NEW ISSUE **RATINGS: S&P: "AA"**
BOOK-ENTRY ONLY **Moody's: "Aa2"**
See "RATINGS"

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease and paid as interest on the Certificates is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), such interest is not a specific preference item for purposes of the federal alternative minimum tax, and such interest is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates as described herein. See "TAX MATTERS."

$35,225,000
CERTIFICATES OF PARTICIPATION, SERIES 2020A
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of February 12, 2020, Between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture, as lessor, and
SCHOOL DISTRICT NO. 1, IN THE CITY AND COUNTY OF DENVER, STATE OF COLORADO, as lessee

Dated: Date of Delivery **Due: December 1, as shown herein**

The Certificates of Participation, Series 2020A (the "Certificates"), evidence a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement dated as of February 12, 2020 (the "Lease"), entered into between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture (the "Trustee"), as lessor, and School District No. 1, in the City and County of Denver, State of Colorado, as lessee (the "District"). The Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of February 12, 2020 (the "Indenture"), which will be executed by the Trustee.

The Certificates will be executed and delivered as fully registered certificates and are initially to be registered in the name of "Cede & Co." as nominee for The Depository Trust Company ("DTC"), the securities depository for the Certificates. Purchases by Beneficial Owners (as defined herein) are to be made in book-entry form in denominations of $5,000 or any integral multiple thereof. Beneficial Owners will not receive certificates evidencing their interest in the Certificates. The principal of, premium, if any, and interest on the Certificates are payable to DTC, which will remit such payments to DTC Participants, as defined herein, which in turn will remit such payments to Beneficial Owners of the Certificates. See "THE CERTIFICATES--Book-Entry Only System." Interest on the Certificates will be payable semiannually June 1 and December 1, commencing on June 1, 2020. The principal of the Certificates is payable on the dates shown in the maturity schedule on the inside cover page of this Official Statement, unless the Certificates are redeemed prior thereto as more fully described in this Official Statement.

The maturity schedule for the Certificates appears on the inside cover page of this Official Statement.

The Certificates are subject to optional redemption prior to maturity at the direction of the District as described in "THE CERTIFICATES--Redemption Provisions." *The Certificates are also subject to extraordinary mandatory redemption upon the occurrence of certain events as described in "THE CERTIFICATES--Redemption Provisions - Extraordinary Mandatory Redemption."*

The proceeds from the issuance of the Certificates will be used to: (i) finance the acquisition, construction and equipping of facilities for school purposes; (ii) pay capitalized interest on the Certificates; and (iii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the District within the meaning of any constitutional, or statutory debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligates the District to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from the Net Proceeds (as defined herein) or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the District under the Lease are from year to year only. The Lease is subject to annual renewal by the District. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Site Lease, the Lease and the Indenture, all as more fully described herein.

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled "CERTAIN RISK FACTORS."

The Certificates are offered when, as, and if issued, subject to the approval of legality by Butler Snow LLP, Denver, Colorado, Special Counsel, and certain other conditions. Butler Snow LLP also has acted as special counsel to the District in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the District by its General Counsel. Fiscal Strategies Group, Inc., Boulder, Colorado, and Public Resources Advisory Group, Los Angeles, California, are acting as the District's Financial Advisors. Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado has acted as counsel to the Underwriter. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about February 12, 2020.

J.P. Morgan

Official Statement dated January 28, 2020.

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: 24919P)

$35,225,000
CERTIFICATES OF PARTICIPATION, SERIES 2020A

Maturing (December 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number	Maturing (December 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number
2021	$ 490,000	5.00%	0.89%	MF8	2031	$ 1,500,000	5.00%	1.60%†	MR2
2022	550,000	5.00	0.93	MG6	2032	1,635,000	5.00	1.62†	MS0
2023	710,000	5.00	0.95	MH4	2033	1,770,000	5.00	1.66†	MT8
2024	790,000	5.00	0.98	MJ0	2034	1,915,000	5.00	1.70†	MU5
2025	875,000	5.00	1.05	MK7	2035	2,070,000	5.00	1.75†	MV3
2026	965,000	5.00	1.12	ML5	2036	2,235,000	5.00	1.79†	MW1
2027	1,060,000	5.00	1.22	MM3	2037	2,410,000	5.00	1.88†	MX9
2028	1,160,000	5.00	1.30	MN1	2038	2,595,000	5.00	1.92†	MY7
2029	1,270,000	5.00	1.38	MP6	2039	2,785,000	5.00	1.96†	MZ4
2030	1,385,000	5.00	1.49	MQ4	2040	2,995,000	5.00	1.99†	NA8

$4,060,000 5.00% Term Certificate due December 1, 2042. Priced to Yield: 2.05%†. CUSIP© Issue No.: NB6.

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† Priced to the first par call date of December 1, 2030. See "THE CERTIFICATES--Redemption Provisions."

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the District. The District maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

The information set forth in this Official Statement has been obtained from the District and from the sources referenced throughout this Official Statement, which the District believes to be reliable. No representation or warranty is made by the District, however, as to the accuracy or completeness of information provided from sources other than the District. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Board of Education
Carrie A. Olson, PhD, President
Jennifer Bacon, Vice President
Angela Cobián, Treasurer
Tay Anderson, Secretary
Scott Baldermann, Member
Bradley Laurvick, Member
Barbara O'Brien, Member

Administrative Officials
Susana Cordova, Superintendent
Mark Ferrandino, Deputy Superintendent of Operations
Jim Carpenter, Chief Financial Officer]
Michelle Berge, General Counsel

FINANCIAL ADVISORS TO THE DISTRICT
Fiscal Strategies Group, Inc.
Boulder, Colorado

Public Resources Advisory Group
Los Angeles, California

SPECIAL COUNSEL
Butler Snow LLP
Denver, Colorado

TRUSTEE
Zions Bancorporation, National Association
Denver, Colorado

UNDERWRITER
J.P. Morgan Securities LLC
Denver, Colorado

UNDERWRITER'S COUNSEL
Stradling Yocca Carlson & Rauth, P.C.
Denver, Colorado

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NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See APPENDIX D - Form of Continuing Disclosure Certificate.

The information to be updated may be reported in any format chosen by the District; it is not required that the format reflected in this Official Statement be used in future years. Further, the General Fund Financial Summary table referred to below is to be updated using current year budget information found in the audited financial statements; no separate budget documents required to be filed.

Page

OFFICIAL STATEMENT

$35,225,000
CERTIFICATES OF PARTICIPATION, SERIES 2020A
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of February 12, 2020,
Between Zions Bancorporation, National Association,
solely in its capacity as trustee under the Indenture, as lessor, and
SCHOOL DISTRICT NO. 1, IN THE CITY AND COUNTY OF DENVER, STATE OF COLORADO, as lessee

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and appendices, is furnished in connection with the execution and delivery of $35,225,000 aggregate principal amount of Certificates of Participation, Series 2020A (the "Certificates"). The Certificates evidence proportionate interests in the base rentals and other revenues under an annually renewable Lease Purchase Agreement dated as of February 12, 2020 (the "Lease"), between Zions Bancorporation, National Association, Denver, Colorado, solely in its capacity of trustee (the "Trustee") under the Indenture (defined below), as lessor, and School District No. 1, in the City and County of Denver, State of Colorado (the "District"), as lessee.

The Certificates will be executed and delivered pursuant to the terms of an Indenture of Trust dated as of February 12, 2020 (the "Indenture"). Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement.

The offering of the Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Certificates. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled "CERTAIN RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, inside cover page and appendices, is unauthorized.

Changes Since the Date of the Preliminary Official Statement

This Official Statement includes certain information which was not available for inclusion in the Preliminary Official Statement dated January 15, 2020 (the "POS"), including the final sources and uses of the Certificate proceeds and the principal amounts, maturity dates, interest rates, yields, redemption provisions and other terms of the Certificates. The closing date for the Certificates has changed from February 6, 2020, to February 12, 2020, and references to the closing date and the dates of various documents referred to herein have been changed accordingly. The District has determined to utilize capitalized interest with respect to the Certificates; see "SOURCES AND USES OF FUNDS." In addition, since the date of the POS, the District has determined not to go forward with two of the potential projects discussed in the POS. As a result, descriptions of those projects have been removed from this Official Statement, the principal amount of the Certificates has been reduced, and Fairmont Elementary School is no longer collateral for the Certificates. Finally, a release schedule has been established for the five properties collateralizing the Certificates. For a description of the remaining collateral and the release schedule, see "The Leased Property" below.

The District

The District is a political subdivision of the State of Colorado (the "State") and a body corporate which was organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District is the only public school district serving the City and County of Denver, Colorado (the "County" or "Denver") and encompasses approximately 155 square miles. The District is the largest school district in the State with a fall 2019 enrollment (headcount) of was 93,815. See "THE DISTRICT." The District's certified assessed valuation for 2019 (for collection of taxes in 2020), net of the assessed valuation attributable to certain tax increment districts located within the District's boundaries, is $20,722,172,107. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT."

Purpose

The proceeds from the issuance of the Certificates will be used to: (i) finance the acquisition, construction and equipping of facilities for school purposes (as further described herein, the "Project"); (ii) pay capitalized interest on the Certificates; and (iii) pay the costs of issuing the Certificates. See "SOURCES AND USES OF FUNDS."

The Certificates; Prior Redemption

The Certificates are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The Certificates mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Certificates is described in "THE CERTIFICATES--Payment Provisions." The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which is acting as the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System."

The Certificates are subject to optional redemption prior to maturity at the direction of the District and are also subject to mandatory sinking fund redemption as described in "THE CERTIFICATES--Redemption Provisions."

The Certificates are also subject to extraordinary mandatory redemption upon the occurrence of certain events as described in "THE CERTIFICATES--Redemption Provisions - Extraordinary Mandatory Redemption."

The Leased Property

General. At the time of the issuance of the Certificates, certain property (the "Sites") and the premises, buildings and improvements situated on the Sites and all fixtures attached thereto (the "Leased Property," as more particularly described below) will be leased by the District to the Trustee under the terms of a Site Lease Agreement dated as of February 12, 2020 (the "Site Lease"). Simultaneously, the Trustee will lease the Leased Property back to the District pursuant to the Lease. Any improvements (including new buildings) constructed on the Sites will become part of the Leased Property pursuant to the Lease.

As used in this Official Statement, the term "Leased Property" also includes any "New Facility," which is defined in the Indenture to be any real property, buildings or equipment leased by the District to the Trustee pursuant to a future amendment to the Site Lease and leased back by the District from the Trustee pursuant to a future amendment to the Lease in connection with the issuance of Additional Certificates. See "SECURITY FOR THE CERTIFICATES--Additional Certificates."

The Leased Property. The Leased Property consists of five District buildings and the sites upon which the buildings are located. The Leased Property includes: (1) Bradley International Elementary School ("Bradley") and its 8.01-acre site (the "Bradley Site"); (2) Columbian Elementary School ("Columbian") and its 2.46-acre site (the "Columbian Site"); (3) Grant Beacon Middle School ("Grant") and its 3.37-acre site (the "Grant Site"); (4) Smedley Elementary School ("Smedley") and its 2.29-acre site (the "Smedley Site"); and (5) the Yuma Street Center ("Yuma") and its 1.74-acre site (the "Yuma Site"). The five buildings are referred to collectively as the "Buildings" and the six sites are referred to collectively as the "Sites." The Leased Property also contains any amenities, such as playgrounds, playing fields and other structures, located on the Sites.

Bradley is an International Baccalaureate Primary Years Programme school located in southeast Denver serving Pre-K to 5th grade students. Columbian is an elementary school in northwest Denver serving Pre-K to 5th grade students. Grant is a middle school in south Denver serving 6th to 8th-grade students. Smedley is located in northwest Denver and houses the Denver Online High School and the Denver Montessori Junior/Senior High School. Yuma houses the District's Enterprise Management team, including fixed assets, mail services, vending services and warehouse/distribution.

No appraisals of the land comprising the Sites is available. The Sites and the Buildings comprising the Leased Property are described in the following table. The insurance valuations set forth in the table below does not necessarily represent the market value of the building; rather, it reflects the insured replacement value. In the event of an insurance claim, the District would receive an amount needed to replace the building regardless of the insurance valuation.

Certain Leased Property Information

Building Name	Year Originally Built	Building Size (sq. ft.)	Lot Size (sq. ft.)	FY 2020 Insured Value	General Obligation Bond Proceeds(1)
Bradley	1955	71,965	349,000	$10,045,343	$4,896,313
Columbian	1984	44,164	157,000	7,590,678	1,620,836
Grant	1952	77,842	147,000	9,789,560	2,894,594
Smedley	1902	67,669	99,700	9,494,853	2,672,046
Yuma	1961	63,051	76,000	8,319,014	587,480
				$45,239,448	$12,671,269

(1) Represents the total general obligation bond proceeds spent to date on each of the Buildings.

Sources: Denver Assessor's website for year built, and building and lot size; the District for insured value and general obligation bond proceeds spent.

Release and Substitution of Leased Property; Partial Release. As long as no Lease Event of Default or Event of Nonappropriation has occurred and is continuing, the District has the right to release any portion of the Leased Property and substitute other property in its place after satisfying the conditions set forth in the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease - Substitution of Leased Property.

A table showing the District properties that are currently available for substitution under the Lease is included in Appendix F - District Property. The District has numerous other properties, primarily school buildings, which currently secure the District's obligations under other lease purchase agreements. As the obligations under those leases are paid, other properties may be available for substitution under the Lease in the future. See Appendix F.

The Lease also allows for the partial release of portions of the Leased Property upon amortization of the Base Rentals due under the Lease as illustrated in the table below. For more information on the release of portions of the Leased Property, see Appendix B - Certain Definitions and Document Summaries--The Lease - Partial Release Upon Amortization of the Leased Property."

Leased Property to be Released:	Total Certificate Principal Paid
Yuma	$ 7,870,000
Grant	16,087,000
Smedley	22,790,000
Columbian	28,170,000
Bradley	35,225,000

Security for the Certificates; Termination of Lease

Sources of Payment for the Certificates. At the time of execution and delivery of the Certificates, the District will lease the Leased Property to the Trustee pursuant to the terms and provisions of the Site Lease. Concurrently with the execution and delivery of the Site Lease, the Trustee will lease the Leased Property back to the District pursuant to the terms of the Lease. *The District will retain title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to the terms and provisions of the Lease and the Indenture.*

The Certificates and the interest thereon are payable solely from annually appropriated Base Rentals and other Revenues paid by the District under the Lease from any legally available funds of the District and from certain investment earnings and reserves, except to the extent payable from the "Net Proceeds," which are defined to mean the proceeds of any performance or payment bonds or proceeds of insurance, including self-insurance, required by the Lease or proceeds from any condemnation award, any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of the Lease by reason of an Event of Nonappropriation or an Event of Lease Default, allocable to the Leased Property, less (a) all related expenses (including, without limitation, attorney's fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the District and the Trustee. See "SECURITY FOR THE CERTIFICATES."

The District currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from its General Fund. The major sources of the moneys deposited into the General Fund are derived from State equalization payments and ad valorem property tax revenues. See "DISTRICT FINANCIAL OPERATIONS--Other Sources of School District Revenue" for a discussion of each of those sources of revenue. Notwithstanding the foregoing, such Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the District's available funds (including its General Fund or its Capital Reserve Fund) in the future.

Certain statutory and constitutional limitations limit the amount of property taxes the District can levy. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT--Ad Valorem Property Taxes" and "LEGAL MATTERS--Certain Constitutional Limitations" for a discussion of those limitations. Further, State educational funding, including equalization payments, are governed by State law, which is subject to change. See "DISTRICT FINANCIAL OPERATIONS--The School Finance Act and Total Program Funding." The application of any limitations or changes in State law may have a negative effect on the District's finances and its willingness or ability to pay Base Rentals in the future.

Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory limitation. Neither the Lease nor the Certificates will directly or indirectly obligate the District to make any payments other than those which may be appropriated by the District for each fiscal year.

The Trustee does not have any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise.

<u>No Reserve Fund for Certificates</u>. The Certificates will ***<u>not</u>*** be secured by a Reserve Fund, although the Indenture provides for the funding of a separate Reserve Fund upon the issuance of Additional Certificates if required by the supplemental indenture authorizing the Additional Certificates.

<u>Termination of Lease; Annual Appropriation</u>. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The District must take action annually in order to renew the Lease term for another year. If the District fails to take such action, the Lease automatically will be terminated. The District's decision to terminate its obligations under the Lease will be

determined by the failure of the Board to specifically budget and appropriate moneys to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year. The Chief Financial Officer or other officer of the District at any time charged with the responsibility of formulating budget proposals is directed under the Lease to include in the annual budget proposal submitted to the Board, in any year in which the Lease is in effect, items for all payments required under the Lease for the ensuing Renewal Term until such time, if any, as the District may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the District that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the Board and not by any other official of the District, as further provided in the Lease.

If on or before the June 30 prior to the beginning of any Fiscal Year of the District, the District fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the District will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the District's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the lease or sublease of the Leased Property, the sale or assignment of any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property, or one or any combination of the steps described in the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease - Nonappropriation by the District.

The net proceeds received from the activities described above must be applied to pay the Certificates ***after*** the payment of the Trustee's fees and expenses and the payment to the District of any General Obligation Debt Proceeds (defined herein) expended on the Leased Property. See "CERTAIN RISK FACTORS--Effect of a Termination of the Lease Term - Payment of Trustee Fees and General Obligation Debt Proceeds Prior to Payment of Certificates" and "SECURITY FOR THE CERTIFICATES--General Obligation Debt Proceeds."

Purchase Option Price. The District has the option to purchase the Trustee's interest in the all of the Leased Property and terminate the Site Lease and the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all Outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease - Purchase Option and Conditions for Purchase Option. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See "THE CERTIFICATES--Redemption Provisions." The Lease also provides that upon payment in full of all Base Rentals or payment or defeasance of all outstanding Certificates, the Leased Property will be released from the provisions of the Site Lease and the Lease.

Additional Certificates. The Indenture permits the issuance of Additional Certificates without notice to or approval of the owners of the outstanding Certificates under the circumstances described in "THE CERTIFICATES--Additional Certificates."

Tax Status of Interest on the Certificates

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease and paid as interest on the Certificates is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), such interest is not a specific preference item for purposes of the federal alternative minimum tax, and such interest is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates as described herein. See "TAX MATTERS."

Notwithstanding the foregoing, Special Counsel has disclaimed any opinion regarding the tax status of the Certificates after termination of the Lease. See "CERTAIN RISK FACTORS--Effect of Termination on Exemption from Taxation and on Exemption from Registration," "TAX MATTERS" and Appendix E.

Professionals

Butler Snow LLP, Denver, Colorado, has acted as Special Counsel and has also acted as special counsel to the District in connection with the Official Statement. The fees of Butler Snow LLP will be paid only from Certificate proceeds at closing. Fiscal Strategies Group, Inc., Boulder, Colorado, and Public Resources Advisory Group, Los Angeles, California, are acting as the District's Financial Advisors. The District's General Counsel will pass upon certain legal matters for the District. BKD, LLP, independent certified public accountants, Denver, Colorado, have audited the District's basic financial statements which are attached hereto as Appendix A. See "INDEPENDENT AUDITORS." Zions Bancorporation, National Association, Denver, Colorado, is serving as Trustee, registrar and paying agent for the Certificates. J.P. Morgan Securities LLC, Denver, Colorado, will act as the Underwriter of the Certificates (the "Underwriter"). See "UNDERWRITING." Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado has acted as counsel to the Underwriter.

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the Certificates. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Certificates and the District will covenant in the Lease to comply with its terms. The Disclosure Certificate will provide that so long as the Certificates remain outstanding, the District will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("EMMA") system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D. Without a determination of materiality, the District notes that on January 5, 2017, the District filed an event notice that was not timely.

Additional Information

This introduction is only a brief summary of the provisions of the Certificates, the Lease, the Site Lease, the Indenture and other documents described in this Official Statement. A full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Certificates, the Lease, the Site Lease, the Indenture, the Leased Property, the Project and the District are included in this Official Statement. All references herein to the Certificates, the Lease, the Indenture and the Site Lease and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change*. Additional information and copies of the documents referred to herein are available from the District and the Underwriter at the following addresses:

School District No. 1 (Denver Public Schools)
Attn: Chief Financial Officer
1860 Lincoln Street
Denver, Colorado 80203
Telephone: (720) 423-3225

J.P. Morgan Securities LLC
1125 17th Street, Floor 02
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CERTAIN RISK FACTORS

Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price or liquidity of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.

Nonappropriation

General. Prospective purchasers of the Certificates should look to the ability of the District to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The District is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the District each year. If, by the last date of each Fiscal Year, the District does not specifically budget and appropriate amounts sufficient to pay all Base Rentals due in the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, an "Event of Nonappropriation" occurs. If an Event of Nonappropriation occurs, the District is deemed to have terminated its obligations under the Lease, and the District will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the fiscal year during which such Event of Nonappropriation occurs (except for any period for which the District continues to retain possession of the Leased Property).

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the required payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the Board will appropriate sufficient funds each year, and the District has no obligation to do so. In addition, the ability of the District to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the District's control, such as amendments or revisions to the School Finance Act (See "DISTRICT FINANCIAL OPERATIONS--The School Finance Act and Total Program Funding"), the general economy and tax collections. It is impossible to predict whether current economic conditions will continue or to predict how such conditions will affect the District's finances in general or the Board's decision each year to appropriate funds to pay Base Rentals and Additional Rentals. See "LEGAL MATTERS--Certain Constitutional Limitations," "SECURITY FOR THE CERTIFICATES" and "DISTRICT FINANCIAL OPERATIONS."

Sources of Base Rentals are Limited. The obligation of the District to pay Base Rentals and Additional Rentals is limited to those District funds that are specifically budgeted and appropriated annually by the Board for such purpose. The Lease directs the officer of the District charged at any time with the responsibility of formulating budget proposals with respect to the Leased Property to include, in the annual budget proposals submitted to the Board, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the District determines not to renew the Lease. The Lease provides that it is the intention of the District that any decision not to renew the Lease is to be made solely by the Board and not by any other official or employee of the District.

Limited Duration of Site Lease

The term of the Site Lease is 10 years longer than the term of the Certificates. The Trustee's interest in the Leased Property will terminate up termination of the Site Lease. Upon termination of the Lease for any reason (including the occurrence of an Event of Nonappropriation), the Trustee may assign its interest in the Site Lease and may foreclose through the courts on or sell, lease, sublease or otherwise liquidate or dispose of its interest in the Leased Property. The net proceeds received from those activities are to be applied to pay the Certificates ***after*** the payment of the Trustee's fees and expenses and the payment to the District of any General Obligation Debt Proceeds expended on the Leased Property. However, due to the limited term of the Site Lease, the Trustee may find it difficult or impossible to locate third parties that are interested in accepting an assignment of the Trustee's rights in the Leased Property. Further, the limited term of the Site Lease may make it difficult or impossible for the Trustee to collect revenues over the remaining term of the Site Lease in an amount sufficient to pay the Certificates after the Trustee's fees and the General Obligation Debt proceeds have been paid.

Effect of a Termination of the Lease Term

General. In the event of termination of the District's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the District is required to vacate and surrender the Leased Property by September 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property which vacation and surrender the District agrees under the Lease to complete within sixty days from the date of such notice (in the event the District does not vacate and surrender possession on the termination date, the "holdover tenant" provisions of the Lease shall apply); (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property pursuant to the Site Lease; (iii) recover from the District (a) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable under the Lease, during any period in which the District continues to occupy, use or possess the Leased Property; and (b) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or (iv) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture.

Upon the occurrence of an Event of Nonappropriation, the Trustee shall be entitled to recover from the District the amounts described in clause (iii)(a) in the prior paragraph if the District continues to occupy the Leased Property after June 30 of the Fiscal Year in which such Event of Nonappropriation occurs.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund or any defeasance escrow accounts).

Payment of Trustee Fees and General Obligation Debt Proceeds Prior to Payment of Certificates. Notwithstanding the forgoing, any moneys realized by the Trustee from any releasing or other disposition of the Leased Property or any portion thereof as described above, shall, promptly upon payment to the Trustee, be paid first to the Trustee in an amount equal to the fees and expenses incurred by the Trustee in connection with such subleasing or other disposition together with the expenses incurred by the Trustee to maintain such Leased Property prior to such subleasing or other disposition; and, second, pay to the District the amount of General Obligation Debt Proceeds expended on the Leased Property or portion thereof subleased or otherwise disposed of as described above.

The District has expended approximately $12.7 million in General Obligation Debt Proceeds on the Leased Property. *Accordingly, after payment of the amounts described in the preceding paragraph, a potential purchaser of the Certificates should not assume that it will be possible for the Trustee to sublease the Leased Property or otherwise sell or dispose of its interest in the Leased Property, or any portion thereof, after a termination of the Lease Term, for an amount equal to the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon.* See "BASE RENTALS SCHEDULE."

IF THE CERTIFICATES (AND ANY ADDITIONAL CERTIFICATES) ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE DISTRICT.

Risks Related to Nonappropriation under Other District Leases

Existing Lease Purchase Agreements. The District has entered into several other lease-purchase agreements under which its obligation to pay base rent supports the payment of certificates of participation. These include: (a) a 2011 lease purchase agreement and related Taxable Certificates of Participation in a Lease with Denver Public Schools, Fixed Rate Refunding Series 2011B (the "2011B Certificates"); (b) a 2013 lease purchase agreement and related Certificates of Participation, Series 2013B (the "2013B Certificates"); (c) a 2013 lease purchase agreement and related Certificates of Participation, Series 2013C (the "2013C Certificates"); (d) a 2015 lease purchase agreement and related Certificates of Participation, Series 2015, comprised of the Tax-Exempt Certificates of Participation, Series 2015B (the "2015B Certificates"); (e) a 2017 lease purchase agreement and related Certificates of Participation, Series 2017A (the "2017A Certificates"); (f) a 2017 lease purchase agreement and related Certificates of Participation, Series 2017B (the "2017B Certificates"); (g) a 2017 lease purchase agreement and related Certificates of Participation, Series 2017C (the "2017C Certificates"); (h) a 2018 lease purchase agreement and related Certificates of Participation, Series 2018 (the "2018 Certificates"); and (i) a 2018 lease purchase agreement and related Certificates of Participation, Series 2018B (the "2018B Certificates"). The 2011B Certificates, the 2013B Certificates, the 2013C Certificates, the 2015B Certificates, the 2017A Certificates, the 2017B Certificates, the 2017C Certificates, the 2018 Certificates and the 2018B Certificates (together, the "Prior Certificates") are each secured by separate land and buildings, primarily school campuses. Information regarding the outstanding amounts of the Prior Certificates and the cumulative base rent payable under the associated leases can be found in "DEBT AND OTHER FINANCIAL OBLIGATIONS--Other Financial Obligations - Lease Purchase Obligations."

Any loss of the use of the land and buildings securing the Prior Certificates could have a significant impact on the District's operations and financial status. Alternatively, if the District is unable or determines not to appropriate funds sufficient to pay base rentals under any of the prior leases, it may conclude that the land and buildings securing the one or more series of the Prior Certificates are more essential to the District than the Leased Property. Such a determination may lead to an Event of Nonappropriation under the Lease.

Future Lease Purchase Agreements. The Board may authorize the District to enter into additional lease-purchase agreements at any time in the future.

No Reserve Fund

No debt service reserve fund secures the Certificates.

Factors that Could Impact Value of Property if Lease is Terminated

Current Valuation. The net value of the buildings comprising the Leased Property currently is $32,568,179. That figure represents the insured replacement valuation of the buildings for fiscal year 2020, exclusive of contents and net of general obligation bond proceeds expended on the property. No appraisals of the Leased Property have been completed and no current valuation of the Site is available. The Leased Property may depreciate in value each year; it is not possible to predict whether the depreciated value of the Leased Property will be equal to the aggregate principal amount of Certificates outstanding, plus accrued interest thereon, at any particular future point in time.

The Trustee is not able to sell the Leased Property upon the occurrence of an Event of Lease Default or an Event of Nonappropriation and as a result, the insured value of the facility may not be indicative of amounts the Trustee may receive in exercising its remedies under the Lease. There is no assurance that the current level of value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to sublease or otherwise sell or dispose of its interest in the Leased Property under the Site Lease in an amount equal to the amount of the outstanding Certificates.

Title Restrictions and Zoning. The Leased Property is subject to certain pre-existing title restrictions which may make the Leased Property less attractive to potential users if the Trustee must sublease or otherwise sell or dispose of its interest in the Leased Property.

The Columbian Site is subject to various easements for utilities, including power lines and drainage facilities, ingress and egress easements and wastewater/storm drainage easements. The Grant Site is subject to easements and rights-of-way for utilities. The Grant and Smedley buildings are also subject to historic designations which may limit changes that can be made to the structure.

The Leased Property is also subject to existing and future zoning restrictions imposed by the City; it may not be possible to convert one or more of the buildings comprising the Leased Property to alternative uses absent zoning changes or waivers.

Further, most of the Leased Property consists of school buildings, land and related equipment of particular design and use for school purposes. The Leased Property may not be easily converted to alternate uses. See "INTRODUCTION-- The Leased Property."

There is no guarantee that the Trustee will be able to sublease the Leased Property or otherwise sell or dispose of its interest in the Leased Property in an amount equal to the amount of the outstanding Certificates.

IF THE CERTIFICATES (AND ANY ADDITIONAL CERTIFICATES) ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE DISTRICT.

Enforceability of Remedies; Liquidation Delays

Under the Lease and the Site Lease, the Trustee has the right to take possession of and dispose of the Trustee's leasehold interest in the Leased Property upon an Event of Nonappropriation or an Event of Lease Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the District. Because of the use of the Leased Property by the District for the public education purposes, a court in any action brought to enforce the remedy of the Trustee to take possession of the Leased Property may delay such possession for an indefinite period, even though the District may have terminated the Lease or be in default thereunder. As long as the Trustee is unable to take possession of the Leased Property or any other projects or property which may subsequently be approved in connection with the issuance of Additional Certificates, it will be unable to sublease or otherwise dispose of its leasehold interest in the Leased Property as permitted under the Site Lease and the Indenture or to redeem or pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY FOR THE CERTIFICATES."

Effect of Termination on Exemption from Taxation and on Exemption from Registration

Special Counsel has specifically disclaimed any opinion as to the effect that termination of the Lease may have upon the treatment for federal or State income tax purposes of amounts received by the registered owners of the Certificates. There is no assurance that any amounts representing interest received by the registered owners of the Certificates after termination of the Lease as a consequence of an Event of Nonappropriation or an Event of Default will be excludable from gross income under federal or State laws. In view of past private letter rulings by the United States Department of Treasury, registered owners of the Certificates should not assume that payments allocable to interest received from the Certificates would be excludable from gross income for federal or State income tax purposes.

Special Counsel also has disclaimed any opinion as to the transferability of the Certificates under the federal securities laws after a termination of the Lease, and, upon such termination, there is no assurance that registered owners of the Certificates would be able to transfer their interests without compliance with federal securities laws.

Condemnation Risk

In the mid-1990s, the City of Sheridan, Colorado ("Sheridan") exercised its eminent domain powers to acquire property it previously had leased under an annually terminable lease purchase agreement. By condemnation, Sheridan sought to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan's lease). Sheridan's condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the administration building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the certificates. The District considers the occurrence of a situation such as the one described above to be unlikely because, unlike Sheridan, the District's tax base is not heavily dependent upon a single taxpayer; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

Casualty Risk

If all, substantially all or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available moneys of the District will be sufficient either to repair or replace the damaged or destroyed property or to pay the Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See "SECURITY FOR THE CERTIFICATES--General Obligation Debt Proceeds." Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of such property damaged or destroyed could have an adverse effect upon the ability of the District to make timely rental payments under the Lease.

Insurance Risk

The Lease requires that the District provide casualty, public liability and property damage insurance for the Leased Property in an amount equal to the full replacement value of the Leased Property. The District may provide such insurance through commercial policies or, in its discretion, through a qualified self-insurance pool. For a description of the insurance requirements related to the Leased Property (including requirements related to a qualified self-insurance pool), see Appendix B - Certain Definitions and Document Summaries--The Lease - Required Insurance. The District currently maintains the insurance described in "THE DISTRICT-- Insurance Coverage." There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction of the Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date.

Future Changes in Laws

Various Colorado laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes and other revenues and the operation and finances of the District. For example, the constitutionally-mandated changes in residential assessment ratio (described in "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT--Ad Valorem Property Taxes - Assessment of Property--Determination of Assessed Value - Residential Property") may negatively impact the amount of tax revenues that result from fixed mill levies, even though property values are increasing overall. Further, Article X, Section 20 of the State constitution ("TABOR") limits the revenues that may be collected by the State, including revenues to fund the School Finance Act.

There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues.

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Secondary Market

No guarantee can be made that a secondary market for the Certificates will develop or be maintained by the Underwriter or by others. Prospective investors should be prepared to bear the risks of holding their Certificates to maturity.

SOURCES AND USES OF FUNDS

Sources and Uses of Proceeds

The District expects to apply the net proceeds of the Certificates as shown below.

Sources and Uses of Proceeds

	Amount
Sources of Proceeds	
Principal Amount of the Certificates	$35,225,000
Plus: original issue premium	10,319,722
Total:	$45,544,722
Uses of Proceeds	
The Project	$44,750,000
Capitalized interest (1)	378,624
Costs of issuance (including Underwriter's discount)	416,098
Total:	$45,544,722

(1) This amount will be used to pay a portion of the interest due on the Certificate on June 1, 2020.

Source: The Underwriter.

The Project

The District expects to finance the Projects described below using the net proceeds of the Certificates. However, the Board may determine to apply the proceeds to other capital projects in its discretion.

Kepner Shared Campus Improvements. In the 2015-16 school year, Rocky Mountain Prep Southwest was approved to be temporarily located in the Kepner Campus for a year along with Kepner Legacy Middle School and Compass Academy. The temporary placement was extended for the 2016-17 and 2017-18 school years. In November of 2017, the Board approved the long-term placement of Rocky Mountain Prep SW at Kepner. The schools in the building today are Kepner Beacon Middle School, STRIVE Prep-Kepner, and Rocky Mountain Prep Southwest. To meet the educational capacity requirements of these 3 schools starting in the 2019-20 school year, building expansion and improvements are required.

The general description of the project funded by the Certificates involves Kepner Shared Campus full build accommodations. This work is defined by, but not necessarily limited to, capacity needs and programmatic upgrades to provide the space needed for all three schools to co-exist in the campus long-term, including construction of additional classrooms and multipurpose The estimated cost of this portion of the Project is $15.0 million.

Additional scope is being completed on the Kepner campus that has been funded by proceeds from the District's 2016 general obligation bonds. This work includes a campus HVAC project including heat mitigation and classroom cooling, as well as aesthetic and programmatic-focused scope to improve older portions of the facility. This includes paint, flooring, white boards, entry way improvements, restroom improvements and other similar items.

Energy Performance Contract Projects. The District has entered into an energy performance contract ("EPC") with McKinstry to provide various energy performance upgrades to more than 27 buildings in the District. The upgrades include: powerED student engagement program improvements; HVAC, MEP, controls and lighting improvements; 5 megawatts of solar photovoltaic power; domestic water conservation; irrigation controls upgrades; building automation systems integration; and an enhanced facility maintenance program. The EPC program is expected to result in utility and operational cost savings to the District of approximately $1.5 million per year. The District expects to begin installation of the improvements in the spring and summer of 2020. The estimated cost of this portion of the Project is $31.4 million.

THE CERTIFICATES

General

The Certificates are issuable as fully registered certificates and initially will be registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in "Book-Entry Only System" and Appendix C. The Certificates are dated the date of their execution and delivery, and bear interest from such date to maturity payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2020. The Certificates mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

Payment Provisions

Except for any Certificates for which DTC is acting as Depository or for an Owner of $1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. In the case of any Certificates for which DTC is acting as Depository, the principal of, premium, if any, and interest on such Certificates shall be payable as directed in writing by the Depository. In the case of an Owner of $1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on such Certificates shall be payable by wire transfer of funds to a bank account, located in the United States, designated by the Certificate Owner in written instructions to the Trustee.

Interest shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the 15th day of the calendar month (whether or not a Business Day), next preceding an Interest Payment Date (the "Regular Record Date"), irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by electronic means or first class mail postage prepaid at least ten days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

Redemption Provisions

<u>Optional Redemption</u>. The Certificates maturing on or prior to December 1, 2030, shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after December 1, 2031, shall be subject to redemption prior to their respective maturity dates at the option of the District, in whole or in part, in integral multiples of $5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on December 1, 2030, and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date, without a premium.

In the case of a Prepayment in part of Base Rentals under the Lease, the Trustee shall confirm that the revised Base Rentals Schedule to be provided by the District Representative pursuant to the Lease sets forth Principal Portions and Interest Portions of Base Rentals that are equal to the principal and interest due on the Certificates that remain Outstanding after such Optional Redemption.

Mandatory Sinking Fund Redemption. The Certificates maturing on December 1, 2042 (the "Term Certificates"), are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date. Such Term Certificates are to be selected by lot in such manner as the District shall determine (giving proportionate weight to Term Certificates in denominations larger than $5,000).

As and for a sinking fund for the redemption of the Term Certificates maturing on December 1, 2042, the District shall deposit in the Base Rentals Fund moneys which are sufficient to redeem (after any credit as provided below) the following principal amount of the Term Certificates maturing on December 1, 2042:

Redemption Date (December 1)	Principal Amount
2041	$2,385,000
2042 (maturity)	1,675,000

On or before the 30th day prior to each such sinking fund payment date, the Trustee shall proceed to call the Term Certificates indicated above (or any Term Certificate or Certificates issued to replace such Term Certificates) for redemption from the sinking fund on the next December 1, as the case may be, and give notice of such call without other instruction or notice from the District. The amount of each sinking fund installment may be reduced by the principal amount of any Term Certificates of the maturity and interest rate which are subject to sinking fund redemption on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the District.

Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of: (a) an Event of Nonappropriation, or (b) an Event of Lease Default, or (c) in the event that (1) all or a portion of the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, all or a portion of the Leased Property has been taken by eminent domain by any governmental body, or (3) breach of warranty or any material defect with respect to the all or a portion of the Leased Property becomes apparent, or (4) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing such Leased Property, and the District does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to the Indenture for such purpose, then the Certificates are required to be called for redemption. If called for redemption, as described herein, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as provided in the Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Certificates, according to the principal amount thereof Outstanding. Prior to any distribution of the Net Proceeds resulting from the exercise of any remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

Notwithstanding the provisions described above (or any other provisions to the contrary in the Lease or the Indenture), if the Net Proceeds resulting from the exercise of such Lease Remedies are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and upon indemnification as to fees, costs and expenses as provided in the Indenture, shall, determine that the Certificates shall not be subject to extraordinary mandatory redemption as described above, in which event the Trustee will not apply any Net Proceeds or other available moneys to the redemption of any Certificates prior to their respective maturity dates. In such event, the Trustee shall (a) apply such allocation of Net Proceeds to the payment of the principal of and interest on the Certificates on the regularly scheduled maturity and Interest Payment Dates of the Certificates, and (b) in the event the Net Proceeds are insufficient to pay principal and interest then due on the Certificates, shall allocate such available Net Proceeds, together with any available moneys held by the Trustee under the Indenture, proportionately among all Certificates then Outstanding.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, in the event that there are General Obligation Debt Proceeds due and owing on the Leased Property, prior to the distribution of any of the Net Proceeds to the Certificate Owners, any Net Proceeds shall be distributed first to the Trustee to pay its fees and expenses, next to the payment of the General Obligation Debt, and finally as specified above to the Owners of the Certificates.

IF THE CERTIFICATES (AND ANY ADDITIONAL CERTIFICATES) ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT

THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE DISTRICT.

Notice of Redemption. Whenever Certificates are to be redeemed, the Trustee is required to, not less than thirty and not more than sixty days prior to the redemption date (except for Extraordinary Mandatory Redemption notice which is required to be immediate), mail notice of redemption to all Owners of all Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Certificates to be redeemed are registered in the name of the Depository, such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Depository. Any notice of redemption is to (1) be given in the name of the Trustee, (2) identify the Certificates to be redeemed, (3) specify the redemption date and the redemption price, (4) in the event of optional redemption, state that the District has given notice of its intent to exercise its option to purchase or prepay Base Rentals under the Lease, (5) state that such redemption is subject to the deposit of the funds related to such option by the District on or before the stated redemption date and (6) state that on the redemption date the Certificates called for redemption will be payable at the corporate trust office of the Trustee and that from that date interest will cease to accrue. The Trustee may use "CUSIP" numbers in notices of redemption as a convenience to Certificates Owners, provided that any such notice is required to state that no representation is made as to the correctness of such numbers either as printed on the Certificates or as contained in any notice of redemption and that reliance may be placed only on the identification numbers containing the prefix established under the Indenture.

Any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Certificates so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Certificates called for redemption in the same manner as the original redemption notice was given.

Tax Covenants

In the Lease, the District covenants for the benefit of the owners of the Certificates that it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Certificates (except for the possible exercise of the District's right to terminate the Lease as provided therein) if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the District's right to terminate the Lease, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Certificates, until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code and Colorado law have been met.

In addition, the District covenants that its direction of investments pursuant to the Indenture shall be in compliance with the procedures established by the Tax Certificate (defined in Appendix B) to the extent required to comply with the covenants described in the prior paragraph. District also agrees that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any such payment shall be accompanied by directions to the Trustee to pay such amounts to the United States Treasury. Any payment of District moneys as described in the previous sentence shall be Additional Rentals for all purposes of the Lease.

Defeasance

When the principal or redemption price (as the case may be) of, and interest on, all the Certificates executed and delivered under the Indenture have been paid or provision has been made for payment of the same (or, in the case of redemption of the Certificates pursuant to the Indenture, if full or partial payment of the Certificates and interest thereon is made as provided in the Indenture), together with the compensation of the Trustee and all other sums payable relating to the Certificates, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Trustee to the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall (1) release the Site Lease and transfer and convey the Trustee's leasehold interest in the Leased Property to the District as provided by the Lease, (2) release the Lease and the Indenture, (3) execute such documents to evidence such releases as may be reasonably required by the District, and (4) turn over to the District all balances then held by the Trustee in the Funds or Accounts under the Indenture except for amounts held in any defeasance escrow accounts. If payment or provision therefor is made with respect to less than all of the Certificates, the particular Certificates (or portion thereof) for which provision for payment shall have been considered made shall be selected by the District.

Provision for the payment of all or a portion of the Certificates shall be deemed to have been made when the Trustee holds in the Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Prior to any discharge of the Indenture or the defeasance of any Certificates becoming effective, there shall have been delivered to the Trustee a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the applicable Certificates in full on the maturity or redemption date thereof (a "Verification Report"), unless fully funded with cash.

Neither the Federal Securities nor the moneys deposited in the Base Rentals Fund or separate escrow account or trust account pursuant to the Indenture shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, premium, if any, and interest on the Certificates or portions thereof; provided, however, that other Federal Securities and moneys may be substituted for the Federal Securities and moneys so deposited prior to their use for such purpose.

Whenever moneys or Federal Securities shall be deposited with the Trustee or a separate escrow agent for the payment or redemption of any Certificates more than forty-five days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or Federal Securities have been deposited and identifying the Certificates for the payment of which such moneys or Federal Securities are being held, to all Owners of Certificates for the payment of which such moneys or Federal Securities are being held, or if such Certificates are registered in the name of the Depository, such notice may be sent, in the alternative, by electronic means in accordance with the regulations of the Depository.

Book-Entry Only System

The Certificates will be available only in book-entry form in the principal amount of $5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity bearing interest at the same interest rate as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C--Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the District, the Underwriter or the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in the right to receive certain designated Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Site Lease, the Leased Property has been leased by the District to the Trustee, and under the Lease, the Leased Property has been leased by the Trustee back to the District and the District has agreed to pay directly to the Trustee, Base Rentals in consideration of the District's right to possess and use the Leased Property. Certain Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the District. The execution and delivery of the Certificates does not directly or contingently obligate the District to make any payments beyond those appropriated for the District's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the District. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the District elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the District in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the District or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District, within the meaning of any constitutional or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the District to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the District's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available District monies appropriated for that purpose. See "DISTRICT FINANCIAL OPERATIONS."

In the event of termination of the District's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the District is required to vacate and surrender the Leased Property by September 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property which vacation and surrender the District agrees under the Lease to complete within sixty days from the date of such notice; (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; (iii) recover from the District (a) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable under the Lease, during any period in which the District continues to occupy, use or possess the Leased Property; and (b) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or (iv) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture. In the event the District does not vacate and surrender possession on the termination date, the "holdover tenant" provisions of the Lease shall apply.

General Obligation Debt Proceeds

From time to time, the District issues general obligation indebtedness to fund improvements to property that is owned and/or used by the District. The District has expended the proceeds of general obligation bonds on the Leased Property (see "INTRODUCTION--The Leased Property") and may determine to do so again in the future. Should that occur, in order to comply with State law and federal tax law applicable to the District's general obligation debt, the District must recoup General Obligation Debt Proceeds (defined below) before proceeds of the Leased Property can be paid to Owners of the Certificates in the Event of Nonappropriation or an event of a Lease Default.

"General Obligation Debt Proceeds" are defined in the Indenture and the Lease to mean, as of any date, the dollar amount of proceeds of District general obligation debt outstanding as of such date that has been expended on the Leased Property or any portion thereof, as set forth in the most recent certificate delivered by the District pursuant to the Lease. For a more detailed definition, see Appendix B. The General Obligation Debt Proceeds relating to the Leased Property will increase whenever the District issues additional general obligation indebtedness and expends the proceeds of such indebtedness on the Leased Property and will decrease as payments are made by the District on any general obligation indebtedness related to the Leased Property. See "CERTAIN RISK FACTORS--Effect of a Termination of the Lease Term - Payment of Trustee Fees and General Obligation Debt Proceeds Prior to Payment of Certificates."

On or before December 31 of each Fiscal Year, the District will provide the Trustee a certificate setting forth (a) the total General Obligation Debt Proceeds expended on each property included in the Leased Property as of June 30 of the preceding Fiscal Year; and (b) the amortization schedule for the bonds to which such expended General Obligation Debt Proceeds are attributable. The amount of General Obligation Debt Proceeds expended on the Leased Property that is set forth in the most recent certificate delivered by the District to the Trustee, less any principal amount of the applicable district general obligation debt that has ceased to be outstanding since the delivery of such certificate will be dispositive, absent manifest error, as to the amount of General Obligation Debt Proceeds that have been expended on the Leased Property as of any date.

Additional Certificates

So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth in the Indenture. The principal of any Additional Certificates shall mature on December 1 and interest payment dates therefore shall be the same as the interest payment dates for the

Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Certificates, to provide moneys to pay any one or more of the following:

(a) the costs of acquiring, constructing, improving, installing and equipping any additional improvements or capital projects of the District, or a New Facility, or of acquiring a Site for any capital projects or New Facility (and costs reasonably related thereto);

(b) the costs of completing the Project or making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the District may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(c) for the purpose of refunding or refinancing all or any portion of Outstanding Certificates.

Each of the Additional Certificates issued pursuant to the Indenture will evidence a proportionate interest in the rights to receive Revenues under the Indenture and shall be ratably secured with all Outstanding Certificates and in respect of all Revenues, and shall be ranked *pari passu* with such Outstanding Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

For a detailed description of other requirements related to the execution and delivery of Additional Certificates, see Appendix B - Certain Definitions and Document Summaries--The Indenture - Additional Certificates.

BASE RENTALS SCHEDULE

The following table sets forth the Base Rentals due pursuant to the Lease, including the Principal Component and the Interest Component.

The District has numerous other capital lease-purchase agreements which are also payable from legally available revenues. See "DEBT AND OTHER FINANCIAL OBLIGATIONS--Other Financial Obligations - Lease Purchase Obligations."

Schedule of Base Rentals[1]

Fiscal Year Ended June 30	Principal Component	Interest Component	Total Base Rentals
2020	--	$ 533,267	$ 533,267
2021	--	1,761,250	1,761,250
2022	$ 490,000	1,749,000	2,239,000
2023	550,000	1,723,000	2,273,000
2024	710,000	1,691,500	2,401,500
2025	790,000	1,654,000	2,444,000
2026	875,000	1,612,375	2,487,375
2027	965,000	1,566,375	2,531,375
2028	1,060,000	1,515,750	2,575,750
2029	1,160,000	1,460,250	2,620,250
2030	1,270,000	1,399,500	2,669,500
2031	1,385,000	1,333,125	2,718,125
2032	1,500,000	1,261,000	2,761,000
2033	1,635,000	1,182,625	2,817,625
2034	1,770,000	1,097,500	2,867,500
2035	1,915,000	1,005,375	2,920,375
2036	2,070,000	905,750	2,975,750
2037	2,235,000	798,125	3,033,125
2038	2,410,000	682,000	3,092,000
2039	2,595,000	556,875	3,151,875
2040	2,785,000	422,375	3,207,375
2041	2,995,000	277,875	3,272,875
2042	2,385,000	143,375	2,528,375
2043	1,675,000	41,875	1,716,875
Total	$35,225,000	$26,374,142	$61,599,142

(1) Totals may not add due to rounding. The Base Rentals are due semi-annually on May 15 and November 15 of each year that the Lease remains in effect. Amounts available in the Base Rentals Fund will be credited against Base Rentals amounts due as provided in the Lease. The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates.

Source: The Underwriter.

THE DISTRICT

Organization and General Description

The District is a body corporate and a political subdivision of the State which was originally organized for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District encompasses approximately 155 square miles with its boundaries coterminous with the boundaries of the County.

The District is accredited by the Colorado Department of Education ("CDE").

School District Powers

The District has all rights and powers delegated under the laws of the State for exercise by school districts, including the right to hold property for any purpose authorized by law, to sue and be sued, and to be a party to contracts for any purpose authorized by law. State statutes grant to the Board the power to govern the District. General duties which the Board must perform include the following: to adopt policies and prescribe rules and regulations necessary and proper for the administration of the District; to employ all personnel required to maintain the operations and carry out the educational programs of the District; to fix and pay personnel compensation; to determine the educational programs to be provided by the District; to prescribe the textbooks for any course of instruction or study in such programs; to adopt written policies, rules and regulations relating to the study, discipline, conduct, safety and welfare of all pupils; and to comply with all the rules and regulations adopted by the State Board of Education.

The Board is also granted specific powers to be exercised in its judgment. Notable among these are the powers to purchase, lease or rent undeveloped or improved property located within or outside District boundaries as the Board deems necessary for use as school sites, buildings or structures, or for any school purpose authorized by law; to sell District properties which may not be needed in the foreseeable future for any purpose authorized by law, upon such terms and conditions as the Board may approve; to determine the location of each school site, building, or structure; to construct, erect, repair, alter, and remodel buildings and structures; to provide furniture, equipment, library books, and such other items as may be needed to carry out the District's educational programs; to discharge or otherwise terminate the employment of any personnel; to procure group life, health or accident insurance covering employees of the District; to fix attendance boundaries; to procure appropriate property damage casualty, public liability, and accident insurance; and to contract for the transportation of pupils enrolled in the District's public schools.

The Board of Education

The seven members of the Board are elected at successive biennial elections to staggered four-year terms of office. Two of the members of the Board are elected at-large by the registered electors of the entire District; the remaining five members of the Board are elected by the registered electors residing within their respective director-districts. The Board is a policy-making body; its primary functions are to establish policies for the District, provide for the general operation and personnel of the District and oversee the property, facilities and financial affairs of the District. Members of the Board serve without compensation.

The present Board members, their offices on the Board, principal occupations, approximate lengths of service on the Board and terms of office are as follows:

Name and Position	Principal Occupation	Length of Service	Term Expires
Carrie A. Olson, PhD, President	Curriculum Director-Educators Institute for Human Rights	2 years	2021
Jennifer Bacon, Vice President	Regional Director-Colorado, Leadership for Educational Equality (LEE)	2 years	2021
Angela Cobián, Treasurer	Manager of Organizing Strategy (Denver & Memphis), Leadership for Educational Equity (LEE)	2 years	2021
Tay Anderson, Secretary	Former educator	Newly elected	2023
Scott Baldermann, Member	Small business owner	Newly elected	2023
Rev. Bradley Laurvick, Member	Clergy, United Methodist Church	Newly elected	2023
Barbara O'Brien, Vice President	Education consultant	6 years	2021

The Colorado constitution limits Board members to two consecutive terms. District voters may vote to eliminate, extend or change the term limits imposed by the constitution. The District has not requested that its voters change the existing term limits.

Administrative Staff and Management

Certain information concerning the background and experience of the District's Superintendent, Chief Operating Officer, Chief Financial Officer and Controller is set forth below.

Superintendent - Susana Cordova. The Board is empowered to employ a chief executive officer, the Superintendent, who is responsible to the Board for the daily operations of the District. The Superintendent is charged with the responsibility for the overall operational management and instructional program of the District, all within the human and financial resources available, as well as being responsible for the philosophical position of the District. The Superintendent works collaboratively with the Board to provide effective leadership for all District personnel in their efforts to accomplish the District mission: "To provide all students the opportunity to achieve the knowledge and skills necessary to become contributing citizens in our diverse society."

Ms. Cordova was selected as the District's Superintendent in December 2018. Prior to that time, she was the Deputy Superintendent for two years. Ms. Cordova has been with the District for more than 20 years and has worked in teaching and administrative roles in District elementary, middle, and high schools. She has also held several positions in central administration, and has been part of the Superintendent's Leadership team as both Chief Academic Officer and Chief Schools Officer. She also served as the District's Acting Superintendent during 2015-16. Ms. Cordova received her undergraduate degree in English from the University of Denver and a master's degree in curriculum and instruction/education administration from the University of Colorado.

Deputy Superintendent of Operations - Mark Ferrandino. Mr. Ferrandino was appointed Deputy Superintendent of Operations of the District effective May 1, 2019, after having served as Chief Financial Officer of the District since July 21, 2014. While attending the University of Rochester, he earned a bachelor's degree in political science and economics in

1999 and a master's degree in public policy analysis in 2000. In Washington, D.C. he worked as a policy analyst for the White House Office of Management and Budget. After relocating to Colorado, he worked as program analyst for the United State Department of Justice and as senior budget analyst for the Colorado Department of Health Care Policy and Financing until 2007 when he was appointed to the Colorado House of Representatives where he served until December 2014. While in the Colorado House of Representatives, he was elected by his peers to be Speaker of the House of Representatives in 2013.

Chief Financial Officer - Jim Carpenter. The Chief Financial Officer has general oversight of general accounting and accounts payable, finance, treasury management, payroll and risk management.

Mr. Carpenter was appointed Chief Financial Officer effective December 1, 2019. Since 2018, he has served as the District's Executive Director of Choice and Planning, where he led operational analytics, enrollment projections, planning and the School Choice and enrollment systems for the District. Prior to joining the District, Mr. Carpenter served as the Deputy Head of School and Chief Financial Officer for the American School of Doha in Doha, Qatar, and as a Resident Budget Advisor for the U.S. Treasury Department's Office of Technical Assistance, providing technical support to government finance offices in Paraguay and Guatemala. He has also served as the Chief Financial Officer and Chief Operating Officer for the New America School, a system of charter schools located in Colorado. He holds a Master's in Public Policy from the John F. Kennedy School of Government at Harvard.

Controller - Stephen Clawson. Mr. Clawson joined the District in September 2011 as Controller. Prior to joining the District, he was Senior Audit Manager with the CPA firm Clifton Gunderson LLP for four years. His experience includes 15 years of auditing with primary focus on governmental entities including Denver Public Schools, Cherry Creek School District, Aurora Public Schools, Colorado Housing and Finance Authority, Colorado Department of Labor and Employment among others. Mr. Clawson also has experience working with clients in banking and non-profit industries and worked for 6 years with Money Line Financial Services, a national mortgage lender, progressing to Chief Financial Officer. Mr. Clawson is a Certified Public Accountant licensed in the state of Colorado since 1992. He received his Bachelor of Science in Accounting from the University of Utah.

District Employees, Benefits and Pension Matters; Labor Relations

Employees. In order to provide the variety of services required by law, as of November 1, 2019, the District employed 12,299 personnel (headcount), comprised of 9,664 full-time and 2,635 part-time employees (including temporary and administrative leave employees but excluding substitute teachers). The total number of employees includes 5,587 certificated/licensed employees and 6,712 classified employees. Licensed employees include teachers, nurses (RN), psychologists and social workers. Classified employees include administrators, nurses (LPN), health aides, professional/technical staff, secretaries, clerks, counselors, bus drivers, custodians, mechanics, food service, warehouse staff and other non-affiliated staff.

As of November 2019, the District's certified/licensed employees held the following degrees:

Highest Degree Held	Percent of Certified Licensed Staff
Bachelor's	39%
Master's	56
Doctorate	2
Other	3
Total	100%

Approximately 46% of the District's classroom teachers are non-probationary, and the average annual base salary for teachers is approximately $63,089.

Employee Benefits. The District has developed a comprehensive compensation package for its employees. Available benefits include health, dental and vision, group life and accident, and disability insurance plans to which the District contributes a fixed amount. The District also offers sick leave benefits and other optional benefits. Workers' compensation and unemployment insurance are provided in accordance with State law.

Labor Relations. The District has collective bargaining agreements with ten different unions, the largest being the teachers union, the Denver Classroom Teachers Association (DCTA). 67% of the District's teachers are members of the union. After a brief strike in February of 2019 the teachers union secured an 11.7% pay increase with a guaranteed cost of living increase over the next two years. The new contract is in place until August 31, 2022. The other unions that have collective bargaining agreements with the District are: Amalgamated Transit Union representing bus drivers and mechanics; Association of Buildings & Grounds and Warehouse Personnel representing various classified personnel; Denver Association of Educational Office Personnel representing clerical support staff; Denver Federation of Paraprofessionals representing paraprofessionals; Denver Federation of Nutrition Services representing food service workers; Facility Managers Association representing school facility employees; Colorado Federation of School Safety Professionals representing safety and security personnel; and Vocational Teachers Federation representing vocational teachers.

Pension Matters. All of the District's employees are members of the Public Employees Retirement Association ("PERA") as a result of a 2010 merger of the Denver Public Schools Retirement System ("DPSRS") into PERA. The merger was authorized and implemented pursuant to the terms of Senate Bill 09-282 ("SB 09-282") adopted by the General Assembly (the "Legislature") in 2009. At the time of the merger, all of the assets, liabilities and obligations of the DPSRS were transferred into the DPS Division, a separate and newly created division within PERA known as the Denver Public Schools Division of PERA (the "DPS Division").

The DPS Division is a single-employer defined benefit pension plan administered by PERA. See Note 8 to the District's audited financial statements attached hereto as Appendix A for additional information regarding the District's pension plan.

Pension Matters. The District is required by law to contribute to PERA at contribution rates established by State statute. The District and each member employee are required to contribute at a rate set by statute. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (the "HCTF," described below). The District's contribution also includes a required amortization equalization disbursement ("AED") and supplemental AED ("SAED"). State law provides that the SAED is to be funded, to the extent allowed by law, from monies otherwise available for employee wage increases. The contribution rates may be changed by the Legislature from time to time.

PERA reported significant unfunded pension liability over the last decade. In response to the continued underfunding, in 2018 Senate Bill 18-200 ("SB 200") was enacted. SB 200 was designed to restore PERA to full funding within 30 years. SB 200 mandates a phased-in 2% increase in the employee contribution rate, a 0.25% increase in the employer contribution rate and maintenance of the AED and SAED. SB 200 also requires the Legislature to directly contribute $225 million annually to PERA starting July 1, 2018. SB 200 also makes various benefit changes for current members and retirees, including decreasing the retiree annual cost-of-living increase from 2.0% to 1.5% and suspending the annual increase for two years, increasing the retirement age, and changes to various components of the defined benefit pension calculation. In accordance with SB 200, employees hired after July 1, 2019, will have increased eligibility requirements for full retirement benefits and incremental increases in employee contribution rates (to a total of 10% by July 1, 2021).

If actual contributions in any year are less than 98% of the actuarially determined contributions ("ADC," discussed in more detail below) in any year, SB 200 also requires adjustments to annual benefit increases and contribution rates. In 2018, contributions were less than 98% of ADC. As a result, employee and employer contributions will increase by an additional 0.5% effective July 1, 2020, and annual increases in benefits will decrease by 0.25%.

A history of contribution rates for selected years is set forth below. The table also includes future employer and employee contribution rates as set forth in SB 200. The District receives certain credits against its employer contribution based upon payments toward certain certificates of participation issued to fund (or refund) portions of its pension liability (the "PCOPS") as described below; those credits are not reflected in the following table. See Note 8 in the audited financial statements attached hereto for a depiction of the District's reduced contribution rates.

Year	Employee Contribution	District (Employer) Contribution Rate Base Rate (1)	AED	SAED	Total
2012	8.00%	13.75%	3.00%	2.50%	19.25%
2013	8.00	13.75	3.40	3.00	20.15
2014	8.00	13.75	3.80	3.50	21.05
2015(2)	8.00	10.15	4.20	4.00	18.35
2016	8.00	10.15	4.50	4.50	19.15
2017	8.00	10.15	4.50	5.00	19.65
2018(3)	8.00	10.15	4.50	5.50	20.15
2019(4)	8.75	10.40	4.50	5.50	20.40
2020(4)(5)	9.50	10.90	4.50	5.50	20.90
2021(4)	10.00	10.40	4.50	5.50	20.40

(1) Includes 1.02% allocated to the HCTF. Does not take credits allocable to the payment of certain PCOPS.
(2) SB 09-282 established DPS Division's pension contributions at a rate 3.6% higher than the PERA division that covers all other school districts (the "School Division"). However, effective January 1, 2015, the Legislature reduced the DPS Division's gross contribution rate by 3.6% to equal the School Division Rate.
(3) These rates remained effective through June 30, 2019.
(4) SB 200 Contributions. These contributions are effective on July 1 of each year shown, rather than being effective for the entire calendar year as was the case in prior years.
(5) Includes the additional 0.5% contribution due to 2018 actual contributions being less than 98% of ADC.

Source: PERA and SB 200.

State law also provides that if the District is in arrears in its payments to PERA, all state funds due to the District are to be reduced by 10%. The District reports that it is current in its payments to PERA.

The District is required to report the DPS Division net pension liability ("NPL") in its government-wide financial statements. Fund level statements, including the General Fund statements, are not impacted by the reporting. The NPL is an accounting estimate of the District's NPL at a specific point in time. Inclusion of NPL in the government-wide financial statements does not indicate that the District has a liability to pay the amount shown; the District's liability is limited to the annually required contributions established by the Legislature, net of any contribution credits described below.

For a further description of PERA and the DPS Division plan, including a history of the District's NPL, a description of the plan, benefits provided, annual required contribution and actual contribution information, net pension liability information, actuarial assumptions, discount rates, and other information, see Note 8 and the Required Supplementary Information in the District's audited basic financial statements attached to this Official Statement as Appendix A.

PERA Contribution Credits. Beginning January 1, 2015, and every fifth year thereafter, State law provides for a "true-up" to determine if the DPS Division and the School Division are both on track to reach equal funding status at the end of the 30-year period, and provides for an adjustment to the DPS Division contribution rate as needed after each true-up to ensure this will occur. At the time of any true-up, the District's annual pension contributions could increase or decrease. The true up mechanism requires legislative action. Accordingly, at this time, the District cannot predict the timing or effective date of the required true-up or the level of any contribution increases or decreases.

Since 1997, the District has issued several series of certificates of participation to fund its then-existing pension unfunded actuarial accrued liability and to refund certain of its pension-related certificates of participation. As illustrated in "DEBT AND OTHER FINANCIAL OBLIGATIONS--Other Financial Obligations - Lease Purchase Obligations," the District currently has outstanding the 2011 Certificates of Participation (the "2011 Certificates") and the 2013B Certificates of Participation (the "2013B Certificates"). Pursuant to SB 09-282, the District's required annual pension contributions are reduced by the amount of principal and interest (assumed to be fixed at 8.5% per annum) the District pays each year with respect to the 2011 Certificates and 2013B Certificates, and any other obligations incurred to refund such obligations (collectively, the "PCOPs Credit"). The District's required annual pension contributions will continue to be reduced by the amount of the PCOPs Credit until the 2011 Certificates, the 2013B Certificates and any other obligations incurred to refund such obligations are no longer outstanding.

Further information regarding PERA and the DPS Division, including its funding status, can be found at the PERA website: http://www.copera.org. *The reference to the PERA website is included herein for informational purposes only, and information available at such website is not incorporated herein by reference. The District makes no representations regarding the accuracy of the information available at such website.*

Health Care Trust Fund; Other Post-Employment Benefits. In addition to pension benefits, the District provides post-retirement life insurance benefits in accordance with the Board of Education Resolution 1643. These benefits constitute other post-retirement benefits ("OPEB") for purposes of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pension* ("GASB 75"). The District established two trust funds to account for its OPEB liabilities: a Retiree Health Benefit Trust (established in 2005) and a Retiree Life Insurance Trust (established in 2007); and has provided pay-as-you go funding each year.

Health Care Trust Fund. SB 09-282 also established a separate District division within PERA's health care trust fund (the "DPS HCTF"), a single-employer post-employment healthcare plan administered by PERA, and mandated the transfer of the balance of the Retiree Health Benefit Trust on January 1, 2010, to provide a premium subsidy for health care to benefit recipients choosing to enroll in PERACare (which provides post-employment health insurance coverage). The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No employee member contributions are required.

GASB 75 changes accounting and financial reporting for OPEB, including detailed information required to be provided by state and local governmental employers about financial support for OPEB that is provided by other entities, such as PERA. Accordingly, beginning with fiscal year 2018, the District is required to record a liability on its governmental financial statements in an amount equal to the net OPEB liability of the DPS HCTF. Fund level statements, including the General Fund statements, will not be impacted by the GASB 75 reporting.

The District has no legal obligation to fund the DPS HCTF Net OPEB liability, nor does it have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the HCTF. The District's liability is limited to the required contributions established by the Legislature as described above.

See Note 9 and the Required Supplementary Information in the audited financial statements attached hereto as Appendix A for further information about the DPS HCTF, including a history of the DPS HCTF Net OPEB liability, a description of the plan, benefits provided, annual required contribution and actual contribution information, net OPEB liability information, actuarial assumptions, discount rates, and other information.

Retiree Life Insurance Trust. The benefit is administered in a non-revocable trust by an independent trustee as a single-employer defined benefit OPEB plan. A separate, audited GAAP-basis OPEB plan report is not available for the plan. A closed group of approximately 4,000 retired employees are eligible for a fully insured life insurance benefit under the Retiree Life Insurance Trust.

The District's annual required contribution ("ARC") to the Retiree Life Insurance Trust represents the level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Detailed descriptions of the assumptions, post-retirement benefits offered as well as actuarial information with respect to the District's OPEB liabilities can be found in Note 9 and the Required Supplementary Information to the audited financial statements attached of the District hereto as Appendix A.

Facilities and Enrollment

The following table sets forth, for the current school year and the past four school years, the District's total student enrollment (headcount) for Early Childhood Education (pre-kindergarten) through 12th grade.

District Enrollment(1)

School Year	Enrollment	Percent Change
2014-15	90,150	--
2015-16	91,429	1.4%
2016-17	92,331	1.0
2017-18	92,984	0.7
2018-19	93,356	0.4
2019-20	93,815	0.5

(1) Total student enrollment (headcount) for Early Childhood Education through 12th grade.

Source: The District.

The District's forecast is based on a statistical methodology developed by an expert demography firm. The current enrollment forecast suggests potential declines of the District's K-12 enrollment by 2,758 students, or about 3.4%, by 2024-25 (excluding preschool/Early Childhood Education numbers). These forecasts are updated annually and are subject to change based upon numerous factors, including population shifts, changes in housing or economic conditions, birth rates, housing development, District's capture rates, and other unforeseen factors

For the 2019-20 school year, there were 99 elementary and early education schools, 16 K-8 schools, 47 middle schools, 60 high schools (including alternative schools; also note that some middle and high schools may operate as a combined 6-12, and one school operates as a combined K-12), and seven other support buildings (including transportation complexes, a service center, a data center, food service, and educational support and administration facilities). Some of these schools are charter schools (covering a variety of grades) authorized and overseen by the District. See "Charter Schools" below. An elementary school closed, and a new middle school and a new high school opened for this year, 2019-20.

The District opens new schools (including District schools and charter schools) from time to time. New schools are evaluated against standard quality criteria of having a solid research-based educational model, proven school leadership, highly qualified design teams, strong board governance and demonstrated community support.

The District's facility needs span the entire District and change from time to time based upon numerous factors including enrollment and projected future needs. District employees actively manage the physical plant and real estate portfolio. Currently, the District owns or leases approximately 185 facilities and approximately 2,100 acres of land. The District also owns numerous vehicles, including a fleet of school buses and maintenance and food service vehicles.

Charter Schools. Under State law, the District may contract with individuals and organizations for the operation of charter schools within the District. For purposes of the School Finance Act, pupils enrolled in a charter school authorized by the District are included in the pupil enrollment of the District. Charter schools are financed in part from a portion of the District's revenues received under the School Finance Act and amounts derived from the District's mill levy override property taxes, each as discussed herein. The District is required to pay a charter school a certain percentage of per pupil revenues for each pupil enrolled in such charter school, less certain central administrative overhead costs. Charter schools have separate governing boards, but the District's Board must approve all charter school applications. The District had 60 operating charter schools for school year 2018-19. For 2019-20, this number remained the same as one charter elementary school closed, while a charter high school opened.

For accounting purposes, the charter schools are component units of the District; however, the District is not financially responsible for their operations or outstanding obligations. See Note 14 in the audited financial statements attached hereto as Appendix A for a further description of the finances of the charter schools, including their long-term obligations.

Each charter school is responsible for its own operation, including but not limited to, preparation of a budget, contracting for services and personnel matters. Services for which a charter school contracts with the District are negotiated and provided by the District at cost. No rent may be charged by the District for use of District facilities which are available for use by the charter school.

State law created the Charter School Institute as an alternative mode of authorizing charter schools. No charter schools have been authorized by the Charter School

Institute within the District. By statute, the District has sole chartering authority for charter schools seeking to operate within the District.

District Capital Plans

Strategic Regional Analysis. The District continually assesses its capital needs. Each spring and fall, the DPS Planning & Analysis department provides a Strategic Regional Analysis (SRA), an in-depth analysis specifically looking at trends in school and program quality, specific program needs in particular regions (e.g. preschool, intensive pathways, etc.), and growth and demand for programming. This analysis, along with guidance from parents and communities, drives strategies and staff recommendations to the Board regarding school quality improvements, new school approval and placement, allocation of capital funding for facility improvements, and enrollment and boundary decisions.

2016 General Obligation Bond Program. Recognizing that there is a significant need for capital investment to address critical facility needs, add new capacity and increase technology in classrooms District-wide, in August 2016, the Citizens Planning and Advisory Committee ("CPAC") recommended to the Board that a referendum be placed on the ballot asking Denver voters to consider a $572 million general obligation bond package. Through this process, the CPAC analyzed four categories of bond investment, Maintenance, New Capacity, Quality Learning Environments and Technology and Safety to respond to pressing needs.

At the November 2016 election (the "Election"), Denver voters approved bond and mill funding measures for students in the District, agreeing to invest $572 million in bond funding to build and improve schools. All of the bonds approved at the Election have been issued. Separately, voters also approved $56.6 million in operating dollars to support proven initiatives, such as early literacy, in the form of a mill levy override.

A summary of the approved 2016 bond investments includes the following projects. The Board may, in its discretion, reallocate funds among projects within the purposes approved at the Election.

- Approximately $252 million investment in maintaining facilities, including funding for critical maintenance items that are necessary for the safe operation of schools. Approximately half of District facilities were built before 1969; the oldest buildings are also the largest, encompassing about 2/3 of the District's total square feet. This investment also includes $70 million to provide cooling solutions for 79 schools with partial or no air-conditions (including classroom air-conditioning at the hottest 18 buildings) and $26 million in sustainability, such as converting the entire District to LED lighting.

- Approximately $142 million of investment in constructing new schools and creating additions to existing schools to support the projected 4,000-student enrollment increase by 2020. This investment includes building a new campus in Far Northeast Denver to address elementary and middle school enrollment needs, expanding a campus in Far Northeast Denver to address high school enrollment needs, creating an early childhood center at Place Bridge Academy and expanding five proven programs that are over capacity by a total of 500 seats.

- Approximately \$108 million to upgrade learning environments at the district's older facilities, including focused investments at the District's large "baby boomer"-era secondary facilities that have received minimal visible updates or remodels in recent decades. This includes Abraham Lincoln, Thomas Jefferson, John F. Kennedy and George Washington high schools. This investment additionally includes a flexible award to 151 schools/programs averaging \$90,000 to make targeted improvements such as new, personalized furniture or upgrading classrooms to science labs.

- Approximately \$70 million of investment to increase student technology access, which will significantly bolster the number of schools offering one device per student as well as the number of schools allowing students to take a device home.

<u>Agreements with Denver Urban Renewal Authority</u>. The District has entered into numerous agreements with the Denver Urban Renewal Authority ("DURA") and other entities involved in the redevelopment of the former Lowry Air Force Base and Stapleton International Airport sites. A description of those agreements is set forth below.

Redevelopment of Stapleton and Lowry Sites. In June 2004, the District entered into agreements with DURA and other entities involved in the redevelopment of the former Lowry Air Force Base and Stapleton International Airport sites. Pursuant to those agreements, DURA and such other entities agreed to reimburse the District from tax increment revenues for costs incurred in connection with the construction of an elementary school at Lowry and one elementary school at Stapleton; those reimbursements amount to \$1 million per year for each school and began in calendar year 2006. DURA made the final reimbursement for payment of the construction of Lowry Elementary School under the original funding agreement in March 2015, and continues to make reimbursement payments related to the elementary school at Stapleton. In September 2014, the District entered into a supplemental agreement with DURA to reimburse the District for costs incurred in the connection with the expansion of the original Lowry Elementary School due to continued development near the Lowry redevelopment site.

The agreements required that DURA or other entities provide sites and fund the costs of constructing three additional elementary schools and a middle school or four K-8 schools at the Stapleton site from tax increment revenues derived by DURA from the redevelopment of the respective sites. DURA funded the second Stapleton school (which opened in 2006) with the proceeds of tax increment bonds. The District subsequently determined that the capacity of District facilities in Stapleton would not be sufficient to accommodate continued growth as of 2010-11. In May 2010, the District entered into agreements with DURA and Forest City Enterprises ("Forest City"), the Stapleton master redeveloper, providing that a third school would be built in Stapleton using up to \$9 million in bond proceeds from a 2008 ballot issue to be advanced by the District, approximately \$5.4 million previously contributed by Forest City and an additional \$5 million advance from Forest City. DURA agreed to repay the amounts advanced by the District and Forest City from tax increment revenues derived within Stapleton. The third Stapleton school, Swigert-McAuliffe, opened in August 2011. DURA finished repaying DPS for the amounts advanced for the third school, Swigert-McAuliffe in December 2014.

In August 2013, the District, DURA, the City of Denver and Park Creek Metropolitan District entered into an additional agreement in connection with the construction and equipping of one elementary school and one K-8 school, certain street improvements and athletic fields to be located in Stapleton. These projects were funded with the proceeds of the Certificates of Participation, Series 2013C (the "2013C COPS," discussed in "DEBT AND OTHER FINANCIAL OBLIGATIONS--Other Financial Obligations - Lease Purchase Obligations"). Conservatory Green is an ECE-8 school with a capacity of 950 students. Conservatory Green opened in August 2014 housing two separate programs - High Tech Elementary School and one campus of the Denver School of Technology Middle School. Isabella Bird Community School Elementary, a new ECE-5 school opened in August 2014; the school has a capacity of 650 and is designed to expand to an ECE-8 school in the future. DURA is required to reimburse the District from available tax increment revenues, if any, for specified costs incurred in connection with these improvements. DURA's authority to collect tax increment revenues derived within Stapleton will terminate in 2025.

Development of Northfield Area of Stapleton. Additional infrastructure and school facilities are needed to support the final development at Stapleton (Northfield). DPS is currently forecasting a need for two additional elementary school facilities in Stapleton over the next four to five years, to meet the enrollment demand from the anticipated final build-out of the development (approximately 2,800 residences). The first new facility is the Stapleton Street Park School project, funded with the proceeds of the 2017A Certificates; that school was completed and opened in 2018 to meet elementary capacity needs for an additional 820 to 950 students. The Stapleton development plans have designated tax increment ("TIF") funds generated within the development to provide funding for construction of the first school.

The District entered into two lease purchase agreements (the 2017A Lease and the 2017B Lease, each as more particularly described herein) to fund acquisition of a school site, construction of a new school and construction of required public infrastructure. Pursuant to a proposed funding agreement with the City and DURA, the District expects to receive TIF revenues sufficient to support its payments under the associated lease-purchase agreements. The District also entered into a lease purchase agreement (the 2018B Lease, as more particularly described herein) to finance construction of several buildings on the existing Sandoval Campus.

Other DURA Agreements. The District has additional agreements with DURA to provide for the payment of costs incurred by the District due to the increased demand for and needs of schools in three new urban renewal areas of the city. Development is underway in east Denver at the former location of the University of Colorado Health Sciences Center, in northwest Denver at the site of the former St. Anthony's Medical Center and near I-25 ad Broadway to support the redevelopment of the former Gates Rubber Factory.

District Insurance Coverage

The Board acts to protect the District against loss and liability by maintaining combined liability and property insurance coverage through the Colorado School Districts Self Insurance Pool (the "Pool"). Pool assets consist primarily of direct obligations of the United States government or funds collateralized by such obligations. For more information, see Note

10 of the District's financial statements attached hereto as Appendix A. For the prior three years, the amount of claims payments for property and liability insurance has not exceeded the amount of insurance coverage. The District also has a self-funded workers' compensation program with the State. This program requires the District to pay the first $550,000 of each loss; Arch Insurance Company is the insurance carrier for excess coverage. In addition to the insurance coverage described above, the Colorado Governmental Immunity Act provides the District with substantial protection from liability. See "LEGAL MATTERS--Sovereign Immunity." In the opinion of the District, the insurance coverage described above provides adequate insurance protection for the District.

DISTRICT FINANCIAL OPERATIONS

The School Finance Act and Total Program Funding

General. School districts in Colorado are funded pursuant to the terms of the Public School Finance Act of 1994, as amended (the "School Finance Act"). The School Finance Act requires that all school districts operate under the same financing formula. The School Finance Act has been amended every year since its adoption.

In recent years, the Legislature has made amendments to the various formulas embedded in the School Finance Act in response to severe State budget difficulties; those amendments have negatively impacted the amount of State funding available to districts pursuant to the School Finance Act. It is possible that future legislative amendments to the School Finance Act will further erode State support of public education. It also is possible that future legislative amendments will take the form of more substantial modifications or even the complete revamping of the school finance system in the State, rather than changes to the existing embedded funding formulas. Any such actions could have a detrimental effect on the District's future operations.

Sources of Total Program Funding. Total Program Funding is provided by (a) local sources of revenue consisting of property taxes and specific ownership taxes (a State-imposed tax on motor vehicles which is shared with local governments), and (b) if necessary to fund any shortfall, State funds in the form of State "equalization" payments.

The District's share of the cost of its Total Program Funding is derived from its property tax mill levy (imposed in compliance with TABOR) and specific ownership tax receipts. The State's share of the cost of the District's Total Program Funding each year is equal to the amount by which the Total Program Funding calculation exceeds the District's local revenue amounts for that year, assuming 100% collection of the local revenues.

Total Program Funding Formula. The amount of annual Total Program Funding revenue allowed under the School Finance Act is determined by a statutory formula. Every school district in the State is allocated the same "base" dollar amount of per-pupil funding. In addition, the Statewide base per-pupil funding amount and the funding for categorical programs are required to increase by at least the rate of inflation pursuant to a State constitutional amendment adopted in 2000 and implemented in 2001 (the "School Amendment"). The School Amendment provided that funding would be derived from all revenues collected from 1/3 of 1% of the State's existing income tax. The Legislature may appropriate funds only to increase funding in preschool through twelfth-grade education or for purposes specifically stated in the School Amendment. The funds may not be used to reduce the previous level of General Fund appropriations for Total Program Funding and categorical programs.

For the past five years and the current fiscal year, the School Finance Act provided for the following "base" amounts per pupil:

Historical Base Per Pupil Funding

	Per-Pupil Funding Amount			
Fiscal Year	Base Amount	Addition	Total	Addition Due To:
2014-15	$5,954	$167	$6,121	Inflation (2.8%)
2015-16	6,121	171	6,292	Inflation (2.8%)
2016-17	6,292	76	6,368	Inflation (1.2%)
2017-18	6,368	178	6,546	Inflation (2.8%)
2018-19	6,546	223	6,769	Inflation (3.4%)
2019-20	6,769	183	6,952	Inflation (2.7%)

Each school district's base per-pupil amount is adjusted pursuant to a formula set forth in the School Finance Act to account for differences among school districts. Adjustments are made for cost of living, school district size and personnel costs. Upward adjustments are also made for on-line students and "at risk" students (generally defined as students who qualify for the federal free lunch program). A downward adjustment is made by the State to all K-12 funding in an amount sufficient to balance the State budget (the "Budget Stabilization Factor" or the "negative factor"). Application of the negative factor reduces each district's State aid by a proportional amount. Application of the negative factor, together with other statutory provisions, has had the effect of decreasing the State share of the Total Program Funding and increasing the local share.

Notwithstanding the adjustments described above, the Legislature has established a minimum amount of annual per pupil funding equal to 95% of the "minimum per pupil funding base" calculated in accordance with State law. In 2010, the Legislature enacted legislation suspending the statutory requirement that no school district receive less in State aid than an amount established by the Legislature in the annual general appropriation act for fiscal years 2010-11 to 2014-15. It is possible that similar legislation will be adopted in the future in response to financial difficulties at the State level.

The per pupil amount of funding is multiplied by each school district's "funded pupil count" to arrive at the school district's Total Program Funding. "Funded pupil count" consists of the sum of a school district's (a) K-12 pupil enrollment as calculated in October of the applicable school year, specifying those enrolled as full-time pupils and those enrolled as less than full-time pupils (or, if the school district's enrollment is declining, the pupil enrollment may be determined by using average October pupil counts as specified by law), (b) on-line pupil enrollment, (c) preschool enrollment and supplemental kindergarten enrollment as specified by statute, and (d) extended high school enrollment as specified by statute.

The School Finance Act restricts each school district's annual Total Program Funding per pupil funding to no more than 125% of its prior year Total Program Funding per pupil before the negative factor. TABOR also may restrict overall school district revenues to no more than 100% of the prior year revenue, adjusted for inflation and for pupil growth.

Funding of the State's Share of Total Program Funding. The Legislature is to make annual appropriations to fund the State's share of the Total Program Funding of all school districts. The availability of State funds to school districts may be affected by actions of the Legislature and by the cash position of the State itself. The ability of the State to fund the Total Program Funding of all State school districts may be impacted by numerous factors beyond the control of the State and the District, including general economic conditions, other State program increases, unemployment, the rate of economic growth, and tourism. In the event that the State's appropriation for its share of the Total Program Funding of all school districts is not sufficient to fully fund such share, CDE must submit a request for a supplemental appropriation in an amount which will fully fund the State's share during the fiscal year in which such insufficiency occurs. If a supplemental appropriation is not made, the School Finance Act states that the negative factor is to be applied, resulting in a percentage reduction in State aid to all school districts receiving State aid.

In 2003, the State Office of Legislative Legal Services issued an opinion stating that the School Amendment does not limit or restrict the Legislature's ability to set the level of appropriations for public education or rescind a portion of the General Fund appropriation for Total Program Funding for public schools. This opinion is not binding and represents only the legal advice currently being provided to the Legislature; however, it could be relied upon by the Legislature to decrease the amount of State aid to public education in the future.

Effective for school year 2019-20, full-day kindergarten students will receive the same per-pupil funding under the School Finance Act as students in other grade levels. The School Finance Act previously provided funding only for half-day kindergarten programs plus a small additional amount of supplemental kindergarten funding. There is no assurance that the full-day kindergarten funding will continue in the future or that it will be fully funded by future legislatures.

Uses of Total Program Funding. The Board has the discretion to determine how the District's Total Program Funding will be expended. In prior years, State law required districts to set aside specific amounts for instructional supplies and materials and for capital and risk management (insurance) reserves. Those funding requirements were eliminated for fiscal years 2010 and thereafter. However, any balances remaining in the accounts from previous allocations must be budgeted for those specific purposes. The District has continued to fund the capital and risk management reserves as well as setting aside amounts for instructional supplies and materials as allowed by available funds.

Changes to State Laws. Colorado's public school finance laws are subject to review and examination through the judicial process, and are subject to legislative changes as well. Appropriation decisions regarding the State's share of Total Program Funding are made on an annual basis by the Legislature.

All school districts in Colorado were severely impacted by cuts in State funding for the School Finance Act in recent years, beginning with a State budget shortfall in excess of \$1.4 billion for fiscal year 2010. Various mandated rescissions and the introduction of the negative factor were implemented to deal with the State's budget difficulties. The Legislature included the negative factor in the Total Program Funding formula beginning in fiscal year 2010-11 in order to assist the State in balancing its budget due to the economic downturn. The amount of the negative grew from approximately \$597.1 million in fiscal year 2010-11 to approximately \$1 billion in fiscal year 2012-13. The District's per-pupil funding under the School Finance Act declined in fiscal years 2010 through 2012 before beginning to increase again in fiscal year 2013. Beginning in fiscal year 2014-15, the State began making appropriations to "buydown" the negative factor. The negative factor was approximately \$822.4 million for 2017-18 and approximately \$672.4 million for 2018-19. In May 2019 the Legislature approved a reduction to the budget stabilization factor by $100 million from the 2018-19 level to $572.4 million. It also specified that for 2020-21, the budget stabilization factor cannot exceed the 2019-20 level.

The Governor released his proposed budget for fiscal year 2020-21 in November 2019. The proposed budget requests an additional $40 million "buydown" of the negative factor. However, the Governor's proposed budget is only a recommendation to the Legislature; it is not possible to predict the level of School Finance Act funding that will be adopted for fiscal year 2020-21.

There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws (including but not limited to the School Finance Act), provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District.

Other Sources of School District Revenue

Additional Property Taxes. In addition to property taxes levied to fund a school district's portion of Total Program Funding, school districts may impose certain other levies with the approval of local voters. The proceeds of these mill levies are not included in the Total Program Funding calculation.

Override Levy. School districts are permitted to receive additional property taxes for general operating uses pursuant to a separate mill levy (an "override levy"). For override levies approved prior to 2009, a school district's override revenues cannot exceed, generally, 20% of its Total Program Funding, or $200,000, whichever is greater. Override levies voted in 2009 or later cannot exceed, generally, 25% of the district's Total Program Funding or $200,000, whichever is greater, if specified information is filed with CDE prior to the election. Override mill levies also increase a school district's share of the specific ownership tax.

The District's electors have approved numerous override levies for various specified purposes, most recently at the Election. Approved mill levy overrides include: November 2003 ($20 million beginning calendar year 2004) to support various programs; November 2005 ($25 million in calendar year 2006, growing by inflation to $27,587,957 in calendar year 2011) to support the professional compensation system for teachers; and November 2012 (up to $49 million in calendar year 2013 and whatever is raised from a 4.86-mill levy in each year thereafter) to support early childhood education, enrichment programs such as art, music and physical education, and technology; and November 2016 (up to $56.6 million in calendar year 2017, increasing thereafter to provide funding at the maximum level of 25% of Total Program Funding) to support early childhood reading programs, mental health professionals, expanded technology access, teacher training programs, teacher recruitment and college and career programs.

Bond Redemption Levy. School districts also may impose a separate mill levy for purposes of generating revenues for the Bond Redemption Fund. Property taxes imposed for the repayment of general obligation debt are received and accounted for separately from property taxes imposed to finance the Total Program and pursuant to override authorization. The District currently imposes a bond redemption mill levy for purposes of paying debt service on its general obligation bonds.

Other Authorized Levies. Additional property tax levies authorized by law include special building and technology, transportation, debt-free schools capital construction and full-day kindergarten levies. Each of those mill levies must be imposed in amounts authorized by law and must be used for specific purposes. The District does not currently impose any of these additional levies.

Other State Revenue - Categorical Programs. In addition to the State equalization payments made pursuant to the School Finance Act, school districts may receive State funding to pay for specific programs designed to serve particular groups of students or particular student needs, such as transportation, language proficiency, expelled and at-risk students, special education, gifted and talented education, vocational education, small attendance centers and comprehensive health education. Such programs are known as "categorical" programs. The District receives various levels of State funding to pay for such programs.

Fees. Pursuant to the School Finance Act, any fee collected by a school district for a specific purpose is to be spent only for that purpose. For example, if a district imposes a $100 fee for athletics, all money collected from that fee must be used for athletics. In addition, school districts must disclose whether a fee is voluntary or mandatory and what activities a child will be excluded from for failure to pay the fee. The District imposes various such fees.

Miscellaneous Revenue Sources. The District also receives General Fund revenues from specific ownership taxes (levied by the State on owners of motor vehicles), interest income, tuition, other charges for services and other miscellaneous sources.

District Funds and Accounts

Funds and Accounts Mandated by State Law. The basic format for the financial operation of Colorado school districts is provided by State law, which creates the following funds: the General Fund, the Bond Redemption Fund, the Capital Reserve Fund, the Insurance Reserve Fund (which may be an internal service fund or an account in the General Fund to satisfy generally accepted accounting principles ("GAAP")), the Special Building and Technology Fund, the Transportation Fund and the Full Day Kindergarten Fund. Interpretive regulations of the State Board of Education also authorize the use of additional funds. Some school districts also maintain certain Special Revenue Funds, Enterprise Funds and Internal Service Funds. The bulk of the financial operations of most school districts, including the District, are conducted through the General Fund.

General Fund. The bulk of the financial operations of most school districts, including the District, are conducted through the General Fund. The General Fund contains all revenues of the District not attributable to its other established funds. The majority of these revenues are derived from the District's general property tax levy and from State aid. TABOR requires each school district to establish emergency reserves constituting 3% of fiscal year spending. See "LEGAL MATTERS--Certain Constitutional Limitations."

Pursuant to State law, the District's budget must ensure that the TABOR reserve requirement is met by holding unrestricted General Fund or cash fund emergency reserves; except that a district may designate property owned by the district as all or a portion of the required reserve subject to certain statutory requirements.

Bond Redemption Fund. The Bond Redemption Fund contains the revenues from property tax levies for the purpose of satisfying, when due, the principal and interest obligations on any debt of a school district. The Bond Redemption Fund may also include certain other voter-approved tax revenues imposed to pay long-term obligations authorized by law. In accordance with State law, the District has designated UMB Bank, n.a., Denver, Colorado, as the custodian of its Bond Redemption Fund. The Custodian is responsible for making debt service payments on the District's general obligation bonds from the Bond Redemption Fund.

Capital Reserve Fund and Risk Management Reserves. The Capital Reserve Fund and the Insurance Fund (which may be an internal service fund or an account of the General Fund) receive the majority of funding from an allocation of a portion of the District's Total Program Funding. Beginning in fiscal year 2009-10, the School Finance Act eliminated required minimum allocations to these funds; however, school districts may continue to make allocations to the funds as determined by the annual budget.

Primary Sources of General Fund Revenue

Local and State Shares of General Fund Revenues. The percentage of revenues derived from local, State and other sources for each school district varies depending upon the local tax base and other factors relevant to each school district.

Local Sources. For fiscal years 2017-18 and 2018-19, approximately $747.7 million and $756.1 million, comprising approximately 72.2% and 68.9%, respectively, of the District's General Fund revenues, was derived from local sources (including property taxes, specific ownership taxes, charges for services, investment income and other local support).

The primary local source of General Fund revenues is the District's General Fund levy (described below). Other sources of General Fund local revenue received by the District include the District's share of the annual specific ownership tax levied by the State on owners of motor vehicles, interest income earned on the District's investments, tuition and miscellaneous income.

Calculation of Local Share Mill Levy. The District's mill levy for its share of Total Program Funding is limited by the School Finance Act to the lesser of (i) the number of mills levied by the District for the immediately preceding property tax year; or (ii) the number of mills necessary to generate property tax revenue in an amount equal to Total Program Funding for the applicable budget year, less the minimum State aid and less the amount of specific ownership tax revenue paid to the District; or (iii) 27 mills.

This formula does not impact the District's ability to levy taxes to pay debt service on its outstanding general obligation bonds; the debt service mill levy is entirely separate from the Total Program Funding calculation.

Mill Levy Information. The District's General Fund levy includes its operating mill levy, its override levy and any delinquent taxes, penalties and interest associated with those levies. The District's General Fund levy in fiscal years 2017-18 and 2018-19, respectively, yielded collections of approximately $605.3 million and $611.6 million, or 58.5% and 55.7% of the total revenue in the General Fund, respectively, making it the largest source of revenue to the District. For fiscal year 2019-20, the District has budgeted approximately $656.0 million in General Fund levy revenues.

State Sources. For fiscal years 2017-18 and 2018-19, approximately $281.2 million and $340.0 million, or 27.2% and 31.0%, respectively, of the District's General Fund revenues was derived from State sources, including State equalization payments.

State equalization payments are the second largest source of revenues in the General Fund. The following table sets forth State equalization payments received by the District for the past five years.

State Equalization Payments

Fiscal Year Ended June 30	State Equalization Payment	Percent Change
2015	$331,433,138	--
2016	294,025,391	(11.3)%
2017	296,486,570	0.8
2018	243,213,839	(18.0)
2019	279,467,577	14.9

Source: The District.

State equalization payments received by the District for fiscal years 2017-18 and 2018-19, represented 23.5% and 25.5%, respectively, of General Fund revenues. The District has budgeted to receive approximately $287.8 million in State equalization payments in fiscal year 2019-20.

CDE audits school districts regularly and requests the return of State funds if it determines that such an action is warranted. CDE audits of the District's enrollment have been completed and accepted for the 2015-16, 2016-17 and 2017-18 school years; the District did not return any funds for the combined years. CDE paid the District additional funds totaling $178,467.84 for the three years. Any amounts due to the State as a result of those audits have been set aside from prior year funds, and amounts due from District charter schools will be reduced from future funding to be paid to those charter schools.

Cash Flow Measures

The salaries of most District employees are paid over a 12-month period, and most District expenses occur on a relatively consistent monthly basis. A significant portion of District revenue, however, is received from March through June, when property taxes are paid by District taxpayers. Accordingly, the District typically experiences cash flow shortages from October until tax collections begin in March of the following year.

Colorado school districts (including the District) typically address this problem by (i) borrowing funds from the State pursuant to a special State loan program designed to alleviate cash flow management problems (the "State Program," described below); (ii) transferring funds to the general fund from other district funds on a short-term basis; or (iii) borrowing funds on a short-term basis through the issuance of tax anticipation notes.

Under the State Program, the State Treasurer is directed to provide sufficient funds in the form of no-interest or low-interest loans from the State general fund to any district which applies for such funds and which does not have moneys available for expenditure, in each month of the budget year, equal to at least one-twelfth of the amount of the Total Program Funding to which it is entitled for the fiscal year. There are certain limits on the receipt and use of such loans. Any district receiving a loan under this program must begin to repay the loan to the State when the monthly property tax revenues and State aid received exceed one-twelfth of the amount of Equalization Program Funding to which such district is entitled for the budget year, and all loans must be repaid prior to June 25 of the State fiscal year in which the loan was made. A lien in the amount of any loan attaches to any district property tax revenues (except Bond Redemption Fund revenues) collected during the State fiscal year (which runs from July 1 through June 30) in which the loan was made; that lien has priority over all other expenditures from such revenues until the loan is repaid in full. Districts receiving loans from the State Program also are subject to audit by the State and can be penalized through the withholding of State aid in the event an audit finds that loan proceeds were used in a manner not allowed by law. The Legislature may change the terms of the State Program at any time or abolish it altogether.

State law allows the State to issue tax and revenue anticipation notes and to loan the proceeds of such notes to school districts under the State Program. Each district participating in the State Program must issue a note to the State Treasurer granting a first lien on all of the District's General Fund ad valorem tax revenues received between March 1 and June 30; that lien has a priority over all other expenditures. Each participating school district must pay all of its General Fund tax revenues received between March 1 and June 30 to the State Treasurer until its note is paid in full. Accordingly, participating districts have no property tax revenues available to pay ongoing expenses until their notes are fully paid. Districts may borrow sufficient funds to cover their expenses during the time required to repay their notes.

The District historically has participated in the State Program every year. During fiscal years 2018 and 2019, the District received loans in the total amounts of $270.0 million and $349.6 million, respectively. All of the District's past loans from the State Program have been repaid in a timely manner. The District is authorized to borrow up to $475.0 million from the State Program in fiscal year 2019-20.

Budget Process

The District is required by State law to adopt an annual budget which presents a complete financial plan for the ensuing fiscal year. At the time of adoption, the Board is required to adopt a resolution specifying the amount of money appropriated to each fund. The proposed budget and a statement describing the major objectives of the educational program for the ensuing fiscal year must be submitted to the Board no later than thirty days prior to the start of the fiscal year, i.e., on or before June 1. Within ten days after submission of the proposed budget, the Board must publish a notice stating that the proposed budget is available for inspection, that any District taxpayer may file or register objections to the proposed budget at any time prior to its adoption, and that the Board will consider adoption of the proposed budget at a designated meeting of the Board. Formal adoption of the budget is required by resolution by the Board by June 30 of each year. The Board may review and amend the budget with respect to both revenues and expenditures at any time prior to January 31 of the fiscal year for which the budget was adopted.

The District is prohibited from expending any moneys in excess of the amount appropriated by resolution for a particular fund. When money for a specific purpose, other than ad valorem taxes, subsequently becomes available, a supplemental budget for expenditures not to exceed the amount of said money may be adopted and appropriation of said money may be made therefrom. Such procedure is applied to unbudgeted revenues from State and federal sources.

Districts are prohibited from providing for expenditures in excess of available revenues and beginning fund balances and the Board is required to review the financial condition of the District at least quarterly. Districts are required to annually prepare an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis and the fiscal year-end fund balances based on a modified accrual basis of accounting (utilizing GAAP). Districts also are required to adopt a resolution authorizing and explaining any use of beginning fund balance authorized for expenditure in the budget.

Pursuant to the provisions of the School Finance Act, during any budget year, if the Board determines that the anticipated revenues specified in the budget and the amounts appropriated in the budget for expenditure exceed the actual revenues available to the District due, in whole or in part, to action by the Legislature or the governor relating to the State appropriation for the Total Program Funding under the School Finance Act, the Board may declare a fiscal emergency in such budget year. A declaration of emergency may only occur upon an affirmative vote of two-thirds of the members of the Board at a public meeting held after a duly noticed public hearing. If a fiscal emergency is declared, the Board may implement a reduction in salaries for all employees of the District on a proportional basis or may alter the work year of such employees. This reduction in salaries is permitted to be made notwithstanding provisions of State law which otherwise prohibit the Board from changing or modifying teacher salary schedules during a school year.

Financial Results and Budget

General. The following table sets forth a comparison of the General Fund actual results for the fiscal years ended June 30, 2018 and 2019, and the adopted General Fund budget for the fiscal year ended June 30, 2020.

The District reports its budget on a modified accrual (GAAP) basis. Prior to fiscal year 2015-16, the District's budget used the budgetary basis of accounting. Additional financial information for the District, including historic budgets and audited financial statements can be found on its website, currently at http://financialservices.dpsk12.org/financialtransparency.

Reserve Policy. In accordance with TABOR, District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. Additionally, in accordance with Section 22-44-105, C.R.S., the District established an emergency cash reserve as restricted fund balance in the General Fund equal to 3% of budgeted general fund revenues. See Note 13 in the audited financial statements attached hereto as Appendix A for a description of amounts restricted for these reserves. Further information relating to the General Fund, as well as certain other Funds of the District may be found in the District's audited basic financial statements in Appendix A.

General Fund Financial Summary (in 000's)

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget
REVENUE			
Property Taxes	$ 605,279	$ 611,621	$ 656,034
Specific Ownership Taxes	51,822	52,944	56,118
Other Local Support	90,633	91,522	44,270
State Equalization	243,214	279,468	287,825
State Categorical	37,953	60,525	39,149
Federal Revenue	1,047	1,155	1,042
Other Revenue	5,206	395	3,591
Total Revenue	1,035,154	1,097,630	1,088,029
EXPENDITURES			
Salaries	537,400	556,622	594,742
Employee Benefits	81,163	110,241	95,514
Charter Schools	150,767	77,699	195,581
Supplies & Materials	55,881	204,292	47,178
Purchased Services	110,400	50,295	42,466
Property	11,629	6,744	6,251
Debt Service	67,990	2,232	68,904
Other expenses	1,763	69,647	41,846
Interfund transfers (net)	21,300	20,361	2,375
Total Expenditures	1,038,293	1,098,133	1,094,857
Net change in fund balance	(3,139)	(503)	(6,828)
Fund balance - beginning	122,150	119,011	
Fund balance - ending	$119,011	118,508	
Appropriated reserves			84,255
Total Appropriation			$1,179,112

Source: The District.

Accounting Records and Financial Statements

General. The District accounts for its financial operations in compliance with State law. All funds are audited on a fiscal year running from July 1 to June 30. The annually audited financial statements must be submitted to the Board within five months after the end of the fiscal year and filed with the State auditor and the commissioner of education 30 days after receipt by the District. If the District fails to file an audit report with the State auditor, the State auditor may, after notice to the District, notify the County Treasurer holding moneys of the District (if any) and authorize the County Treasurer to prohibit release of such moneys until the District files the audit report with the State. The District's fiscal year 2019 audit was filed on time.

Awards. The District received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association ("GFOA") and the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International ("ASBO") for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2018. Such certificates are the highest form of recognition in the area of governmental finance reporting and are awarded to governmental entities whose comprehensive annual financial reports are judged to conform substantially to program standards. The District has received a Certificate of Achievement from GFOA for 33 consecutive fiscal years and has received the Certificate of Excellence from ASBO for 19 consecutive years.

History of Revenues, Expenditures, and Changes in Fund Balance

General. Set forth in the following table is a five-year comparative statement of revenues and expenditures for the General Fund, including the beginning and ending fund balances for each year. The information has been derived from the District's audited financial statements for the fiscal years ended June 30, 2015 through 2019. This table should be read in conjunction with the District's audited basic financial statements and accompanying notes for the year ended June 30, 2019, which are attached hereto as Appendix A. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION--Additional Information."

General Fund – History of Revenues, Expenditures, and Changes in Fund Balance

	Years ended June 30,				
Revenues	2015	2016	2017	2018	2019
Beginning Balance (GAAP)	$106,772,358	$106,552,800	$94,542,480	$122,149,875	$119,010,864
Local Revenue Sources					
Property Taxes	372,016,127	455,211,641	514,880,542	605,279,188	611,621,490
Specific Ownership Tax	36,829,684	40,303,943	44,805,199	51,821,726	52,944,185
Other Local Sources (1)	43,090,604	46,390,080	62,228,590	90,633,035	91,522,135
Total Local Sources	451,936,415	541,905,664	621,914,331	747,733,949	756,087,810
State Revenue Sources					
State equalization	331,433,138	294,025,391	296,486,570	243,213,839	297,467,577
State categorical	35,697,951	36,046,063	38,022,304	37,953,131	42,525,020
Total State	367,131,089	330,071,454	334,508,875	281,166,970	339,992,597
Federal Revenue Sources	1,017,755	1,021,504	1,051,459	1,047,048	1,154,792
Total Revenue	820,085,259	872,998,622	957,474,665	1,029,947,967	1,097,235,199
Operating Transfers In	6,785,586	8,931,274	12,969,063	1,876,568	79,467
Proceeds from capital leases	--	--	2,133,598	5,205,770	395,098
TOTAL RESOURCES	933,643,203	988,482,696	1,067,119,806	1,159,180,180	1,097,709,764
Expenditures					
Instruction	435,036,390	466,866,692	437,905,667	484,208,616	555,976,258
Supporting Services	162,817,165	182,740,475	210,730,373	235,399,253	242,039,785
Business Supporting Services	139,814,946	158,815,938	204,012,151	206,934,041	193,803,439
Community Services	8,555,867	11,021,566	13,587,690	15,120,743	14,539,363
Education for adults	629,177	2,256,856	1,750,462	952,581	124,599
Capital Outlay	1,270,899	1,467,271	2,092,671	6,387,652	1,642,364
Debt Service (2)	59,238,257	60,844,624	65,115,414	67,989,795	69,646,567
Total Expenditures	807,362,701	884,013,422	935,194,428	1,016,992,681	1,077,772,375
Operating Transfers Out	19,727,702	9,926,794	9,775,503	23,176,635	20,440,202
TOTAL EXPENDITURES AND OTHER USES	827,090,403	893,940,216	944,969,931	1,040,169,316	1,098,212,577
Ending Fund Balance (GAAP)	$106,552,800	$94,542,480	$122,149,875	$119,010,864	$118,508,051

(1) Includes charges for services, other local sources and investment income.
(2) Includes amounts for the payments due under various lease-purchase agreements.

Source: Derived from the District's CAFRs for the fiscal years ended June 30, 2015 through 2019.

Management Discussion and Analysis. For a detailed discussion and analysis of the District's operations for fiscal year 2019, see the Management Discussion and Analysis in the District's audited basic financial statements for the fiscal year ended June 30, 2019, which are attached hereto as Appendix A.

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Property Subject to Taxation. Subject to the limitations imposed by TABOR (described in "LEGAL MATTERS--Certain Constitutional Limitations"), the Board has the power to certify to the Commissioners a levy for collection of ad valorem taxes against all taxable property within the District.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the District. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County Assessor to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the county as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor's office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2015 (collection year 2016) were based on an analysis of sales and other information for the period January 1, 2013 to June 30, 2014. The following table sets forth the State Property Appraisal System for property tax levy years 2014 through 2019.

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2015	2014	July 1, 2012	Jan. 1, 2011 to June 30, 2012
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2017	2016	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2018	2017	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2019	2018	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2020	2019	July 1, 2018	Jan. 1, 2017 to June 30, 2018

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Legislature to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the adjustment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-00); 9.15% of statutory actual value (levy years 2001-02); 7.96% of statutory actual value (levy years 2003-16); and 7.20% of statutory actual value (levy years 2017-18). For levy year 2019, the residential assessment rate is 7.15%.

The residential assessment rate may decline further in future years. In December 2019, the Colorado Legislative Council (the research division of the Legislature) projected a decline to 7.13% for levy years 2021 and 2022. However, the projections are subject to change as a result of numerous economic factors. The residential assessment rate cannot increase without the approval of Colorado voters.

Non-residential property. All non-residential taxable property, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County's Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Legislature is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Legislature and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the District's assessed valuation may be subject to modification following any such annual assessment study.

Homestead/Disabled Veterans Property Tax Exemptions. The Colorado Constitution provides property tax exemptions for qualifying senior citizens (adopted in 2000) and for disabled veterans (adopted in 2006). The senior citizen provision provides that for property tax collection years 2007 and later (except that the exemption was suspended for collection years 2009 to 2012), the exemption is equal to 50% of the first $200,000 of actual value of residential real property that is owner-occupied if the owner or his or her spouse is 65 years of age or older and has occupied such residence for at least 10 years. The disabled veterans provision provides that for property tax collection years 2008 and later, the same exemption is available to homeowners who have served on active duty in the U.S. Armed Forces and who are rated 100% permanently disabled by the federal government due to a service-connected disability. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions; therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the District. There is no assurance, however, that the State reimbursement will be received in a time period which is sufficient to replace the reduced property tax revenue.

Taxation Procedure. The County Assessor is required to certify to the District the assessed valuation of property within the District no later than August 25th of each year. If the County Assessor makes changes in the valuation for assessment or the total actual value prior to December 10, the County Assessor notifies the District of those changes. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the District's property tax, and together with other legally available District revenues, will raise the amount required by the District in its upcoming fiscal year. The District subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a $250 tax on a parcel of property with an assessed valuation of $10,000.

The Commissioners levy the tax on all property subject to taxation by the District. By December 22nd of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the applicable county. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County Treasurer.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 are being collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the District on a monthly basis. The payments to the District must be made by the 10th of each month, and shall include all taxes collected through the end of the preceding month. The County Treasurer also is required to make a second monthly payment to the District on or before the 24th day of the months of March, May and June, reflecting taxes collected through the 20th day of the respective month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the District and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to a county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Overlap with Tax Increment Authorities. Colorado law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. No public highway authority exists in the District.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. Certain of the property within the District is located within DURA and the Denver Union Station Downtown Development Authority ("DUSDDA"). With respect to the property included in the boundaries of such districts (or within any urban renewal authority or downtown development authority created in the future and subject to a renewal plan), the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the plan (other than by means of the general reassessment). Any increase above the "base" amount is paid to the applicable authority. See "History of District's Assessed Valuation" and "Ad Valorem Property Tax Data" below for information on the assessed valuation attributable to the existing increment districts. Currently, it is CDE's policy to provide State equalization funding to school districts in order to equalize amounts of taxes that would be lost as a result of tax increment areas. However, this policy could change at any time.

Ad Valorem Property Tax Data

The following tables set forth a five-year history of the District's certified assessed valuations and its mill levies.

History of District's Assessed Valuation

Levy/Collection Year	Assessed Valuation	Tax Increment Valuation[1]	Net Assessed Valuation	Percent Change
2015/2016	$14,371,074,760	$1,149,380,666	$13,221,694,094	--
2016/2017	14,602,699,970	1,141,847,073	13,460,852,897	1.8%
2017/2018	17,539,133,810	962,483,706	16,576,650,104	23.1
2018/2019	17,868,963,400	1,044,702,284	16,824,261,116	1.5
2019/2020	22,108,001,450	1,385,827,343	20,722,174,107	23.2

(1) Represents the assessed valuation attributable to tax increment areas. See "Potential for Overlap with Tax Increment Authorities" above.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2015-2016; and the Assessor's Office of the City and County of Denver.

History of District's Mill Levy[1]

Levy/Collection Year	General Fund	Debt Service	Mill Levy Override	Abatements	Total Mill Levy
2015/2016	25.541	10.250	10.976	0.630	47.397
2016/2017	25.541	9.383	14.948	0.524	50.396
2017/2018	25.541	9.650	12.547	0.506	48.244
2018/2019	25.541	9.568	12.829	0.306	48.244
2019/2020	25.541	9.568	11.014	0.541	46.664

(1) One mill equals one-tenth of one cent.

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2015-2016; and the District.

The following tables set forth the assessed and statutory "actual" valuations for the 2019 levy/2020 collection year (the latest year for which information is available) for specific classes of property within the District as well as a history of prior statutory "actual" valuations.

As shown in the following table, commercial and residential property account for the largest percentages of the District's assessed valuation, and therefore it is anticipated that owners of commercial and residential property will pay the largest percentages of ad valorem property taxes levied by the District.

2019 Assessed and "Actual" Valuation of Classes of Property in the District

Property Class	Total Assessed Valuation	Percentage of Total Assessed Valuation	Statutory "Actual" Valuation	Percentage of Total "Actual" Valuation
Commercial	$10,664,888,440	48.24%	$36,775,477,379	21.45%
Residential	8,957,538,740	40.52	125,280,262,098	73.07
State Assessed	914,200,500	4.14	3,152,415,517	1.84
Vacant Land	352,209,570	1.59	2,037,320,476	1.19
Industrial	230,237,990	1.04	793,924,103	0.46
Personal Property	988,926,210	4.47	3,410,090,379	1.99
Gross Assessed Value(1)	$22,108,001,450	100.00%	$171,449,489,952	100.00%
Less Tax Increment(2)	1,385,827,343			
Net Assessed Value	$20,722,174,107			

(1) The total figures presented here do not match the statutory "actual" valuation set forth elsewhere in this Official Statement because of adjustments made after the final certification.
(2) Incremental assessed valuations in excess of "base" valuation in property tax increment areas from which the District does not receive property tax revenue.

Source: Assessor's Office of the City and County of Denver.

History of Statutory "Actual" Valuation of Classes of Property in the District(1)

Property Class	2015 Levy/ 2016 Collection Year	2016 Levy/ 2017 Collection Year	2017 Levy/ 2018 Collection Year	2018 Levy/ 2019 Collection Year
Residential	$69,852,195,954	$76,164,447,966	$97,660,445,464	$103,227,525,451
Commercial	25,798,804,107	24,886,479,483	31,942,090,070	31,101,703,127
State Assessed	2,842,022,100	3,173,352,400	3,191,387,900	3,268,243,793
Industrial	910,551,144	904,114,517	991,178,210	960,129,690
Vacant Land	800,034,100	644,524,690	951,265,253	842,518,003
Agriculture	0	0	0	0
Oil and Gas/Renewable Energy	0	0	8,052,600	8,054,572
Gross "Actual" Valuation	$100,203,607,405	$105,772,919,056	$134,744,419,497	$139,408,174,636

(1) Values presented in this table reflect adjustments made after the final certification and, therefore, will differ from the "actual" valuation presented elsewhere in this official statement. "Actual" valuation is not equal to the market valuation of the classes of property.

Source: Assessor's Office of the City and County of Denver.

The following table sets forth a history of District ad valorem property tax collections.

Historical Property Tax Collections

Levy/ Collection Year	Total Taxes Levied[1]	Current Tax Collection[2]	Percent of Levy Collected	Delinquent Taxes Collected[3]	Total Taxes Collected	Percent of Total Collected
2013/2014	$515,395,469	$510,768,009	99.10%	$300,305	$511,068,314	99.16%
2014/2015	518,497,219	513,718,978	99.08	(1,137,249)	512,581,729	98.86
2015/2016	626,668,635	619,082,190	98.79	30,260	619,112,450	98.79
2016/2017	678,373,143	675,022,105	99.51	(620,260)	674,401,846	99.41
2017/2018	799,723,908	792,757,026	99.13	557,110	793,314,136	99.20
2018/2019[4]	811,669,653	807,062,949	--	(3,541,168)	803,521,782	--

(1) Figures do not include revenue attributable to the various tax increment areas.
(2) The City and County Treasurer's collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.
(3) According to the Denver Finance Department, the negative amounts of delinquent tax collections in each of the years shown are attributable to various abatements/refunds.
(4) Figures are for collections from January 1 through November 30, 2019.

Source: City and County of Denver Finance Department.

Set forth in the following table are the largest taxpayers within the District for the 2018 levy/2019 collection year (the latest year for which information is available). No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

Largest Taxpayers Within the District

Taxpayer Name	2018 Assessed Valuation	Percentage of Total Assessed Valuation[1]
Public Service Co.	$317,104,550	1.78%
Brookfield Office Properties	244,361,660	1.37
Invesco Realty Advisers Inc.	171,639,110	0.96
Beacon Capital Partners	132,488,040	0.74
Franklin Street Properties	130,327,090	0.73
CenturyLink Communications	120,087,530	0.67
Taubman Centers Inc.	112,529,460	0.63
Kroenke Sports Enterprises	107,659,750	0.60
Columbia-Healthone	105,401,200	0.59
Ivanhoe Cambridge Inc.	104,047,620	0.58
TOTAL	$1,545,646,010	8.65%

(1) Based upon the total 2018 assessed valuation figure of $17,868,963,400, which includes the assessed valuation attributable to the tax increment authorities within the District.

Source: Assessor's Office of the City and County of Denver.

Overlapping Mill Levies

Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within the District. For example, according to the City and County Assessor, the lowest total mill levy imposed in 2018 (to be collected in 2019) on a taxpayer located in the District is 77.365 and the highest is 231.560. As a result, property owners within the District may be subject to different mill levies depending upon the location of their property.

The following table is representative of a sample total 2018 mill levy (to be collected in 2019) attributable to taxpayers within the District and is not intended to portray the mills levied against all properties within the District. Additional taxing entities may overlap the District in the future.

Sample 2018 Mill Levy

Taxing Entity[1]	2018 Mill Levy[2]
City and County of Denver	28.301
Urban Drainage and Flood Control District	0.820
Total Sample Overlapping Mill Levy	29.121
The District	48.244
Total Sample Mill Levy	77.365

(1) Regional Transportation District also overlaps the District, but does not assess a mill levy.
(2) One mill equals 1/10 of one cent. Mill levies certified in 2018 are for the collection of ad valorem property taxes in 2019. The 2019/2020 mill levy will not be certified until approximately December 15, 2019.

Source: Assessor's Office of the City and County of Denver.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt attributable to property owners within the District as of December 2, 2019. Additional taxing entities may overlap the District in the future.

Estimated Overlapping General Obligation Debt

Entity(1)(2)	2018 Assessed Valuation(3)	Outstanding G.O. Debt(4)	Outstanding G.O. Debt Chargeable to District[5] Percent	Amount
9th Avenue Metropolitan District No. 2[(6)(7)]	$9,347,790	$14,370,000	100.00%	$14,370,000
Adams County Fire Protection District	974,687,390	1,410,000	0.71	10,011
Aviation Station North Metropolitan District No. 2[(7)]	2,627,850	29,794,000	100.00	29,794,000
Belleview Station Metropolitan District No. 2[(7)]	42,825,460	33,570,000	100.00	33,570,000
Bowles Metropolitan District	62,602,364	18,695,000	49.33	9,222,244
Broadway Park North Metro. Dist. No. 3 (formerly known as BMP Metropolitan District No. 3)[(8)]	4,501,410	3,180,000	100.00	3,180,000
Broadway Station Metropolitan District No. 2[(7)]	5,551,980	53,951,957	100.00	53,951,957
Broadway Station Metropolitan District No. 3[(7)]	47,186	88,201,947	100.00	88,201,947
Central Platte Valley Metropolitan District	142,648,226	60,860,000	100.00	60,860,000
Cherry Creek North Business Improvement District No. 1	310,367,110	13,495,000	100.00	13,495,000
City and County of Denver	16,824,261,116	842,855,500	100.00	842,855,500
Colorado International Center Metropolitan Dist. No. 14[(7)]	32,904,040	87,135,000	100.00	87,135,000
Denargo Market Metropolitan District No. 2[(7)]	19,349,160	10,153,043	100.00	10,153,043
Denver Connection West Metropolitan District[(7)]	4,230,150	12,229,000	100.00	12,229,000
Denver Gateway Center Metropolitan District[(7)]	6,154,880	26,825,000	100.00	26,825,000
Denver International Business Center Metro. Dist. No. 1	31,795,040	47,570,000	100.00	47,570,000
Ebert Metropolitan District[(7)]	117,855,600	102,380,000	100.00	102,380,000
First Creek Village Metropolitan District[(7)]	4,040,700	11,430,000	100.00	11,430,000
Gateway Regional Metropolitan District	89,389,450	11,318,521	100.00	11,318,521
Goldsmith Metropolitan District[(9)]	670,684,549	4,237,311	54.98	2,329,674
Midtown Metropolitan District[(7)]	5,455,310	18,500,000	100.00	18,500,000
Mile High Business Center Metropolitan District	26,566,800	7,775,000	100.00	7,775,000
Park Creek Metropolitan District[(10)]	39,728,349	318,000,000	94.64	300,955,200
The River Mile Metropolitan District No. 1[(11)]	$0	$15,780,000	100.00%	$15,780,000
Sand Creek Metropolitan District[(7)]	$219,336,570	$59,970,000	23.34%	$13,996,998
SBC Metropolitan District	6,521,636	22,325,000	100.00	22,325,000
South Sloan's Lake Metropolitan District No. 2[(7)]	977,461	22,815,000	100.00	22,815,000
Southeast Public Improvement Metropolitan District[(7)]	2,661,115,453	2,535,000	12.74	322,959
TOTAL				$1,863,351,054

(1) The following entities also overlap the District, but have reported no general obligation debt outstanding: 101 Broadway Tax Increment Finance District; 2000 Holly Metropolitan District; 4201 Arkansas Metropolitan Districts Nos. 1 and 2; 9th Avenue Metropolitan Districts Nos. 1 and 3; Aviation Station North Metropolitan Districts Nos. 1 and 3 to 6; Belleview Station Metropolitan Districts Nos. 1 and 3; Bluebird Business Improvement District; Boulevard at Lowry Metropolitan District; Broadway Park North Metropolitan Districts Nos. 1 and 2 (formerly known as BMP Metropolitan Districts Nos. 1 and 2); Broadway Park South Metropolitan Districts Nos. 1 to 4 (formerly known as Broadway Park Metropolitan Districts Nos. 1 to 4); Broadway Station Metropolitan District No. 1; CCP Metropolitan Districts Nos. 1 and 2; Central Platte Valley Coordination Metropolitan District; Cherry Creek Subarea Business Improvement District; Clear Creek Valley Water and Sanitation District; Colfax Business Improvement District; Colfax Mayfair Business Improvement District; Colorado International Center Metropolitan District No. 13; Community Coordinating Metropolitan District No. 1; Denargo Market Metropolitan Districts Nos. 1 and 3; Denver 14th Street General Improvement District; Denver Downtown Development Authority; Denver Gateway Meadows Metropolitan District; Denver High Point at DIA Metropolitan District; Denver Rock Drill Metropolitan District; Downtown Denver Business Improvement District; Denver Urban Renewal Authority; DUS Metropolitan Districts Nos. 1 to 3; Fairlake Metropolitan District; Federal Boulevard Business Improvement District; Five Points Business Improvement District; Gateway Village General Improvement District; Grant Water and Sanitation District; Greenwood Metropolitan District; Greenwood Plaza Water District; GVR Metropolitan District; Holly Hills Water and Sanitation District; Hurley Place Commercial Metropolitan District; Hurley Place Residential Metropolitan District; Lakehurst Water and Sanitation District; Lochmoor Water and Sanitation District; Lowry Vista Metropolitan District; Market Station Metropolitan Districts Nos. 1 and 2 (formerly known as DUS Metropolitan Districts Nos. 4 and 5); North

Pecos Water and Sanitation District; North Washington Street Water and Sanitation District; Old South Gaylord Business Improvement District; Regional Transportation District; RiNo Business Improvement District; RiNo Denver General Improvement District; The River Mile Metropolitan Districts Nos. 2 to 5; The River Mile Platte Valley Metropolitan District; Santa Fe Business Improvement District; Section 14 Metropolitan District; Sheridan Sanitation District No. 2; Smith Metropolitan Districts Nos. 1 to 4; South Sloan's Lake Metropolitan District No. 1; Southgate Water District; Town Center Metropolitan District; Town Center Metropolitan District Subdistricts Nos. 1 to 4; Urban Drainage and Flood Control District; Urban Drainage and Flood Control District - South Platte Levy; Valley Sanitation District; West Colfax Business Improvement District; West Globeville Metropolitan Districts Nos. 1 and 2; and West Lot Metropolitan Districts Nos. 1 and 2.

(2) CCP Metropolitan District No. 3 (formerly known as GCC Metropolitan District No. 3) has general obligation debt outstanding in the amount of $12,375,000. The portion of this district lying in the City and County of Denver, however, has no taxable assessed value.

(3) Assessed values certified in 2018 are for collection of ad valorem property taxes in 2019. For entities located in more than one county, includes the total assessed valuation, not just the portion that overlaps the District.

(4) Does not include obligations payable to developers issued on a subordinate basis to outstanding bonds.

(5) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

(6) Pursuant to a Capital Pledge Agreement, 9th Avenue Metropolitan District No. 3 collects and transfers property tax revenue to 9th Avenue Metropolitan District No. 2 for repayment of No. 2's general obligation debt. 9th Avenue Metropolitan District No. 3 has a 2018 assessed valuation of $7,269,370.

(7) The debt for this entity consists of limited tax general obligation bonds secured by a required mill levy, specific ownership taxes and other legally available monies.

(8) Pursuant to a Capital Pledge Agreement, Broadway Park North Metropolitan District No. 2 collects and transfers property tax revenue to Broadway Park North Metropolitan District No. 3 for repayment of No. 3's general obligation debt. Broadway Park North Metropolitan District No. 2 has a 2018 assessed valuation of $49,415,480.

(9) Goldsmith Metropolitan District paid off its outstanding general obligation bonds through an Amended and Restated Funding Agreement with Goldsmith Metropolitan District Block K Subarea, dated November 1, 2014. Under this agreement, the subarea is reimbursing Goldsmith Metropolitan District for the principal amount of the bonds then outstanding ($4,960,000) plus interest. Payments are scheduled through December 1, 2034.

(10) Park Creek Metropolitan District ("Park Creek") was organized concurrently with Westerly Creek Metropolitan District ("Westerly"). Park Creek is the financing and operating district and issues bonds to finance improvements in both districts. Westerly is the taxing district. Park Creek and Westerly have entered into an intergovernmental agreement requiring Westerly to remit all revenues to Park Creek, including revenues for payment of bonds. The 2018 assessed value shown above is for Westerly.

(11) The River Mile Metropolitan District was formed in February 2019; therefore, there is no 2018 certified assessed value for this district.

Sources: Assessors' Offices of Adams, Arapahoe, Douglas and Jefferson Counties; Assessor's Office of the City and County of Denver; and information obtained from individual taxing entities.

DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

General. "Debt" or "indebtedness" as used in this Official Statement means, generally, obligations backed by the full faith and credit of the District and secured by the unlimited power to levy ad valorem property taxes of the District. Debt refers only to principal amounts and not to the interest to become due thereon. Debt does not include debt that has been refinanced, obligations arising upon a contingency or obligations which do not extend beyond the fiscal year in which incurred.

Authorization. The Board has the power to contract indebtedness on behalf of the District for specific purposes authorized by statute relating to the acquiring, purchasing, constructing, enlarging, improving, remodeling, repairing, and equipping or furnishing of school grounds and buildings, for funding floating indebtedness, for acquiring, constructing or improving any capital asset that the District is authorized by law to own or for supporting charter school capital construction. Debt may be incurred only by resolution which is irrepealable until such indebtedness has been fully paid, specifying the use of the funds, and providing for the levy of a tax which, together with other legally available revenues of the District, will be sufficient to pay the principal of and interest on such debt when due, subject to the limitations of TABOR. No debt may be created unless the question of incurring the indebtedness has first been submitted to and approved by a majority of the registered electors of the District voting at an election held for that purpose.

Limitations on School District Indebtedness. The State Constitution provides that the Legislature shall establish limitations on the authority of any political subdivision to incur general obligation indebtedness in any form. Bonded indebtedness of school districts is limited by Section 22-42-104 of C.R.S. In its 1994 session (as amended during its 1996, 1998 and 2007 sessions), the Legislature established the limitation as the greater of (1) 20% of the latest valuation for assessment of the taxable property in such district or (2) 6% of the most recent determination of the actual value of property in such district, each as certified to the board of county commissioners. However, for districts whose enrollment has increased by 2.5% in each of the three preceding years, the limitation is the greater of 25% of the latest valuation for assessment or 6% of the most recent determination of actual value. The assessed valuation used to determine the District's debt limitation is the assessed valuation certified on the December 10 prior to the date on which the applicable bonds are issued. By law, any obligations which have been refunded, either by immediate payment or redemption and retirement or by the placement of proceeds of refunding bonds in escrow, shall not be deemed outstanding for the purposes of determining compliance with debt limitations.

The District's total legal debt limit is $4,421,600,290, based upon a limitation of 20% of its 2019 assessed valuation of $22,108,001,450 (which includes the assessed valuation attributable to tax increment districts). As of the date of this Official Statement, the District has $1,623,512,000 in general obligation bonds outstanding. The District can issue additional general obligation bonds (other than refunding bonds) only with voter approval.

Outstanding General Obligation Debt

As of the date of this Official Statement, the District has the following general obligation debt outstanding.

General Obligations of the District

Name of Bond Issue	Principal Amount Outstanding (1)
Refunding Bonds, Series 2005A	$ 95,860,000
Qualified School Construction Series 2009B	24,022,000(2)
Taxable Build America New Money Series 2009C	250,000,000
Tax-Exempt Refunding Series 2009F	2,385,000
Taxable Qualified School Construction Series 2010A	29,260,000(2)
Taxable Build American New Money Series 2010B	1,545,000
Tax-Exempt Refunding Series 2010C	68,540,000
Refunding Bonds, Series 2012A	61,215,000
Tax-Exempt Series 2012B	159,830,000
Taxable Qualified Zone Academy Series 2012C	16,000,000(2)
Taxable Refunding Series 2012D	3,560,000
Series 2014A Bonds	17,870,000
Refunding Bonds, Series 2014B	130,805,000
Refunding Bonds, Series 2016	139,825,000
Series 2017 Bonds	455,395,000
Series 2018A Bonds	100,285,000
Taxable 2018B Refunding Bonds	67,115,000
Total	$1,623,512,000

(1) Outstanding as of the date of issuance of the Certificates.
(2) Represents the entire principal amount of the 2009B Bonds, 2010A Bonds and 2012C Bonds, respectively. The bond resolutions authorizing those bonds require the District to make sinking fund deposits in each year; however, those resolutions do not require mandatory sinking fund redemptions. Although the District has set aside deposits as required by the resolutions, the outstanding principal amount of the bonds has not been reduced.

Other Financial Obligations

Capital Lease Obligations. The Board has the authority to enter into installment or lease purchase contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval. The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. The Board also has the authority to enter into annually appropriated capital or operating leases. The District enters into capital and operating leases from time to time. See Note 12 in the audited financial statements attached hereto as Appendix A for a description of the leases existing as of June 30, 2019.

In September 2017, the District entered into a Master Lease Purchase Agreement with NBH Bank for the purchase of security vehicles (the “NBH Lease”). The District may lease up to $1 million of Equipment (as that term is defined in the NBH Lease). The NBH Lease requires the District to pay a quarterly fee for unused availability ($1 million less outstanding principal). In addition, the District’s obligations under NBH Lease purport to be subject to acceleration. However, the District’s obligations are subject to annual appropriation and in the event on non-appropriation, the District will have no further payment obligations to NBH Bank.

As of June 30, 2019, the District has made three draws totaling $310,520 under the NBH Lease, maturing in 2022, 2024 and 2025. The total base rentals due under the three draws totaled $248,766 as of June 30, 2019, including principal and interest. The District currently expects to draw up to the full $1 million available at times over the seven-year term of the NBH Lease in order to finance rolling replacements of vehicles depending on wear, tear and mileage.

In August 2018, the District entered into an equipment lease with Wells Fargo Equipment Finance for the lease of 16 school buses. The total amount of the lease is $985,331.20. The term of the lease is 36 months and the payments will be made annually. The District's obligations are subject to annual appropriation and in the event on non-appropriation, the District will have no further payment obligations to Wells Fargo Equipment Finance.

Lease Purchase Obligations. As previously described, the District has entered into several lease agreements with third-party lessors. In connection with such leases, the lessors executed and delivered certificates of participation representing undivided interests in the right to receive lease revenues paid by the District under the respective leases. Each of the leases is secured by specified leased property. Payments due under each of these lease agreements are subject to annual appropriation by the District. The District's obligation to pay base rent under each lease purchase agreement supports the payment of an associated series of certificates of participation.

The following table sets forth the aggregate principal amount of the certificates of participation outstanding as of the date of issuance of the Certificates.

Outstanding Certificates of Participation

Obligation	Principal Amount Outstanding
Certificates of Participation, Series 2011B	$ 376,605,000
Certificates of Participation, Series 2013B	472,260,000
Certificates of Participation, Series 2013C	53,280,000
Certificates of Participation, Series 2015B	8,265,000
Certificates of Participation, Series 2017A	27,250,000
Certificates of Participation, Series 2017B	13,105,000
Certificates of Participation, Series 2017C	9,195,000
Certificates of Participation, Series 2018	7,220,000
Certificates of Participation, Series 2018B	79,830,000
Certificates of Participation, Series 2020A (this issue)	35,225,000
Total	$1,082,235,000

Source: The District.

The following table sets forth the base rentals payable by the District under the leases entered into with respect to the Prior Certificates. The base rentals payable under those leases are also payable from any legally available revenues of the District.

Base Rent Payable Pursuant to Other District Lease-Purchase Agreements(1)

Fiscal Year Ending June 30	2011B Base Rent	2013B Base Rent	2013C Base Rent	2015B Base Rent	2017A Base Rent (3)	2017B Base Rent	2017C Base Rent	2018 Base Rent	2018B Base Rent	Total Base Rent
2020	$34,084,022	$34,267,050	$4,989,113	$ 550,688	$2,957,150	$ 641,450	$ 686,360	$ 585,919	$ 4,048,538	$ 82,810,290
2021	34,400,477	34,612,388	5,153,713	545,163	3,259,200	1,489,150	689,085	584,419	4,048,538	84,782,133
2022	34,732,197	34,942,431	5,141,188	547,263	3,528,000	1,111,550	686,444	581,169	6,349,538	87,619,780
2023	35,065,137	35,277,730	5,138,313	548,013	3,840,300	2,511,875	688,434	582,294	6,353,413	90,005,509
2024	35,400,411	35,607,424	5,133,063	548,263	3,994,050	2,700,750	689,983	582,669	6,351,038	91,007,651
2025	35,729,131	35,941,695	5,130,063	548,013	4,355,775	3,864,500	686,166	582,294	6,352,163	93,189,800
2026	36,062,099	36,266,103	5,123,938	547,263	4,521,125	3,997,500	686,980	581,169	6,351,413	94,137,590
2027	36,404,338	36,585,320	5,119,313	546,013	2,070,625	--	687,353	584,169	6,348,538	88,345,669
2028	36,741,787	36,903,594	5,115,688	546,663	2,065,875	--	687,286	581,294	6,353,038	88,995,225
2029	37,073,725	37,220,207	5,143,169	546,813	2,066,875	--	686,778	582,544	6,349,538	89,669,649
2030	37,411,636	37,538,329	5,107,525	546,338	2,063,375	--	685,828	581,919	6,352,663	90,287,613
2031	37,742,276	37,847,396	5,102,775	547,556	2,060,250	--	684,437	585,419	6,351,913	90,922,022
2032	38,081,699	38,149,424	5,124,425	546,000	--	--	687,533	583,919	6,893,038	90,066,038
2033	38,415,255	38,442,079	5,127,163	541,750	--	--	685,113	581,419	6,324,413	90,117,192
2034	38,757,594	38,727,923	5,089,125	541,875	--	--	687,179	582,794	6,324,413	90,710,903
2035	39,087,841	39,014,198	--	541,250	--	--	683,731	582,147	6,323,663	86,232,830
2036	39,419,593	39,288,148	--	544,750	--	--	1,369,767	583,125	6,321,663	87,527,046
2037	39,755,043	39,547,225	--	544,150	--	--	--	583,875	6,322,788	86,753,081
2038	40,042,263	39,847,614	--	544,650	--	--	--	585,063	6,324,581	87,344,171
2039	--	--	--	544,550	--	--	--	--	6,320,819	6,865,369
2040	--	--	--	543,850	--	--	--	--	6,321,831	6,865,681
2041	--	--	--	542,550	--	--	--	--	6,321,700	6,864,250
2042	--	--	--	538,500	--	--	--	--	--	538,500
2043	--	--	--	541,375	--	--	--	--	--	541,375
2044	--	--	--	538,125	--	--	--	--	--	538,125
2045	--	--	--	538,750	--	--	--	--	--	538,750
2046	--	--	--	538,125	--	--	--	--	--	538,125
Total	$704,406,524	$706,026,278	$76,738,574	$14,698,299	$36,782,600	$16,316,775	$12,358,457	$11,077,620	$135,409,240	$1,713,814,367

(1) Totals may not add due to rounding. Does not include regularly scheduled fees of the trustee for the 2011B Certificates and the 2013B Certificates. Those fees are expected to be approximately $3,000 per year for each series of certificates.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the District. It is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population

The following table sets forth population statistics for the City and County of Denver ("Denver"), the Denver-Aurora Core Based Statistical Area ("Denver-Aurora CBSA") and the State. The Denver-Aurora CBSA is comprised of six metropolitan counties and four bordering counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park. Between 2000 and 2010, the population of Denver increased 8.2%, the Denver-Aurora CBSA's population increased 15.8%, and the population of the State increased 16.9%.

Population

Year	Denver	Percent Change	Denver-Aurora CBSA	Percent Change	Colorado	Percent Change
1970	514,678	--	1,116,226	--	2,207,259	--
1980	492,365	(4.3)%	1,450,768	30.0%	2,889,735	30.9%
1990	467,610	(5.0)	1,650,489	13.8	3,294,394	14.0
2000[(1)]	554,636	18.6	2,196,957	33.1	4,301,261	30.6
2010	600,158	8.2	2,543,482	15.8	5,029,196	16.9
2011	622,051	--	2,604,366	--	5,123,692	--
2012	636,679	2.4%	2,651,802	1.8%	5,195,943	1.4%
2013	650,981	2.2	2,702,325	1.9	5,272,942	1.5
2014	666,237	2.3	2,756,069	2.0	5,352,866	1.5
2015	685,057	2.8	2,815,004	2.1	5,454,707	1.9
2016	698,006	1.9	2,859,038	1.6	5,542,951	1.6
2017	706,914	1.3	2,894,306	1.2	5,616,567	1.3
2018	717,796	1.5	2,932,934	1.3	5,694,311	1.4

(1) The Colorado State Demography Office adjusted the population of the Denver-Aurora CBSA to reflect the 2001 creation of the City and County of Broomfield.

Sources: United States Department of Commerce, Bureau of the Census (1970-2010) and Colorado State Demography Office (2011-2018 figures, which are subject to periodic revision, and 2000 figure for the Denver-Aurora CBSA).

Income

The following table sets forth historical per capita personal income for Denver, the Denver-Aurora CBSA, Colorado and the United States.

Per Capita Personal Income

Year(1)	Denver	Denver-Aurora CBSA	Colorado	United States
2014	$68,046	$55,619	$50,700	$47,058
2015	66,887	56,601	52,133	48,978
2016	63,912	56,602	52,262	49,870
2017	74,396	60,604	55,335	51,885
2018	79,849	64,287	58,456	54,446

(1) Figures for Denver and the Denver-Aurora CBSA updated November 14, 2019. Figures for the State and the nation updated September 24, 2019. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The following table sets forth the number of individuals employed within selected Denver industries which are covered by unemployment insurance. In 2018, the largest employment sector in Denver was health care and social assistance (comprising approximately 11.9% of Denver's work force), followed, in order, by professional and technical services, accommodation and food services, administrative and waste services, and educational services. For the twelve-month period ended December 31, 2018, total average employment in Denver increased 2.5% as compared to the same period ending December 31, 2017, and total average weekly wages increased 4.6%.

Average Number of Employees Within Selected Industries – Denver

Industry	2014	2015	2016	2017	2018	2019[2]
Accommodation and Food Services	47,312	50,028	52,585	53,839	54,736	54,027
Administrative and Waste Services	34,672	34,869	36,537	35,423	35,131	34,341
Agriculture, Forestry, Fishing, Hunting	450	563	745	1,131	1,263	1,466
Arts, Entertainment and Recreation	8,457	9,180	9,691	10,276	10,738	10,650
Construction	18,438	19,408	20,644	22,253	24,057	23,938
Educational Services	28,741	30,407	31,980	32,686	33,799	34,590
Finance and Insurance	25,502	26,083	26,030	26,129	26,898	27,233
Government	27,663	28,265	28,848	29,062	29,392	29,600
Health Care and Social Assistance	53,576	56,776	59,270	60,741	61,707	60,790
Information	11,906	11,988	12,542	12,675	13,597	13,860
Management of Companies/Enterprises	12,212	12,792	13,179	13,252	13,395	13,610
Manufacturing	20,438	21,123	21,211	21,621	21,465	21,215
Mining	9,112	8,738	6,947	7,242	7,868	7,798
Non-Classifiable	69	65	66	9	24	37
Other Services	16,053	16,380	17,105	17,494	17,934	17,980
Professional and Technical Services	46,445	49,773	52,885	54,527	57,841	60,091
Real Estate, Rental and Leasing	11,287	11,675	12,544	13,195	13,562	14,716
Retail Trade	28,965	29,667	30,112	30,616	31,244	31,264
Transportation and Warehousing	29,702	30,276	31,169	32,832	32,950	33,690
Utilities	3,246	3,285	3,336	3,302	3,257	3,293
Wholesale Trade	26,447	27,030	27,409	27,719	28,066	28,766
Total[1]	460,691	478,370	494,836	506,023	518,923	522,951

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.
(2) Figures are averaged through the second quarter of 2019.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table presents information on employment within Denver, the Denver-Aurora CBSA, the State and the nation, for the time period indicated.

Labor Force and Employment

	Denver[1]		Denver-Aurora CBSA[1]		Colorado[1]		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2014	368,895	4.8%	1,487,827	4.8%	2,802,528	5.0%	6.2%
2015	376,007	3.7	1,507,539	3.7	2,828,876	3.9	5.3
2016	385,402	3.1	1,543,166	3.0	2,896,771	3.2	4.9
2017	399,382	2.6	1,592,620	2.6	2,992,412	2.7	4.4
2018	412,817	3.2	1,646,342	3.2	3,096,358	3.3	3.9
Month of October							
2018	417,717	3.3%	1,666,651	3.3%	3,135,286	3.4%	3.8%
2019	423,116	2.4	1,688,172	2.3	3,178,070	2.4	3.6

(1) Figures for Denver, the Denver-Aurora CBSA, and the State are not seasonally adjusted.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data; and United States Department of Labor, Bureau of Labor Statistics.

Selected major employers in the Denver Metro area are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

Ten Largest Employers in the Denver Metro Area

Name of Employer	Product or Service	Estimated Number of Employees[1]
HealthONE Corporation	Healthcare	11,870
Centura Health	Healthcare	9,450
UCHealth	Healthcare, Research	9,380
SCL Health System	Healthcare	8,930
CenturyLink	Telecommunications	7,800
Lockheed Martin Corporation	Aerospace and Defense Related Systems	7,510
Comcast	Telecommunications	7,250
Children's Hospital Colorado	Healthcare	7,160
Kaiser Permanente	Healthcare	7,000
Amazon	Warehousing and Distribution Services	6,490

(1) Revised June 2019.

Source: Development Research Partners as posted by Metro Denver Economic Development Corporation.

Building Activity

The following table provides a history of building permits issued for new residential and commercial construction in Denver for the years indicated.

Building Permits Issued in the City and County of Denver

	Single Family		Multi-Family		Commercial/Industrial	
Year	Permits	Value	Permits	Value	Permits	Value
2013	1,269	$291,025,038	339	$630,046,868	29	$67,766,635
2014	1,691	381,989,288	334	461,417,224	31	36,692,670
2015	1,058	314,742,404	926	970,358,154	28	40,769,723
2016	941	275,380,913	1,346	1,040,086,845	26	66,794,770
2017	991	273,796,234	1,460	1,403,100,780	21	40,295,205
2018[1]	965	274,455,799	1,435	867,105,467	16	20,105,256

(1) Figures are for January 1 through November 30, 2018.

Source: City and County of Denver, Community Planning and Development.

Foreclosure Activity

The following table presents historical information on foreclosure filings. Such information represents the number of foreclosures filed and does not take into account the number of foreclosures which were subsequently redeemed or withdrawn.

History of Foreclosures – Denver

Year	Number of Foreclosures Filed	Percent Change
2014	1,087	--
2015	690	(36.5)%
2016	720	4.3
2017	648	(10.0)
2018	538	(17.0)
2019[1]	486	--

(1) Figures are for January 1 through October 31, 2019.

Sources: Colorado Division of Housing (2014 through 2018) and City and County of Denver Office of the Clerk and Recorder (2019).

TAX MATTERS

General Matters

In the opinion of Butler Snow LLP, under existing laws, regulations, rulings and judicial decisions, interest on the Certificates (including any original issue discount properly allocable to the owner of a Certificate) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Certificates. Failure to comply with such requirements could cause interest on the Certificates to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Certificates. The District has covenanted to comply with such requirements. Special Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Certificates.

The opinion of Special Counsel does not cover the treatment for federal or Colorado income tax purposes of any monies received in payment of or in respect to the Certificates subsequent to the occurrence of an Indenture Event of Default, an Event of Lease Default or an Event of Nonappropriation.

The accrual or receipt of interest on the Certificates may otherwise affect the federal income tax liability of the owners of the Certificates. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Special Counsel has expressed no opinion regarding any such consequences. Purchasers of the Certificates, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Certificates.

Special Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Certificates is exempt from Colorado income tax. Special Counsel has expressed no opinion regarding other tax consequences arising with respect to the Certificates under the laws of the State of Colorado or any other state or jurisdiction.

Original Issue Discount

The Certificates that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Certificates"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Certificates and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Certificate or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the Certificate in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Certificate (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Certificate that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Certificate, on days that are determined by reference to the maturity date of such Discount Certificate. The amount treated as original issue discount on such Discount Certificate for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Certificate (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Certificate at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Certificate during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Certificate the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Certificate is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Certificates should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Certificate. Subsequent purchasers of Discount Certificates that purchase such Discount Certificates for a price that is higher or lower than the "adjusted issue price" of the Discount Certificates at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Certificates that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Certificates"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Certificate over its stated redemption price at maturity constitutes premium on such Premium Certificate. A purchaser of a Premium Certificate must amortize any premium over such Premium Certificate's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Certificates callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Certificate is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Certificate prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Certificates should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Certificate.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Certificates is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Certificates that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Certificates from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates or the market value thereof would be impacted thereby. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Certificates, and Special Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Certificates are advised to consult their own tax advisors prior to any purchase of the Certificates as to the impact of the code upon their acquisition, holding or disposition of the Certificates.

LEGAL MATTERS

Litigation

The District's General Counsel states that to the best of its knowledge, there are no pending lawsuits or claims that have been filed against the District that will materially adversely affect the financial position of the District or its ability to enter into the Lease or to pay Base Rentals under the Lease as set forth therein. The District is, however, subject to certain pending and threatened litigation or administrative proceedings regarding various other matters arising in the ordinary course of the District's business. It is the opinion of General Counsel to the District that the pending litigation is either adequately covered by insurance or, to the extent not insured, the final settlement thereof, individually or in the aggregate, is not expected to materially adversely affect the District's financial position or its ability to perform its obligations under the Lease. See Note 12 in the audited financial statements attached hereto as Appendix A for a description of certain commitments and contingencies.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; failure to perform an education employment required background check; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. Immunity is also waived for serious bodily injury or death resulting from an incident of school violence (murder, first degree assault or felony sexual assault). In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees and which occur during the performance of their duties and within the scope of their employment.

The maximum amounts that may be recovered under the Immunity Act for injuries occurring on or after January 1, 2018, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $387,000; and (b) for an injury to two or more persons in any single occurrence, the sum of $1,093,000; except in such instance, no person may recover in excess of $387,000. Those amounts will increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. Lower amounts are recoverable for injuries accruing prior to January 1, 2018. The District may increase any maximum amount that may be recovered from the District for certain types of injuries. However, the District may not be held liable either directly or by indemnification for punitive or exemplary damages unless the District voluntarily pays such damages in accordance with State law. The District has not acted to increase the damage limitations in the Immunity Act.

The District may be subject to civil liability and damages including punitive or exemplary damages under various federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

The approving opinion of Butler Snow LLP, as Special Counsel, will be delivered with the Certificates. A form of the Special Counsel opinion for the Certificates is attached to this Official Statement as Appendix E. Butler Snow LLP, Denver, Colorado, has also acted as

Special Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its General Counsel. Certain matters will be passed upon for the Underwriter by its counsel Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado.

Certain Constitutional Limitations

TABOR - General. In 1992, Colorado voters approved TABOR as Article X, Section 20 of the Colorado constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes and to issue debt and certain other types of obligations without voter approval in advance. TABOR generally applies to the State and all local governments, including school districts ("local governments"), but does not apply to "enterprises," defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that imposed in the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain, (b) any increase in a local government's spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever (subject to certain exceptions such as the refinancing of obligations at a lower interest rate). In the opinion of Special Counsel, based upon decisions of the Colorado appellate courts, the Lease does not constitute a "multiple fiscal year obligation" which requires an election under the terms of TABOR.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based, for school districts, upon the percentage change in enrollment from year to year. Unless voter approval is obtained as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, including the debt service on the District's general obligation bonds, can be paid without regard to any spending limits, assuming revenues are available to do so.

At an election held on November 2, 1999, the District received voter approval to exceed the revenue and spending limits imposed by TABOR, beginning in the 1999-2000 fiscal year.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The District has budgeted emergency reserves as required by TABOR. See "DISTRICT FINANCIAL OPERATIONS--School District Funds - General Fund."

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the Legislature; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

INDEPENDENT AUDITORS

The audited basic financial statements of the District for the fiscal year ended June 30, 2019, included in this Official Statement as Appendix A, have been audited by BKD, LLP, independent certified public accountants, Denver, Colorado, to the extent and for the period indicated in their report thereon.

The District has not requested and will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. BKD, LLP, the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement.

RATINGS

Moody's Investors Service ("Moody's") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") have assigned Ratings to the Certificates as shown on the cover page hereof. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

Such ratings reflect only the views of the respective rating agencies, and there is no assurance that the ratings will be obtained or will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or liquidity of the Certificates. Other than its obligations under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

UNDERWRITING

General. The Underwriter has agreed to purchase the Certificates pursuant to a Certificate Purchase Agreement at a purchase price of $45,389,076.84 (which is equal to the par amount of the Certificates, plus original issue premium of $10,319,721.80, less Underwriter's discount of $155,644.96). The Underwriter is committed to take and pay for all of the Certificates if any are taken.

The Underwriter intends to offer the Certificates to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions from the public offering price to certain dealers who may reallow concessions to other dealers. After the initial public offering price, prices may be varied from time to time by the Underwriter, and the Certificates may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Certificates into investment accounts.

J.P. Morgan Securities LLC ("JPMS"), the Underwriter of the Certificates, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Certificates that such firm sells.

OFFICIAL STATEMENT CERTIFICATION

The preparation and distribution of this Official Statement has been authorized by the Board and is duly approved by the Board as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the District and any purchaser, owner or holder of any Certificate.

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

By: */s/ Carrie A. Olson*
President, Board of Education

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APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED JUNE 30, 2019

NOTE: The audited basic financial statements of the District contained in this Appendix A were excerpted from the District's Comprehensive Annual Financial Report for the year ended June 30, 2019. Certain information contained in the CAFR, including certain information in the Introductory Section, the Combining Fund Statements - Nonmajor Funds, the Other Supplementary Information, the Auditor's Integrity Report - Colorado Department of Education, the Statistical Section and the Compliance Section referred to in the CAFR table of contents and/or the attached independent auditor's report, was purposely excluded from this Official Statement. Such statements provide supporting details and are not necessary for a fair presentation of the basic financial statements of the District.

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BKD
CPAs & Advisors
1801 California Street, Suite 2900 | Denver, CO 80202-2606
303.861.4545 | Fax 303.832.5705 | bkd.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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust (ProComp) fund, which is part of the aggregate remaining fund information and represents 39.0% of total assets, and 42.2% of total revenues of the aggregate remaining fund information. Those statements were audited by another auditor whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the ProComp fund is based solely on the reports of the other auditor. With the exception of the charter schools KIPP Colorado Schools and STRIVE Preparatory Schools, we also did not audit the financial statements of the aggregate discretely presented component units, which represent 90.4% of total assets and 71.8% of total revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the aggregate discretely presented component units, except for the charter schools KIPP Colorado Schools and STRIVE Preparatory Schools is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Rocky Mountain Preparatory Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, all of which were audited under *Government Auditing Standards.*

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the School District No. 1 in the City and County of Denver and State of Colorado as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information including the combining fund statements – nonmajor funds, agency funds statement of changes in assets and liabilities, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards required by the Uniform Guidance and the other information including the introductory section and statistical section as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report November 22, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
November 22, 2019

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Management of School District No. 1 in the City and County of Denver and State of Colorado (the District), provides readers of the District's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. 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, 2019, the District's net position for governmental activities is a deficit of $1,281.3 million. The deficit net position is primarily the result of two factors. The first is the result of the District executing certificates of participation (COPs) to fund the District's pension plan known as Denver Public Schools Retirement System (DPSRS) prior to its merger as a separate division within the state's Public Employees Retirement Association (PERA). In July of 1997, the District executed $384.2 million in COPs with the net proceeds contributed to DPSRS. In April of 2008, the District issued $750 million in COPs to refund existing certificates and to fund an additional $397.8 million contribution to DPSRS in anticipation of the merger with PERA. As a result of these contributions, the District's PERA division is 75.7% funded compared to the PERA School division of 57% as of December 31, 2018. Second, in order to fund the District's capital program, the voters of Denver authorized general obligation bonds in November 1998, 2003, 2008, 2012 and 2016 of $305 million, $310.8 million, $454 million, $466 million and $572 million respectively. The proceeds of these bonds are used to fund necessary capital and maintenance of the District's facilities. (See additional details in Note 5 and Note 6 to the financial statements).

Long-term liabilities decreased to $3,644.0 million from $3,890.1 million in FY 2019 primarily due to a reduction in the net pension liability as well as other miscellaneous assumptions.

On the statement of activities, general revenues accounted for $1,182.1 million or 77% of total revenues and program revenues were $349.3 million or 23% of the total revenues of the primary government. The total revenues increased to $1,531.5 from $1,432.6, or 7% when compared to prior year, primarily due to increased property taxes. Net position increased $210.6 million primarily due to state legislation requiring the state to contribute $225 million annually to PERA with a portion of that contributed to the DPS Division, $18.6 million in FY 2019. For the Plan Year ending December 31, 2018, the State's proportionate share of the DPS Divisions' net pension liability was $307.8 million of the total net pension liability of $1,022.9 million. See Note 8 for additional details.

Overview of the Financial Statements

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

Financial Analysis of the District

Increases or decreases in net position may serve as a useful indicator of the District's overall financial position. The District's net position increased $210.6 million primarily due to changes in the net pension liability. Additionally, there are several other measures that indicate a sustainable financial position, including:

- The District has the largest and most diverse tax base in the State of Colorado with $16.8 billion of net assessed value.
- General Fund decreased $503 thousand in FY 2019, with ending fund balance of $118.5 million.
- In November of 2016, Denver voters approved a mill levy override of $56.6 million and in the years following by the amount allowed by Colorado State law. The increased funding will go towards expanding early childhood reading programs, providing more mental health professionals and counselors for students, expanding student technology access, providing better training for teachers, developing a more diverse pool of teachers and expanding college and career programs.
- In November of 2016, Denver voters approved a $572 million bond to invest in critical maintenance, constructing new schools and additions to existing schools, upgrading learning environments in older schools and increasing student technology access.
- The 2016 voted approved general bond obligations were issued in 2017 with the following ratings:
    - Moody's ratings of Aa2
    - Fitch ratings of AA+
    - S&P ratings of AA

A significant portion of the District's assets are its investment in capital assets (e.g., land, buildings, equipment and capital leases). The District uses these assets to provide instruction and related services to its students. Capital assets (net) increased to $1,439.5 million in FY 2019 from $1,373.1 million in FY 2018. The increase is primarily a result of capital spending from the District's general obligation bonds and certificates of participation. The District's capital assets will continue to increase as planned projects are completed in the Capital Reserve and Building Funds. Combined, these funds have available fund balance of $415.4 million.

Current and other assets decreased to $946.6 million from $1.02 billion primarily due to the 2017 bond and COP's spend as described in the capital improvements section of the Transmittal letter.

The following table provides a summary of the District's net position as of June 30, 2019 and 2018, respectively (in millions):

	June 30, 2019	June 30, 2018
Current and other assets	$ 946.6	$ 1,017.4
Capital assets, net	1,439.5	1,373.1
Total assets	2,386.1	2,390.5
Deferred outflow of resources	351.2	358.9
Long-term liabilities	3,644.0	3,890.1
Other liabilities	121.4	140.0
Total liabilities	3,765.4	4,030.1
Deferred inflow of resources	253.2	211.2
Net position:		
Net investment in capital assets	(62.8)	(48.8)
Restricted	616.1	650.6
Unrestricted	(1,834.6)	(2,093.7)
Total net position	$ (1,281.3)	$ (1,491.9)

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

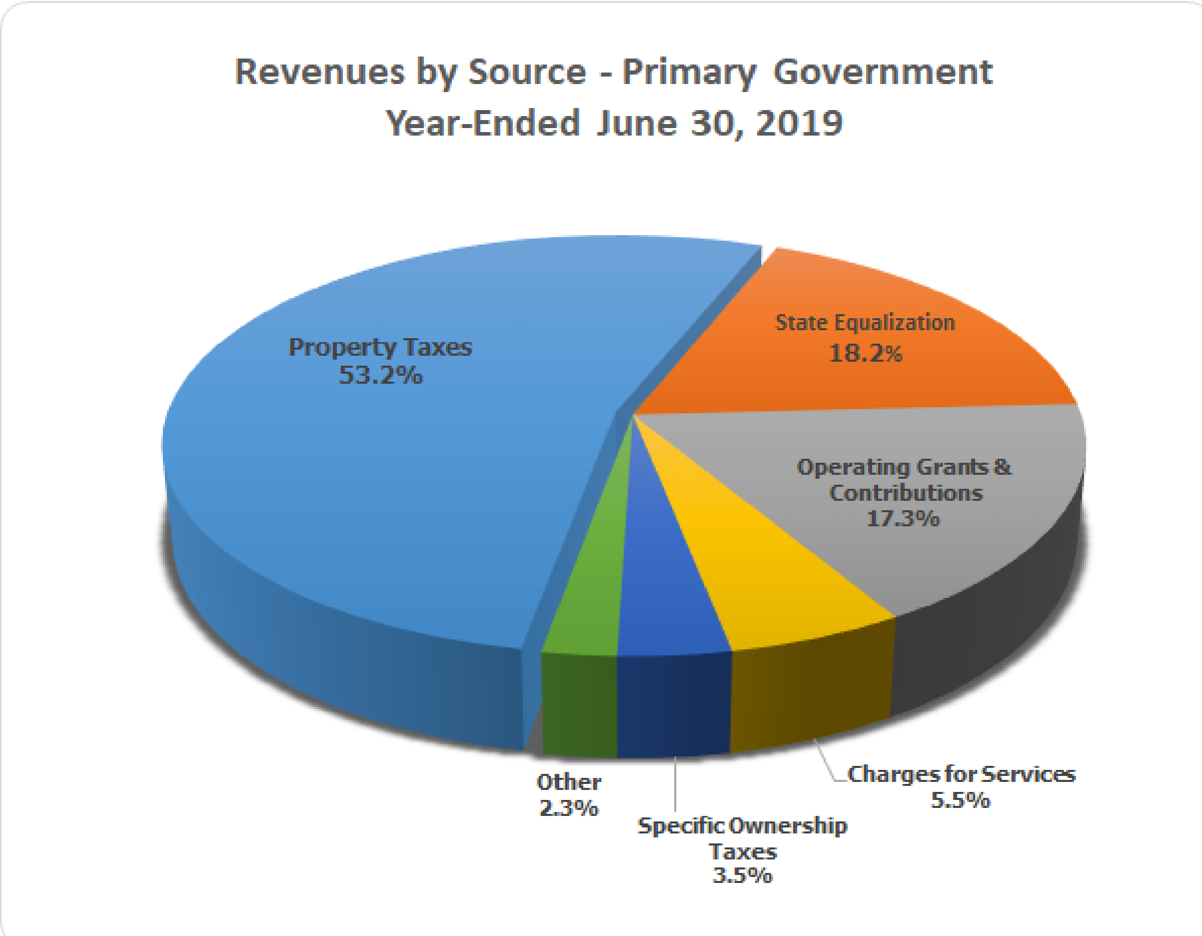
The following table provides a summary of the District's activities for the fiscal years ended June 30, 2019 and 2018, respectively (in millions).

	June 30, 2019	June 30, 2018
REVENUES		
Program revenues		
Charges for services	$ 84.5	$ 71.0
Operating grants and contributions	264.8	220.1
General revenues		
Taxes	871.1	851.2
State equalization	279.5	243.2
Investment income	18.1	8.6
Other	13.5	38.5
Total revenues	1,531.5	1,432.6
EXPENSES		
Instruction	605.6	647.0
Support services	586.3	686.2
Interest on long-term debt	129.0	162.9
Total expenses	1,320.9	1,496.1
Change in net position	210.6	(63.5)
Net position - beginning, previously stated	(1,491.9)	(1,357.1)
Change in Accounting Principle	-	(71.3)
Net position - beginning as restated	(1,491.9)	(1,428.4)
Net position - ending	$ (1,281.3)	$ (1,491.9)

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 2019 was $737.3 million based on a funded pupil count of 87,644 and per pupil total program funding of $8,412, compared to total program funding of $690.4 million funded pupil count of 87,118 and per pupil total program funding of $7,925 in FY 2018. Of the adjusted total program funding, $279.5 million was funded through state share compared to $243.2 million in FY 2018. The remainder was funded through a combination of local property and specific ownership taxes.

The District generated $814.6 million in property tax revenues in FY 2019 compared to $796.5 million in FY 2018. Total property tax revenues include School Finance Act mills, override election mills, Tax Abatement mills and Bond Redemption Fund mills. Total expenses for the primary government in FY 2019 were $1,320.9 million compared to $1,496.1 million in FY 2018. The difference was primarily due to planned construction spend related to debt issuance in FY 2018.

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 $731.1 million compared to $799.1 million in FY 2018.

The General Fund is the primary operating fund of the District. Fund balance of the General Fund at June 30, 2019 was $118.5 million, compared to $119 million as of June 30, 2018. This decrease is primarily due the planned use of fund balance. Constraints on use of the General Fund balance include a restricted cash reserve of $31 million as required by the Taxpayer Bill of Rights (TABOR) and state statute. Assigned fund balance includes $6.8 million use budgeted for subsequent year expenditure and $25.1 million for special projects.

The Grant Special Revenue Fund balance as of June 30, 2019 was $17 million compared to $18.7 million at June 30, 2018. 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, 2019 was $167.6 million compared to $160.2 million as of June 30, 2018. 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, 2019 was $296.8 million compared to $443.1 million as of June 30, 2018. 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, 2019 was $118.6 million compared to $44.9 million as of June 30, 2018. 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 committed for capital projects by Board authorization and assigned to debt service by Board adoption of the annual budget.

The Building Fund decreased by $146.3 million and Capital Reserve Funds increased by $73.7 million respectively, as a result of the COP issuance. The Bond Redemption Fund of $7.4 million due to timing of upcoming debt service payments. The Grant Special Reserve Fund decreased $1.7 million, due to spending of funds for their intended purpose.

Proprietary funds

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

General Fund Budgetary Highlights

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

The difference between the General Fund original and final budget for expenditures increased by $22.5 million to account for additional revenue received due to enrollment changes from original projections, specifically due to a higher enrollment in grades 1-12. Changes also include adjustments to school budgets based on actual enrollment versus previous projections, as well as a $14 million increase in appropriated reserves.

The major differences between the District's final budget and actual expenditures is an additional $16.4 million in expense to recognize DPS' share of the State PERA contribution per SB18-200, which is offset partially by lower than expected spending at schools and central departments.

Capital Assets and Debt Administration

Capital assets

The District's investment in capital assets, net of accumulated depreciation for its governmental activities as of June 30, 2019 amounted to $1,439.5 million. Investment in capital assets includes land, buildings and improvements, equipment, capital leases and construction in progress with an original cost greater than $5,000 and an estimated useful life longer than one year.

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

The District's total capital assets at June 30, 2019 and 2018, respectively, net of accumulated depreciation, were as follows (in millions).

	June 30, 2019	June 30, 2018
Buildings and improvements	$ 1,207.8	$ 1,104.0
Construction in progress	68.1	95.0
Land	87.3	87.2
Equipment	71.9	81.6
Capital leases	4.4	5.3
Total	$ 1,439.5	$ 1,373.1

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

Long-Term Debt

At June 30, 2019 and 2018, respectively, the District's long-term debt consisted of the following (in millions).

	June 30, 2019	June 30, 2018
General obligation bonds	$ 1,860.6	$ 1,953.1
Certificates of participation	1,091.3	1,034.4
Net pension liability	594.1	791.9
Net OPEB liability	62.7	71.3
Compensated absences	16.9	20.3
Accrued claims liability	12.3	12.2
Capital lease liability	4.6	5.4
Other obligation	1.5	1.5
Total	$ 3,644.0	$ 3,890.1

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

Contacting the District's Financial Management

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

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BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 193,862,604	$ 89,542,552
Investments	3,982	-
Receivables (net of allowance):		
Taxes	38,347,994	-
Intergovernmental	28,999,025	-
Interest	2,039,145	-
Other	99,277,625	17,047,872
Inventory	3,784,892	165,216
Prepaid items	288,384	956,638
Held by fiscal agents	2,998,429	-
Restricted cash and cash equivalents	119,278,147	1,393,691
Restricted investments	457,790,470	1,842,007
Capital assets:		
Land and construction in progress	155,292,522	38,691,575
Buildings, improvements and equipment, net of acc	1,284,162,303	-
Total assets	2,386,125,522	149,639,551
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	174,943,774	885,296
Related to pensions	171,691,886	32,109,603
Related to OPEB	4,562,261	1,254,947
Total deferred outflows of resources	351,197,921	34,249,846
LIABILITIES		
Accounts and interest payable	58,200,360	7,102,362
Accrued payroll and benefits	57,658,907	7,653,281
Unearned revenue	5,538,367	256,539
Long-term liabilities:		
Due within one year	122,737,039	15,211,666
Due in more than one year	3,521,220,398	102,594,430
Total liabilities	3,765,355,071	132,818,278
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refundings	2,545,559	-
Permanent endowment	-	156,199
Related to pensions	245,635,413	26,011,332
Related to OPEB	5,045,780	844,838
Total deferred inflows of resources	253,226,752	27,012,369
NET POSITION		
Net investment in capital assets	(62,814,668)	11,848,980
Restricted for:		
Debt service	173,213,859	19,677
Performance-based teacher compensation	11,664,070	-
Higher education	11,235,893	-
Non-governmental grantor-designated purposes	817,330	-
Federal programs	4,981,574	-
Permanent fund and nonexpendable	1,920,440	-
Capital projects	381,306,757	209,770
Donor-designated purposes	-	17,782,481
Emergency reserve	31,046,220	8,303,818
Unrestricted (deficit)	(1,834,629,855)	(14,105,976)
Total net position (deficit)	$ (1,281,258,380)	$ 24,058,750

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Primary government				
Governmental activities:				
Instruction:				
Regular	$ 515,252,343	$ 36,530,771	$ 114,489,070	$ (364,232,502)
Special education	79,028,142	5,602,870	17,559,645	(55,865,627)
Vocational	748,959	53,099	166,415	(529,445)
Other instruction	10,618,296	752,807	2,359,331	(7,506,158)
Total instruction	605,647,740	42,939,547	134,574,461	(428,133,732)
Support services:				
Pupil support	71,532,274	5,071,434	15,894,102	(50,566,738)
Instructional support	124,605,828	8,834,198	27,686,772	(88,084,858)
General administration	6,123,865	434,165	1,360,691	(4,329,009)
School administration	78,604,576	5,572,840	17,465,531	(55,566,205)
Business services	14,842,975	1,052,325	3,298,032	(10,492,618)
Operations and maintenance	100,668,711	7,134,590	22,360,123	(71,173,998)
Pupil transportation	29,743,657	2,111,276	6,616,832	(21,015,549)
Central services	70,219,410	4,978,356	15,602,391	(49,638,663)
Other support services	51,903,765	3,679,829	11,532,749	(36,691,187)
Community services	15,982,204	1,133,093	3,551,163	(11,297,948)
Education for adults	21,951,395	1,556,291	4,877,487	(15,517,617)
Interest and fiscal charges	129,019,562	-	-	(129,019,562)
Total support services	715,198,222	41,558,397	130,245,873	(543,393,952)
Total governmental activities	1,320,845,962	84,497,944	264,820,334	(971,527,684)
Component units				
Charter Schools	244,740,427	5,689,256	24,826,447	(214,224,724)
DPS Foundation	8,768,670	-	11,301,715	2,533,045
Total component units	$ 253,509,097	$ 5,689,256	$ 36,128,162	$ (211,691,679)

	Primary Government: Governmental Activities	Component Units
Net (expense) revenue	$ (971,527,684)	$ (211,691,679)
General revenues:		
Property taxes	814,556,942	38,211,999
Specific ownership taxes	52,944,185	167,682,745
Payment in lieu of taxes	3,604,926	-
State equalization	279,467,577	-
Interest and investment income	18,101,994	1,767,834
Other	13,456,861	23,838,027
Total general revenues	1,182,132,485	231,500,605
Changes in net position	210,604,801	19,808,926
Net position (deficit) - beginning, as previously stated	(1,491,863,181)	11,251,289
Change in reporting entity	-	(6,974,937)
Correction of error	-	(26,528)
Net position (deficit) - beginning, as restated	(1,491,863,181)	4,249,824
Net position (deficit) - ending	$ (1,281,258,380)	$ 24,058,750

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, 2019

	General	Grants Special Revenue	Bond Redemption
ASSETS			
Assets:			
Cash and cash equivalents	179,001,736	-	-
Investments	-	-	-
Receivables (net of allowance):			
Taxes receivable	30,107,594	-	6,788,626
Intergovernmental	-	24,908,006	-
Interest receivable	25,211	-	-
Other	2,990,224	7,715,962	-
Due from other funds	43,404,908	-	-
Inventory	1,107,816	-	-
Prepaid items	-	-	-
Cash with fiscal agents	2,998,429	-	-
Restricted cash and cash equivalents	1,724,263	-	-
Restricted investments	-	-	163,769,516
Total assets	$ 261,360,181	$ 32,623,968	$ 170,558,142
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 47,703,644	$ 1,382,214	$ -
Accrued payroll and benefits	55,572,343	89,533	-
Due to other funds	28,684,085	9,139,580	77,596
Unearned revenue	-	4,977,844	-
Total liabilities	131,960,072	15,589,171	77,596
Deferred inflows of resources:			
Property taxes	10,892,058	-	2,848,630
Unavailable revenues - long-term receivables	-	-	-
Total deferred inflows of resources	10,892,058	-	2,848,630
FUND BALANCES:			
Nonspendable:			
Inventory	1,107,816	-	-
Prepaid items	-	-	-
Permanent fund	-	-	-
Restricted for:			
Higher education	-	11,235,893	-
Non-governmental grantor-designated purposes	-	817,330	-
Federal programs	-	4,981,574	-
Performance-based teacher compensation	-	-	-
Debt service	-	-	167,631,916
Capital projects	-	-	-
Emergency reserve	31,046,220	-	-
Committed to:			
Pupil activities	1,266,865	-	-
Assigned to:			
Subsequent year expenditure	6,827,418	-	-
Special projects	25,093,990	-	-
Capital projects	-	-	-
Food service	-	-	-
Unassigned	53,165,742	-	-
Total fund balances	118,508,051	17,034,797	167,631,916
Total liabilities, deferred inflows of resources and fund balances	$ 261,360,181	$ 32,623,968	$ 170,558,142

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

Continued next page

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and cash equivalents	-	-	14,860,868	193,862,604
Investments	-	-	3,982	3,982
Receivables (net of allowance):				
Taxes receivable	-	-	1,451,774	38,347,994
Intergovernmental	-	-	4,091,019	28,999,025
Interest receivable	1,679,372	334,562	-	2,039,145
Other	-	88,482,146	89,113	99,277,445
Due from other funds	-	27,875,289	342,127	71,622,324
Inventory	-	-	2,677,076	3,784,892
Prepaid items	-	288,384	-	288,384
Cash with fiscal agents	-	-	-	2,998,429
Restricted cash and cash equivalents	68,467,833	49,086,051	-	119,278,147
Restricted investments	252,974,817	41,046,137	-	457,790,470
Total assets	$ 323,122,022	$ 207,112,569	$ 23,515,959	$ 1,018,292,841
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 49,085,858
Accrued payroll and benefits	-	-	1,997,031	57,658,907
Due to other funds	26,365,510	-	7,822,222	72,088,993
Unearned revenue	-	-	560,523	5,538,367
Total liabilities	26,365,510	-	10,379,776	184,372,125
Deferred inflows of resources:				
Property taxes	-	-	608,761	14,349,449
Unavailable revenues - long-term receivables	-	88,482,147	-	88,482,147
Total deferred inflows of resources	-	88,482,147	608,761	102,831,596
FUND BALANCES:				
Nonspendable:				
Inventory	-	-	393,196	1,501,012
Prepaid items	-	288,384	-	288,384
Permanent fund	-	-	131,044	131,044
Restricted for:				
Higher education	-	-	-	11,235,893
Non-governmental grantor-designated purposes	-	-	-	817,330
Federal programs	-	-	-	4,981,574
Performance-based teacher compensation	-	-	11,664,070	11,664,070
Debt service	-	5,581,943	-	173,213,859
Capital projects	296,756,512	84,550,245	-	381,306,757
Emergency reserve	-	-	-	31,046,220
Committed to:				
Pupil activities	-	-	332,120	1,598,985
Assigned to:				
Subsequent year expenditure	-	-	-	6,827,418
Special projects	-	-	-	25,093,990
Capital projects	-	28,209,850	-	28,209,850
Food service	-	-	6,992	6,992
Unassigned	-	-	-	53,165,742
Total fund balances	296,756,512	118,630,422	12,527,422	731,089,120
Total liabilities, deferred inflows of resources and fund balances	$ 323,122,022	$ 207,112,569	$ 23,515,959	$ 1,018,292,841

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

DENVER PUBLIC SCHOOLS

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2019

Total fund balances for governmental funds	$ 731,089,120
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,439,454,825
Deferred outlow of resources related to loss on refundings are not financial resources and therefore, are not reported in the funds.	174,943,774
Deferred outflows of resources related to pensions are not included in the funds.	171,691,886
Deferred outlow of resources related to OPEB are not included in the funds.	4,562,261
Accrued interest payable, are not due and payable in the current period and, therefore are not reported in the funds.	(9,114,502)
Long term liabilities, are not due and payable in the current period and, therefore are not reported in the funds.	(3,643,957,437)
Deferred inflow of resources related to gain on refundings are not financial resources and, therefore are not reported in the funds.	(2,545,559)
Deferred inflows of resources related to pensions are not financial resources and, therefore are not reported in the funds.	(245,635,413)
Deferred inflow of resources related to OPEB are not financial resources and, therefore are not reported in the funds.	(5,045,780)
Deferred inflow of resources related to property taxes and long-term receivables are economic resources and, therefore are recognized in governmental activities.	102,831,596
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.	466,849
Net position (deficit) of governmental activities	$ (1,281,258,380)

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

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Grants Special Revenue	Bond Redemption
REVENUES			
Taxes	$ 664,565,675	$ -	$ 159,786,625
Intergovernmental:			
Revenue from state sources	339,992,597	16,331,350	-
Revenue from federal sources	1,154,792	69,415,166	-
Charges for services	67,507,804	11,135,179	-
Investment income	2,442,363	-	3,110,876
Other local sources	21,571,968	17,444,412	-
Total revenues	1,097,235,199	114,326,107	162,897,501
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	488,568,430	23,759,202	-
Special education	60,714,441	16,789,712	-
Vocational education	687,223	69,076	-
Other instruction	6,006,164	1,166,446	-
Total instruction	555,976,258	41,784,436	-
Support services:			
Pupil supporting services	58,488,826	11,836,286	-
Instructional support	99,065,785	25,668,387	-
General administration	5,740,240	528,317	-
School administration	78,720,284	2,382,457	-
Business services	15,033,777	173,451	-
Operations and maintenance	86,106,056	223,547	-
Pupil transportation	30,726,808	41,566	-
Central services	61,936,798	2,142,384	-
Other support services	24,650	5,217,536	-
Total support services	435,843,224	48,213,931	-
Community services	14,539,363	1,982,527	-
Education for adults	124,599	22,562,030	-
Capital outlay	1,642,364	1,385,397	-
Debt service:			
Principal payments	24,138,012	-	74,845,000
Interest and fiscal charges	45,508,555	-	80,578,204
Total debt service	69,646,567	-	155,423,204
Total expenditures	1,077,772,375	115,928,321	155,423,204
Excess (deficiency) of revenues over (under) expenditures	19,462,824	(1,602,214)	7,474,297
OTHER FINANCING SOURCES (USES)			
Transfers in	79,467	-	-
Transfers out	(20,440,202)	(79,467)	-
Proceeds from capital leases	395,098	-	-
Total other financing sources (uses)	(19,965,637)	(79,467)	-
Net change in fund balances	(502,813)	(1,681,681)	7,474,297
Fund balance - beginning	119,010,864	18,716,478	160,157,619
Fund balance - ending	$ 118,508,051	$ 17,034,797	$ 167,631,916

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

Continued next page

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ -	$ -	$ 34,177,562	$ 858,529,862
Intergovernmental:				
Revenue from state sources	-	-	750,931	357,074,878
Revenue from federal sources	-	6,538,176	34,273,518	111,381,652
Charges for services	-	150,000	5,704,961	84,497,944
Investment income	10,509,212	1,949,074	90,469	18,101,994
Other local sources	1,140	14,005,258	302,615	53,325,393
Total revenues	10,510,352	22,642,508	75,300,056	1,482,911,723
EXPENDITURES				
Current:				
Instruction:				
Regular instruction	-	-	20,034,107	532,361,739
Special education	-	-	4,195,924	81,700,077
Vocational education	-	-	17,983	774,282
Other instruction	-	-	3,804,689	10,977,299
Total instruction	-	-	28,052,703	625,813,397
Support services:				
Pupil supporting services	-	-	3,625,662	73,950,774
Instructional support	74,663	-	4,019,996	128,828,831
General administration	14,713	-	47,644	6,330,914
School administration	133,840	-	25,610	81,262,191
Business services	447,718	23,142	999	15,679,087
Operations and maintenance	12,432,896	5,549,512	42,767	104,354,778
Pupil transportation	-	-	-	30,768,374
Central services	2,696,398	4,545,296	1,272,646	72,593,522
Other support services	-	4,843,197	43,573,243	53,658,626
Total support services	15,800,228	14,961,147	52,608,567	567,427,097
Community services	-	-	671	16,522,561
Education for adults	-	-	6,940	22,693,569
Capital outlay	141,091,032	22,736,950	115,108	166,970,851
Debt service:				
Principal payments	-	2,943,309	-	101,926,321
Interest and fiscal charges	-	8,377,583	-	134,464,342
Total debt service	-	11,320,892	-	236,390,663
Total expenditures	156,891,260	49,018,989	80,783,989	1,635,818,138
Excess (deficiency) of revenues over (under) expenditures	(146,380,908)	(26,376,481)	(5,483,933)	(152,906,415)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,611,937	4,828,265	20,519,669
Transfers out	-	-	-	(20,519,669)
Proceeds from capital leases	-	84,483,935	-	84,879,033
Total other financing sources (uses)	-	100,095,872	4,828,265	84,879,033
Net change in fund balances	(146,380,908)	73,719,391	(655,668)	(68,027,382)
Fund balance - beginning	443,137,420	44,911,031	13,183,090	799,116,502
Fund balance - ending	$ 296,756,512	$ 118,630,422	$ 12,527,422	$ 731,089,120

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

DENVER
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RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net change in fund balance - governmental funds	$ (68,027,382)
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.	68,561,320
Loss on disposal of capital assets.	(2,238,957)
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.	(84,435,875)
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.	100,620,000
Amortization of premium on debt has no effect on the governmental funds, but increases the change in net position of governmental activities.	19,410,586
Amortization of deferred loss on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	(14,162,963)
Amortization of deferred gain on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	299,478
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	3,414,847
Change in capital lease liability	863,143
Change in accrued claims liability	(152,304)
Change in interest payable related to long-term liabilities	(102,321)
Net Pension Credit	164,085,061
Net OPEB Credit	6,496,215
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.	15,650,613
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net gain of the internal service funds is included in the government-wide statement of activities	323,340
Change in net position of governmental activities	$ 210,604,801

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 NET POSITION
INTERNAL SERVICE FUND
AS OF JUNE 30, 2019

	Warehouse Fund
ASSETS	
Current assets:	
Receivables	$ 180
Due from other funds	466,669
Total current assets	466,849
NET POSITION	
Unrestricted	466,849
Total net position	$ 466,849

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Warehouse Fund
OPERATING REVENUES	
Billings to funds	$ 759,831
Other revenue	24,322
Total operating revenues	784,153
OPERATING EXPENSES	
Cost of goods:	
Purchased	195,289
Salaries and employee benefits	46,666
Purchased property services	36,890
Other purchased services	119,984
Supplies	61,984
Total operating expenses	460,813
OPERATING INCOME/CHANGE IN NET POSITION	323,340
Total net position - beginning	143,509
Total net position - ending	$ 466,849

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

DENVER PUBLIC SCHOOLS

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STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Warehouse Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 437,041
Payments to suppliers	(414,147)
Payments to employees	(47,216)
Other receipts	24,322
Net cash provided by operating activities	-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ 323,340
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Accounts receivable	3,051
Due from other funds	(325,841)
Accrued payroll	(550)
Net cash provided by operating activities	$ -

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

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2019

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments	$ 13,213,554	$ 4,242,282
Total assets	13,213,554	4,242,282
LIABILITIES		
Accounts payable	61,272	-
Due to student groups	-	4,242,282
Total liabilities	61,272	4,242,282
Net position held in trust	$ 13,152,282	

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Fund
ADDITIONS	
Employer contributions	$ 2,860,000
Interest income	2,242,339
Total additions	5,102,339
DEDUCTIONS	
Medical and life insurance for retirees	2,431,111
Student scholarships	-
Total deductions	2,431,111
CHANGE IN NET POSITION HELD IN TRUST:	
Operating income / Change in net position	2,671,228
Net position - beginning	10,481,054
Net position - ending	$ 13,152,282

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

DENVER PUBLIC SCHOOLS

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NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The District's agency funds apply the accrual basis of accounting, but do not have a measurement focus. The measurement focus means that only current assets and current liabilities are included in these balance sheets.

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

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

Governmental Funds

The District reports the following major governmental funds:

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

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

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

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

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

The District reports the following nonmajor governmental funds:

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

The Pupil Activity Special Revenue Fund accounts for the revenue and expenditures of sponsoring athletic events at District middle and high schools.

The 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.

The District has two Fiduciary Funds and includes the Private-Purpose Trust Fund and an Agency Fund. The Private-Purpose Trust Fund accounts for student and employee scholarships and retiree life insurance trusts. The District's postemployment health benefits were transferred to PERACare on January 1, 2010. The Agency Fund of the District represents school-sponsored student activities managed at the school level.

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.

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.

Inventories

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

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

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

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

Prepaid Items

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

Capital Assets

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

Due From and Due to Other Funds

A general disbursing account within the General Fund is used on an imprest basis to make expenditures on behalf of all funds. This account is periodically reimbursed by the applicable funds. Interfund balances at June 30, 2019 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, consisting of accumulated sick and vacation leave which vests and is payable upon termination or retirement, is reported on the government-wide financial statements. Accumulated sick leave vests only at qualified retirement and vests at a rate determined by contract, which is less than the normal rate of pay. A qualified retiree can be paid for up to one work-years' worth of accumulated sick leave. Retirees who accumulate vacation leave are compensated at their normal rate of pay for the balance at retirement. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses, as appropriate, when paid.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. In accordance with Section 22-45-103, CRS, the District's bond redemption fund custodian for FY 2019 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* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions,* the government-wide statements include deferred outflows of resources representing the deferred loss on refunding of the District's certificates of participation and bond obligations and items relating to the District's pension obligations and deferred inflows of resources relating to pension obligations. Additionally, the governmental fund financial statements include deferred inflows of resources for property taxes receivable and long-term receivables that have not met modified accrual revenue recognition criteria.

Net Position

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

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, 2019 the District investments was in compliance with the investment policy.

Investments Authorized by Debt Agreements

The District entered into a forward delivery agreement with US Bank with a maturity date of December 2023. A forward delivery agreement with JP Morgan Chase Bank matured in December 2018. The provisions of the contracts and not the District's investment policy govern the forward delivery investments.

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.

The District has the following recurring fair value measurements as of June 30, 2019:

- Corporate Notes of $64,082,362 are valued using quoted market price or other observable inputs (Level 2 inputs).
- U.S. Treasury securities of $152,164,643 are valued using quoted price in active markets for identical assets (Level 1 inputs).
- Federal Agency Bonds/Notes of $27,783,769 are valued using quoted market price or other observable inputs (Level 2 inputs).
- Repurchase Agreements of $24,500,000 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 $6,823,545 and related carrying amount of $178,106.

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:

		Maturity			
Type of Security	Fair Value	30 days or less	12 months or less	1 to 2 years	2 to 7 years
Certificate of Deposit	$ 36,686,689	$ -	$ 28,697,889	$ 7,988,800	$ -
Commercial Paper	32,557,689	15,272,130	17,285,559	-	-
U.S. Treasury Notes	152,164,643	23,122,729	40,121,114	88,920,800	-
Corporate Notes	64,082,362	-	56,888,970	7,193,392	-
Federal Agency Bonds/Notes	27,783,769	-	25,749,410	2,034,359	-
External Investment Pools	317,772,687	277,757,687	40,015,000	-	-
Money Market Funds	107,786,968	107,786,968	-	-	-
Repurchase Agreements	24,500,000	-	-	-	24,500,000
Forward Delivery Agreements:					
FHLMC Discount Notes	6,262,000	6,262,000	-	-	-
First American Treasury Obligations	366	366	-	-	-
U.S. Treasury Bills	9,449,000	9,449,000	-	-	-
Retiree Life Insurance	12,161,207	12,161,207	-	-	-
Total	$ 791,207,380	$ 451,812,087	$ 208,757,942	$ 106,137,351	$ 24,500,000

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	$	178,106
Investments		791,207,380
Stocks		3,982
Total	$	791,389,468
Cash and investments per government-wide statements of net position:		
Cash and cash equivalents	$	193,862,604
Investments		3,982
Restricted cash and cash equivalents		119,278,147
Held by fiscal agent		2,998,429
Restricted investments		457,790,470
Cash and investments per the fiduciary statements of net position:		
Private purpose trust		17,455,836
Total	$	791,389,468

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, 2019, the money market funds that the District participated in were rated as follows by Standard and Poor's:

Financial Institution	Fund	Rating On June 30, 2019
Wells Fargo	Government Money Market Fund	AAAm
Wells Fargo	Treasury Plus Money Market Fund	AAAm
MetLife	MetLife General Account	AA-

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

The District invests $14,077,992 in the Colorado Asset Surplus Fund Trust (CSAFE), $128,598,745 in COLOTRUST, and $175,095,950 in Colorado Statewide Investment Program (CSIP) which includes local goverment investment funds (LGIP). The Colorado Division of Securities regulates these local government investment pools. The District's position is that these pools are the same as the value of pool shares. Standard and Poor's rates COLOTRUST as AAAm, CSAFE as AAAm, and CSIP as AAAm. The District has $2,998,429 in the State of Colorado Treasury ("T-Pool") as required by the Colorado Workers' Compensation Act for self-insurance security. The pool is not rated.

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

The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to $1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements 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, 2019.

The District's collateral securities of repurchase agreements contained concentration in Federal National Mortgage Association (FNMA) of $10,705,000 and U.S. Treasury Obligations of $13,795,000 representing 1.40% and 1.70% of the total investments respectively as of June 30, 2019. FNMA was rated AA+ by Standard and Poor's.

3. REVENUE

Property Taxes

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

Property taxes levied for the General Fund totaled $650,695,123 in 2019. 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 2019 collection year was approximately $34.1 million. The 2012 override will generate $69.5 million for the 2019 property tax collection year which results in a levy of 4.133 mills. The 2016 override election mill levy is variable at 3.747 mills and will generate $63.0 million for the 2019 property tax collection year.

Deferred inflow of resources in the General Fund and ProComp Special Revenue Fund included $10,892,058 and $608,761 of property taxes at June 30, 2019. In addition, property taxes levied for the Bond Redemption Fund totaled $160,974,530 in 2019 and accounted for the entire deferred inflow of resources of $2,848,630 at June 30, 2019. Property tax revenue is recorded in the General Fund, the ProComp Special Revenue Fund and the Bond Redemption Fund. The taxes receivable are recorded net of an estimated uncollectible amount of $2,495,650 in the governmental activities, $1,997,925 in the General Fund and $497,725 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.

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. Reimbursement to the District is in accordance with the Redevelopment Plan and Funding Agreement including amendments. The following table summarizes the projects and outstanding reimbursable amounts as of June 30, 2019. 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, 2019
Stapleton Redevelopment Plan	$ 74,552,799	$ 13,521,194	$ 5,591,846	$ 82,482,147
	$ 74,552,799	$ 13,521,194	$ 5,591,846	$ 82,482,147

The District has entered into agreements with National Jewish Health and I-25 and Broadway (McKinley Thatcher) urban redevelopment area. Those entities agreed to make yearly installments to DPS and the amount that remains is outlined below.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2019
National Jewish Health	$ 4,250,000	$ -	$ 1,250,000	$ 3,000,000
I-25 & Broadway (McKinley Thatcher)	3,000,000	-	-	3,000,000
	$ 7,250,000	$ -	$ 1,250,000	$ 6,000,000

4. INTERFUND BALANCES AND TRANSFERS

Balances of interfund receivables, payables and transfers at June 30, 2019 are as follows:

	Due From	Due To	Transfer In	Transfer Out
Major Funds				
General Fund - Due to Other Funds	$ 43,404,908	$ 28,684,085	$ 79,467	$ 20,440,202
Grants Special Revenue	-	9,139,580	-	79,467
Bond Redemption	-	77,596	-	-
Building	-	26,365,510	-	-
Capital Reserve	27,875,289	-	15,611,937	-
Subtotal	$ 71,280,197	$ 64,266,771	$ 15,691,404	$ 20,519,669
Nonmajor Funds				
Food Service	-	5,917,059	1,518,265	-
Pupil Activity Fund	332,120	-	3,310,000	-
ProComp	-	1,905,163	-	-
Permanent	10,007	-	-	-
Subtotal	$ 342,127	$ 7,822,222	$ 4,828,265	$ -
Internal Service Funds	466,669	-	-	-
Total	$ 72,088,993	$ 72,088,993	$ 20,519,669	$ 20,519,669

All interfund receivables and payables are the result of sustainablility of the capital projects fund, funding for student athletic programs, additional funding support for food services, and other normal business operations. All interfund receivables and payables are expected to be paid in the current fiscal year.

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5. CAPITAL ASSETS

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

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

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

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

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

Regular	$	42,484,597
Special education		6,516,183
Vocational		61,755
Other Instruction		875,521
Supporting services		
Pupil support		5,898,119
Instructional support		10,274,244
General administration		504,937
School administration		6,481,259
Business services		1,223,862
Operations and maintenance		8,300,534
Pupil transportation		2,452,482
Central services		5,789,869
Other support services		4,279,671
Community services		1,317,796
Education for adults		1,809,980
Total Depreciation Expense	$	98,270,809

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

Governmental assets:	Land	Buildings and Improvements	Equipment	Construction In-Progress	Capital Leases	Total
Balance July 1, 2018	$ 87,231,235	$ 1,747,998,974	$ 254,853,291	$ 94,995,200	$ 6,475,479	$ 2,191,554,179
Additions	-	-	$ 1,988,317	$ 164,400,654	$ 443,158	166,832,129
Transfers	-	175,168,015	16,166,552	(191,334,567)	-	-
Less – Retirements	-	(3,381,591)	(989,579)	-	-	(4,371,170)
Balance June 30, 2019	87,231,235	1,919,785,398	272,018,581	68,061,287	6,918,637	2,354,015,138
Less – Accumulated Depreciation	-	711,941,194	200,130,370	-	2,488,749	914,560,313
Ending net capital assets	$ 87,231,235	$ 1,207,844,204	$ 71,888,211	$ 68,061,287	$ 4,429,888	$ 1,439,454,825
Accumulated depreciation – July 1, 2018		$ 644,026,496	$ 173,262,276		$ 1,132,945	$ 818,421,717
Increases		69,009,028	27,905,977		1,355,804	98,270,809
Decreases		(1,094,330)	(1,037,883)		-	(2,132,213)
Accumulated depreciation – June 30, 2019		$ 711,941,194	$ 200,130,370		$ 2,488,749	$ 914,560,313

Net investment in capital assets is estimated by first comparing the total building fund expenditures since 2010 to the capital outlay from the building fund for the same time frame which is 87.62% as of June 30, 2019. Only COPs related to capital items are included below. The related outstanding debt is then calculated as follows:

Capital assets (net)	$ 1,439,454,825
Outstanding bonds payable	1,860,560,351
Less fund balance restricted for capital	(296,756,512)
Less capital related deferred loss on refunding	(33,326,408)
Plus capital related deferred gain on refunding	2,545,559
Adjusted bonds payable	1,533,022,990
Percent of capitalized assets	87.62%
Bonds payable related to capital assets	$ 1,343,234,744
Related Debt:	
Bonds payable	$ 1,343,234,744
Certificates of participation	151,414,480
Capital lease liability	4,567,393
Retainage payable	3,052,876
Total related debt	1,502,269,493
Net investment in capital assets	$ (62,814,668)

6. LONG-TERM LIABILITIES

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

	Balance June 30, 2018	Additions	Refunded/ Reductions	Balance June 30, 2019	Due Within One Year
Bonds payable	$ 1,783,592,000	$ -	$ (74,845,000)	$ 1,708,747,000	$ 85,235,000
Premiums	169,503,785	-	(17,690,434)	151,813,351	-
Total bonds payable	1,953,095,785	-	(92,535,434)	1,860,560,351	85,235,000
Certificates of participation	1,022,200,000	79,830,000	(25,775,000)	1,076,255,000	29,245,000
Premiums	12,183,784	4,605,875	(1,720,152)	15,069,507	-
Total certificates of participation	1,034,383,784	84,435,875	(27,495,152)	1,091,324,507	29,245,000
Other long-term liabilities:					
Compensated absences	20,331,265	9,778,045	(13,192,892)	16,916,418	2,337,924
Capital Lease Liability	5,430,536	443,158	(1,306,301)	4,567,393	1,400,301
Accrued Claims Liability	12,162,603	6,367,291	(6,214,987)	12,314,907	4,518,814
Net OPEB obligation*	71,326,533	-	(8,663,308)	62,663,225	-
Net Pension Liability*	791,907,488	-	(197,796,852)	594,110,636	-
Other obligation	1,500,000	-	-	1,500,000	-
Total other long-term liabilities	902,658,425	16,588,494	(227,174,340)	692,072,579	8,257,039
Total long-term liabilities	$ 3,890,137,994	$ 101,024,369	$ (347,204,926)	$ 3,643,957,437	$ 122,737,039

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

Bonds payable and certificates of participation at June 30, 2019 are comprised of the following:

Bonds:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2005A GO Refunding Bonds	$ 130,290,000	$ 115,615,000	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	4,725,000	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	85,390,000	2.50% - 5.00%	12/1/2023
2012A GO Refunding Bonds	129,870,000	61,215,000	3.50% - 5.00%	12/1/2028
2012B GO Tax-Exempt Bonds	428,600,000	173,135,000	3.00% - 5.00%	12/1/2032
2012C GO Taxable Qualified Zone Academy Bonds	16,000,000	16,000,000	3.773%	12/1/2035
2012D GO Taxable Refunding Bonds	67,220,000	3,960,000	1.680% - 3.154%	12/1/2028
2014A GO Bonds	21,400,000	18,645,000	5.00% - 5.50%	12/1/2034
2014B GO Refunding Bonds	149,170,000	130,805,000	3.50% - 5.00%	12/1/2029
2016A GO Refunding Bonds	143,280,000	139,825,000	1.75% - 5.00%	12/1/2031
2017 GO Bonds	466,675,000	466,675,000	4.00% - 5.00%	12/1/2041
2018A GO Bonds	105,325,000	102,420,000	5.00% - 5.50%	12/1/2041
2018B GO Refunding Bonds	106,130,000	85,510,000	2.297% - 3.587%	12/1/2032
Premium	-	151,813,351	-	-
Total bonds payable		$ 1,860,560,351		

Certificates of Participation:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2011B Taxable	$ 396,235,000	$ 384,680,000	6.22% - 7.017%	12/15/2037
2013B Taxable	536,855,000	488,370,000	2.018% - 4.242%	12/31/2037
2013C	58,740,000	55,780,000	3.25% - 5.00%	12/15/2033
2015B Tax-exempt	8,570,000	8,435,000	2.50% - 5.00%	12/15/2045
2017A	32,080,000	28,980,000	2.00% - 5.00%	12/1/2030
2017B	14,095,000	13,105,000	4.00% - 5.00%	12/1/2025
2017C	10,000,000	9,605,000	2.94%	12/1/2036
2018	7,710,000	7,470,000	3.000% - 5.000%	12/1/2037
2018B	79,830,000	79,830,000	5.000% - 5.250%	12/1/2040
Premium	-	15,069,507	-	-
Total certificates of participation		$ 1,091,324,507		

In prior years, the registered voters of Denver authorized the School District to issue general obligation bonds. As of June 30, 2019, 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 inluded 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.

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.

Annual requirements to maturity are as follows:

Year Ending	General Obligation Bonds		Certificates of Participation	
June 30,	Principal	Interest	Principal	Interest
2020	85,235,000	77,292,564	29,245,000	53,565,288
2021	98,750,000	73,584,894	32,310,000	52,472,132
2022	76,040,000	69,865,344	36,480,000	51,139,778
2023	79,480,000	66,195,740	40,435,000	49,570,508
2024	82,425,000	62,290,512	43,215,000	47,792,650
2025-2029	531,317,000	242,077,659	248,245,000	206,092,923
2030-2034	499,605,000	118,754,199	317,140,000	134,963,762
2035-2039	155,900,000	40,397,645	313,980,000	40,742,496
2040-2044	99,995,000	6,548,200	14,180,000	1,167,931
2045-2046	-	-	1,025,000	51,875
Total	$ 1,708,747,000	$ 757,006,757	$ 1,076,255,000	$ 637,559,343

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 2018B COPs are to be paid from the Capital Reserve Fund; whereas the 2011B and 2013B taxable COPs are attributable to pension obligations and are paid from the General Fund. The 2015A taxable COPs and 2015B tax-exempt COPs are paid from General Fund.

The Building Fund ending fund balance of $296,756,512 is from the issuance of Series 2017, and 2018 general obligation bonds and related interest earnings. At June 30, 2019, the Building Fund had capital expenditure purchase commitments outstanding of $75,121,516.

Capital Lease Obligations

The District has multiple equipment lease arrangements for leasing and financing of various equipment. In accordance with generally accepted accounting principles, the leases have been capitalized at the present value of future minimum lease payments and the assets are reflected in the government-wide financial statements and as of June 30, 2019 were:

Capital Lease	Original Amount	Amount Outstanding	Interest Rate	Final Maturity
Garage Equipment	$ 137,543	$ 47,080	3.03%	1/15/2020
Ricoh Copiers	5,205,771	3,391,733	3.50%	10/31/2022
Ricoh Copiers	869,705	540,641	6.39%	5/30/2022
Ricoh Copiers	113,411	86,651	3.80%	6/01/2022
Ricoh Copiers	15,363	13,557	3.49%	12/01/2022
Ricoh Copers	266,324	238,965	3.27%	11/17/2022
Safety and Security	75,096	53,768	3.19%	9/1/2022
Safety and Security	187,364	150,692	3.34%	9/1/2024
Safety and Security	48,060	44,306	4.59%	9/1/2025
Total Capital Lease	$ 6,918,637	$ 4,567,393		

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

Year Ending June 30,	Total
2020	$ 1,551,530
2021	1,503,376
2022	1,486,404
2023	257,674
2024	38,181
2025-2026	27,051
Total Minimum Lease Payments	$ 4,864,216
Less Interest	296,823
Present Value of Future Minimum Lease Payments	$ 4,567,393

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, 2019, $230,790,000 of refunded 2009F, 2012A, and 2012B bonds are considered in-substance defeased.

Compensated Absences Liability

Compensated absences liability consists of accumulated sick leave time which vests and is payable upon retirement and accumulated vacation leave time which vests and is payable upon retirement or termination. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid. The estimated cost for fiscal year 2020 is $2,337,924. These expenditures are recognized in the fund where incurred.

7. SHORT-TERM DEBT

The District participates in the State Treasurer's Interest-Free Loan Program for Colorado School Districts authorized by Sections 29-15-112 and 22-54-110 of the Colorado Revised Statutes. The loan is secured by ad valorem taxes on real and personal property received by the District on and after March 1, 2019, to and including June 30, 2019. The District borrowed $349,553,200 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 2019, the Districts Board of Education authorized participation in the Fiscal Year 2020 State Interest Free Loan Program with a Maximum Principal Amount of $475,000,000.

June 30, 2018 Balance	Borrowed	Repayment	June 30, 2019 Balance
$ 0	$ 349,553,200	$ 349,553,200	$ 0

8. PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the DPS Division are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the DPS Division by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the DPS Division by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. A portion of the direct distribution allocated to the DPS Division is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2018 - 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
- 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 highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lessor of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the DPS Division. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of one percent based on the parameters specified 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, 2019 - Eligible employees and the District are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees are required to contribute eight percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	January 1, 2018 through December 31, 2018	January 1, 2019 through June 30, 2019
Employer Contribution Rate	10.15%	10.15%
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. § 24-51-411	(14.18)%	(13.48)%
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	4.95%	5.65%

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

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

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 $34,260,921 and $4,847,753, respectively, for the year ended June 30, 2019.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the DPS Division for the calendar year 2018 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the District and its discretely presented component units reported a liability of $594,110,636 and $79,695,199 respectively for their proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District and the discretely presented component units as their proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity and the total portion of the net pension liability that was associated with the District and its component units were as follows:

The District's proportionate share of the net pension liability	$ 594,110,636
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	$ 307,805,513
Discretely presented component units	$ 79,695,199
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	$ 41,289,652
Total	$ 1,022,901,000

At December 31, 2018, the District's proportion was 58.08 percent, which was a decrease of 30.25 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District and it's discretely presented component units recognized a pension credit of $129,824,140 and $11,832,243 respectively, offset by revenue and pension expense of $32,888,426 and $4,411,751, respectively, for support from the State as a nonemployer contributing entity.

At June 30, 2019, 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	$ 75,950,718	$ -
Contributions subsequent to the measurement date	17,241,276	-
Difference between expected and actual experience	36,451,025	(583,133)
Changes in proportion	-	(231,730,833)
Changes of assumptions or other inputs	42,048,867	(13,321,447)
Total	$ 171,691,886	$ (245,635,413)

At June 30, 2019, 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	$ 10,188,182	$ -
Contributions subsequent to the measurement date	2,619,480	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,771,807	(24,146,143)
Difference between expected and actual experience	4,889,614	(78,223)
Changes of assumptions or other inputs	5,640,520	(1,786,966)
Total	$ 32,109,603	$ (26,011,332)

The District and the component units reported $17,241,276 and $2,619,480 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, 2020. 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:		
2020	$	(11,215,512)
2021		(33,167,349)
2022		(51,488,660)
2023		4,686,718
Total	$	(91,184,803)

Component units		
Year ended:		
2020	$	5,386,161
2021		905,775
2022		(3,710,001)
2023		1,892,631
Thereafter		(995,775)
Total	$	3,478,791

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200. 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. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State will provide an annual direct distribution of $225 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 of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2018	$ 4,374,550,000	$ 3,478,040,000	$ 896,510,000
Changes for the year:			
Service cost	90,657,000	-	90,657,000
Interest	313,294,000	-	313,294,000
Changes of benefit terms	(318,480,000)	-	(318,480,000)
Differences between expected and actual experience	35,147,000	-	35,147,000
Contributions - employer	-	35,994,000	(35,994,000)
Contributions - nonemployer	-	18,621,000	(18,621,000)
Contributions - employee	-	61,098,000	(61,098,000)
Net investment income	-	(114,070,000)	114,070,000
Benefit payments, including refunds of employee contributions	(287,825,000)	(287,825,000)	-
Administrative expense	-	(2,919,000)	2,919,000
Other changes	-	(4,497,000)	4,497,000
Net changes	(167,207,000)	(293,598,000)	126,391,000
Balances at 6/30/2019	$ 4,207,343,000	$ 3,184,442,000	$ 1,022,901,000

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

Sensitivity of proportionate share of the Net Pension Liability	1% Decrease (6.25)%	Current Discount Rate (7.25%)	1% Increase (8.25)%
District	$ 881,659,554	$ 594,110,636	$ 354,800,271
Nonemployer - District	456,783,056	307,805,513	183,820,105
Component units	118,267,590	79,695,199	47,593,624
Nonemployer - Component units	61,273,800	41,289,652	24,658,000
	$ 1,517,984,000	$ 1,022,901,000	$ 610,872,000

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

Membership – Benefit recipients and members of PERA consisted of the following as of December 31, 2018. 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	7,156
Terminated employees entitled to benefits but not yet receiving benefits	1,780
Inactive members	12,286
Active members	
Vested general employees	7,309
Non-vested general employees	8,839
Total Actives	16,148
Total	37,370

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended 2019, program members contributed $3,187,277 for the Voluntary Investment Program.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Denver Public Schools provides the following other postemployment benefit plans:

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

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

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
DPSRLIT				
District	$ 22,836,371	$ 51,520	$ -	$ 507,712
DPS HCTF				
District	39,826,854	4,510,741	(5,045,780)	3,770,870
DPCU	5,343,146	1,254,981	(844,869)	587,623
Plan Total	45,170,000	5,657,132	(5,999,239)	4,358,493
Combined OPEB				
District	62,663,225	4,562,261	(5,045,780)	4,278,582
DPCU	5,343,146	1,254,981	(844,869)	587,623
Combined OPEB Totals	$ 68,006,371	$ 5,817,242	$ (5,890,649)	$ 4,866,205

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.

Life Insurance Funding Account (LIFA) Financial Statements

LIFA Statement of Fiduciary Net Position June 30, 2019			**LIFA** Statement of Changes in Fiduciary Net Position For the Year Ended June 30, 2019		
ASSETS			**ADDITIONS**		
Current Assets			*Contributions*		
Market value of assets	$	12,161,567	Employer contributions	$	4,681,325
Contribution receivable[1]		1,770,266			
Total assets		13,931,833			
			Investment activity		
			Net investment income		333,605
			Total additions		5,014,930
LIABILITIES			**DEDUCTIONS**		
Current liabilities			Benefit payments		2,234,262
Accounts payable		-	Administrave expenses		56,436
Total liabilities		-	Total deductions		2,290,698
			INCREASE IN FIDUCIARY NET POSITION		2,724,232
			FIDUCIARY NET POSITION BEGINNING		11,207,601
FIDUCIARY NET POSITION – RESTRICTED FOR OPEB	$	13,931,833	**FIDUCIARY NET POSITION ENDING**	$	13,931,833

[1] Contribution receivable includes optional contributions for dividends from retiree LIFA OPEB plan of $815,502 as well as dividends from the active employee life insurance plan (non-OPEB) of $954,764.

Plan Descriptions and Contribution Information - DPSRLIT

The contributions and benefits are provided to certain employees who retired under the provisions of early, regular, or disability retirement who meet the other eligibility requirements. Contributions to the plan are paid from the general fund. Plan participants consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Number Retired	3,087
Number Disabled	146
Total	3,233

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, 2019, 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, 2019 was $4,681,325, which included optional contributions for dividends receivable from retiree LIFA OPEB plan of $815,502 as well as dividends from the active employee life insurance plan (non-OPEB) of $954,764. 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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions The total OPEB liability in the June 30, 2019 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 - Level Pay
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	3.50 percent
Discount rate	3.50 percent

Mortality table - RPH 2006 with generational projection according to Scale MP-2018

Mortality rates were based on the RPH-2006 Healthy Annuitant Total Dataset Mortality Table, and the RPH-2006 Disabled Retiree Mortality Table, both were adjusted separately for males and females. Mortality includes a generational projection for future mortality improvements using Scale MP-2018.

Discount rate The discount rate used to measure the total OPEB liability was 3.50%. 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. The discount rate did not change since the prior measurement date.

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	3.50 percent

Changes in the Net OPEB Liability - DPSRLIT

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2018	$ 37,504,322	$ 11,207,601	$ 26,296,721
Changes for the year:	-	-	-
Service Cost	-	-	-
Interest on total OPEB liability	1,288,036	-	1,288,036
Benefit term changes	-	-	-
Difference between expected and actual experience	(620,709)	-	(620,709)
Changes in assumption or other inputs[1]	15,315	-	15,315
Benefit Payments	(1,418,760)	(1,418,760)	-
Contributions[2]	-	4,681,325	(4,681,325)
Benefit payments in excess of premiums	-	(815,502)	815,502
Net investment income	-	357,146	(357,146)
Adjustment to reserves	-	(23,541)	23,541
Administrative expenses	-	(56,436)	56,436
Net changes during fiscal year	(736,118)	2,724,232	(3,460,350)
Balances at 6/30/2019	$ 36,768,204	$ 13,931,833	$ 22,836,371

[1] Reflects adjustment to mortality table projection from Scale MP-2017 to MP-2018.
[2] Includes dividends payable by MetLife for DPS.

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the District as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	$ 26,199,568	$ 22,836,371	$ 19,934,208

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

For the year ended June 30, 2019, the District recognized OPEB expense of $507,712. At June 30, 2019, 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 in assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	51,520	-
Total	$ 51,520	$ -

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

District	
Year Ended:	
2020	$ 14,744
2021	14,744
2022	14,744
2023	7,288
Total	$ 51,520

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description Eligible employees of the District are provided with OPEB through the DPS HCTF—a single-employer defined benefit OPEB plan administered by PERA. The DPS HCTF is established under Title 24, Article 51,Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) 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 Heath Care Trust Fund (HCTF) and the DPS HCTF. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

Membership Benefit recipients and members of PERA consisted of the following as of December 31, 2018. 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	7,156
Terminated employees entitled to benefits but not yet receiving benefits	1,780
Inactive members	12,286
Active members	
Vested general employees	7,309
Non-vested general employees	8,839
Total Actives	16,148
Total	37,370

PERA Benefit Structure - HCTF

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

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

DPS Benefit Structure - HCTF

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

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

Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the District and its discretely presented component units were $6,775,804 and $886,910 for the year ended June 30, 2019.

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

At June 30, 2019 the District reported a liability of $39,826,854 for its proportionate share of the net OPEB liability and the discretely presented component units reported an aggregate liability of $5,343,146. The net OPEB liability for the DPS HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District proportion of the net OPEB liability was based on the District's contributions to the DPS HCTF for the calendar year 2018 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2018, the District's proportion was 88.17 percent, which is a decrease of 0.19 percent from its proportion measured as of December 31, 2017, and the discretely presented component units proportion was 11.83 percent, which is an increase of 0.19 from the proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of $3,770,870 and the discretely presented component units recognized OPEB expense of $587,623. At June 30, 2019, 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	$ -	$ (4,621,925)
Changes of assumptions or other inputs	3,527	-
Net difference between projected and actual earnings on OPEB plan investments	805,883	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(423,855)
Contributions subsequent to the measurement date	3,701,331	-
Total	$ 4,510,741	$ (5,045,780)

At June 30, 2019, 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	$ -	$ (620,075)
Changes of assumptions or other inputs	473	-
Net difference between projected and actual earnings on OPEB plan investments	108,117	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	690,568	(224,763)
Contributions subsequent to the measurement date	455,789	-
Total	$ 1,254,947	$ (844,838)

The District and its component units reported $3,701,331 and $455,789, 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 2020. 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:	
2020	$ (692,347)
2021	(692,347)
2022	(693,229)
2023	(347,598)
2024	(808,733)
2025	(778,387)
Thereafter	(223,729)
Total	$ (4,236,370)

Discretely Presented Component Units	
Year Ended:	
2020	$ 18,010
2021	(16,969)
2022	(20,128)
2023	42,953
2024	3,598
Thereafter	(73,144)
Total	$ (45,680)

Actuarial assumptions The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in the aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A Premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2017 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan		Cost for Members Without Medicare Part A		Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$	736	$	367
Kaiser Permanente Medicare Advantage HMO		602		236
Rocky Mountain Health Plans Medicare HMO		611		251
UnitedHealthcare Medicare HMO		686		213

The 2018 Medicare Part A premium is $422 per month.

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

Medicare Plan		Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	$	289
Kaiser Permanente Medicare Advantage HMO		300
Rocky Mountain Health Plans Medicare HMO		270
UnitedHealthcare Medicare HMO		400

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 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.

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

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

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

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

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

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
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	$ 39,815,392	$ 39,826,854	$ 39,840,080
Discretely Presented Component Units	$ 5,341,608	$ 5,343,146	$ 5,344,920

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of liabilities and the fiduciary net position 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, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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	$ 45,596,766	$ 39,826,854	$ 34,887,513
Discretely Presented Component Units	$ 6,117,234	$ 5,343,146	$ 4,680,487

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2018	$ 73,267,000	$ 22,308,000	$ 50,959,000
Changes for the year:			
Service cost	1,420,000	-	1,420,000
Interest	5,245,000	-	5,245,000
Differences between expected and actual experience	(6,045,000)	-	(6,045,000)
Changes of assumptions or other inputs	5,000	-	5,000
Benefit payments	(4,693,000)[1]	(4,158,000)	(535,000)
Contributions - employer	-	7,417,000	(7,417,000)
Purchased service transfers	-	205,000	(205,000)
Net investment income	-	(894,000)	894,000
Administrative expense	-	(845,000)	845,000
Other additions and deductions	-	(4,000)	4,000
Balances at 6/30/2019	$ 69,199,000	$ 24,029,000	$ 45,170,000

[1] Includes administrative and other health care claims processing fees.

10. RISK MANAGEMENT

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

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

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

The District retains a certain level of all liability losses. For the year ended June 30, 2019 the District retained $100,000 of each school entity liability loss and $150,000 for each automobile liability loss. For the same period the retention level for each property claim was $100,000. These deductible levels were arrived at after reviewing the average historical losses and determining the amount of each loss the District could pay directly.

The workers' compensation insurance program is a self-financed program, for the first $550,000 of each loss. Risk Management funds for the workers' compensation program to pay expenses and claims costs, as well as premiums for excess insurance to cover losses above the $550,000 self-insured retention. The District uses a third party claims administrator to process claims. Claim liabilities for automobile liability, school entity and workers' compensation, including incurred but not reported (IBNR) claims, were determined by Aon Global Risk Consulting (AGRC) at the request of the District. The estimated workers' compensation outstanding liability as of June 30, 2019 is $9,983,146 and the amount was based on historical paid and incurred losses. The workers' compensation liability is undiscounted.

The schedule below represents the claims activity for the fiscal year and the liability for accrued claims for property, liability and workers' compensation combined. The goal is to retain the highest level of each loss that makes economic sense. The liability for all claims is $12,314,907 as of June 30, 2019.

Fiscal Year Ended	Beginning Liability	Current Year Claims and Change In Estimate	Claim Payments	Ending Liability
June 30, 2018	$ 11,034,754	$ 6,874,944	$ 5,747,095	$ 12,162,603
June 30, 2019	$ 12,162,603	$ 6,367,291	$ 6,214,987	$ 12,314,907

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11. RELATED PARTIES

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

By contract, the maximum number of students the RMSEL may serve is 400. These students must be residents of one of the five participating school districts. All students at RMSEL are included in the District's enrollment number that is reported to the Colorado Department of Education for funding purposes. The District receives the funding related to the RMSEL students and passes 100% of that funding on to RMSEL along with a portion of state and federal categorical aid as appropriate. That funding was $3,095,188 for FY 2019. RMSEL purchased special education services from the District for $111,689 for the same year.

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

12. COMMITMENTS AND CONTINGENCIES

The District is a party to pending or potential lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the District's management has concluded that no significant adverse effect on the June 30, 2019 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 disallowances, if any, will be immaterial.

For the year ended June 30, 2019, the District reported a deficit net position of $1,281,258,380 in the government-wide statements. This deficit can be partially attributed to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requiring the recognition of a long-term liability for pensions and postemployment benefits other than pensions respectively. Liabilities related to the District's Certificates of Participation and General Obligation bonds are to fund retirement and necessary capital and maintenance projects of the District's facilities.

Encumbrances represent a contractual obligation and expenditures are recognized when the goods and servcies are delivered and/or received. As of June 30, 2019 encumbrances for the governmental funds were:

Fund		**Encumbrances**
Capital Reserve	$	84,051,153
Building		75,121,516
General		59,977,454
Grant Special Revenue Fund		10,574,194
Nonmajor Funds		458,733
Total	$	230,183,050

Capital Reserve Fund encumbrances include commitments towards major construction projects such as the addition of a building at Paul Sandoval, Stapleton Park Street and the remodel at Kepner.

Building Fund encumbrances include commitments towards major construction projects such as the Kepner remodel, Samsonite renovation, the addition of a gym at KIPP Sunshine Peak, Holm Remodel and other districtwide projects.

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

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

The District leases office facilities, educational facilities, warehouse, parking and office equipment under non-cancellable operating leases. Total expense for such facilities and equipment was $2,297,280 for the fiscal year ended June 30, 2019. The future minimum operating lease obligations as of June 30, 2019 were as follows:

Year	**Governmental Activities**
2020	$ 2,442,480
2021	2,533,329
2022	2,355,936
2023	1,827,610
2024	1,468,168
2025 - 2029	1,112,694
2030 - 2033	686,896
Total Minimum Lease Payments	$ 12,427,113

13. CERTAIN CONSTITUTIONAL LIMITATIONS

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

In accordance with TABOR, the District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. For FY 2019, spending was $1,197,112,833 and the 3% emergency reserve was $35,913,385, 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 $31,046,220 equal to 3% of budgeted General Fund revenues.

14. COMPONENT UNITS

The District has 28 component units consisting of two blended component units and 26 discretely presented component units. Charter schools are included in the component units as they are fiscally dependent upon revenues derived from the State per pupil revenue funding calculation.

Change in Reporting Entity

The component unit combining financial statements reflect changes in reporting entity. The changes in reporting entity include charter schools with expired charters that were not renewed and charter school networks that were previously reported at the school level and are now reported at the network level.

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.

Discretely Presented Component Units

Denver Public Schools Foundation

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

Complete financial statements for this component unit may be obtained from 1860 Lincoln St, Denver, CO 80203.

Charter Schools

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

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

- 5280 High School, 899 Broadway, Denver, CO 80203
- Academy 360 Charter School, 12505 Elmendorf Place, Denver, CO 80239
- Academy of Urban Learning, 2417 W. 29th Avenue, Denver, CO 80211
- Colorado High School Charter, 1175 Osage Street, Suite #100, Denver, CO 80204
- Compass Academy, 2285 S. Federal Boulevard, Denver, CO, 80219
- Denver Justice High School, 300 E. 9th Avenue, Denver, CO 80203
- Denver Language School, 451 Newport Street, Denver, CO 80220
- Downtown Denver Expeditionary School, 1860 Lincoln Street, Denver CO 80295
- DSST Public Schools, 3401 Quebec St., Suite 7200, Denver, CO 80207
- Early College of Denver, 3001 South Federal Boulevard, Box 114, Denver, CO 80236
- Girls Athletic Leadership Schools, 750 Galapago Street, Denver CO 80204
- Highline Academy Schools, 2170 S. Dahlia Street, Denver, CO 80222
- KIPP Colorado Schools, 1390 Lawrence Street, Suite 200, Denver, CO 80204
- Monarch Montessori of Denver Charter, 4895 Peoria Street, Denver, CO 80239
- Odyssey School of Denver, 6550 E. 21st Avenue, Denver, CO 80207
- Omar D. Blair Charter School, 4905 Cathay Street, Denver, CO 80249
- REACH Charter School, 940 Fillmore Street, Denver, CO 80206
- Ridge View Academy, 28101 East Quincy Avenue, Watkins, CO 80137
- RiseUp Community School, 1801 Federal Boulevard, Denver, CO 80204
- Rocky Mountain Preparatory Schools, 7808 Cherry Creek South Drive, Denver, CO 80231
- ROOTS Elementary School, 3350 Hudson Street, Denver, CO 80207
- SOAR Charter School, 4800 Telluride Street, #4, Denver, CO 80249
- 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 and Ridge View Academy do not participate in the DPS Division pension plan.

Change in Reporting Entity and Correction of an Error:

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

Ending net position (deficit) for component units in the aggregate from prior report	$ 7,113,023
Adjustments to beginning net position for:	
Changes in reporting entity:	
DSST Public Schools, exclusion of DSST Foundation determined not to be a component unit.	(6,974,534)
School closures:	
ACE Community Challenge School	(1,055,056)
Cesar Chavez Academy Denver	(1,093,652)
Venture Prep High School	(1,989,558)
New school:	
5280 High School - Opening balance	(403)
Correction of an error:	
Denver Justice High School	36,301
Girls Athletic Leadership Schools	(62,829)
Beginning net position, restated	$ 4,249,824

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	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	Colorado High School Charter
ASSETS					
Assets:					
Cash and investments	$ 10,921,288	$ 90,175	$ 517,853	$ 507,443	$ 1,460,913
Deposits	-	-	-	-	-
Receivables:					
Accounts	-	62,047	7,283	2,590	178,177
Grants	-	-	-	-	-
Other	2,594,084	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	2,929	37,774	9,215	-
Restricted cash	-	-	-	-	20,398
Restricted investments	1,842,007	-	-	-	-
Capital assets, net	924	654,068	941,207	13,101	6,296,390
Total assets	15,358,303	809,219	1,504,117	532,349	7,955,878
Deferred Outflows of Resources					
Related to pensions	-	517,853	260,358	229,736	1,268,448
Related to OPEB	-	35,020	6,327	8,162	62,960
Loss on refunding	-	-	-	-	-
Total deferred outflows of resources	-	552,873	266,685	237,898	1,331,408
LIABILITIES					
Liabilities:					
Accounts payable	35,946	17,836	501	-	31,002
Grants payable	2,654,863	-	-	-	-
Accrued interest	-	-	-	-	4,510
Accrued payroll	-	37,094	78,352	76,431	251,818
Other liabilities	-	-	-	-	44,952
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	80,000	15,000	-
Noncurrent liabilties:					
Due within one year	-	311,272	64,120	-	60,172
Due in more than one year	-	58,550	619,768	-	2,758,218
Pension liabilities	-	529,607	890,033	755,621	1,987,328
OPEB liabilities	-	35,500	59,628	50,735	132,440
Total liabilities	2,690,809	989,859	1,792,402	897,787	5,270,440
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	-	12,395	68,317	284,141	446,483
Related to OPEB	-	4,120	89,107	5,888	15,370
Total deferred inflows of resources	-	16,515	157,424	290,029	461,853
NET POSITION					
Net investment in capital assets	-	654,068	257,319	13,101	-
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Donor-designated purposes	8,849,789	-	-	-	167,093
Emergency reserve	-	52,500	54,200	48,000	156,116
Unrestricted (deficit)	3,817,705	(350,850)	(490,543)	(478,670)	3,231,784
Total net position	$ 12,667,494	$ 355,718	$ (179,024)	$ (417,569)	$ 3,554,993

Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School	DSST Public Schools	Early College of Denver	Girls Athletic Leadership Schools
$ 795,569	$ 81,350	$ 2,136,012	$ 1,279,382	$ 36,468,052	$ 486,025	$ 793,681
-	-	-	-	-	-	-
44,577	27,032	33,238	15,043	1,091,121	-	93,325
80,499	-	-	-	-	7,239	5,000
-	-	-	-	10,430,730	-	-
-	-	-	-	-	-	-
-	7,430	27,411	3,455	259,282	-	48,429
-	-	-	-	168,419	-	-
-	-	-	-	-	-	-
6,047	9,331	43,707	161,876	581,673	-	40,152
926,692	125,143	2,240,368	1,459,756	48,999,277	493,264	980,587
941,715	205,748	930,519	580,079	-	122,257	1,780,501
67,562	4,371	22,490	14,132	-	3,233	93,874
-	-	-	-	-	-	-
1,009,277	210,119	953,009	594,211	-	125,490	1,874,375
96,174	3,050	12,829	331	698,448	796	1,941
-	-	-	-	-	-	-
-	-	-	-	-	-	-
143,447	-	344,643	164,795	5,730,781	107,035	211,755
-	-	-	-	-	-	-
3,075	-	-	-	-	11,634	32,685
11,163	-	22,874	2,369	-	-	15,080
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,810,554	703,927	3,182,443	1,982,176	-	413,257	3,323,157
121,373	47,189	213,420	132,878	-	27,703	222,772
2,185,786	754,166	3,776,209	2,282,549	6,429,229	560,425	3,807,390
-	-	-	-	156,199	-	-
304,667	345,723	668,204	306,086	-	455,088	1,041,569
14,072	8,448	26,822	33,480	-	15,012	25,846
318,739	354,171	695,026	339,566	156,199	470,100	1,067,415
6,047	9,331	43,707	161,876	581,672	-	-
-	-	-	-	-	-	-
-	-	34,680	-	-	-	-
-	-	-	-	8,765,599	-	-
136,000	36,500	246,000	131,000	3,329,426	31,000	220,000
(710,603)	(818,906)	(1,602,245)	(861,024)	29,737,152	(442,771)	(2,239,843)
$ (568,556)	$ (773,075)	$ (1,277,858)	$ (568,148)	$ 42,413,849	$ (411,771)	$ (2,019,843)

	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School
ASSETS					
Assets:					
Cash and investments	$ 2,836,388	$ 6,355,079	$ 503,507	$ 936,465	$ 2,730,895
Deposits	-	-	-	-	-
Receivables:					
Accounts	246,773	-	174,531	69,059	71,627
Grants	-	719,817	-	-	-
Other	-	10,226	-	-	-
Inventory	15,542	-	-	1,761	-
Prepaid items	47,105	212,695	15,068	13,550	-
Restricted cash	33,447	-	631,757	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	6,088,533	73,519	10,597,214	124,396	129,486
Total assets	9,267,788	7,371,336	11,922,077	1,145,231	2,932,008
Deferred Outflows of Resources					
Related to pensions	1,434,569	6,210,043	357,089	340,350	992,699
Related to OPEB	30,233	353,166	7,427	9,941	36,430
Loss on refunding	885,296	-	-	-	-
Total deferred outflows of resources	2,350,098	6,563,209	364,516	350,291	1,029,129
LIABILITIES					
Liabilities:					
Accounts payable	224,844	880,979	2,509	18,780	19,988
Grants payable	-	-	-	-	-
Accrued interest	-	-	58,884	-	-
Accrued payroll	-	-	85,705	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	7,107	297,278	-	6,510	418,517
Unearned revenue	24,803	10,000	250	-	-
Noncurrent liabilties:					
Due within one year	-	-	8,565,000	-	-
Due in more than one year	7,983,000	-	-	-	-
Pension liabilities	4,866,296	13,320,800	1,168,449	1,158,341	3,213,900
OPEB liabilities	326,219	893,017	78,331	77,651	216,734
Total liabilities	13,432,269	15,402,074	9,959,128	1,261,282	3,869,139
Deferred Inflows of Resources					
Permanent endowment	-	-	-	-	-
Related to pensions	1,358,793	3,446,826	540,974	462,566	1,065,462
Related to OPEB	37,858	103,635	14,615	9,011	25,423
Total deferred inflows of resources	1,396,651	3,550,461	555,589	471,577	1,090,885
NET POSITION					
Net investment in capital assets	(1,861,020)	73,519	10,538,330	124,396	129,486
Restricted for:					
Debt service	-	-	-	-	-
Capital projects	-	175,090	-	-	-
Donor-designated purposes	-	-	-	-	-
Emergency reserve	322,000	806,099	73,010	76,000	226,000
Unrestricted (deficit)	(1,672,014)	(6,072,698)	(8,839,464)	(437,733)	(1,354,373)
Total net position	$ (3,211,034)	$ (5,017,990)	$ 1,771,876	$ (237,337)	$ (998,887)

REACH Charter School	Ridge View Academy	RiseUp Community School	Rocky Mountain Preparatory Schools	ROOTS Elementary School	SOAR Charter School	STRIVE Preparatory Schools
$ 353,676	$ 1,119,645	$ 122,736	$ 7,676,541	$ 215,395	$ 1,633,418	$ 6,343,729
-	-	22,500	-	-	-	-
17,794	105,855	34,149	399,297	20,041	7,515	15,577
-	-	-	-	-	-	280,663
-	-	-	-	-	-	-
-	-	-	-	-	-	106,013
4,764	3,131	6,867	24,870	-	14,579	182,946
-	-	-	519,993	19,677	-	-
-	-	-	-	-	-	-
-	31,432	73,819	5,949,479	5,229,600	-	-
376,234	1,260,063	260,071	14,570,180	5,484,713	1,655,512	6,928,928
253,961	-	271,800	3,273,456	473,551	548,712	9,555,685
5,904	-	8,198	162,259	20,971	12,722	253,148
-	-	-	-	-	-	-
259,865	-	279,998	3,435,715	494,522	561,434	9,808,833
-	72,361	11,447	293,204	8,750	31,277	738,566
-	-	-	-	-	-	-
-	-	-	-	118,661	-	-
60,389	-	-	-	-	223,449	-
-	-	-	-	-	-	-
-	-	-	-	20,999	-	139,050
30,000	-	-	-	-	-	15,000
-	23,679	76,385	-	5,590,666	-	389,281
-	-	-	5,850,000	-	-	-
874,178	-	790,595	6,351,741	985,804	1,880,841	24,034,523
58,602	-	52,998	425,798	66,085	126,085	1,611,145
1,023,169	96,040	931,425	12,920,743	6,790,965	2,261,652	26,927,565
-	-	-	-	-	-	-
85,655	-	17,503	1,377,557	394,426	1,563,527	9,752,455
20,683	-	6,150	49,395	7,670	37,968	192,640
106,338	-	23,653	1,426,952	402,096	1,601,495	9,945,095
-	31,432	73,819	99,479	(361,066)	-	-
-	-	-	-	19,677	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
53,500	57,655	49,000	519,993	-	135,000	1,285,119
(546,908)	1,074,936	(537,828)	3,038,728	(872,437)	(1,781,201)	(21,420,018)
$ (493,408)	$ 1,164,023	$ (415,009)	$ 3,658,200	$ (1,213,826)	$ (1,646,201)	$ (20,134,899)

	University Preparatory Schools	Wyatt Academy	Total
ASSETS			
Assets:			
Cash and investments	$ 2,368,899	$ 808,436	$ 89,542,552
Deposits	-	-	22,500
Receivables:			
Accounts	13,719	300	2,730,670
Grants	144,445	21,999	1,259,662
Other	-	-	13,035,040
Inventory	41,900	-	165,216
Prepaid items	33,502	1,636	956,638
Restricted cash	-	-	1,393,691
Restricted investments	-	-	1,842,007
Capital assets, net	40,854	1,604,767	38,691,575
Total assets	2,643,319	2,437,138	149,639,551
Deferred Outflows of Resources			
Related to pensions	1,073,061	487,413	32,109,603
Related to OPEB	25,977	10,440	1,254,947
Loss on refunding	-	-	885,296
Total deferred outflows of resources	1,099,038	497,853	34,249,846
LIABILITIES			
Liabilities:			
Accounts payable	68,807	4,438	3,274,804
Grants payable	-	-	2,654,863
Accrued interest	-	1,255	183,310
Accrued payroll	1,327	136,260	7,653,281
Other liabilities	-	-	44,952
Accrued liabilities	-	52,530	989,385
Unearned revenue	30,000	-	256,539
Noncurrent liabilties:			
Due within one year	-	131,091	15,211,666
Due in more than one year	-	241,046	17,510,582
Pension liabilities	3,774,472	1,697,719	79,695,762
OPEB liabilities	253,022	113,809	5,343,134
Total liabilities	4,127,628	2,378,148	132,818,278
Deferred Inflows of Resources			
Permanent endowment	-	-	156,199
Related to pensions	459,981	1,552,934	26,011,332
Related to OPEB	38,745	62,880	844,838
Total deferred inflows of resources	498,726	1,615,814	27,012,369
NET POSITION			
Net investment in capital assets	40,854	1,232,630	11,848,980
Restricted for:			
Debt service	-	-	19,677
Capital projects	-	-	209,770
Donor-designated purposes	-	-	17,782,481
Emergency reserve	184,700	75,000	8,303,818
Unrestricted (deficit)	(1,109,551)	(2,366,601)	(14,105,976)
Total net position	$ (883,997)	$ (1,058,971)	$ 24,058,750

DENVER
PUBLIC
SCHOOLS

Discover a World
of Opportunity™

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	Colorado High School Charter
Expenses:					
Depreciation	$ -	$ -	$ -	$ -	$ -
Instruction	-	914,562	935,115	689,238	2,080,600
Supporting services	-	927,040	1,245,120	823,788	2,720,101
Interest	-	-	47,969	-	117,590
Program services	7,541,674	-	-	-	-
Facilities	-	-	-	-	-
Fundraising	641,467	-	-	-	-
Management and general	585,529	-	-	-	-
Total expenses	8,768,670	1,841,602	2,228,204	1,513,026	4,918,291
Program revenues:					
Operating/capital grants and contributions	11,301,715	1,144,843	403,589	204,178	1,362,449
Charges for services	-	-	18,844	-	10,891
Total program revenues	11,301,715	1,144,843	422,433	204,178	1,373,340
Net program expense	2,533,045	(696,759)	(1,805,771)	(1,308,848)	(3,544,951)
General revenues:					
Per pupil revenue	-	828,806	1,472,835	1,093,384	3,573,370
Capital construction funding	-	-	-	-	-
Property tax mill levy override	-	194,607	352,648	487,555	1,577,862
Investment earnings	181,000	-	-	-	-
Interest income	-	-	12,086	4,753	31,935
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	999,408	29,318	-	41,829	-
At-risk supplemental aid	-	-	-	-	(110,013)
Special Item	-	-	-	-	-
Other	-	149	57,408	11,479	21,205
Transfers	108,000	-	-	-	-
Total general revenues	1,288,408	1,052,880	1,894,977	1,639,000	5,094,359
Change in net position	3,821,453	356,121	89,206	330,152	1,549,408
Net position - beginning	8,846,041	-	(268,230)	(747,721)	2,005,585
Prior period adjustment					
Change in reporting entity	-	(403)	-	-	-
Correction of error	-	-	-	-	-
Net position - beginning, as restated	8,846,041	(403)	(268,230)	(747,721)	2,005,585
Net position - ending	$ 12,667,494	$ 355,718	$ (179,024)	$ (417,569)	$ 3,554,993

Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School	DSST Public Schools	Early College of Denver	Girls Athletic Leadership Schools
$ -	$ -	$ -	$ -	$ -	$ -	$ -
2,249,780	474,217	3,786,173	2,287,240	35,609,799	395,886	5,073,152
2,664,654	594,957	3,992,232	1,618,511	38,831,417	464,792	2,231,126
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,914,434	1,069,174	7,778,405	3,905,751	74,441,216	860,678	7,304,278
1,361,450	69,809	326,566	199,284	1,358,044	67,934	512,764
19,988	-	711,692	617,594	2,136,460	4,185	170,868
1,381,438	69,809	1,038,258	816,878	3,494,504	72,119	683,632
(3,532,996)	(999,365)	(6,740,147)	(3,088,873)	(70,946,712)	(788,559)	(6,620,646)
2,783,045	808,467	6,056,584	2,931,888	49,821,175	567,608	4,989,755
47,679	-	-	-	-	20,241	106,743
576,729	352,502	973,718	505,422	9,868,427	142,717	833,886
994	-	-	10,347	-	90	-
-	30	33,838	-	1,161,466	-	3,771
-	-	-	-	-	-	-
-	-	176,172	-	-	-	444,251
4,651	-	-	-	-	15,757	4,015
-	38,968	-	-	-	-	-
3,878	36,449	409,371	382,755	8,244,087	-	202,547
-	-	-	-	-	-	-
3,416,976	1,236,416	7,649,683	3,830,412	69,095,155	746,413	6,584,968
(116,020)	237,051	909,536	741,539	(1,851,557)	(42,146)	(35,678)
(452,536)	(1,046,427)	(2,187,394)	(1,309,687)	51,239,940	(369,625)	(1,921,336)
-	-	-	-	(6,974,534)	-	-
-	36,301	-	-	-	-	(62,829)
(452,536)	(1,010,126)	(2,187,394)	(1,309,687)	44,265,406	(369,625)	(1,984,165)
$ (568,556)	$ (773,075)	$ (1,277,858)	$ (568,148)	$ 42,413,849	$ (411,771)	$ (2,019,843)

	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School
Expenses:					
Depreciation	$ -	$ -	$ -	$ -	$ 11,603
Instruction	7,104,491	13,196,043	944,998	1,298,986	3,768,013
Supporting services	4,605,703	15,500,038	1,223,106	852,542	2,630,595
Interest	248,240	-	478,315	-	-
Program services	-	-	-	-	-
Facilities	-	-	-	-	305,349
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	11,958,434	28,696,081	2,646,419	2,151,528	6,715,560
Program revenues:					
Operating/capital grants and contributions	768,235	2,795,103	329,937	212,889	794,307
Charges for services	235,543	483,934	303,008	123,907	-
Total program revenues	1,003,778	3,279,037	632,945	336,796	794,307
Net program expense	(10,954,656)	(25,417,044)	(2,013,474)	(1,814,732)	(5,921,253)
General revenues:					
Per pupil revenue	7,820,503	19,150,103	1,684,545	1,875,882	5,879,243
Capital construction funding	-	-	-	-	-
Property tax mill levy override	1,606,284	5,213,083	387,007	302,840	1,257,733
Investment earnings	-	94,790	-	14,418	-
Interest income	34,495	-	17,270	-	-
Insurance proceeds	-	-	-	-	-
Unrestricted grants and contributions	269,386	3,054,888	-	3,060	-
At-risk supplemental aid	-	-	64,682	-	-
Special Item	-	-	-	-	-
Other	1,435,666	70,660	17,322	62,714	178,230
Transfers	-	-	-	-	-
Total general revenues	11,166,334	27,583,524	2,170,826	2,258,914	7,315,206
Change in net position	211,678	2,166,480	157,352	444,182	1,393,953
Net position - beginning	(3,422,712)	(7,184,470)	1,614,524	(681,519)	(2,392,840)
Prior period adjustment					
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position - beginning, as restated	(3,422,712)	(7,184,470)	1,614,524	(681,519)	(2,392,840)
Net position - ending	$ (3,211,034)	$ (5,017,990)	$ 1,771,876	$ (237,337)	$ (998,887)

REACH Charter School	Ridge View Academy	RiseUp Community School	Rocky Mountain Preparatory Schools	ROOTS Elementary School	SOAR Charter School	STRIVE Preparatory Schools
$ -	$ -	$ -	$ -	$ -	$ -	$ -
994,383	1,590,704	596,030	11,123,743	2,048,456	2,044,744	23,120,623
622,071	1,087,797	913,993	6,348,163	244,960	1,397,453	18,507,618
-	-	3,359	-	-	-	3,750
-	-	-	-	-	-	-
-	-	-	-	577,533	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,616,454	2,678,501	1,513,382	17,471,906	2,870,949	3,442,197	41,631,991
97,355	418,241	236,108	4,488,800	284,338	498,485	4,602,623
111,084	-	26,974	-	10,571	7,136	-
208,439	418,241	263,082	4,488,800	294,909	505,621	4,602,623
(1,408,015)	(2,260,260)	(1,250,300)	(12,983,106)	(2,576,040)	(2,936,576)	(37,029,368)
675,111	1,184,399	902,519	9,520,852	1,428,120	3,531,954	32,301,195
-	-	-	-	50,132	-	-
499,783	572,723	386,825	2,297,415	382,871	871,992	6,831,274
337	419	-	5,894	-	12,096	146,918
-	-	-	-	568	-	-
-	-	-	-	-	-	-
48,392	-	43,765	-	276,047	-	1,859,873
-	73,215	-	-	-	104,118	-
-	-	-	-	(286,755)	-	-
481,286	18,068	71,435	3,416,071	3,308	66,424	477,927
-	-	-	-	-	-	-
1,704,909	1,848,824	1,404,544	15,240,232	1,854,291	4,586,584	41,617,187
296,894	(411,436)	154,244	2,257,126	(721,749)	1,650,008	4,587,819
(790,302)	1,575,459	(569,253)	1,401,074	(492,077)	(3,296,209)	(24,722,718)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(790,302)	1,575,459	(569,253)	1,401,074	(492,077)	(3,296,209)	(24,722,718)
$ (493,408)	$ 1,164,023	$ (415,009)	$ 3,658,200	$ (1,213,826)	$ (1,646,201)	$ (20,134,899)

	University Preparatory Schools	Wyatt Academy	Total
Expenses:			
Depreciation	$ -	$ -	$ 11,603
Instruction	3,931,125	997,097	127,255,198
Supporting services	4,179,624	1,459,586	115,686,987
Interest	-	4,534	903,757
Program services	-	-	7,541,674
Facilities	-	-	882,882
Fundraising	-	-	641,467
Management and general	-	-	585,529
Total expenses	8,110,749	2,461,217	253,509,097
Program revenues:			
Operating/capital grants and contributions	1,875,060	414,056	36,128,162
Charges for services	694,050	2,527	5,689,256
Total program revenues	2,569,110	416,583	41,817,418
Net program expense	(5,541,639)	(2,044,634)	(211,691,679)
General revenues:			
Per pupil revenue	5,298,207	1,503,195	167,682,745
Capital construction funding	-	53,604	278,399
Property tax mill levy override	1,348,515	387,581	38,211,999
Investment earnings	-	-	467,303
Interest income	-	319	1,300,531
Insurance proceeds	-	131,480	131,480
Unrestricted grants and contributions	208,945	110,028	7,565,362
At-risk supplemental aid	-	70,273	226,698
Special Item	-	-	(247,787)
Other	49,418	58,018	15,775,875
Transfers	-	-	108,000
Total general revenues	6,905,085	2,314,498	231,500,605
Change in net position	1,363,446	269,864	19,808,926
Net position - beginning	(2,247,443)	(1,328,835)	11,251,289
Prior period adjustment			
Change in reporting entity	-	-	(6,974,937)
Correction of error	-	-	(26,528)
Net position - beginning, as restated	(2,247,443)	(1,328,835)	4,249,824
Net position - ending	$ (883,997)	$ (1,058,971)	$ 24,058,750

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, 2019
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 658,345	$ 661,402	$ 664,566	$ 3,164
State sources	318,053	324,056	339,993	15,937
Federal sources	1,042	1,042	1,155	113
Local sources	46,839	48,374	61,072	12,698
Total revenues	1,024,279	1,034,874	1,066,786	31,912
EXPENDITURES				
Employee Salaries	565,986	577,483	556,622	20,861
Employee Benefits	86,293	88,084	110,241	(22,157)
Charter school*	178,435	175,077	173,849	1,228
Supplies and Materials	38,116	54,383	50,295	4,088
Purchased Services	47,303	49,994	77,699	(27,705)
Property	5,407	6,241	6,744	(503)
Other Expenses	39,483	18,311	2,232	16,079
Debt Service Principal	22,920	22,920	24,138	(1,218)
Debt Service Interest	45,319	45,319	45,503	(184)
Appropriated Reserves	80,839	94,820	-	94,820
Total expenditures	1,110,101	1,132,632	1,047,323	85,309
Excess (deficiency) of revenues over expenditures	(85,822)	(97,758)	19,463	117,221
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(3,116)	(2,187)	(20,361)	(18,174)
Other Miscellaneous	-	-	395	395
Total other financing sources (uses)	(3,116)	(2,187)	(19,966)	(17,779)
Net change in fund balance	(88,938)	(99,945)	(503)	99,442
Beginning fund balance	108,004	119,011	119,011	-
Ending fund balance	$ 19,066	$ 19,066	$ 118,508	$ 99,442

* 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.

DENVER
PUBLIC
SCHOOLS

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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, 2019
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	$ 14,565	$ 16,302	$ 16,331	$ 29
Federal sources	65,830	69,696	69,415	(281)
Local sources	21,995	28,678	28,580	(98)
Total revenues	102,390	114,676	114,326	(350)
EXPENDITURES				
Employee Salaries	34,939	42,260	51,829	(9,569)
Employee Benefits	9,222	10,505	14,125	(3,620)
Charter school	7,722	8,728	11,455	(2,727)
Supplies and Materials	5,382	7,352	6,141	1,211
Purchased Services	31,919	35,480	20,850	14,630
Property	608	1,318	2,770	(1,452)
Other Expenses	14,310	9,980	8,758	1,222
Appropriated Reserves	16,266	17,684	-	17,684
Total expenditures	120,368	133,307	115,928	17,379
Excess (deficiency) of revenues over expenditures	(17,978)	(18,631)	(1,602)	17,029
OTHER FINANCING SOURCES (USES)				
Interfund transfers	749	(79)	(79)	-
Total other financing sources (uses)	749	(79)	(79)	-
Net change in fund balance	(17,229)	(18,710)	(1,681)	17,029
Beginning fund balance	17,229	18,716	18,716	-
Ending fund balance	$ -	$ 6	$ 17,035	$ 17,029

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost at end of year	$ 90,657,000	$ 91,986,000	$ 85,988,000	$ 82,079,000	$ 76,564,000
Interest	313,294,000	295,838,000	283,862,000	281,752,000	274,862,000
Changes of benefit terms	(318,480,000)	-	-	-	-
Difference between expected and actual experience	35,147,000	(47,121,000)	(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	(287,825,000)	(281,844,000)	(272,071,000)	(263,323,000)	(255,434,000)
Net change in total pension liability	(167,207,000)	153,101,000	300,585,000	32,503,000	95,818,000
Total pension liability - beginning	4,374,550,000	4,221,449,000	3,920,864,000	3,888,361,000	3,792,543,000
Total pension liability - ending (a)	4,207,343,000	4,374,550,000	4,221,449,000	3,920,864,000	3,888,361,000
Plan fiduciary net position					
Contributions - employer	35,994,000	27,578,000	17,071,000	8,494,000	18,478,000
Contributions - nonemployer	18,621,000	56,820,000	54,852,000	53,558,000	49,409,000
Contributions - active member (includes purchased service)	61,098,000				
Net investment income	(114,070,000)	548,585,000	218,415,000	49,172,000	182,823,000
Benefit payments (includes refunds and disability premiums)	(287,825,000)	(281,844,000)	(272,071,000)	(263,323,000)	(255,434,000)
Administrative expense	(2,919,000)	(2,857,000)	(2,754,000)	(2,599,000)	(2,377,000)
Other additions and deductions	(4,497,000)	3,781,000	3,135,000	(1,764,000)	(1,547,000)
Net change in plan fiduciary net position	(293,598,000)	352,063,000	18,648,000	(156,462,000)	(8,648,000)
Plan fiduciary net position - beginning	3,478,040,000	3,125,977,000	3,107,329,000	3,263,791,000	3,272,439,000
Plan fiduciary net position - ending (b)	3,184,442,000	3,478,040,000	3,125,977,000	3,107,329,000	3,263,791,000
Collective net pension liabillity - ending (a)-(b)	$ 1,022,901,000	$ 896,510,000	$ 1,095,472,000	$ 813,535,000	$ 624,570,000
Plan fiduciary net position as a percentage of the total pension liability	75.69%	79.51%	74.05%	79.25%	83.94%
The District's proportionate share of the net pension liability	$ 594,110,636				
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	$ 307,805,513				
Discretely presented component units	$ 79,695,199				
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	$ 41,289,652				
Covered payroll	722,040,000	658,198,000	642,177,000	621,115,000	584,319,000
District's net pension liability as a percentage of covered payroll	141.67%	136.21%	170.59%	130.98%	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.

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 57,730,581	$ 31,585,070	$ 21,625,469	$ 12,672,704	$ 8,102,466
Contributions in relation to the stautorily required contribution	$ 57,730,581	31,585,070	21,625,469	12,672,704	8,102,466
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	725,751,189	677,633,712	649,296,499	626,445,854	590,847,652
Contributions as a percentage of covered payroll	7.95%	4.66%	3.33%	2.02%	1.37%

2019 contributions include $18.6 million 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, 2017	December 31, 2016	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	Entry Age	Entry Age
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Remaining amortization period	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open
Asset valuation method	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market
Inflation	2.40% annually	2.40% annually	2.80% annually	2.80% annually	2.80% annually
Salary increases	3.50% - 9.70% Inclusive of wage inflation	3.90% - 9.70% Inclusive of wage inflation	3.90% - 10.10% Inclusive of wage inflation	3.90% - 10.85% Inclusive of wage inflation	3.90% - 10.10% Inclusive of wage inflation
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	2.00%	2.00%	2.00%	2.00%	2.00%
PERA benefit structure hired after 12/31/06	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
Investment rate of return	7.25%	7.25%	7.25%	7.50%	7.50%

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

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	2019	2018
Total OPEB liability		
Service cost at end of year	$ -	$ -
Interest	1,288,036	1,289,505
Changes of benefit terms	-	-
Difference between expected and actual experience	(620,709)	-
Changes of assumptions or other inputs	15,315	194,817
Benefit payments, including refunds of active member contributions and disability premiums	(1,418,760)	(1,631,943)
Net change in total OPEB liability	(736,118)	(147,621)
Total OPEB liability - beginning	37,504,322	37,651,943
Total OPEB liability - ending (a)	36,768,204	37,504,322
Plan fiduciary net position		
Contributions - employer	2,860,000 [1]	2,640,000
Contributions - active member (includes purchased service)	-	-
Net investment income	357,146	280,483
Benefit payments (includes refunds and disability premiums)	(2,234,262)	(2,302,539)
Administrative expense	(56,436)	(251,430)
Other additions and deductions	27,518 [2]	436,517
Net change in plan fiduciary net position	953,966	803,031
Contributions receivable	1,770,266 [3]	1,689,004
Plan fiduciary net position - beginning	11,207,601	8,715,566
Plan fiduciary net position - ending (b)	13,931,833	11,207,601
Collective net OPEB liability - ending (a) - (b)	$ 22,836,371	$ 26,296,721
Plan fiduciary net position as a percentage of the total OPEB liability	37.89%	29.88%
Covered payroll	N/A*	N/A*
District's net OPEB liability as a percentage of covered-employee payroll	N/A*	N/A*

[1] The Contribution includes a $220,000 excess payment
[2] Other additions and deductions includes $51,059 prior dividend contributed, not reflected in receivable
[3] Includes dividend payable by MetLife for DPS
* The DPS Retiree Life Insurance Trust is a closed plan. Plan eligibility and life insurance benefits are not available to anyone who retires after January 1, 2006.

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

SCHOOL DISTRICT NO. 1
IN THE CITY AN DCOUNTY 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	2019	2018
Actuarially determined contribution	$ 2,640,000	$ 2,640,000
Contributions in relation to the actuarially determined contribution	$ 4,681,325	$ 4,329,004
Contribution deficiency (excess)	**$ (2,041,325)**	**$ (1,689,004)**

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

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	2019	2018
Total OPEB liability		
Service cost	$ 1,420,000	$ 1,591,000
Interest	5,245,000	5,057,000
Changes of benefit terms	-	-
Difference between expected and actual experience	(6,045,000)	(35,000)
Changes of assumptions or other inputs	5,000	
Benefit payments	(4,693,000)	(6,191,000)
Net change in total OPEB liability	(4,068,000)	422,000
Total OPEB liability - beginning	73,267,000	72,845,000
Total OPEB liability - ending (a)	69,199,000	73,267,000
Plan fiduciary net position		
Contributions - employer	7,417,000	6,930,000
Other additions (includes purchased service)	(4,000)	242,000
Net investment income	(894,000)	3,305,000
Benefit payments	(4,158,000)	(5,694,000)
Administrative expense	(845,000)	(808,000)
Other deductions	205,000	(4,000)
Net change in plan fiduciary net position	1,721,000	3,971,000
Plan fiduciary net position - beginning	22,308,000	18,337,000
Plan fiduciary net position - ending (b)	24,029,000	22,308,000
Collective net OPEB liability - ending (a) - (b)	$ 45,170,000	$ 50,959,000
Plan fiduciary net position as a percentage of the total OPEB liability	34.72%	30.45%
Covered payroll	722,040,000	658,198,000
District's net OPEB liability as a percentage of covered-employee payroll	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	2019	2018
Actuarially determined contribution	$ 4,838,000	$ 4,476,000
Contributions in relation to the actuarially determined contribution	$ 7,662,714	$ 7,079,432
Contribution deficiency (excess)	**$ (2,824,714)**	**$ (2,603,432)**
Covered payroll	$ 725,751,189	$ 677,633,712
Contribution as a percentage of covered payroll	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.

DENVER PUBLIC SCHOOLS

Discover a World of Opportunity™

1. SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION - PENSIONS

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of Senate Bill (SB) 18-200:
  - Member contributions rates increase by 0.75 percent effective July 1, 2019, and additional 0.75 percent effective July 1, 2020 and an additional 0.50 percent effective July 1, 2021.
  - Employer contribution rates increase by 0.25 percent effective July 1, 2019 for the DPS Division.
  - An annual direct distribution of $225 million (actual dollars) from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial and DPS Divisions proportionally based on payroll.
  - Annual Increase (AI) cap is lowered from 2.00 percent per year to 1.50 percent per year.
  - Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.
  - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020 increases from three to five years for the DPS Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

2. OPEB

Denver Public Schools Retiree Life Insurance Trust

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

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Discount rate (selected by Denver Public Schools)	3.50 percent discount rate was selected by Denver Public Schools to reflect yields on the plan's trust assets as MetLife is anticipated to set premium levels such that trust assets will be sufficient to pay future benefits.
Healthy mortality	RPH-2006 Healthy Annuitant Total Dataset Mortality Table, separately for males and females. Mortality includes a generational projection for future mortality improvements using Scale MP-2018.
Disabled mortality	RPH-2006 Disabled Retiree Mortality Table, separately for males and females. Mortality includes a generational projection for future mortality improvements using Scale MP-2018
Expense load	None assumed in projected benefit payments. Reflected explicitly in plan fiduciary net position roll-forward
Taxes or assessments	None assumed
Rationale for selected assumptions	The discount rate was selected by Denver Public Schools based on the expected long-term rate of return on plan assets. Mortality tables and their projections are based on recent research by the Society of Actuaries.
Changes since prior year	No administrative expense load is assumed as directed by GASB 75. This change was reflected at the beginning of the year to conform to GASB 75 requirements as of the transition date. The mortality projection table was updated from MP-2017 to MP-2018.

Denver Public Schools Health Care Trust Fund

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in the aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A Premiums	3.00 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

Set forth below are the definitions of some of the terms used in this Official Statement, the Site Lease, the Lease and the Indenture and summaries of certain provisions of the Site Lease, the Lease and the Indenture. These summaries do not purport to be definitive summaries of all provisions of the Site Lease, the Lease or the Indenture; investors must obtain and review each of those documents in order to obtain descriptions of all provisions. Copies of the Site Lease, the Lease and the Indenture may be obtained from the sources listed in "INTRODUCTION--Additional Information."

DEFINITIONS

"Additional Certificates" means Additional Certificates which may be executed and delivered pursuant to the Indenture.

"Additional Rentals" means the payment or cost of all:

(a)(i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of the Lease, the Site Lease or the Indenture, including the reasonable fees and expenses of any person or firm employed by the District to make rebate calculations under the provisions of Section 3.05 of the Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond obtained in respect of the Certificates executed and delivered with respect to the Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under the Lease, and approved by the District Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the District Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property or as otherwise required under the Lease;

(c) payments into any account of the Reserve Fund, payments to any surety provider as a result of draws of amounts under a Qualified Surety Bond and rebate payments as provided in the Lease;

(d) payments due and owing to the insurer of any Certificates; and

(e) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the District shall fail to pay the same, as specifically set forth in the Lease) which the District agrees to assume or pay as Additional Rentals under the Lease.

Additional Rentals shall not include Base Rentals.

"Authorized Denominations" means $5,000 or integral multiples of $5,000.

"Base Rentals" means the rental payments payable by the District during the Lease Term, which constitute payments payable by the District for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) of the Lease. Base Rentals does not include Additional Rentals.

"Base Rentals Fund" means the fund created under Section 3.03 of the Indenture.

"Beneficial Owners" means any person for which a DTC Participant acquires an interest in Certificates.

"Board" means the Board of Education of the District or any successor to its functions.

"Business Day" means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado, or where the Trustee's corporate trust office is located, are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

"Cede & Co." means DTC's nominee or any new nominee of DTC.

"Certificates" or "2020A Certificates" means the Certificates of Participation, Series 2020A, Evidencing Proportionate Interests in the Base Rentals and other Revenues under an annually renewable Lease Purchase Agreement dated as of February 12, 2020, between Zions Bancorporation, National Association, solely in its capacity as trustee under the Indenture, as lessor, and the District, as lessee, dated as of their date of delivery, executed and delivered pursuant to the Indenture.

"Chief Financial Officer" means the Chief Financial Officer of the District or his or her successor in functions, if any.

"Closing" means the date of execution and delivery of the Certificates.

"Costs of Execution and Delivery" means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and the Lease and related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Costs of Execution and Delivery Fund, including but not limited to, survey costs, title insurance premiums, closing costs and other costs relating to the leasing of the Leased Property under the Site Lease and the Lease, costs of preparation and reproduction of documents, costs of printing the Certificates and the Preliminary and final Official Statements prepared in connection with the offering of the Certificates, costs of Rating Agencies and costs to provide information required by Rating Agencies for the rating or proposed rating of Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees and expenses of Bond Counsel, Special (Disclosure) Counsel, and Counsel to the Trustee, if any, fees and disbursements of other professionals and the Underwriter, fees and charges for preparation, execution and safekeeping of the Certificates, premiums for insurance on the Certificates or for the costs of Qualified Surety Bonds that are deposited to the Reserve Fund in connection with the execution and delivery of the Certificates, and any other cost, charge or fee in connection with the original sale and the execution and delivery of the Certificates; provided, however, that Additional Rentals shall not be Costs of Execution and Delivery of the Certificates and are to be paid by the District as provided in the Lease.

"Costs of Execution and Delivery Fund" means the fund created under Section 3.06 of the Indenture.

"Counsel" means an attorney at law or law firm (who may be counsel for the Trustee) who is satisfactory to the District.

"Depository" means any securities depository as the Trustee may provide and appoint pursuant to Section 2.03 of the Indenture, in accordance with then current guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Certificates.

"District Representative" means the Chief Financial Officer or such other person at the time designated to act on behalf of the District for the purpose of performing any act under the Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the District by the President.

"DTC" means the Depository Trust Company, New York, New York, and its successors and assigns.

"DTC Participant(s)" means any broker-dealer, bank or other financial institution from time to time for which DTC holds Certificates as Depository.

"Event(s) of Indenture Default" means those defaults specified in Section 7.01 of the Indenture.

"Event(s) of Lease Default" means any event as defined in Section 13.1 of the Lease.

"Event of Nonappropriation" means the termination and non-renewal of this Lease by the District, determined by the Board's failure, for any reason, to appropriate by the last day of each Fiscal Year, (a) sufficient amounts to be used to pay Base Rentals due in the next Fiscal Year and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in Section 6.4 of the Lease (See "THE LEASE--Nonappropriation by the District" below). An Event of Nonappropriation may also occur under certain circumstances described in Section 9.3(c) of the Lease (see paragraph(c) in "THE LEASE--Damage, Destruction and Condemnation - Insufficiency of Net Proceeds" below). The term also means a notice under the Lease of the District's intention to not renew and therefore terminate this Lease or an event described in the Lease relating to the exercise by the District of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an Appropriation has been previously effected.

"Extraordinary Mandatory Redemption" means any redemption made pursuant to Section 4.03 of the Indenture.

"Federal Securities" means non-callable bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Fiscal Year" means the District's fiscal year, which begins on July 1 of each calendar year and ends on June 30 of the subsequent calendar year, or any other twelve month period which the District or other appropriate authority hereafter may establish as the District's fiscal year.

"Force Majeure" means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the District in its capacity as lessee hereunder or the Trustee.

"General Obligation Debt Proceeds" means, as of any date, the dollar amount of proceeds of District general obligation debt outstanding on such date that has been expended on the Leased Property or any portion thereof, as set forth in the most recent certificate delivered by the District pursuant to Section 10.10 hereof. For purposes of this definition: (a) the dollar amount of proceeds of a particular series of District general obligation debt outstanding with respect to a particular property included in the Leased Property shall mean an amount equal to the total amount of the proceeds of such series that have been expended by the District on such property multiplied by a fraction, the numerator of which is the principal amount of such series outstanding as of such date and the denominator of which is the initial aggregate principal amount of such series at the date of issuance thereof; and (b) general obligation debt that has been defeased in accordance with the provisions of the bond resolution or other governing document for such debt shall not be considered to be outstanding, but any general obligation debt issued to fund the defeasance of such debt shall be treated as outstanding general obligation debt for purposes of this definition.

"Indenture" means the Indenture of Trust dated as of February 12, 2020, entered into by the Trustee as the same may be hereafter amended or supplemented.

"Initial Term" means the period which commences on the date of delivery of this Lease and terminates on June 30, 2020.

"Interest Payment Date" means, in respect of the Certificates, each June 1 and December 1, commencing June 1, 2020.

"Interest Portion" means the portion of each Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) to the Lease.

"Lease" means the Lease Purchase Agreement, dated as of February 12, 2020, between the Trustee, as lessor, and the District, as lessee, as the same may hereafter be amended.

"Lease Remedy" or "Lease Remedies" means any or all remedial steps provided in the Lease whenever an Event of Lease Default or an Event of Nonappropriation has happened and is continuing, which may be exercised by the Trustee as provided in the Lease and in the Indenture.

"Lease Term" means the Initial Term and any Renewal Terms as to which the District may exercise its option to renew this Lease by effecting an Appropriation of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of the Lease. "Lease Term" refers to the time during which the District is the lessee of the Leased Property under this Lease.

"Leased Property" means the Site and the premises, buildings and improvements situated thereon, including all fixtures attached thereto, as more particularly described in Exhibit A to the Lease, together with any and all additions and modifications thereto and replacements thereof, and any New Facility.

"Moody's" means Moody's Investors Service, Inc.

"Net Proceeds" means the proceeds of any performance or payment bonds or proceeds of insurance, including self-insurance, required by the Lease or proceeds from any condemnation award, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of the Lease by reason of an Event of Nonappropriation or an Event of Lease Default, allocable to the Leased Property, less (a) all related expenses (including, without limitation, attorney's fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the District and the Trustee.

"New Facility" means any real property, buildings or equipment leased by the District to the Trustee pursuant to a future amendment to the Site Lease and leased back by the District from the Trustee pursuant to a future amendment to the Lease in connection with the execution and delivery of Additional Certificates.

"Outstanding" means, with respect to the Certificates, all Certificates executed and delivered pursuant to the Indenture as of the time in question, except:

(a) All Certificates theretofore canceled or required to be canceled under Section 2.07 of the Indenture;

(b) Certificates in substitution for which other Certificates have been executed and delivered under Section 2.05 or 2.06 of the Indenture;

(c) Certificates which have been redeemed as provided in Article 4 of the Indenture;

(d) Certificates for the payment or redemption of which provision has been made in accordance with Article 6 of the Indenture; provided that, if such Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

(e) Certificates deemed to have been paid pursuant to Section 6.01 of the Indenture.

"Owners" means the registered owners of any Certificates and Beneficial Owners.

"Paying Agent" means the Trustee or any successor or additional paying agent appointed pursuant to the Indenture.

"Permitted Encumbrances," with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of this Lease; (b) the Site Lease, the Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Site Lease, the Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the District Representative certifies will not materially interfere with or materially impair the Leased Property or the use thereof, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in the Lease; and (d) the easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, as shown on Exhibit B to the Lease.

"Permitted Investments" means those investments the District is authorized to enter into under the laws of the State.

"Prepayment" means any amount paid by the District pursuant to the provisions of the Lease as a prepayment of the Base Rentals due thereunder.

"Principal Portion" means the portion of each Base Rentals payment that represents the payment of principal set forth in Exhibit C (Base Rentals Schedule) to the Lease.

"President" means the President of the Board, or in his or her absence, the Vice President of the Board.

"Project" means the acquisition, construction and equipping of facilities for District purposes, the cost of which is paid or reimbursed from a portion of the proceeds of the 2020A Certificates.

"Purchase Option Price" means the amount payable on any date, at the option of the District, to prepay Base Rentals, terminate the Lease Term and purchase the Trustee's leasehold interest in the Leased Property, as provided in the Lease.

"Qualified Surety Bond" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

"Rating Agency" or "Rating Agencies" means Moody's, Standard & Poor's, Fitch or other nationally recognized securities rating agency or agencies as may be directed by the District in writing to the Trustee.

"Rebate Fund" means the fund created under Section 3.05 of the Indenture.

"Regular Record Date" means the close of business on the 15th day of the calendar month (whether or not a Business Day) next preceding an Interest Payment Date.

"Renewal Term" means any portion of the Lease Term commencing on July 1 of any calendar year and terminating on or before June 30 of the subsequent year as provided in Article 4 of the Lease.

"Reserve Fund" means the special fund maintained under and to be disbursed as provided in Section 3.04 of the Indenture, if any Reserve Fund is required. The Reserve Fund shall secure only the Certificates and any Additional Certificates on a separate basis, if such a reserve fund is otherwise provided in the resolution or indenture authorizing the execution and delivery of Additional Certificates.

"Reserve Fund Requirement" means, if any, with respect to the Certificates, the least of (i) 10% of the proceeds of the Certificates, (ii) the maximum annual principal and interest payable with respect to the Certificates, or (iii) 125% of the average annual principal and interest payable with respect to the Certificates. For purposes of this definition of Reserve Fund Requirement, the term "proceeds" means the aggregate stated principal amount of such Certificates, unless there is more than a de minimis amount (as defined in Section 1.148-1(b) of the Regulations) of original issue discount or premium, in which case "proceeds" means issue price. The Reserve Fund, if any, shall secure only each individual series of Certificates. Separate Reserve Funds shall be established for any series of Additional Certificates issued pursuant to this Indenture.

"Revenues" means (a) all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals (except for payments made by the District as Additional Rentals to initially fund or replenish the Reserve Fund); (b) any portion of the proceeds of the Certificates deposited into the Base Rentals Fund and the Reserve Fund, each created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

"Site" means, collectively, the real property owned by the District and leased by the District to the Trustee under the Site Lease and subleased by the Trustee to the District under the Lease, the legal descriptions of which are set forth in Exhibit A to the Lease, or an amendment or supplement thereto.

"Site Lease" means the Site Lease Agreement, dated as of February 12, 2020, between the District, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

"Special Counsel" means any counsel experienced in matters of municipal law and listed in the list of municipal bond attorneys, as published semiannually by *The Bond Buyer*, or any successor publication. So long as the Lease Term is in effect, the District shall have the right to select Special Counsel.

"Standard & Poor's" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC.

"Supplemental Act" means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

"Tax Certificate" means the Tax Compliance Certificate entered into by the District with respect to the Lease and the 2020A Certificates.

"Tax Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated thereunder.

"Trust Estate" means all of the property placed in trust by the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means Zions Bancorporation, National Association, acting solely in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.

"Underwriter" means J.P. Morgan Securities, LLC.

THE SITE LEASE

Site Lease and Term

Under the Site Lease, the District leases the Leased Property to the Trustee, on the terms and conditions set forth in the Site Lease, subject to Permitted Encumbrances.

The term of the Site Lease commences on the date of the Site Lease and ends on June 30, 2053 (the "Site Lease Termination Date"), unless sooner terminated as provided in the Site Lease. If prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee's leasehold interests in all of the Leased Property pursuant to the Lease as a result of the District's payment of (a) the applicable Purchase Option Price thereunder; or (b) all Base Rentals and Additional Rentals, all as further provided in the Lease, then the term of the Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee's interest in the Site Lease, the Lease and the Indenture, shall not extend beyond the Site Lease Termination Date. At the end of the term of the Site Lease, all rights, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee shall execute and deliver to the District any necessary documents prepared by or on behalf of the District releasing, assigning, transferring and conveying the Trustee's, sublessee's or assignees' respective interests in the Leased Property.

Rental

The Trustee has paid to the District and the District acknowledges receipt from the Trustee as and for rental under the Site Lease, paid in advance, the sum of $45,389,076.84, as and for all rent due under the Site Lease. The District has determined that such amount is reasonable consideration for the leasing of the Leased Property to the Trustee for the term of the Site Lease.

Purpose

The Site Lease provides that the Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the District pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Lease Default and the termination of the Lease, the District is required to vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in the Site Lease, the Lease and the Indenture.

Owner in Fee

The District represents in the Site Lease that it is the owner in fee of the Leased Property, subject to Permitted Encumbrances, and that the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Sales, Assignments and Subleases

Unless an Event of Nonappropriation or an Event of Lease Default has occurred and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and interests under the Site Lease or sublet all or any portion of the Leased Property, without the written consent of the District.

In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee's leasehold interests in the Site Lease, pursuant to the terms of the Indenture. The District and the Trustee (or any purchasers from or assignee or lessee of the Trustee) agree that, except for Permitted Encumbrances (including purchase options under the Lease), neither the District, the Trustee, nor any purchasers from or lessee or assignee of the Trustee will sell, mortgage or encumber the Leased Property or any portion thereof during the term of the Site Lease.

Taxes; Maintenance; Insurance

During the Lease Term of the Lease and in accordance with the provisions of the Lease, the District covenants and agrees to pay any and all taxes, assessments or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, and (b) the Site Lease is not terminated, the Trustee, or any purchaser, sublessee or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from the Site Lease) shall pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order. Any such payments that are to be made by the Trustee shall be made solely from (a) the proceeds of such sale, subleasing or assignment, (b) from the Trust Estate, including without limitation moneys on deposit in the Reserve Fund, if any, or (c) from other moneys furnished to the Trustee under the Indenture.

The provisions of the Lease shall govern with respect to the maintenance of insurance under the Site Lease during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason, and (b) the Site Lease is not terminated, the Trustee, or any sublessee, purchaser or assignee of the Leased Property shall obtain and keep in force, (i) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount not less than the limitations provided in the Colorado Governmental Immunity Act (Article 10, Title 24, C.R.S.), as amended, and (ii) property insurance in an amount not less than the full replacement value of the Leased Property. Any such insurance that is to be obtained by the Trustee shall be paid for solely from (a) the proceeds of such sale, subleasing or assignment, (b) from the Trust Estate, including without limitation moneys on deposit in the Reserve Fund, if any, or (c) from other moneys furnished to the Trustee under Section 8.02(m) of the Indenture. All such insurance shall name the Trustee, any sublessee, purchaser or assignee and the District as insured; the Trustee will be named loss payee. The District and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser or assignee, and the District, and their members, directors, officers, agents and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Damage, Destruction or Condemnation

The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated, and either (i) the Leased Property or any portion thereof are damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, the District and the Trustee, or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of the Lease.

Default

In the event the Trustee is in default in the performance of any obligation on its part to be performed under the terms of the Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the District may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any 2020A Certificates are outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the 2020A Certificates are outstanding, the Site Lease shall not be terminated except as described above under "Site Lease and Term."

THE LEASE

The Lease Term; Termination of Lease Term

General. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on June 30, 2020. This Lease may be renewed, solely at the option of the District, for 22 Renewal Terms, provided, however, that the Lease Term shall terminate no later than June 30, 2043, except that the Renewal Term beginning on July 1, 2042, shall terminate upon the District's payment of the final Base Rental payment as set forth in Exhibit A to the Lease.

The Chief Financial Officer or other officer of the District at any time charged with the responsibility of formulating budget proposals for the District is hereby directed to include in the annual budget proposals submitted to the Board, in any year in which the Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease until such time, if any, as the District may determine to not renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the District that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the Board in its absolute discretion and not by any other official of the District, as further provided in the following paragraph. During the Lease Term, the District shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than June 15 of the then current Initial Term or any Renewal Term the District Representative shall give written notice (in substantially the form set forth in Exhibit D to the Lease) to the Trustee that either:

(a) the District has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all of the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in the Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year; or

(b) the District has determined, for any reason, not to renew the Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 6.4(a) of the Lease (see "Nonappropriation by the District" below), the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the District from electing not to renew the Lease, nor result in any liability on the part of the District. The District's option to renew or not to renew this Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before June 30 of each Fiscal Year, all as further provided in the Lease.

Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation pursuant to the Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in the Lease);

(b) the occurrence of an Event of Nonappropriation under the Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 of the Lease);

(c) the conveyance of the Trustee's leasehold interest in the Leased Property under the Lease to the District upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the District for such purpose, as provided in the Lease; or

(d) an uncured Event of Lease Default and termination of the Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of the Lease, the District agrees to peacefully deliver possession of the Leased Property to the Trustee.

Termination of the Lease Term shall terminate all unaccrued obligations of the District under the Lease, and shall terminate the District's rights of possession under this Lease (except to the extent of the holdover provisions of Sections 6.5 and 13.2(c)(i) of the Lease, and except for any conveyance pursuant to Article 11 of the Lease). All obligations of the District accrued prior to such termination shall be continuing until the Trustee gives written notice to the District that such accrued obligations have been satisfied.

Upon termination of the Lease Term any moneys received by the Trustee in excess of the amounts necessary to terminate and discharge the Indenture, shall be paid to the District.

The District shall not have the right to terminate the Lease due to a default by the Trustee under this Lease.

Payments to Constitute Currently Budgeted Expenditures of the District

In the Lease, the District and the Trustee acknowledge and agree that the Base Rentals, Additional Rentals and any other obligations under the Lease shall constitute currently budgeted expenditures of the District, if an Appropriation has been effected for such purpose. The District's obligations to pay Base Rentals, Additional Rentals and any other obligations under the Lease shall be from year to year only (as further provided in the Lease), shall extend only to moneys for which an Appropriation has been effected by the District, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of the Lease shall be construed or interpreted as a delegation of governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District or a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitation, including without limitation Article X, Section 20 of the Constitution of the State of Colorado. The Lease shall not directly or indirectly obligate the District to make any payments beyond those for which an Appropriation has been effected by the District for the District's then current Fiscal Year. The District shall be under no obligation whatsoever to exercise its option to purchase the Trustee's leasehold interest in the Leased Property. No provision of the Lease shall be construed to pledge or to create a lien on any class or source of District moneys, nor shall any provision of the Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Certificates).

Base Rentals, Purchase Option Price and Additional Rentals

General. Under the Lease, the District is to pay Base Rentals for which an Appropriation has been effected by the District, directly to the Trustee during the Initial Term and any Renewal Term. The District is to receive credit against the Base Rentals to the extent moneys are held on deposit in the Base Rentals Fund by the Trustee and available to pay Base Rentals. Base Rentals will be recalculated in the event of the issuance of Additional Certificates as provided in the Indenture and will also be recalculated in the event of a partial redemption of the Certificates. The District shall receive credit against its obligation to pay Base Rentals to the extent moneys are held by the Trustee on deposit in the Base Rentals Fund created under the Indenture and are available to pay Base Rentals.

The Lease provides that the District may, on any date, pay the then applicable Purchase Option Price for the purpose of terminating the Lease and the Site Lease in whole and purchasing the Trustee's leasehold interest in the Leased Property as further provided in the Lease. Subject to the Approval of Special Counsel, the District may also, at any time during the Lease Term, (1) prepay any portion of the Base Rentals due under the Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in Exhibit C to the Lease (Base Rentals Schedule). The District is required to give the Trustee notice of its intention to exercise either of such options not less than forty-five (45) days in advance of the date of exercise and is required to deposit with the Trustee the applicable Purchase Option Price on or before the date of exercise or the applicable amount of Base Rentals to be prepaid.

The Lease also requires the District to pay Additional Rentals during the Lease Term on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property and for the cost of taxes, insurance premiums, utility charges, maintenance and repair costs and all other expenses expressly required to be paid hereunder, certain payments with respect to the Reserve Fund, if any. All of the payments described above are subject to Appropriation by the District; provided, however, a failure by the District to budget and appropriate moneys for any of the payments required by this paragraph shall constitute an Event of Nonappropriation.

Manner of Payment. The Base Rentals, for which an Appropriation has been effected by the District, and, if paid, the Purchase Option Price, shall be paid or prepaid by the District to the Trustee at its corporate trust office by wire transfer of federal funds, certified funds or other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its corporate trust office.

The obligation of the District to pay the Base Rentals and Additional Rentals as required under the Lease in any Fiscal Year for which an Appropriation has been effected by the District for the payment thereof shall be absolute and unconditional and payment of the Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under the Lease, or under any other agreement between the District and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the District's obligation under the Lease, and further subject to the District's rights described under "Taxes, Other Governmental Charges and Utility Charges." Notwithstanding any dispute between the District and the Trustee, the District shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Base Rentals or Additional Rentals, for which an Appropriation has been effected by the District, pending final resolution of such dispute (except to the extent permitted by the

Lease with respect to certain Additional Rentals), nor shall the District assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the District's obligation to pay all Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, in such Fiscal Years subject to this Article (except to the extent provided in the Lease with respect to certain Additional Rentals).

Nonappropriation by the District

In the event that the District gives notice that it intends to not renew the Lease or the District shall not effect an Appropriation, on or before June 30 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in the Lease, or in the event that the District is proceeding under the provisions of the Lease (when applicable) relating to certain events of damage, destruction and condemnation, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

a. In the event the Trustee does not receive the written notice provided for by the Lease or evidence that an Appropriation has been effected by the District on or before June 30 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific written notice from the District that the Lease will not be renewed. In order to declare an Event of Nonappropriation, the Trustee shall send written notice thereof to the District.

b. The Trustee shall waive any Event of Nonappropriation which is cured by the District, within 30 days of the receipt by the District of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

c. Pursuant to the terms of the Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in (b) above.

If, during the Initial Term or any Renewal Term, any Additional Rentals become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation is deemed to have occurred, upon notice by the Trustee to the District to such effect (subject to waiver by the Trustee).

If an Event of Nonappropriation occurs, the District is not obligated to make payment of the Base Rentals or Additional Rentals or any other payments under the Lease which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs; provided, however, that subject to certain limitations set forth in the Lease, the District shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the District continues to occupy, use or retain possession of the Leased Property.

Subject to the holdover provisions set forth in the Lease, the District is required to vacate or surrender possession of the Leased Property by September 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred. After September 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

Upon the occurrence of an Event of Nonappropriation, (a) the Trustee is entitled to all moneys then being held in all funds created under the Indenture (except the Rebate Fund and any defeasance escrow accounts) and (b) all property, funds and rights then held or acquired by the Trustee upon the termination of the Lease by reason of an Event of Nonappropriation are to be held by the Trustee as set forth in the Indenture.

Holdover Tenant

If the District fails to vacate the Leased Property after termination of the Lease, whether as a result of the occurrence of an Event of Nonappropriation or an Event of Lease Default, with the written permission of the Trustee the District will be deemed a holdover tenant on a month-to-month basis, and will be bound by all the terms, covenants and agreements of the Lease. Any holding over by the District without the written permission of the Trustee is considered to be at sufferance. The amount of rent to be paid monthly during any period when the District is deemed to be a holdover tenant will be equal to (a) one-sixth of the Interest Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date plus one-twelfth of the Principal Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Title to the Leased Property

At all times during the Lease Term, title to the Leased Property shall remain in the District, subject to the Site Lease, the Lease, the Indenture and any other Permitted Encumbrances. Except for personal property purchased by the District at its own expense pursuant to the Lease, a leasehold estate in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee until the Trustee has exercised Lease Remedies or until the Trustee's leasehold interest in the Leased Property is conveyed to the District as provided in the Lease, notwithstanding (a) the occurrence of an Event of Nonappropriation; (b) the occurrence of one or more Events of Lease Default; (c) the occurrence of any event of damage, destruction, condemnation, or construction, manufacturing or design defect or title defect, as provided in the Lease; or (d) the violation by the Trustee of any provision of the Site Lease or the Lease. The Trustee shall not, in any way, be construed as the owner of the Leased Property.

Concurrently with the execution and delivery of the Lease, the Trustee shall be provided with one or more commitments for one or more standard Leasehold Owner's title insurance policies issued to the Trustee, insuring the Trustee's leasehold interest in the Leased Property, subject only to Permitted Encumbrances, in an aggregate amount not less than the aggregate principal amount of the Certificates less the amount deposited in the Reserve Fund concurrently with the issuance of the Certificates, if any, or such lesser amount as shall be the maximum insurable value of the Leased Property.

No Encumbrance, Mortgage or Pledge of the Leased Property

Except as may be permitted by the Lease, the District shall not permit any mechanic's or other lien to be established or remain against the Leased Property; provided that, if the District shall first notify both the Trustee of the intention of the District to do so, the District may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the Trustee's leasehold interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District is required to promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by the Lease, the District shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The District is required to promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.

Maintenance and Modification of the Leased Properly

Subject to its right to not appropriate and as otherwise provided in the Lease with respect to damage, destruction or condemnation, the District has agreed that at all times during the Lease Term, the District will maintain, preserve and keep the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. During the Lease Term, the Trustee has no responsibility for the making any additions, modifications or replacements to the Leased Property.

The District is permitted to make additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate and any such additions, modifications and improvements to the Leased Property shall be the property of the District subject to the Site Lease, the Lease and the Indenture and shall be included under the terms of the Site Lease, the Lease and the Indenture; provided, however, that such additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental functions of the District (except to the extent of permitted subleasing) or cause the District to violate its tax covenant as provided in the Lease; and provided that the Leased Property, as improved or altered, upon completion of such substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of modifications and improvements.

The District may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on any Leased Property. All such machinery, equipment and other tangible property remains the sole property of the District in which the Trustee shall not have any interest. However, any such machinery, equipment and other tangible property which becomes permanently affixed to any Leased Property is required to be included under the terms of the Site Lease, the Lease and the Indenture.

Taxes, Other Governmental Charges and Utility Charges

In the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the District shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the District shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the District shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the leasehold interests of the Trustee), or the rentals and revenues. The District shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance and upkeep of the Leased Property.

The District may, at its expense, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility or other charges).

Required Insurance

Upon the execution and delivery of the Lease, the District shall, at its own expense, maintain commercial property insurance on a "causes of loss-special" form (formerly "all risk" form) on the Leased Property in an amount equal to the estimated replacement cost of the Leased Property. Such insurance policy may have a deductible clause in an amount deemed reasonable by the Board. The District may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, as long as such blanket insurance policies comply with the requirements the Lease. The policy shall provide business interruption or other time element coverage sufficient to cover the District's rent obligations required by the Lease. The policy (or a separate standalone policy) shall provide boiler and machinery insurance covering equipment, for loss or damage caused by the explosion of steam boiler and machinery insurance covering equipment, for loss or damage caused by the explosion of steam boilers or similar equipment. The Trustee shall be named additional insured and/or loss payee as its interest may appear on any property insurance, and the Trustee shall be named as a loss payee pursuant to a lenders loss payable clause (ISO form CP 12 18 or substantially similar endorsement) so as to make payments under such insurance policy payable to the District and the Trustee. The District hereby waives any recovery of damages against the Trustee or its agents, officers, directors, and employees, for loss or damage to the Leased Property to the extent covered by the commercial property insurance required herein. The policy shall contain a waiver of subrogation provision precluding the insurer's right to subrogate against the Trustee against the parties identified in this paragraph. If the District insures against similar risks by self-insurance, the District may, at its election, provide for commercial property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. Any self-insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required in the Lease including, without limitation, a waiver of subrogation in favor of the Trustee. If the District elects to self-insure, the District Representative shall annually furnish to the Trustee a certification of the adequacy of the District's reserves.

Upon the execution and delivery of the Lease, the District shall, at its own expense, maintain commercial general liability insurance covering the activities to be undertaken by and on behalf of the District in connection with the use of the Leased Property, in an amount not less than the limitations provided in the Colorado Governmental Immunity Act (Article 10, Title 24, Colorado Revised Statutes, as heretofore or hereafter amended). Such insurance may contain deductibles and exclusions deemed reasonable by the Board. The required commercial general liability insurance may be by blanket insurance policy or policies. If the District shall insure against similar risks by self-insurance, the District, at its election, may provide for commercial liability insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the District shall elect to self-insure, the District Representative shall annually furnish to the Trustee a certification of the adequacy of the District's reserves. The Trustee shall be named as additional insured on any commercial general liability insurance using ISO form CG 2011 or a substantially similar form providing equivalent coverage, which form will include, in the "Designation of Premises" definition, the Leased Property. The District waives all rights against the Trustee and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the commercial general liability policy required herein. The policy shall contain a waiver of subrogation provision precluding the insurer's right to subrogate against the parties identified in this paragraph, at least to the extent of this waiver.

Each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy without first giving written notice thereof to the District at least 45 days in advance of such cancellation. The District shall give the Trustee 30 days' written notice in advance of such cancellation.

Granting of Easements

As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee, shall upon the request of the District, (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in the Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from the Lease and any security interest or other encumbrance created thereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) a written application signed by the District Representative requesting such grant, agreement or release and stating that such grant, agreement or release will not materially impair the effective use or materially interfere with the operation of the Leased Property.

Damage, Destruction and Condemnation

Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of, all or a portion of the Leased Property or the estate of the District or the Trustee in all or a portion of the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or (c) a breach of warranty or a material defect in the construction, manufacture or design of all or a portion of the Leased Property becomes apparent; or (d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto; then the District shall be obligated to continue to pay Base Rentals and Additional Rentals pursuant to the Lease.

Obligation to Repair and Replace the Leased Property. The District and the Trustee, to the extent Net Proceeds are within their respective control, are required to cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards, to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the District, upon receipt of requisitions by the Trustee signed by the District Representative stating with respect to each payment to be made: (a) the requisition number; (b) the name and address of the person, firm or entity to whom payment is due; (c) the amount to be paid; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The District and the Trustee shall agree to cooperate and use their best reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. If there is a balance of any Net Proceeds allocable to the Leased Property remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the District, to: (a) add to, modify or alter the Leased Property or add new components thereto, or (b) prepay the Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to the Lease, or (c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the District, subject to the Site Lease, the Lease and the Indenture and shall be included as part of the Leased Property under the Lease.

Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under the Lease, the District may elect to:

a. complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the District are available for payment of such cost, any cost in excess of the amount of the Net Proceeds allocable to the Leased Property, and the District agrees that, if by reason of any such insufficiency of the Net Proceeds allocable to the Leased Property, the District shall make any payments pursuant to the provisions of this paragraph, the District shall not be entitled to any reimbursement therefor from the Trustee, nor shall the District be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, payable under the Lease; or

b. apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with the Lease. In the event of an insufficiency of the Net Proceeds for such purpose, the District shall, subject to the limitations of the Lease, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the District); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the District in the same manner as set forth in the Lease; or

c. if the District does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the District's right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.

The above referenced election shall be made by the District within 90 days of the occurrence of an event specified in the Lease (Damage, Destruction and Condemnation). It is declared in the Lease to be the District's present intention that, if an event described in the Lease (Damage, Destruction and Condemnation) should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the District would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the District must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the District.

Substitution of Leased Property

Substitution. So long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing, the District shall be entitled to substitute any improved or unimproved real estate (collectively, the "Replacement Property"), for any Leased Property then subject to the Site Lease, the Lease and the Indenture, upon receipt by the Trustee of a written request of the District Representative requesting such release and substitution, provided that:

(a) such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the District as the Leased Property proposed to be released, as determined by a certificate from the District to that effect;

(b) the fair market value of Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from the Lease and the Indenture, or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the Outstanding Certificates. The fair market value of any improved or unimproved real property shall be determined by an M.A.I. appraisal report prepared by an independent real estate appraiser and submitted by the District to the Trustee; and

(c) the execution and delivery of such supplements and amendments to the Site Lease, as applicable, the Lease and the Indenture and any other documents necessary to subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture.

The Trustee shall cooperate with the District in implementing the District's rights to release and substitute property as described above and shall execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith. The District agrees that any cash paid to the Trustee pursuant to the provisions described above shall be used to redeem or defease Outstanding Certificates.

To the extent such remodeling, additions, modifications or improvements additions are paid for from proceeds of general obligation debt of the District, the District Representative shall add the amount of such General Obligation Debt Proceeds to the total thereof set forth in the certificate next delivered to the Trustee pursuant to the Indenture (as described in "General Obligation Debt Proceeds Expended on the Leased Property" below).

General Obligation Debt Proceeds Expended on the Leased Property

The District Representative has, upon the execution and delivery of the Lease, delivered a written certificate to the Trustee setting forth the amount of General Obligation Debt Proceeds expended on each property included in the Leased Property as of such date. On or before December 31 of each Fiscal Year, the District shall provide to the Trustee a certificate setting forth (a) the total General Obligation Debt Proceeds (as so determined) expended on each property included in the Leased Property as of June 30 of the preceding Fiscal Year and (b) the amortization schedule for the bonds to which such expended General Obligation Debt Proceeds are attributable. The amount of General Obligation Debt Proceeds (as so determined) expended on each such property that is set forth in the most recent such certificate delivered by the District to the Trustee less any principal amount of the applicable District general obligation debt that has ceased to be outstanding since the delivery of such certificate shall be dispositive, absent manifest error, as to the amount of General Obligation Debt Proceeds that have been expended on such property as of any date.

Purchase Option

The District has the option to purchase the Trustee's leasehold interest in all of the Leased Property, but only if an Event of Lease Default or an Event of Nonappropriation has not occurred and is then continuing. The District shall give the Trustee notice of its intention to exercise its option not less than forty-five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period.

Conditions for Purchase Option

The Trustee shall transfer and release the Trustee's leasehold interests in the Leased Property to the District in the manner provided for in the Lease; provided, however, that prior to such transfer and conveyance, either:

a. the District shall have paid the then applicable Purchase Option Price which shall equal the sum of the amount necessary to defease and discharge the Indenture as provided therein (i.e., provision for payment of all principal and interest portions of any and all Certificates which may have been executed and delivered pursuant to the Indenture shall have been made in accordance with the terms of the Indenture) plus any reasonable fees and expenses then owing to the Trustee; or

b. the District shall have paid all Base Rentals set forth in Exhibit C (Base Rentals Schedule) to the Lease, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid pursuant to the Lease.

At the District's option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund and excluding any defeasance escrow funds) may be credited toward the Purchase Option Price.

Assignment by the Trustee; Replacement of the Trustee

The Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the District. The Trustee will notify the District of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Nonappropriation has occurred, the Trustee may act as provided in the Lease, including exercising the remedies set forth in the Lease, without the prior written direction of the District.

Assignment and Subleasing by the District

The Lease may not be assigned by the District for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the District, without the necessity of obtaining the consent of the Trustee or any owner of Certificates subject to each of the following conditions:

a. The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with approval of Special Counsel;

b. The Lease, and the obligations of the District thereunder, shall, at all times during the Lease Term remain obligations of the District, and the District shall maintain its direct relationships with the Trustee, notwithstanding any sublease;

c. The District shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and

d. No sublease by the District shall cause the Leased Property to be used for any purpose which would cause the District to violate its tax covenants in the Lease.

Events of Lease Default

Any one of the following is an Event of Lease Default under the Lease:

a. failure by the District to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the District for such purpose, during the Initial Term or any Renewal Term, within five (5) Business Days of the date on which they are due; or

b. subject to the holdover tenant provisions of the Lease, failure by the District to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or

c. failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in (a) or (b) (other than a failure to comply with the continuing disclosure covenant contained in Section 10.6 of the Lease), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied is received by the District from the Trustee unless the Trustee agrees in writing to an extension of such time prior to its expiration; however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not withhold its consent to an extension of such time if corrective action can be instituted by the District within the applicable period and diligently pursued until the default is corrected; or

d. failure by the District to comply with the terms of the Site Lease.

The foregoing provisions of the Lease are subject to the following limitations: (i) the District is obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the District for such purpose, only during the Lease Term, except as otherwise expressly provided in the Lease; and (ii) if, by reason of Force Majeure (as defined in the Lease), the District or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts contained in the Lease, other than the District's agreement to pay the Base Rentals and Additional Rentals, the District or the Trustee, as the case may be, shall not be deemed in default during the continuance of such inability. The District and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the District or the Trustee, as the case may be, from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the District.

Remedies on Default; Limitations on Remedies

Remedies on Default. Whenever any Event of Lease Default has happened and is continuing beyond any applicable cure period, the Trustee (subject to its rights and protections under the Indenture) may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification satisfactory to it as to costs and expenses as provided in the Indenture without any further demand or notice, take one or any combination of the following remedial steps:

a. terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property, which vacation and surrender the District agrees to complete within sixty (60) days from the date of such notice; provided, in the event the District does not vacate and surrender possession on the termination date, the holdover provisions of the Lease shall apply; or

b. lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; or

c. recover from the District

(i) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease, during any period in which the District continues to occupy, use or possess the Leased Property; and;

(ii) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, which would otherwise have been payable by the District under the Lease during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or

d. take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund or any defeasance escrow accounts).

Notwithstanding the forgoing, any moneys realized by the Trustee from any releasing or other disposition of the Leased Property or any portion thereof as described above shall, promptly upon payment to the Trustee, be paid first, to the Trustee in an amount equal to the fees and expenses incurred by the Trustee in connection with such subleasing or other disposition together with the expenses incurred by the Trustee to maintain such Leased Property prior to such subleasing or other disposition; and, second, pay to the District the amount of General Obligation Debt Proceeds expended on the Leased Property or portion thereof subleased or otherwise disposed of as described above.

Limitations on Remedies. A judgment requiring a payment of money may be entered against the District by reason of an Event of Lease Default only as to the District's liabilities described in paragraph (c) above. A judgment requiring a payment of money may be entered against the District by reason of an Event of Nonappropriation only to the extent that the District fails to vacate and surrender possession of the Leased Property as required by the Lease, and only as to the liabilities described in paragraph (c)(i) above. The remedy described in paragraph (c)(ii) above is not available for an Event of Lease Default consisting of failure by the District to vacate and surrender possession of the Leased Property by the March 1 following an Event of Nonappropriation.

No Remedy Exclusive

Subject to the limitations on remedies described in the preceding paragraph, no remedy conferred upon or reserved to the Trustee is exclusive, and every remedy is cumulative and in addition to every other remedy given under the Lease or existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or is to be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

THE INDENTURE

General

The Indenture is being executed and delivered to provide for the execution, delivery and payment of and security for the Certificates, the proceeds of which will be used to finance the Project. The Certificates evidence undivided interests in the right to receive certain Revenues under the Lease. The Indenture is being executed and delivered by the Trustee for the benefit of the Owners of the Certificates. The Trust Estate secures the payment of the principal of and interest on the Certificates.

Application of Revenues and Other Moneys

All Base Rentals payable under the Lease and other Revenues shall be paid directly to the Trustee. If the Trustee receives any other payments on account of the Lease, the Trustee shall immediately deposit the same as described below.

Except as otherwise provided by the Lease, the Trustee shall deposit all Revenues and any other payments received in respect of the Lease, immediately upon receipt thereof, to the Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Certificates on the next Interest Payment Date. In the event that the Trustee receives Prepayments under the Lease, the Trustee shall apply such

Prepayments to the Optional Redemption of the Certificates or portions thereof in accordance with the Indenture.

Funds and Accounts

The Indenture provides for the creation and establishment of the various funds and accounts as described in the following paragraphs. The Trustee holds these funds and accounts in trust for the benefit of the Owners of the Certificates.

Base Rentals Fund. The creates a special fund established with the Trustee and designated the "School District No. 1, in the City and County of Denver, State of Colorado, Series 2020A Lease Purchase Agreement Base Rentals Fund" which shall be used for the deposit of all Revenues, upon receipt thereof by the Trustee, except as otherwise required by the Lease. Moneys in the Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as described in "The Rebate Fund" below.

The Base Rentals Fund shall be in the custody of the Trustee. Base Rental payments are due and payable to the Trustee on or before each May 15 and November 15 annually. The Trustee shall withdraw sufficient funds from the Base Rentals Fund to pay the principal of and interest on the Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Base Rentals Fund shall be invested by the Trustee as described in "Investment of Moneys" below.

The Reserve Fund. The Indenture creates a to be held by the Trustee and designated as the "School District No. 1, in the City and County of Denver, State of Colorado, Series 2020A Lease Purchase Agreement Reserve Fund" (the "Reserve Fund"). ***The Reserve Fund is not required and shall not be funded at the time of execution and delivery of the Certificates, and the Trustee shall not be required to establish a Reserve Fund in the records of the Trustee.***

Concurrently with the execution and delivery of any series of Additional Certificates that are secured by the Reserve Fund, there shall be deposited to a separate Reserve Fund, from the proceeds derived from the sale of such Additional Certificates or from other available moneys, such amount, if any, as may be necessary to fund the separate Reserve Fund to the then applicable Reserve Fund Requirement. Any moneys paid by the District as described below shall also be deposited to the Reserve Fund. Moneys held in the Reserve Fund shall be invested and reinvested by the Trustee as described in "Investment of Moneys" below. Except to the extent transferred to the Rebate Fund, income derived from the investment of the moneys in the Reserve Fund shall be retained in the Reserve Fund to the extent the amount on deposit therein is less than the Reserve Fund Requirement.

If the amount on deposit in the Reserve Fund exceeds the Reserve Fund Requirement for any reason, the amount to be released from the Reserve Fund shall be as directed in writing by the District. Any excess amount released from the Reserve Fund may be deposited in the Base Rentals Fund, for use as provided in the Indenture, or deposited into a defeasance escrow account, or may be applied for other purposes, as directed in writing by the District and in accordance with the District's tax covenant.

Except as hereinafter provided, moneys held in the Reserve Fund shall be applied to the following purposes in the following order:

(a) To the payment of the principal amount of the Certificates secured by the Reserve Fund and interest thereon, as the same shall become due, to the extent of any deficiency in the Base Rentals Fund;

(b) To the payment of any Additional Rentals in the event the District shall fail to make payment thereof;

(c) Subsequent to the occurrence of an Event of Nonappropriation or an Event of Indenture Default, to the payment of any cost or expense necessary to preserve or protect the Leased Property or the interest of the Trustee or the Certificate Owners therein, or necessary to make any repairs or modifications to the Leased Property in preparation for subleasing the Leased Property or other disposition thereof, or the fees and expenses of the Trustee including fees and expenses of its counsel;

(d) Except to the extent applied pursuant to (c) above, upon the termination of the Lease Term by reason of the occurrence of an Event of Nonappropriation or an Event of Indenture Default, to the redemption or payment of the Certificates and any Additional Certificates secured by the Reserve Fund then Outstanding and the payment of interest thereon;

(e) In the event that the District shall exercise its option to purchase the Trustee's leasehold interest in the Leased Property and terminate the Lease Term upon payment of the Purchase Option Price, to the District, or, at the option of the District, as a reduction of such Purchase Option Price;

(f) At the option of the District, in reduction of the final and, to the extent sufficient therefor, the next preceding payments of Base Rentals (in inverse order) payable by the District under the Lease; or

(g) To be deposited in escrow for the payment or defeasance of the Certificates pursuant to Article 6 hereof.

Notwithstanding the foregoing or any other provisions in this Indenture, to the extent that the Reserve Fund is funded in whole or in part with a Qualified Surety Bond, the Trustee shall draw on any such Qualified Surety Bond only for the purpose of paying the principal of or interest on the Certificates secured by such Qualified Surety Bond to the extent of any deficiency in the Base Rental Fund and for no other purposes, unless approved in writing by the provider of such Qualified Surety Bond.

The District may at any time substitute (i) cash or Permitted Investments for a Qualified Surety Bond, (ii) a Qualified Surety Bond for cash or Permitted Investments, or (iii) a Qualified Surety Bond for another Qualified Surety Bond so long as the amount on deposit in the Reserve Fund after any such substitution is at least equal to the Reserve Fund Requirement. Notwithstanding the foregoing, or any other provisions contained herein, no Qualified Surety Bond shall be accepted by the Trustee for substitution for cash or Permitted Investments unless the Trustee has received an opinion of nationally recognized municipal bond counsel to the effect that such substitution and the intended use by the District of the cash or Permitted Investments to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates.

For the purposes of determining the amount on deposit in the Reserve Fund, a Qualified Surety Bond shall be valued at the amount available to be drawn thereunder. If the Reserve Fund contains both cash and a Qualified Surety Bond, all cash held in the Reserve Fund shall be applied to the purposes of the Reserve Fund before a demand is made on the Qualified Surety Bond. In the event that the Reserve Fund contains two or more Qualified Surety Bonds, demands shall be made on such Qualified Surety Bonds on a pro-rata basis. All Revenues available for replenishment of the Reserve Fund shall be applied first to reimburse the providers of the Qualified Surety Bonds, and second to replenish cash in the Reserve Fund.

To the extent that draws are made on a Qualified Surety Bond that has been deposited in the Reserve Fund, the District has agreed to make any required payments to the provider of such Qualified Surety Bond as Additional Rentals. The District has further agreed that failure by the District to budget and appropriate moneys for the payment of Additional Rentals shall constitute an Event of Nonappropriation.

Rebate Fund. The Indenture creates a special fund to be held by the Trustee, and to be designated the "School District No. 1, in the City and County of Denver, State of Colorado, Series 2020A Lease Purchase Agreement, Rebate Fund" (the "Rebate Fund"). There shall be deposited into the Rebate Fund investment income on moneys in any fund created under the Indenture (except defeasance escrows), to the extent necessary to comply with the provisions of the relevant Tax Certificate. In addition to the deposit of investment income as provided in the Indenture, there shall be deposited into the Rebate Fund moneys received from the District as Additional Rentals for rebate payments pursuant to the Lease; moneys transferred to an account in the Rebate Fund from any other fund created pursuant to the Indenture; and all other moneys received by the Trustee when accompanied by directions not inconsistent with the Lease or the Indenture that such moneys are to be paid into the Rebate Fund. The District will cause (or direct the Trustee to cause) amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury at the address and times provided in the Tax Certificate, and in the amounts calculated to ensure that the District's rebate obligations are met, in accordance with the District's tax covenants in the Lease. Amounts on deposit in the Rebate Fund shall not be subject to the lien of the Indenture to the extent that such amounts are required to be paid to the United States Treasury.

If, at any time after the Trustee receives instructions by the District to make any payments from the Rebate Fund, the Trustee determines that the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, and if the Trustee does not receive Additional Rentals or cannot transfer investment income so as to make the amount on deposit in the Rebate Fund sufficient for its purpose, the Trustee may transfer moneys to the Rebate Fund from the following funds in the following order of priority: the Reserve Fund (to the extent it is cash-funded), and the Base Rentals Fund. Any moneys so advanced shall be included in the District's estimates of Additional Rentals for the ensuing Fiscal Year pursuant to the Lease and shall be repaid to the fund from which advanced upon payment to the Trustee of such Additional Rentals. Upon receipt by the Trustee of an opinion of nationally recognized bond counsel to the effect that the amount in an account of the Rebate Fund is in excess of the amount required to be therein pursuant to the provisions of the Tax Certificate, such excess shall be transferred to the Base Rentals Fund.

The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The District shall, at its own expense, retain an independent firm of professionals in such area to calculate such rebate amounts.

Notwithstanding the foregoing, in the event that the Lease has been terminated or the District has failed to comply with the Lease so as to make the amount on deposit in the Rebate Fund sufficient for its purpose, the Trustee shall make transfers of investment income or of moneys from the above-described funds in such combination necessary to make any required payments to the Department of Treasury.

Costs of Execution and Delivery Fund. A special fund is created and established with the Trustee under the Indenture and designated the "School District No. 1, in the City and County of Denver, State of Colorado, Series 2020A Lease Purchase Agreement, Costs of Execution and Delivery Fund." Upon the delivery of the Certificates there shall be deposited into the Costs of Execution and Delivery Fund from the proceeds of the Certificates the amounts directed by Section 3.01 of the Indenture and the Underwriter shall deliver to the Trustee a closing memorandum detailing the anticipated amounts of Costs of Execution and Delivery. Payments from the Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a statement or a bill for the provision of Costs of Execution and Delivery of the Certificates approved in writing by the District Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Costs of Execution and Delivery Fund. The Trustee may rely conclusively upon any such statement received and shall have no obligation to make an independent investigation in connection therewith.

Any moneys held in the Costs of Execution and Delivery Fund shall be invested by the Trustee as described in “Investment of Moneys” below.

The Trustee shall transfer all moneys remaining in the Costs of Execution and Delivery Fund to the credit of the District upon the final payment of all Costs of Execution and Delivery, as certified in writing by the District Representative. Any amounts remaining in the Costs of Execution and Delivery Fund on May 1, 2020, shall be remitted to the District.

Investment of Moneys

All moneys held as part of the Base Rentals Fund, the Reserve Fund, the Rebate Fund, the Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (other than defeasance escrow accounts) shall be deposited or invested and reinvested by the Trustee, at the written direction of the District, in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any fund or account created under the Indenture which shall interfere with or prevent withdrawals for the purpose for which the moneys so deposited or invested were placed in trust thereunder or for payment of the Certificates at or before maturity or interest thereon as required thereunder. The Trustee may make any and all suck deposits or investments through its own investment department or the investment department of any bank or trust company under common control with the Trustee.

Except as otherwise provided in the Indenture, deposits or investments shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account. Any interest or other gain from any fund or account created under the Indenture (except any defeasance escrows) shall be deposited to the Rebate Fund to the extent required and permitted by Section 3.05 of the Indenture (see “Rebate Fund”) above.

Additional Certificates

So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth herein. The principal of any Additional Certificates shall mature on December 1 and interest payment dates therefore shall be the same as the interest payment dates for the Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental resolution or indenture and amendment to the Lease entered into in connection therewith.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Certificates, to provide moneys to pay any one or more of the following:

(a) the costs of acquiring, constructing, improving, installing and equipping any New Facility, or of acquiring a Site for any New Facility (and costs reasonably related thereto);

(b) the costs of completing the Project or making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the District may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(c) for the purpose of refunding or refinancing all or any portion of Outstanding Certificates.

In such case, the Costs of Execution and Delivery of the Additional Certificates, the amount to be deposited to a separate reserve fund, if any, for such Additional Certificates, or the costs of acquiring a Qualified Surety Bond, if any, and other costs reasonably related to the purposes for which Additional Certificates are being executed and delivered may be included.

Additional Certificates may be executed and delivered only upon there being furnished to the Trustee:

(a) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(b) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Certificates will be increased, if necessary, to reflect the amount of the Additional Certificates and all other Outstanding Certificates (or such lesser amount) as shall be the maximum insurable value of the real property included in the Leased Property); and

(c) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(ii) the excludability of interest from gross income for federal income tax purposes on the Certificates will not be adversely affected by the execution and delivery of the Additional Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Certificates, in and of themselves, will not constitute an Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease; and

(d) If the Additional Certificates are secured by a reserve fund, a Qualified Surety Bond, or proceeds of such Additional Certificates or other moneys for deposit into a reserve fund for such Additional Certificates in such amount, if any, as may be necessary to fund a reserve fund to the then applicable reserve fund requirement for the Additional Certificates.

(e) Written directions from the underwriter, placement agent or purchaser with respect of the Additional Certificates, together with written acknowledgment of the District, to the Trustee to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Additional Certificate executed and delivered pursuant to this Section shall evidence a proportionate interest in the rights to receive the Revenues under this Indenture and shall be ratably secured with all Outstanding Certificates and in respect of all Revenues, and shall be ranked pari passu with such Outstanding Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

Events of Indenture Default and Remedies

Events of Indenture Default. Each of the following shall be an Event of Indenture Default:

a. Failure to pay the principal of or premium, if any, on any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;

b. Failure to pay any installment of interest on any Certificate when the same shall become due and payable;

c. the occurrence of an Event of Nonappropriation; or

d. the occurrence of an Event of Lease Default.

Upon the occurrence of any Event of Indenture Default, the Trustee shall give notice thereof to the Owners of the Certificates. The Trustee shall waive any Event of Nonappropriation which is cured by the District within thirty (30) days of the receipt of notice by the Trustee as provided in the Lease, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in the preceding sentence.

Remedies. If any Event of Indenture Default occurs and is continuing, the Trustee may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as provided in the Indenture, without any further demand or notice, enforce for the benefit of the Owners of the Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under the Indenture, the Trustee may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, take such action as, in the judgment of the Trustee or its counsel, would best serve the interests of the Owners of the Certificates, including calling the Certificates for redemption prior to their maturity in the manner and subject to the provisions of the Indenture and exercising the Lease Remedies provided in the Lease provided, however, that such action shall not include consequential or punitive damages against the District.

Anything to the contrary herein notwithstanding, the foregoing provisions are subject to the requirement that with respect to the proceeds of any subleasing or other disposition of the Leased Property, if General Obligation Debt Proceeds have been expended on such Leased Property, prior to the distribution of any such proceeds, the Trustee shall (A) first pay to itself from such proceeds to the extent thereof, amounts equal to the fees and expenses incurred by itself in connection with such sale, subleasing or other disposition of such Leased Property, together with expenses incurred by itself to maintain such Leased Property prior to such subleasing or other disposition thereof, and (B) then pay to the District an amount equal to the amount of General Obligation Debt Proceeds so expended.

Provisions Related to Legal Proceedings by Trustee and Rights of Certificate Owners

Legal Proceedings by Trustee. If any Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Certificates and receipt of indemnity to its satisfaction, shall, in its capacity of Trustee hereunder:

(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners of the Certificates, including enforcing any rights of the Trustee in respect of the Trustee's leasehold interest in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under the Indenture and to enforce the provisions of the Indenture and any collateral rights hereunder for the benefit of the Owners of the Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Owners of Certificates.

Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Owners of Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Owners of Certificates May Direct Proceedings. The Owners of a majority in aggregate principal amount of Outstanding Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with the Indenture or unduly prejudice the rights of the minority Owners of Certificates.

Limitations on Actions by Owners of Certificates. No Owner of Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of an Event of Indenture Default;

(b) the Owners of at least a majority in aggregate principal amount of all Outstanding Certificates shall have requested the Trustee, in writing, to exercise the powers granted by the Indenture (as described above) to or pursue such remedy in its or their name or names;

(c) the Trustee shall have been offered indemnity as provided in the Indenture; and

(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the provisions described above or any other provision of the Indenture, the obligation of the Trustee shall be absolute and unconditional to pay under the Indenture, but solely from the Revenues pledged under the Indenture, the principal of, premium, if any, and interest on the Certificates to the respective Owners thereof on the respective due dates thereof, and nothing in the indenture shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Trustee May Enforce Rights Without Possession of Certificates. All rights under the Indenture and the Certificates may be enforced by the Trustee without the possession of any Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Owners of the Certificates.

Remedies Not Exclusive. Subject to any express limitations contained in the Indenture, no remedy conferred in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

Delays and Omissions Not to Impair Rights. No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by the Indenture (described in "Events of Indenture Default and Remedies") may be exercised from time to time and as often as may be deemed expedient.

Application of Moneys in Event of Indenture Default

Any moneys received, collected or held by the Trustee following an Indenture Event of Default and any other moneys held as part of the Trust Estate (except for moneys held in the Rebate Fund or any defeasance escrow account) shall be applied in the following order:

a. To the payment of the reasonable costs of the Trustee, including, but not limited to, counsel fees, and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

b. To the payment of interest then owing on the Certificates, an in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Certificate over another or of any installment of interest over any other installment of interest; and

c. To the payment of principal or redemption price (as the case may be) then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another; and

The surplus, if any, shall be paid to the District.

Duties of the Trustee

(a) In the Indenture, the Trustee accepts the provisions of the Site Lease, the Lease and the Indenture and accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts as a corporate trustee would ordinarily perform such trusts under a corporate indenture, but only upon and subject to the express terms and conditions set forth in the Site Lease, the Lease and the Indenture, and no implied covenants or obligations shall be read into the Indenture, the Lease or the Site Lease against the Trustee.

(b) The Trustee covenants for the benefit of the Owners of the Certificates that the Trustee will observe and comply with its obligations under the Site Lease, the Lease and the Indenture.

(c) The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Trust Estate and all the rights of the Owners under the Indenture against all claims and demands of all Persons whomsoever.

(d) Before taking any action pursuant to the Indenture, the Trustee may require that satisfactory indemnity be furnished to it by the Certificate Owners for the reimbursement of all costs and expenses (including without limitation attorney's fees and expenses) which it may incur and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances, except liability which may result from its negligence or willful default, by reason of any action so taken.

(e) The Trustee, prior to the occurrence of an Event of Indenture Default and after the curing of all Events of Indenture Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture.

Liability of Trustee; Trustee's Use of Agents

(a) The Trustee shall be liable only for its own negligence or willful misconduct. However, the Trustee shall not be liable for any error of judgment made in good faith, provided the Trustee was not negligent in ascertaining the pertinent facts.

(b) The Trustee may exercise any powers under the Indenture and perform any duties required of it through attorneys, agents, officers, receivers or employees, and shall be entitled to the advice or opinion of counsel concerning all matters involving the Trustee's duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys and receivers as may reasonably be employed in connection with the trusts of the Indenture. The Trustee may act upon the opinion or advice of any attorney engaged by the Trustee in the exercise of reasonable care without liability for any loss or damage resulting from any action or omission taken in good faith reliance upon that opinion or advice. The Trustee shall not be liable for any loss or damage resulting from any action or omission taken by its agents, officers, receivers and employees to whom discretion or authority hereunder has been delegated by the Trustee, provided the Trustee was not negligent in its selection of or delegation to the agent, officer or employee.

(c) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(d) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured of damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Leased Property.

(e) The Trustee shall not be liable for actions taken at the direction of Owners pursuant to the provisions of Article 7 of the Indenture (described above in the sections entitled "Events of Indenture Default and Remedies," "Provisions Related to Legal Proceedings by Trustee and Rights of Certificate Owners" and "Application of Moneys in Event of Indenture Default").

(f) Any person hired by the Trustee to enforce Lease Remedies shall be considered the Trustee's agent for the purposes of the provisions described in this section ("Liability of Trustee; Trustee's Use of Agents").

(g) The Trustee shall not be responsible for any recital in the Indenture or in the Certificates (except in respect to the execution of the Certificates on behalf of the Trustee), or for the recording or rerecording, filing or refiling of the Site Lease, the Lease or the Indenture or of any supplements thereto or hereto or instruments of further assurance or any financing statements (other than continuation statements) in connection therewith or, except as otherwise provided in the Site Lease, for insuring the Leased Property, or collecting any insurance moneys, or for the sufficiency of the security for the Certificates issued under the Indenture or intended to be secured thereby, or for the value of or title to the Leased Property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the District, except as provided in the Indenture; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the District under the Site Lease or the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 5.01 of the Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of the Indenture or of the Certificates. The Trustee shall not be accountable for the use or application of any Certificates or the proceeds thereof or of any money paid to or upon the order of the District under any provision of the Indenture, the Lease or the Site Lease. The Trustee shall not be accountable for the use of any proceeds of any Certificates authenticated and delivered to the Underwriter under the Indenture.

(i) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of the Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the District by the District Representative or such other person as may be designated for such purpose by resolution of the Board, as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 8.05 of the Indenture, or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) All moneys received by the Trustee shall, until used or applied or invested as provided in the Indenture, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by the Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except that the Trustee is responsible for complying with the written investment direction of the District.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything contained in the Indenture, the Trustee shall have the right, but shall not be required, to demand in respect of the execution and delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of the Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms of the Indenture, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the District to the execution and delivery of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) Notwithstanding any other provision of the Indenture, the Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder unless it has received assurances from the Owners of the Certificates or indemnity from the Owners of the Certificates satisfactory to it that it will be repaid.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates and shall have no responsibility for compliance with any state or federal securities laws in connection with the Certificates.

(o) Notwithstanding any other provision of the Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as Trustee, registrar, or Paying Agent.

Resignation of Trustee

The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the District not less than sixty (60) days before the date when it is to take effect; provided notice of such resignation is sent by electronic means mailed by registered or certified mail to the Owner of each Outstanding Certificate at the address shown on the registration books. Such resignation shall take effect only upon the appointment of a successor Trustee. If no successor Trustee is appointed within sixty (60) days following the date designated for the resignation of the Trustee, the resigning Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds, or to other amounts due arising prior to the date of such resignation shall survive resignation.

Removal of Trustee

Any Trustee may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by the District or by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, upon written notice being filed with the Trustee, the District and the Owner of each Outstanding Certificate at the address shown on the registration books. Such removal shall take effect only upon the appointment of a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds or to other amounts due arising prior to the date of such removal shall survive removal.

Appointment of Successor Trustee

If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any State or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall cause a notice of such appointment to be mailed by registered or certified mail to the Owners of all Outstanding Certificates at the address shown on the registration books. If the District fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding may do so. If Owners have failed to make such appointment within sixty (60) days after the date notice of resignation is filed, the Trustee may petition a court of competent jurisdiction to make such appointment.

Any successor trustee shall be a national or State bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least $50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Supplemental Indentures

Amendments Not Requiring Certificate Owners' Consent. The Trustee may, with the written consent of the District, but without the consent of, or notice to, the Owners, enter into such indentures or agreements supplemental hereto, for any one or more or all of the following purposes:

a. to grant additional powers or rights to the Trustee;

b. to make any amendments necessary or desirable to obtain or maintain a rating from any Rating Agency rating the Certificates;

c. to authorize the execution and delivery of Additional Certificates for the purposes and under the conditions set forth in the Indenture;

d. in order to preserve or protect the excludability from gross income for federal income tax purposes of the portion of the Base Rentals allocable to the Certificates; or

e. for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity, or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provisions contained in the Indenture or to make such other amendments to the Indenture which do not materially adversely affect the interests of the Owners of the Certificates.

Amendments Requiring Certificate Owners' Consent.

a. Exclusive of supplemental indentures and amendments covered by the Indenture, the written consent of the District and the consent of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall be required for any indenture or indentures supplemental hereto.

b. Notwithstanding the foregoing, without the consent of the Owners of all the Certificates at the time Outstanding affected thereby nothing contained in the Indenture shall permit, or be construed as permitting:

i. A change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon, without the consent of the Owner of such Certificate;

ii. The deprivation of the Owner of any Certificate then Outstanding of the lien created by the Indenture (other than as originally permitted hereby) without the consent of the Owner of such Certificate;

iii. A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates (except with respect to the possible subordination of Additional Certificates); or

iv. A reduction in the aggregate principal amount of the Certificates required for consent to such supplemental indenture.

If at any time the District shall request the Trustee to enter into a supplemental indenture which requires the consent of the Certificate Owners, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Owners. If, within 60 days or such longer period as shall be prescribed by the District following the mailing of such notice, the required consents have been furnished to the Trustee as provided in the Indenture, no Certificate Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Amendment of the Lease and the Site Lease

The Trustee and the District shall have the right to amend the Lease and the Site Lease, without the consent of or notice to the Owners of the Certificates, for one or more of the following purposes:

a. to add covenants of the Trustee or the District or to grant additional powers or rights to the Trustee;

b. to make any amendments necessary or desirable to obtain or maintain a rating from any Rating Agency of the Certificates;

c. in order to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as the case may be, as may be authorized under the Site Lease and the Lease;

d. to make additions to the Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Certificates in accordance with the Indenture; or

e. in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Base Rentals allocable to the Certificates; or

f. for any purpose not inconsistent with the terms of the Indenture or to cure any ambiguity or to correct or supplement any provision contained therein or in any amendment thereto which may be defective or inconsistent with any other provision contained in the Indenture or the Lease or in any amendment thereto or to make such other amendments to the Lease or the Site Lease which do not materially adversely affect the interests of the Owners of the Certificates.

If the Trustee or the District proposes to amend the Lease or the Site Lease in any way other than described above, the Trustee shall notify the Owners of the Certificates of the proposed amendment and may consent thereto only with the consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; provided, that the Trustee shall not, without the unanimous consent of the Owners of all Certificates affected thereby, consent to any amendment which would (1) decrease the amounts payable in respect of the Lease, or (2) change the Base Rentals Payment Dates or (3) change any of the prepayment provisions of the Lease.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Certificates will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the District or the Registrar and Trustee. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by **SCHOOL DISTRICT NO. 1, IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO** (the "District"), in connection with its authorization, execution and delivery of a Lease Purchase Agreement, dated as of February 12, 2020 (the "Lease"), with **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, solely in its capacity as trustee under the Indenture described herein (the "Trustee"), as lessor, and the District, as lessee, and the execution and delivery of the Certificates of Participation, Series 2020A, in the aggregate principal amount of $35,225,000 (the "Certificates"), evidencing undivided interests in the right to receive certain revenues payable by the District under the Lease. The Certificates are being executed and delivered pursuant to an Indenture of Trust, dated as of February 12, 2020 (the "Indenture"), by the Trustee. The District covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Fiscal Year" shall mean the period beginning on July 1 of a calendar year and ending on June 30 of the succeeding calendar year.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at http://emma.msrb.org.

"Official Statement" means the final Official Statement prepared in connection with the issuance of the Certificates.

"Participating Underwriter" shall mean the original underwriter of the Certificates required to comply with the Rule in connection with an offering of the Certificates.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

a. The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the District's fiscal year of each year, commencing nine (9) months following the end of the District's fiscal year ending June 30, 2020, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the District; it is not required that the format reflected in the Official Statement be used in future years.

b. If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall file or cause to be filed with the MSRB, in a timely manner, a notice in substantially the form attached as Exhibit "A."

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Certificates.

Any or all of the items listed above may be incorporated by reference from other documents, (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Certificates. All events mandated by the Rule are listed below; however, some may not apply to the Certificates:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

(7) Modifications to rights of bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Certificates, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;[1]

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation[2] of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

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[1] For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

[2] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of "financial obligation" are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term "debt obligation" generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Certificates; (ii) the date that the District shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Certificates.

SECTION 8. Dissemination Agent.

(a) The District may, from time to time, appoint or engage a Dissemination Agent to assist the District in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the District elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agency shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the District and the Dissemination.

(b) In addition to the filing duties on behalf of the District described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the District at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the District, certify in writing to the District that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Certificates, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The District will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Lease, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

DATE: February 12, 2020

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

By ______________________________________
President, Board of Education

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: School District No. 1, in the City and County of Denver and State of Colorado

Name of Bond Issue: Certificates of Participation, Series 2020A, in the aggregate principal amount of $35,225,000, evidencing undivided interests in the right to receive certain revenues payable by School District No. 1, in the City and County of Denver and State of Colorado, under a Lease Purchase Agreement dated February 12, 2020, as lessee.

Date of Issuance: February 12, 2020.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the Certificates as required by the Lease Purchase Agreement, dated as of February 12, 2020, and the Continuing Disclosure Certificate executed on February 12, 2020, by the District. The District anticipates that the Annual Report will be filed by _____________ ___, 20___.

Dated: ______________, _____

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

By ____
President, Board of Education

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

See page -iv- of this Official Statement

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APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

[Closing date]

School District No. 1, in the
City and County of Denver and State of Colorado
1860 Lincoln Street
Denver, Colorado 80203

$35,225,000
Certificates of Participation, Series 2020A
Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of February 12, 2020 between Zions Bancorporation National Association solely in its capacity as trustee under the Indenture, as lessor, and School District No. 1 in the City and County of Denver and State of Colorado, as lessee

Ladies and Gentlemen:

We have acted as special counsel to School District No. 1, in the City and County of Denver and State of Colorado (the "District"), in connection with its authorization, execution and delivery of the Site Lease Agreement, dated as of February 12, 2020 (the "Site Lease"), between the District, as lessor, and Zions Bancorporation National Association, solely in its capacity as trustee (the "Trustee") under the Indenture (as hereinafter defined), as lessee, and the Lease Purchase Agreement, dated as of February 12, 2020 (the "Lease"), between the Trustee, as lessor, and the District, as lessee. Certificates of Participation, Series 2020A, in the aggregate principal amount of $35,225,000 (the "Certificates"), are authorized under an Indenture of Trust, dated as of February 12, 2020 (the "Indenture"), executed and delivered by the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Site Lease, the Lease and the Indenture. The Certificates evidence proportionate interests in the Base Rentals and certain other revenues paid under the Lease, as provided in the Certificates, the Lease and the Indenture.

In such capacity as special counsel, we have examined certified proceedings of the Board of Education of the District, the Site Lease, the Lease, the Indenture, the Certificates and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the District, certifications of the Trustee, certifications of the Underwriter, and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, and subject to the following qualifications, it is our opinion as special counsel that:

1. The Site Lease and the Lease have been duly authorized by the District and duly executed and delivered by authorized officials of the District and, assuming due authorization, execution and delivery by the Trustee, constitute valid and binding obligations of the District. None of the Site Lease, the Lease or the Certificates constitutes a general obligation, other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory debt limitation. Notwithstanding the foregoing, the District's failure specifically to budget and appropriate funds to make payments due under the Lease for the ensuing Fiscal Year will extinguish the obligations of the District to pay Base Rentals and Additional Rentals beyond the then current Fiscal Year.

2. Assuming the due authorization, execution, and delivery of the Site Lease, the Lease and the Indenture by the Trustee, and the due execution and delivery of the Certificates by the Trustee, the Certificates evidence valid and binding proportionate interests in the right to receive certain payments under the Lease.

3. Under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described in the Indenture, the portion of the Base Rentals which is designated in the Lease as interest and paid as interest on the Certificates is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), such interest is not a specific preference item for purposes of the federal alternative minimum tax, and such interest is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof; except that we express no opinion as to the effect which any termination of the District's obligations under the Lease may have upon the treatment for federal or Colorado income tax purposes of any moneys received or paid under the Indenture subsequent to such termination. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Certificates and the enforceability of the Certificates, the Site Lease and the Lease are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we are not opining upon matters relating to the corporate status of the Trustee, the power of the Trustee to execute or deliver the Site Lease, the Lease, the Indenture or the Certificates, or the enforceability of the Site Lease, the Lease, the Indenture or the Certificates against the Trustee.

In this opinion letter issued in our capacity as special counsel, we are opining only upon those matters set forth herein and we are not passing upon the accuracy, adequacy or completeness of the Official Statement relating to the Certificates or any other statements made in connection with any offer or sale of the Certificates, or upon any federal or state tax consequences arising from the receipt or accrual of interest with respect to, or the rights and obligations under, the Site Lease, the Lease, or the Certificates, except those specifically addressed above, or upon any matters pertaining to the priority of any security instrument executed in connection with this transaction, the existence of any liens or other encumbrances on the Leased Property, the ownership of or proper description of any property included in the Leased Property, or any other real estate matters related to the Leased Property.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

BUTLER SNOW LLP

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APPENDIX F

DISTRICT PROPERTY

DISTRICT PROPERTY SUBJECT TO LEASE-PURCHASE AGREEMENTS

The following table identifies the District properties that are currently subject to lease-purchase agreements. See "DEBT AND OTHER FINANCIAL OBLIGATIONS--Other Financial Obligations" in the Official Statement for information as to the District's existing lease-purchase agreements. In certain circumstances, the District is authorized to release properties from the liens of the existing leases as specified amounts of related certificates of participation are paid. Once a property is released from the lien of an existing lease-purchase agreement, the District may use it as collateral pursuant to another Lease.

Lease-Purchase Agreement/ Related COPS	Buildings Securing Lease	COPS Outstanding (1/15/2020)	Release Schedule(1)
2011B Lease/2011B Certificates	Knapp Elementary	$376,605,000	$ 61,045,000
	North High School		61,045,000
	Hill Middle School		88,120,000
	Place Middle School/Bridge Academy		120,295,000
	Henry Middle School		138,650,000
	Morey Middle School		158,690,000
	Cheltenham Elementary		180,530,000
	Smiley Middle School/Envision (Venture) Prep MS/HS		204,310,000
	Denver Center for International Studies (old Baker Middle School)		230,165,000
	Martin Luther King Middle School & High School		258,255,000
	Abraham Lincoln High, Maintenance & Storage		288,730,000
	West High School/Manny Martinez Middle School		357,550,000
	Career Education Center Middle College		396,235,000
	South High School		396,235,000
2013B Lease/2013B Certificates	Harrington Elementary School	$472,260,000	$ 81,395,000
	Barnum Elementary School		98,935,000
	Kaiser Elementary School		98,935,000
	Kunsmiller K-8/High School		117,295,000
	Kepner Middle School		136,525,000
	Centennial Elementary School		156,685,000
	Cole Middle School		177,825,000
	Horace Mann Middle School		177,825,000
	Lake Middle School/Lake International/West Denver Prep.		200,010,000
	Omar D. Blair		223,315,000
	Hamilton Middle School		247,815,000
	Skinner Middle School		273,640,000
	Merrill/Cory Middle School		300,900,000

Lease-Purchase Agreement/ Related COPS	Buildings Securing Lease	COPS Outstanding (1/15/2020)	Release Schedule(1)
	Montbello High School		329,650,000
	John F. Kennedy High School		325,945,000
	Manual High School		391,845,000
	Thomas Jefferson High School		425,420,000
	East High School		536,855,000
2013C Lease/2013C Certificates	Eastbridge Elementary School (Isabella Bird Community School)	$53,280,000	$21,450,000
	Conservatory Green K-8 School		51,150,000
	Grant Ranch K-8 School		58,740,000
2015 Lease/2015 Certificates	Parking Garage - 1855 Lincoln	$ 8,265,000	n/a
2017A Lease/2017A Certificates	Steele Elementary School	$27,250,000	$ 2,120,000
	Lalo Delgado Middle School Campus		12,240,000
	William (Bill) Roberts Elementary (ECE-8)		32,080,000
2017B Lease/2017B Certificates	Rishel Middle School	$13,105,000	n/a
2017C Lease/2017C Certificates	Teller Elementary	$9,195,000	$ 5,000,000
	Marrama Elementary		10,000,000
2018 Lease/2018 Certificates	Acoma Street	$7,220,000	n/a
2018B Lease/2018B Certificates	George Washington High School	$79,830,000	$13,085,000
	Paul Sandoval Campus-Buildings #1-4, classroom building (#5)		79,830,000
2020A Lease/2020A Certificates	Bradley International Elementary School	$35,225,000	$ 7,870,000
	Columbian Elementary School		16,075,000
	Grant Beacon Middle School		22,790,000
	Smedley Elementary School		28,170,000
	Yuma Street Center		35,225,000

(1) Aggregate principal amount of certificates that must be paid in order to release the specified property.

CERTAIN UNENCUMBERED DISTRICT PROPERTY

The following table includes information about certain of the District's unencumbered property, including the insured value of the buildings for fiscal year 2019-20. The table does not include building contents and also generally does not include storage buildings, modular classrooms or buildings housing utilities. The value of the land associated with these buildings is excluded from the table.

Building	FY 2020 Insured Value of Building
Academia Ana Maria Sandavol	$ 10,159,401
All City Stadium Sports Complex	2,615,431
Amesse Elementary	10,688,652
Asbury Elementary	5,840,785
Ashley Elementary	7,369,161
Balarat Complex	1,726,399
Barrett Elementary	5,576,493
Beach Court Elementary	7,265,494
Bromwell Elementary	5,341,339
Brown Elementary	9,388,053
Bruce Randolph Middle School	22,683,759
Bryant-Webster Elementary	8,610,754
Byers Middle & High School	12,402,519
CAE Building	6,904,633
Carson Elementary	5,817,345
Castro Elementary	11,193,389
Charles M. Schenck Community School	9,569,322
Colfax Elementary	6,586,851
College View Elementary	7,187,677
Colorado Heights University (CHU) - DSST MS & HS @ College View	15,705,817
Colorado Heights University (CHU) - DSST College View-Loretto Heights	2,597,204
Columbine Elementary	7,708,459
Columbine PEC/PREP Center	4,414,198
Compassion Road Academy	327,402
Cory Elementary	6,079,736
Cowell Elementary	7,241,345
Crofton Elementary	3,438,120
D.O.T.S.-Administration Office	4,708,975
DCIS at Ford Elementary	10,665,992
Denison Elementary (Montessori)	6,189,620
Denver Green School	5,776,159
Denver Language School at Gilpin Campus	9,863,406
Denver Language School - Whiteman Campus	7,008,996
Denver School of the Arts	13,727,347
Denver School of Science & Technology - Stapleton Campus	29,960,047
Dora Moore Elementary *(currently secures a portion of the TABOR reserve)*	12,766,908
Doull Elementary	9,941,385
DSST Cole Middle School	10,095,073
Eagleton Elementary	6,627,210
Edison Elementary	7,742,505
Ellis Elementary	9,638,012
Emily Griffith Campus/Central Administration Building/Expeditionary School/	52,754,800
Escalante-Biggs Academy	4,843,448
Evie Garrett Dennis Campus Building #4 - Commercial Condominiums	10,526,159
Evie Garrett Dennis Campus Buildings 1-3 and 5	48,857,140
Evie Garrett Dennis Campus - Building 6 (Vista Academy)	7,647,572
Excel Academy	4,957,627

Building	FY 2020 Insured Value of Building
Fairmont Elementary 10	10,486,501
Fairview Elementary	7,455,878
Farrell B. Howell (K-8)	37,199,943
Far Northeast Campus #28	17,020,211
Florence Crittenton High School	7,585,869
Florida Pitt Waller School	19,441,279
Force Elementary	8,860,594
Frances Jacobs Highline Academy Charter	10,817,975
Garden Place Elementary	8,543,767
Gilpin Elementary	26,192
Girls Athletic Leadership School	8,588,979
Godsman Elementary	9,446,417
Goldrick Elementary	7,274,330
Green Valley Elementary	11,044,615
Green Valley Ranch	15,909,423
Greenlee Elementary	9,341,062
Groff Campus & Storage Shed	19,054,080
Gust Elementary	9,172,219
Hallett Elementary	8,309,516
Hilltop Service Center Building	7,147,718
Hilltop Training & Tech Cell Building	831,990
Hilltop Transportation buildings	5,156,605
Holm Elementary	9,175,682
Joe Shoemaker Elementary School	15,729,012
Johnson Elementary	6,026,864
Lena Archuletta Elementary	8,555,026
Lincoln Elementary	6,911,852
Lowry Elementary School	9,747,917
Marie L. Greenwood Elementary	11,036,656
Maxwell Elementary	9,897,987
McGlone Elementary, Cottage & Storage Shed	10,017,192
McKinley-Thatcher Elementary	6,475,199
McMeen Elementary	10,531,752
Metropolitan Youth Education Center	2,469,892
Montclair Elementary	5,971,835
Munroe Elementary	9,155,876
Newlon Elementary	10,536,649
New Northeast Bus Terminal	10,961,844
Oakland Elementary	9,529,128
Palmer Elementary	7,800,962
Park Hill Elementary	10,223,579
Pascal LeDoux Academy	5,135,803
Phillips Elementary	4,647,590
Pioneer Charter	5,466,765
Polaris Elementary School	7,026,821
Rachel B. Noel Middle School	21,303,734
Remington Elementary	6,387,992
RMSEL (former Ash Grove Elementary)	5,818,141
Rocky Mountain Prep Creekside @ SouthEast Annex	327,402
Rosedale Elementary (vacant)	5,416,076
Ruben Valdez Achievement Campus	14,371,126
Sabin World Elementary School	10,531,976
Samsonite Campus	15,460,718
Samuels Elementary and Modular #3	9,182,840
Sandra-Todd Williams Academy	6,159,788
Schmitt Elementary	6,571,634
Slavens Elementary	7,324,335

Building	FY 2020 Insured Value of Building
Smith Elementary	8,671,521
Southmoore Elementary	5,799,629
Steck Elementary	5,122,132
Stedman Elementary	6,092,599
Steele Elementary	8,313,067
Stephen Knight Center for Early Education	7,235,911
Summit Academy	4,113,035
Swansea Elementary	9,760,696
Swigert-McAuliffe International School	20,220,073
Traylor Elementary	8,074,408
University Park Elementary	8,700,116
Valdez Elementary	10,822,325
Valverde Elementary	6,544,720
Westerly Creek Elementary	10,720,849
Whittier Elementary	7,789,376
Wyman Elementary	7,170,717

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