>
Total National Science Foundation				<u>36,715</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Treasury				
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	4012	21.019	64
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	9012	21.019	(8,470)
<i>COVID-19-Coronavirus Relief Fund Subtotal</i>				<u>(8,406)</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Education	9019	21.027	<u>16,921</u>
Total Department of Treasury				<u>8,515</u>
Institute of Museum and Library Services				
Grants to States	Colorado Department of Education	041099334	45.310	<u>45,187</u>
Total Institute of Museum and Library Services				<u>45,187</u>
Department of Education				
Adult Education - Basic Grants to States	Colorado Department of Education	5002	84.002	(202)
<i>Federal Student Financial Aid Cluster</i>				
Federal Supplemental Educational Opportunity Grants			84.007	150,000
Federal Pell Grant Program			84.063	<u>1,200,505</u>
<i>Federal Student Financial Aid Cluster Subtotal</i>				<u>1,350,505</u>
Title I Grants to Local Educational Agencies	Colorado Department of Education	4010	84.010A	27,865,452
Title I Grants to Local Educational Agencies	Colorado Department of Education	5010	84.010A	647,056
Title I Grants to Local Educational Agencies	Colorado Department of Education	7010	84.010A	<u>185,935</u>
<i>Title I Grants to Local Educational Agencies Subtotal</i>				<u>28,698,443</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education Grants to States	Colorado Department of Education	4027	84.027	15,562,186
COVID-19-Special Education Grants to States	Colorado Department of Education	6027	84.027	1,809,043
Special Education Grants to States	Colorado Department of Education	8027	84.027	1,074,819
Special Education Preschool Grants	Colorado Department of Education	4173	84.173	<u>429,100</u>
<i>Special Education Cluster Subtotal</i>				<u>18,875,148</u>
Career and Technical Education -- Basic Grants to States	Colorado Community College System	4048	84.048	1,029,766
Career and Technical Education -- Basic Grants to States	Colorado Community College System	V048A180006	84.048	2,257
Career and Technical Education -- Basic Grants to States	Colorado Community College System	5048	84.048	<u>26,603</u>
<i>Career and Technical Education--Basis Grants to States Subtotal</i>				<u>1,058,626</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Education (Continued)				
Indian Education Grants to Local Educational Agencies			84.060	182,714
Charter Schools	Colorado Department of Education	5282	84.282	766,104
Charter Schools	Colorado Department of Education	8282	84.282A	73,184
<i>Charter Schools Subtotal</i>				<u>839,288</u>
Twenty-First Century Community Learning Centers	Colorado Department of Education	5287	84.287C	266,659
Twenty-First Century Community Learning Centers	Colorado Department of Education	6287	84.287C	492,924
<i>Twenty- First Century Community Learning Centers Subtotal</i>				<u>759,583</u>
English Language Acquisition State Grants	Colorado Department of Education	4365	84.365A	2,402,235
English Language Acquisition State Grants	Colorado Department of Education	7365	84.365A	106,893
<i>English Language Acquisition State Grants Subtotal</i>				<u>2,509,128</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Colorado Department of Education	4367	84.367A	3,140,639
School Improvement Grants	Colorado Department of Education	7388	84.377A	7,641
Student Support and Academic Enrichment Program	Colorado Department of Education	4421	84.424	164,042
Student Support and Academic Enrichment Program	Colorado Department of Education	4422	84.424	120,682
Student Support and Academic Enrichment Program	Colorado Department of Education	4423	84.424	2,118
Student Support and Academic Enrichment Program	Colorado Department of Education	4424	84.424	980,345
<i>Student Support and Academic Enrichment Program Subtotal</i>				<u>1,267,187</u>
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4414	84.425U	25,173,998
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4419	84.425D	251,992
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4420	84.425D	61,309,447
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4425	84.425D	101,976
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4434	84.425U	19,512
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	5625	84.425D	67,147
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	6426	84.425C	480,756
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	8425	84.425W	55,330

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Education (Continued)				
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	8426	84.425W	241,030
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	9414	84.425U	9,446,276
COVID-19-Higher Education Emergency Relief Fund (HEERF) Student Aid Portion			84.425E	3,175,148
COVID-19-Higher Education Emergency Relief Fund (HEERF) Institutional Aid Portion			84.425F	3,393,355
<i>COVID-19-Education Stabilization Fund Subtotal</i>				<u>103,715,967</u>
Total Department of Education				<u>162,404,667</u>
Department of Health and Human Services				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Colorado Department of Human Services	E4573-2A	93.243	(43)
COVID-19- Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Colorado Department of Human Services	7354	93.354	10,180
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	19 IHGA 12701	93.558	34
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	21 IHGA 163267	93.558	90,950
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	22 IHGA 170676	93.558	76,112
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	22 IHGA 170572	93.558	175,234
<i>Temporary Assistance for Needy Families (TANF) Subtotal</i>				<u>342,330</u>
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	19 IHGA 127101	93.566	782
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	20 IHGA 140833	93.566	81
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	21 IHGA 163267	93.566	136,510
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	22 IHGA 170676	93.566	102,780
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	22 IHGA 170572	93.566	378,875
<i>Refugee and Entrant Assistance State/Replacement Designee Administered Programs Subtotal</i>				<u>619,028</u>
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	20 IHGA 140833	93.576	4,841
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	21 IHGA 163267	93.576	90,029
<i>Refugee and Entrant Assistance Discretionary Grants Subtotal</i>				<u>94,870</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Health and Human Services (Continued)				
<i>Head Start Cluster</i>				
Head Start	City and County of Denver	MOEAI-202158273-00	93.600	<u>2,627,843</u>
<i>Head Start Cluster Subtotal</i>				<u>2,627,843</u>
Opioid STR	Colorado Department of Human Services	21 IHJA 167448	93.788	118,213
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services	22 IHJA 167679	93.959	<u>161,278</u>
Total Department of Health and Human Services				<u>3,973,699</u>
Total Federal Expenditures				<u>\$ 216,226,560</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the District. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the District through the state of Colorado or other non-federal entities. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass through grantors. The District utilizes the indirect cost rate established for it by the Colorado Department of Education, therefore it has not used the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. Certain grant programs have not been assigned Federal Assistance Listing Numbers by the federal government, or the numbers are not obtainable. These programs are identified in the Schedule by the federal agency number followed by three zeros (for example, 12.000).
4. During the year ended June 30, 2022, the District did not pass through any federal funds to subrecipients.
5. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
6. Commodities donated to the District by the U.S Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The District takes possession of all inventory, including commodity items when they reach the District's dock or cold storage facility, and title passes at that time. The majority of commodity items are stored in the district warehouse or off-site cold storage facility. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (Federal Assistance Listing Number 10.555) on the Schedule. The District recognized noncash awards of \$3,262,599 for the year ended June 30, 2022.
7. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Section I – Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?

☐ Yes

☒ None Reported

Material weakness(es) identified?

☐ Yes

☒ No

3. Noncompliance material to the financial statement noted?

☐ Yes

☒ No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified?

☐ Yes

☒ None Reported

Material weakness(es) identified?

☐ Yes

☒ No

5. Type of auditor's report issued on compliance for major federal program(s):

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

☐ Yes

☒ No

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

7. The District's major programs were:

Federal Assistance Listing Number	Name of Federal Program or Cluster
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
84.425C, 84.425D, 84.425E, 84.425F, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

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

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

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2022**

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

**School District No. 1 in the
City and County of Denver and State of Colorado
Status of Prior Year Audit Findings
Year Ended June 30, 2022**

Reference Number	Summary of Finding	Status
2021-001	Federal Assistance Listing Number 84.425E & 84.425F - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion & HEERF Institutional Portion - Reporting - We recommend that EGTC strengthen its internal controls over reporting and ensure it complies with the Higher Education Emergency Relief Fund reporting requirements and to develop policies and procedures for staying abreast of the specific reporting requirements.	Implemented



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