



DENVER
PUBLIC
SCHOOLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

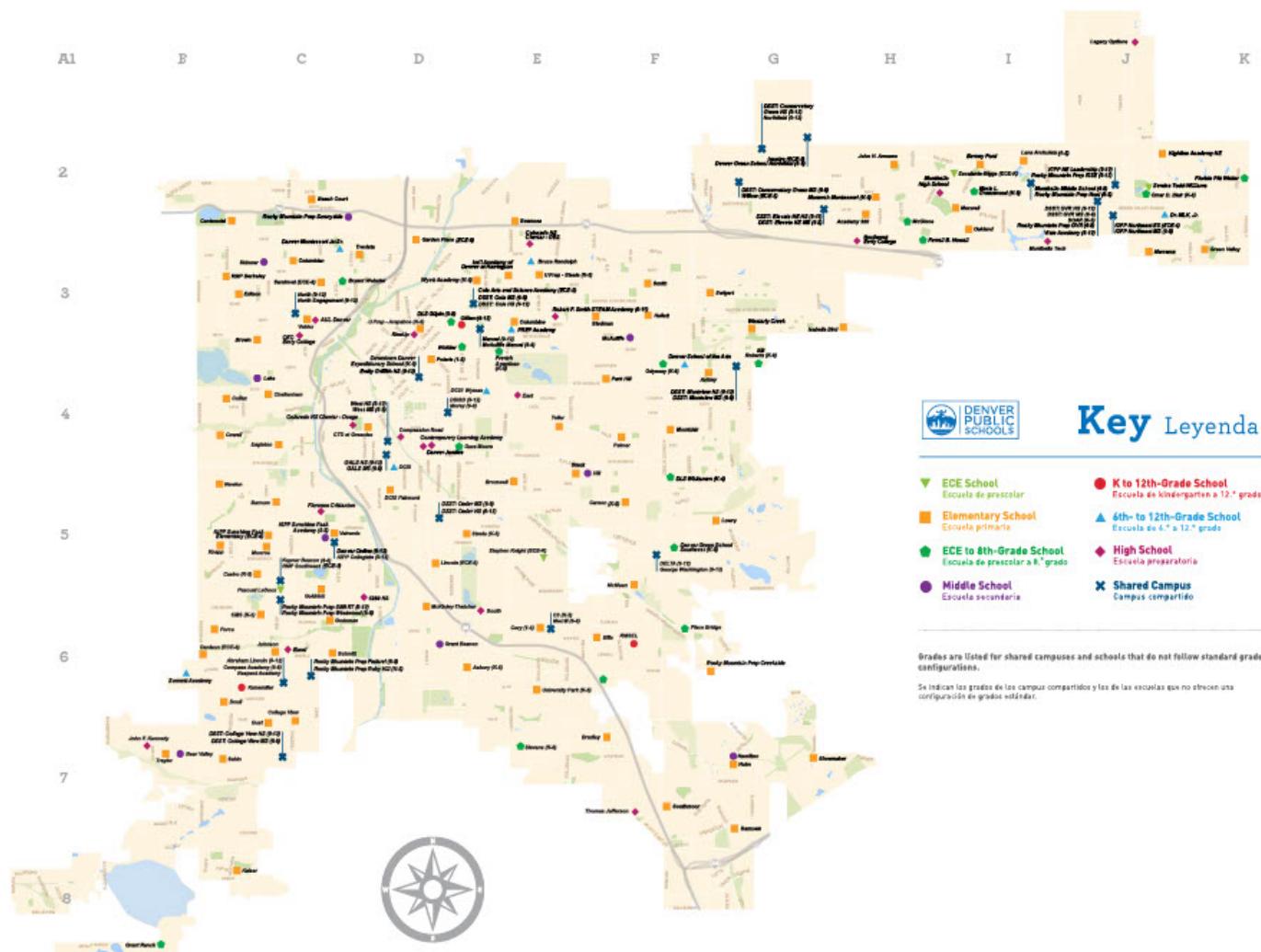


SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

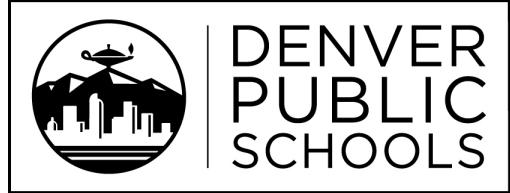
Denver Public Schools

The District's financial operations support Denver Public Schools' vision of Every Learner Thrives.

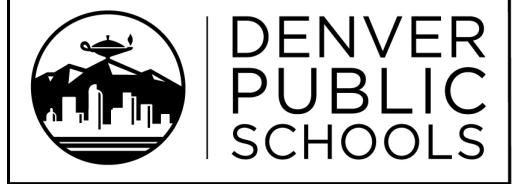
Denver Public Schools serves more than 90,000 students in more than 211 schools in the City and County of Denver and is the largest district in the State of Colorado.



School District No. 1 in the City and County of Denver
For the year ended June 30, 2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT



Stephen Clawson, Controller
Patricia Morris, Senior Manager of Accounting Operations
Juan Martinez, Accounting Supervisor
Jordan Eaglin, Accounting Supervisor
Jerre Fleming, Senior Financial Accountant
Duncan Zelkin, Senior Financial Accountant
Kaylee Gardner, Senior Financial Accountant
Jason Reasa, Senior Financial Accountant
Nere Sanchez-Guiterrez, Financial Accountant
Xiomara Sifuentes, Financial Services Executive Assistant

Denver Public Schools
Emily Griffith Campus
Office of the Controller
1860 Lincoln St 11th Floor
Denver, CO 80203
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OFFICE OF THE CONTROLLER

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

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INTRODUCTORY SECTION



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

November 16, 2023

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

The Annual Comprehensive Financial Report of School District No. 1 in the City and County of Denver and State of Colorado (the District) is submitted in compliance with 29-1-603 of the Colorado Revised Statutes and the applicable by-laws of the District's Board of Education. This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, was prepared by the Financial Services Department and includes the report of the independent auditors, FORVIS, LLP. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion on the financial statements for the year ended June 30, 2023, as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

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

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of District officials, a reproduction of the 2022 Government Finance Officers Association (GFOA) Certificate of Achievement and the 2022 Association of School Business Officials (ASBO) Certificate of Excellence.
- The financial section includes the MD&A, the basic financial statements, required supplementary information and other supplementary information, as well as the independent auditors' report on the financial statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

PROFILE OF THE DISTRICT

The District's financial operations support Denver Public Schools' mission of *Every Learner Thrives*. Denver Public Schools (DPS) serves approximately 89,000 students in 207 schools and has more than 13,000 employees in the City and County of Denver. Denver County is the largest county in Colorado with over 749,000 residents. More than 62% of students qualify for free/reduced priced lunch and approximately 75% are ethnic minorities. DPS has continued to have significant achievement gaps, when comparing minority students and students in poverty with white and middle class students. Closing this achievement gap is one of the core tenants of the DPS Strategic Roadmap. The FY 2024 Adopted Budget is intended to provide the financial resources necessary to enable educators to further the Student Experience goals of the Strategic Roadmap and the goals set forth by the DPS Board of Education through the District's Ends Policies.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

Local property tax revenue makes up almost 42% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. State Equalization). Given that K-12 funding makes up 18.4% of the State of Colorado's budget, the state was forced to make a choice between fully funding K-12 education or continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education and Human Services. Beginning in FY 2011, the state introduced the "Negative Factor", (which is now referred to as the Budget Stabilization Factor) to reduce school funding to a level that it could afford. For FY 2024, the Budget Stabilization Factor was further decreased to bring it to its lowest point since inception with a commitment to fully buy down the remaining amount in FY 2025. This factor is still reducing annual funding for K-12 education by \$141 million below fully funded or an estimated \$14.7 million for DPS.

State statute allows school districts to levy general fund taxes at a general or special Override Election mill levy. The maximum amount of the general Override Election mill levy revenue increase may not exceed 25% of the

District's formula funding, plus a cost of living adjustment from 2002. In 1988, 1998, 2003, 2005, 2012, 2016 and 2020 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 Override Election mill levies are fixed dollar amounts of \$12.1 million, \$17 million and \$20 million respectively. The 2005 Override Election mill levy, initially set at \$25 million, is adjusted annually for inflation as measured by the Denver-Aurora-Lakewood consumer price index. The 2005 Override Election mill levy amount for the FY 2024 is forecasted at approximately \$40.7 million. The 2012 Override Election mill levy is set at 4.037 mills, which is forecasted to generate \$90.5 million for FY 2024. The mill rate is anticipated to grow annually by inflation up to the maximum allowable of 4.86 mills. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost-of-living adjustment. The 2020 special Override Election mill levy is a fixed rate mill initially set at 1.52 mills with the ability to increase by 1 mill per year up to a maximum of 4 mills, and is forecasted to generate \$82.8 million for FY 2024.

The District has been able to limit the impact of these complications on our classrooms by using federal stimulus funding to help offset one-time costs, through the use of reserves built up over the last decade and by effectively managing costs. Through the change in "at-risk" students and the return of the Budget Stabilization factor to its lowest levels since inception, Per Pupil Revenue (PPR) in FY 2024 is expected to increase \$960 above the PPR for FY 2023 from \$9,936 to \$10,896. DPS manages the funding gaps and improves the educational offerings for our students through prudent fiscal management, the support of local voters through mill levy overrides (operating funding) and general obligation bonds (capital funding) and state, federal and private grants received. The District continues to manage fund balances to ensure that future uncertainties can be addressed without major interruptions to core educational services. In FY 2023, the general fund balance increased by \$14.2 million.

MAJOR INITIATIVES

Capital Improvements

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

With the addition of the 2020 bond funds the District has been able to continue the efforts of renovating existing schools, classroom cooling and building additions. In FY23 significant funds were spent from 2020 bond funds on the new Montbello Campus, Ceylon Campus and the MLK Gymnasium. The District also completed a major galvanized pipe replacement and major HVAC work at West HS, Manual, Merrill MS, Ashley ES, Rishel, Smiley, Smedley and Ford. Another major investment was the implementation of new software system Oracle ERP.

FINANCIAL INFORMATION

Internal Control

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

Single Audit

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

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

Accounting and Budgetary Controls

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

PERA Merger

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

Financial Policies

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

Long-term Financial Planning

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

OTHER INFORMATION

Independent Audit

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

Awards

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the thirty-eighth consecutive year that the District received this award. This award requires that a government publish an easily readable and efficiently organized Annual Comprehensive Financial Report which must satisfy both generally accepted accounting principles and applicable legal requirements. Although the award is applicable only to the June 30, 2022 report, we believe that this report continues to meet the requirements for this award and will be submitted to the GFOA to determine its eligibility for this certificate of achievement for excellence.

The District received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the twenty-third consecutive year that the District received this award. An expert ASBO review

panel consisting of Certified Public Accountants and practicing school business officials grants the award after review of the Annual Comprehensive Financial Report. The award recognizes that the District met standards of excellence in school financial reporting. Although this award is applicable only to the 2022 report, we believe this report continues to meet the requirements for this award and will be submitted to the ASBO to determine its eligibility for this certificate of excellence.

Acknowledgement

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

Respectfully submitted,



Chuck Carpenter
Chief Financial Officer



Stephen A. Clawson, CPA
Controller



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

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

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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

A handwritten signature in black ink that reads "John W. Hutchison".

John W. Hutchison
President

A handwritten signature in black ink that reads "Siobhán McMahon".

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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

DISTRICT OFFICIALS

BOARD OF EDUCATION

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

SUPERINTENDENT

Dr. Alex Marrero

CHIEF FINANCIAL OFFICER

Charles Carpenter

CONTROLLER

Stephen A. Clawson, CPA

Denver Public Schools Organization Chart

Cabinet and District Leadership Team as of June 30, 2023

Board of Education

Superintendent
Dr. Alex Marrero

Cabinet

Deputy Superintendent of Schools
Dr. Anthony Smith

General Counsel
Aaron Thompson

Chief of Communications
Bill Good

Deputy Chief of Staff
Deborah Staten

Chief Financial Officer
Chuck Carpenter

Chief of Operations
Trena Marsal

Chief of Talent
Edwin Hudson

Chief Information Officer
Dr. Richard Charles

Chief of Schools
Cesar Cedillo

Chief of Academics
Dr. Simone Wright

Ombudsperson
Dr. Antoinette Hudson

DPS Foundation President
Richard Tagle



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FINANCIAL SECTION



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forvis.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Denver Public Schools Professional Compensation System for Teachers Trust (ProComp), which represent 16.5%, 27.8%, and 38.3% of assets, revenues, and net position of the aggregate remaining fund information, respectively, as of and for the year ended June 30, 2023. With the exception of DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, and STRIVE Preparatory Schools, we also did not audit the financial statements of the discretely presented component units, as stated in Note 15 of the financial statements, which represent 43.6%, 34.0%, and 36.9% of assets, revenues, and net position of the aggregate discretely presented component units, respectively, as of and for the year ended June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us and our opinions, insofar as it relates to the amounts included for the ProComp fund and various discretely component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinions. The component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, except for DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, and STRIVE Preparatory Schools.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 16 to the financial statements, effective July 1, 2022, the District adopted GASB Statement Number 96, *Subscription-Based Information Technology Arrangements* (GASB 96). Our opinions are not modified with respect to this matter.

Emphasis of a Matter – Change in Reporting Entity

As discussed in Note 1 to the financial statements, the beginning fund balances of the general fund and building fund have been restated for a change in reporting entity. As discussed in Note 15 to the financial statements, the beginning net position of aggregate discretely presented component units has been restated for a change in reporting entity and to correct misstatements. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information including the combining fund statements – nonmajor funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information 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 GAAS. In our opinion, combining fund statements – non major funds, the budgetary comparison schedules, the Colorado Department of Education Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

FORVIS, LLP

Denver, Colorado
December 19, 2023



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Management of School District No. 1 in the City and County of Denver and State of Colorado (the District), provides readers of the District's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. 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, 2023, the District's net position for governmental activities is a deficit of \$(561.6) million. The deficit net position can be partially attributed to the implementation of GASB 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions requiring the recognition of a long-term liability for pension and postemployment benefits other than pensions respectively. The deficit net position can also be attributed to liabilities related to the District's Certificates of Participation and General Obligation bonds that are to fund retirement and necessary capital and maintenance projects of the District's facilities. In July of 1997, the District executed \$384.2 million in COPs with the net proceeds contributed to DPSRS. In April of 2008, the District issued \$750 million in COPs to refund existing certificates and to fund an additional \$397.8 million contribution to DPSRS in anticipation of the merger with PERA. As a result of these contributions, the District's PERA division is 81.93% funded compared to the PERA School division of 61.79% as of December 31, 2022.

Long-term liabilities increased to \$3,738.8 million from \$3,503.6 million in FY 2023 primarily due to the increase in net pension liability.

On the statement of activities, general revenues accounted for \$1,434.7 million or 75% of total revenues and program revenues were \$478.6 million or 25% of the total revenues of the primary government. The total revenues increased to \$1,913.3 million from \$1,692.9 million, or 13.0% when compared to prior year. The change in net position of \$159.3 million is partially due to an increase in property tax revenue of \$50.6 million and state share revenue increase of \$41.8 million.

Overview of the Financial Statements

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

Government-wide Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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 principally support these activities.

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant or major funds, not the District as a whole. The District has two types of funds: governmental 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), and Building, all of which are considered to be major funds. Data for the other five governmental funds (Pupil Activity Special Revenue, Food Services Special Revenue, ProComp Special Revenue, Mill Levy Technology Maintenance and Permanent) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements included in this report.

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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

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

Financial Analysis of the District

Increases or decreases in net position may serve as a useful indicator of the District's overall financial position. The District's net position increased \$159.3 million partially due to an increase in property tax revenue of \$50.6 million and state share revenue increase of \$41.8 million. Additionally, there are several other measures that indicate a sustainable financial position, including:

- The District has the largest and most diverse tax base in the State of Colorado with \$21.8 billion of net assessed value.
- General fund balance increased \$14.2 million in FY 2023, with ending fund balance of \$147.7 million.
- In November of 2020, Denver voters approved a mill levy override of \$32 million. The increased funding will go towards increasing minimum wage and other compensation, mental health professionals, nursing services, special education services and charter share (required by law).
- In November of 2020, Denver voters approved an up to \$795 million bond to invest in critical maintenance, constructing new schools and additions to existing schools, upgrading learning environments in older schools and increasing student technology access.
- The 2020 voter approved general bond obligations were issued in 2021 and 2022 with the following ratings:
 - Moody's ratings of Aa2
 - Fitch ratings of AA+
 - S&P ratings of AA+

A significant portion of the District's assets are its investment in capital assets (e.g., land, buildings, equipment, lease of tangible assets and software-based information technology arrangement assets). The District uses these assets to provide instruction and related services to its students. Capital, lease and software assets (net) increased to \$1,762.3 million in FY 2023 from \$1,644.7 million in FY 2022. 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 Building Fund (starting fiscal year 2023 the capital reserve fund combined with the building fund). This fund has an available fund balance of \$682.8 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Current and other assets decreased to \$1,346.2 million from \$1,505.6 million primarily due to the continued spend of general obligation bonds and certificates of participation.

The following table provides a summary of the District's net position as of June 30, 2023 and 2022, respectively (in millions):

	June 30, 2023	June 30, 2022
Current and other assets	\$ 1,346.2	\$ 1,505.6
Capital assets, net	1,762.3	1,644.7
Total assets	<u>3,108.5</u>	<u>3,150.3</u>
Deferred outflows of resources	420.4	361.3
Other liabilities	197.6	159.7
Long-term liabilities	3,738.8	3,503.6
Total liabilities	<u>3,936.4</u>	<u>3,663.3</u>
Deferred inflows of resources	154.1	569.2
Net position (deficit):		
Net investment in capital assets	5.8	(58.6)
Restricted	294.4	287.6
Unrestricted	(861.7)	(949.9)
Total net position (deficit)	<u>\$ (561.5)</u>	<u>\$ (720.9)</u>

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

The following table provides a summary of the District's activities for the fiscal years ended June 30, 2023 and 2022, respectively (in millions).

	June 30, 2023	June 30, 2022
REVENUES		
Program revenues		
Charges for services	\$ 91.8	\$ 83.8
Operating grants and contributions	386.9	282.0
General revenues		
Taxes	1,142.0	1,084.7
State equalization	264.1	222.3
Investment income (loss)	23.5	(10.1)
Other	5.0	30.2
Total revenues	<u>1,913.3</u>	<u>1,692.9</u>
EXPENSES		
Instruction	914.7	676.1
Support services	711.2	614.5
Interest on long-term debt	128.1	115.8
Total expenses	<u>1,754.0</u>	<u>1,406.4</u>
Change in net position	159.3	286.5
Net position - beginning	<u>(720.9)</u>	<u>(1,007.4)</u>
Net position - ending	<u>\$ (561.6)</u>	<u>\$ (720.9)</u>

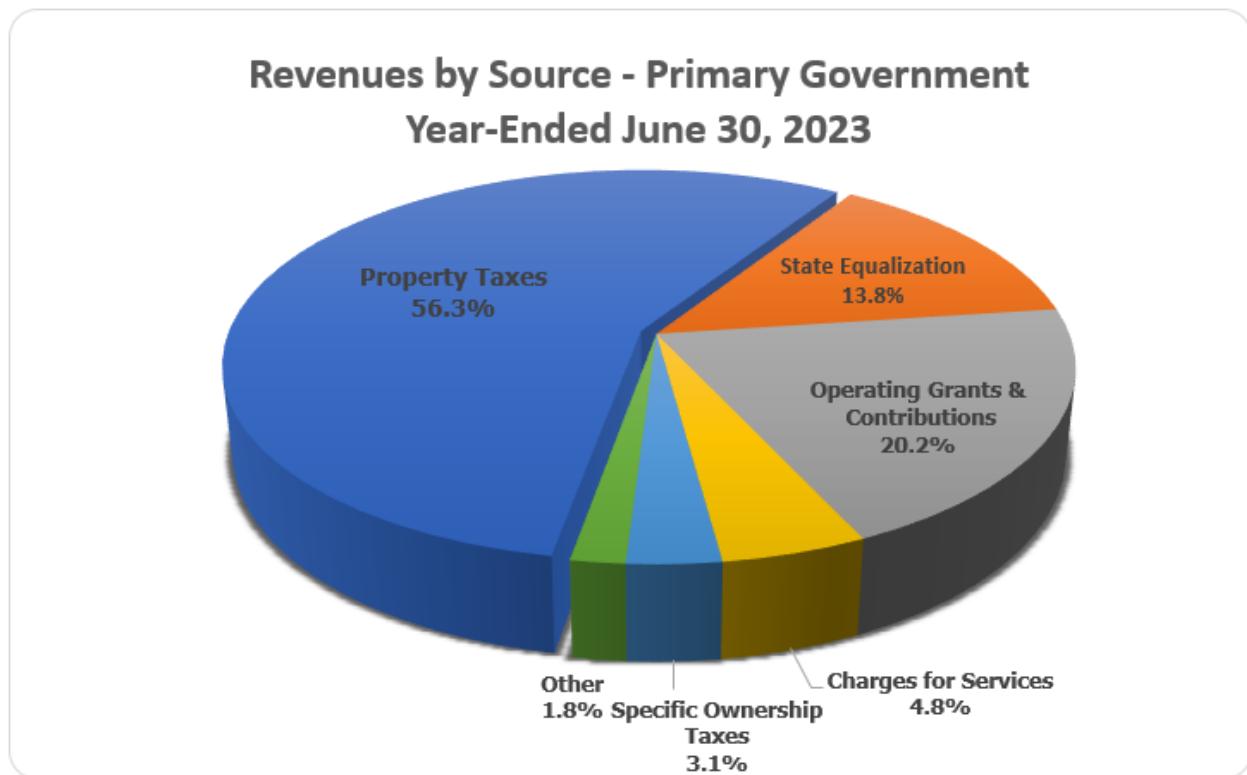
Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The District's adjusted total program funding for FY 2023 was \$886.1 million reflected as a combination of state equalization and a portion of property tax revenues in the Statement of Activity. This was based on a funded pupil count of 89,176 and per pupil total program funding of \$9,936 compared to total program funding of \$837.2 million funded pupil count of 89,410 and per pupil total program funding of \$9,364 in FY 2022. Of the adjusted total program funding, \$264.1 million was funded through state share compared to \$222.3 million in FY 2022. The remainder was funded through a combination of local property and specific ownership taxes.

The District generated \$1,076.8 million in property tax revenues in FY 2023 compared to \$1,026.2 million in FY 2022. Total property tax revenues include School Finance Act mills, override election mills, Tax Abatement mills and Bond Redemption Fund mills. Property tax revenues increased by \$50.6 million and are attributable to the rising property valuations in the City and County of Denver. The District also recognized an increase in state equalization of \$41.8 million. District grants operating revenue increased by \$104.9 million year over year due to a second phase of Elementary and Secondary School Emergency Relief Fund. Total expenses for the primary government in FY 2023 were \$1,754.0 million compared to \$1,406.4 million in FY 2022. Total expenses increased by \$347.6 million primarily due to increased spend in student instruction and student support services.

SCHOOL DISTRICT NO. 1
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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



Financial Analysis of the District's Funds

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

Governmental funds

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

Fund balance of all governmental funds is \$1,094.7 million in FY 2023 compared to \$1,263.1 million in FY 2022, as restated.

The General Fund is the primary operating fund of the District. Fund balance of the General Fund at June 30, 2023 was \$147.7 million, compared to \$133.4 million as of June 30, 2022. The increase in fund balance is primarily due to increased property taxes and state revenue. Constraints on use of the General Fund balance include a restricted emergency reserve of \$38.1 million as required by the Taxpayer Bill of Rights (TABOR) and state statute.

Assigned fund balance includes \$12.7 million budgeted for subsequent year expenditure and \$12.4 million for special projects.

SCHOOL DISTRICT NO. 1
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

The Grant Special Revenue Fund balance as of June 30, 2023 was \$22.1 million compared to \$17.4 million at June 30, 2022. 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, 2023 was \$226.6 million compared to \$220.9 million as of June 30, 2022. The Bond Redemption Fund is restricted for payment of the District's General Obligation Bond debt service as authorized by Denver voters. The Bond Redemption Fund increased by \$5.7 million due to timing of upcoming debt service payments.

The Building Fund as of June 30, 2023 was \$682.8 million compared to \$869.6 million as of June 30, 2022, as restated. 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 Building Fund also consists of unspent Certificates of Participation (COPs) restricted for financing capital projects and for debt service. Additionally, a portion of these funds is restricted for capital projects by Board authorization and assigned to debt service by Board adoption of the annual budget. Starting fiscal year 2023 the capital reserve fund has been combined with the building fund, as noted by the change in reporting entity. The Building Fund decreased by \$186.8 million primarily as a result of continuing to spend down the 2020 general obligation bond and COPs.

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, excluding reserves, increased by \$3.7 million due to additional allocation of funds to schools and school support services.

The actual change to fund balance for general fund was a \$14.2 million increase, a \$23.4 million difference from what was included in the budget compared to prior year. The main factor driving the difference was related to district-managed schools underspending their budgets mainly due to vacant positions and additional revenue from higher interest rates creating additional interest income and higher local specific ownership tax revenues.

Capital and Lease/Software Assets and Debt Administration

Capital and Lease/Software Assets

The District's investment in capital assets and lease/software assets, net of accumulated depreciation for its governmental activities as of June 30, 2023 amounted to \$1,762.3 million. Investment in capital assets includes land, buildings and improvements, equipment, right to use lease tangible assets and software-based information technology (SBITA) intangible assets, and construction in progress with an original cost greater than \$25,000 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 Fund which included implementation of the new Enterprise Resource Planning Oracle system. Capital projects are used to make improvements and critical repairs. In fiscal year 2023, the District implemented GASB 96 (Statement No. 96) software-based information technology arrangements reporting requirements for all state and local governments where the District is named the lessee of intangible assets. The District will recognize a SBITA liability within the government-wide financial statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

The District's total capital assets at June 30, 2023 and 2022, respectively, net of accumulated depreciation, were as follows (in millions).

	June 30, 2023	June 30, 2022
Buildings and improvements	\$ 1,374.5	\$ 1,385.1
Construction in progress	199.0	81.7
Land	110.5	110.5
Equipment	54.1	53.4
Leases	12.2	14.0
SBITA/Software	12.0	-
Total	\$ 1,762.3	\$ 1,644.7

(Please see additional details in Note 5 and 6 to the financial statements)

Long-Term Debt

At June 30, 2023 and 2022, respectively, the District's long-term debt consisted of the following (in millions).

	June 30, 2023	June 30, 2022
General obligation bonds	\$ 2,320.9	\$ 2,473.6
Certificates of participation	913.4	954.1
Net pension liability	439.2	4.0
Net OPEB liability	7.6	26.6
Compensated absences	19.0	18.2
Accrued claims liability	12.4	11.6
Lease liability	12.8	14.0
SBITA/software liability	12.0	-
Other obligation	1.5	1.5
Total	\$ 3,738.8	\$ 3,503.6

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

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

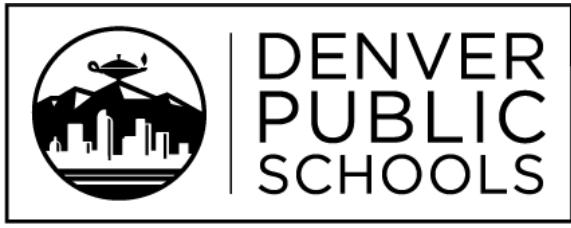
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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, 2023

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 274,248,279	\$ 98,695,696
Investments	3,982	18,724,772
Receivables (net of allowance):		
Taxes	63,749,457	-
Intergovernmental	112,007,076	-
Leases receivable	5,062,681	-
Other	54,121,601	45,643,771
Inventory	5,062,008	71,896
Prepaid items	93,192	1,052,159
Held by fiscal agents	3,226,167	-
Restricted cash and cash equivalents	644,186,165	7,867,141
Restricted investments	184,455,128	1,198,372
Capital assets:		
Land and construction in progress	309,512,194	-
Building, net of accumulated depreciation	1,374,543,277	67,997,990
Equipment, net of accumulated depreciation	54,047,916	-
Leased and Software, net of accumulated depreciation	24,194,475	6,862,792
Total assets	<u>3,108,513,598</u>	<u>248,114,589</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	127,535,321	551,742
Related to pensions	284,250,361	43,657,042
Related to OPEB	8,568,864	1,984,214
Total deferred outflows of resources	<u>420,354,546</u>	<u>46,192,998</u>
LIABILITIES		
Accounts and interest payable	90,981,050	9,955,901
Accrued payroll and benefits	81,621,807	9,312,306
Claims payable	6,382,979	-
Unearned revenue	18,572,193	1,057,241
Due to fiduciary funds	8,942	-
Long-term liabilities:		
Due within one year	162,349,257	2,262,587
Due in more than one year	3,576,444,865	122,078,592
Total liabilities	<u>3,936,361,093</u>	<u>144,666,627</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refundings	7,331,312	-
Related to leases	5,088,206	419,847
Related to pensions	129,361,159	14,375,586
Related to OPEB	12,281,911	2,149,809
Total deferred inflows of resources	<u>154,062,588</u>	<u>16,945,242</u>
NET POSITION (deficit)		
Net investment in capital assets	5,788,163	30,147,602
Restricted for:		
Debt service	227,841,042	-
Performance-based teacher compensation	6,334,673	-
Higher education	19,012,629	-
Non-governmental grantor-designated purposes	3,091,614	-
Permanent fund and nonexpendable	65,520	-
Capital projects	-	1,616,361
Donor-designated purposes	-	6,507,479
TABOR Multi Year Obligations	-	351,715
Emergency reserve	38,060,520	9,467,373
Unrestricted (deficit)	(861,749,698)	84,605,188
Total net position (deficit)	<u>\$ (561,555,537)</u>	<u>\$ 132,695,718</u>

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

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

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary government						
Governmental activities:						
Instruction:						
Regular instruction	\$ 733,729,241	\$ 41,467,535	\$ 174,818,913	\$ -	\$ (517,442,793)	
Special education	124,213,809	7,019,479	29,592,734	-	(87,601,596)	
Vocational	61,387	3,469	14,625	-	(43,293)	
Other instruction	56,706,699	3,204,567	13,509,820	-	(39,992,312)	
Total instruction	<u>914,711,136</u>	<u>51,695,050</u>	<u>217,936,092</u>	<u>-</u>	<u>(645,079,994)</u>	
Support services:						
Pupil support	126,633,648	7,156,228	30,169,238	-	(89,308,182)	
Instructional support	139,565,736	7,887,036	33,250,182	-	(98,428,518)	
General administration	14,941,890	844,385	3,559,761	-	(10,537,744)	
School administration	91,682,513	5,181,095	21,842,470	-	(64,658,948)	
Business services	22,794,030	1,288,119	5,430,457	-	(16,075,454)	
Operations and maintenance	129,412,125	7,194,651	30,331,225	-	(91,886,249)	
Pupil transportation	35,053,433	1,980,914	8,351,141	-	(24,721,378)	
Central services	55,178,459	3,118,204	13,145,732	-	(38,914,523)	
Other support services	48,296,510	2,729,297	11,506,175	-	(34,061,038)	
Community services	20,356,928	1,150,396	4,849,840	-	(14,356,692)	
Education for adults	27,273,093	1,541,237	6,497,550	-	(19,234,306)	
Interest and fiscal charges	128,072,087	-	-	-	(128,072,087)	
Total support services	<u>839,260,452</u>	<u>40,071,562</u>	<u>168,933,771</u>	<u>-</u>	<u>(630,255,119)</u>	
Total governmental activities	<u>1,753,971,588</u>	<u>91,766,612</u>	<u>386,869,863</u>	<u>-</u>	<u>(1,275,335,113)</u>	
Component units						
Charter Schools	336,774,649	2,879,001	50,510,471	1,833,875	(281,551,302)	
DPS Foundation	6,995,085	-	16,631,183	-	9,636,098	
Total component units	<u>\$ 343,769,734</u>	<u>\$ 2,879,001</u>	<u>\$ 67,141,654</u>	<u>\$ 1,833,875</u>	<u>\$ (271,915,204)</u>	
	<u>Primary Government</u>					
	<u>Governmental Activities</u>					
Net (expense) revenue	<u>\$ (1,275,335,113)</u>	<u>\$ (271,915,204)</u>				
General revenues:						
Property taxes	1,076,826,381	57,919,266	-			
Specific ownership taxes	59,720,206	-				
Payment in lieu of taxes	5,478,167	-				
State equalization	264,084,334	198,729,191				
Interest and investment income	23,541,755	2,896,002				
Other	5,024,155	33,168,751				
Total general revenues	<u>1,434,674,998</u>	<u>292,713,210</u>				
Changes in net position	<u>159,339,885</u>	<u>20,798,006</u>				
Net position (deficit) - beginning	(720,895,422)	111,953,893				
Correction of error	-	(56,181)				
Net position (deficit) - beginning, as restated	<u>(720,895,422)</u>	<u>111,897,712</u>				
Net position (deficit) - ending	<u>\$ (561,555,537)</u>	<u>\$ 132,695,718</u>				

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

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General	Grants Special Revenue	Bond Redemption
ASSETS			
Assets:			
Cash and cash equivalents	\$ 267,712,627	\$ -	\$ -
Investments	-	-	-
Receivables (net of allowance):			
Taxes receivable	47,583,116	- 104,836,786	11,451,548
Intergovernmental	-	-	-
Leases receivable	3,113,070	-	-
Other	4,386,702	5,697,084	-
Due from other funds	-	-	33,780,145
Inventory	1,475,845	-	-
Prepaid items	-	-	-
Cash with fiscal agents	3,226,167	-	-
Restricted cash and cash equivalents	1,069,547	-	-
Restricted investments	-	-	184,455,128
Total assets	<u>\$ 328,567,074</u>	<u>\$ 110,533,870</u>	<u>\$ 229,686,821</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 72,679,187	\$ 7,393,686	\$ -
Claims Liability	6,382,979	-	-
Accrued payroll and benefits	81,621,807	-	-
Due to other funds	1,331,085	69,868,680	-
Unearned revenue	4,744,242	11,167,261	-
Total liabilities	<u>166,759,300</u>	<u>88,429,627</u>	<u>-</u>
Deferred inflows of resources:			
Property taxes	11,012,934	-	3,083,533
Lease related	3,113,070	-	-
Unavailable revenues - long-term receivables	-	-	-
Total deferred inflows of resources	<u>14,126,004</u>	<u>-</u>	<u>3,083,533</u>
FUND BALANCES:			
Nonspendable:			
Inventory	1,475,845	-	-
Prepaid items	-	-	-
Permanent fund	-	-	-
Restricted for:			
Higher education	-	19,012,629	-
Non-governmental grantor-designated purposes	-	3,091,614	-
Performance-based teacher compensation	-	-	-
Debt service	-	-	226,603,288
Capital projects	-	-	-
Emergency reserve	38,060,520	-	-
Committed to:			
Pupil activities	6,609,037	-	-
Assigned to:			
Subsequent year expenditure	12,677,000	-	-
Special projects	12,439,657	-	-
Capital Projects	-	-	-
Food service	-	-	-
Unassigned	76,419,711	-	-
Total fund balances	<u>147,681,770</u>	<u>22,104,243</u>	<u>226,603,288</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 328,567,074</u>	<u>\$ 110,533,870</u>	<u>\$ 229,686,821</u>

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

Continued next page

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

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Building	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Assets:			
Cash and cash equivalents	\$ -	\$ 6,535,652	\$ 274,248,279
Investments	-	3,982	3,982
Receivables (net of allowance):			
Taxes receivable	-	4,714,793	63,749,457
Intergovernmental	-	7,170,290	112,007,076
Leases receivable	1,949,611	-	5,062,681
Other	43,801,731	236,084	54,121,601
Due from other funds	39,654,451	6,801,500	80,236,096
Inventory	-	3,586,163	5,062,008
Prepaid items	93,192	-	93,192
Cash with fiscal agents	-	-	3,226,167
Restricted cash and cash equivalents	643,116,618	-	644,186,165
Restricted investments	-	-	184,455,128
Total assets	<u>\$ 728,615,603</u>	<u>\$ 29,048,464</u>	<u>\$ 1,426,451,832</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 638,626	\$ 80,711,499
Claims Liability	-	-	6,382,979
Accrued payroll and benefits	-	-	81,621,807
Due to other funds	-	9,045,273	80,245,038
Unearned revenue	-	2,660,690	18,572,193
Total liabilities	<u>-</u>	<u>12,344,589</u>	<u>267,533,516</u>
Deferred inflows of resources:			
Property taxes	-	1,210,447	15,306,914
Lease related	1,975,136	-	5,088,206
Unavailable revenues - long-term receivables	43,801,731	-	43,801,731
Total deferred inflows of resources	<u>45,776,867</u>	<u>1,210,447</u>	<u>64,196,851</u>
FUND BALANCES:			
Nonspendable:			
Inventory	-	540,879	2,016,724
Prepaid items	93,192	-	93,192
Permanent fund	-	65,520	65,520
Restricted for:			
Higher education	-	-	19,012,629
Non-governmental grantor-designated purposes	-	-	3,091,614
Performance-based teacher compensation	-	6,334,673	6,334,673
Debt service	1,237,754	-	227,841,042
Capital projects	643,116,618	-	643,116,618
Emergency reserve	-	-	38,060,520
Committed to:			
Pupil activities	-	4,698,371	11,307,408
Assigned to:			
Subsequent year expenditure	-	-	12,677,000
Special projects	-	-	12,439,657
Capital Projects	38,391,172	-	38,391,172
Food service	-	3,853,985	3,853,985
Unassigned	-	-	76,419,711
Total fund balances	<u>682,838,736</u>	<u>15,493,428</u>	<u>1,094,721,465</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 728,615,603</u>	<u>\$ 29,048,464</u>	<u>\$ 1,426,451,832</u>

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



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

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balances for governmental funds	\$ 1,094,721,465
Capital assets including donated land used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,738,103,387
Leases and Software assets are not financial resources and, therefore, are not reported in the funds.	24,194,475
Deferred outflows of resources related to loss on refundings are not financial resources and therefore, are not reported in the funds.	127,535,321
Deferred outflows of resources related to pensions are not included in the funds.	284,250,361
Deferred outflows of resources related to OPEB are not included in the funds.	8,568,864
Accrued interest payable, is not due and payable in the current period and, therefore is not reported in the funds.	(10,269,551)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,738,794,122)
Deferred inflows of resources related to gain on refundings are not financial resources and, therefore are not reported in the funds.	(7,331,312)
Deferred inflows of resources related to pensions are not financial resources and, therefore are not reported in the funds.	(129,361,159)
Deferred inflows of resources related to OPEB are not financial resources and, therefore are not reported in the funds.	(12,281,911)
Deferred inflows of resources related to property taxes and long-term receivables are economic resources and, therefore are recognized in governmental activities.	<u>59,108,645</u>
Net position (deficit) of governmental activities	<u>\$ (561,555,537)</u>

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

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Grants Special Revenue	Bond Redemption
REVENUES			
Taxes	\$ 860,813,112	\$ -	\$ 216,895,538
Intergovernmental:			
Revenue from state sources	357,665,238	33,847,623	-
Revenue from federal sources	1,213,978	169,462,312	-
Charges for services	74,736,609	10,338,870	-
Investment income	4,519,945	-	3,838,352
Other local sources	14,667,800	17,264,365	-
Total revenues	<u>1,313,616,682</u>	<u>230,913,170</u>	<u>220,733,890</u>
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	602,036,028	79,595,591	-
Special education	100,811,403	17,574,426	-
Vocational education	57,230	2,517	-
Other instruction	36,523,280	7,059,260	-
Total instruction	<u>739,427,941</u>	<u>104,231,794</u>	<u>-</u>
Support services:			
Pupil supporting services	86,702,501	33,967,969	-
Instructional support	106,644,896	27,107,673	-
General administration	10,918,334	3,452,941	-
School administration	87,529,034	1,710,071	-
Business services	15,748,677	6,419,215	27,607
Operations and maintenance	51,880,969	5,900,818	-
Pupil transportation	33,888,903	248,176	-
Central services	35,465,538	6,254,979	-
Other support services	-	2,764,627	-
Total support services	<u>428,778,852</u>	<u>87,826,469</u>	<u>27,607</u>
Community services	12,734,634	7,077,542	-
Education for adults	175,203	26,382,390	-
Capital outlay	330,796	1,246,470	-
Debt service:			
Principal payments	30,374,869	96,882	121,740,000
Interest and fiscal charges	41,773,535	22,418	99,724,901
Total debt service	<u>72,148,404</u>	<u>119,300</u>	<u>221,464,901</u>
Total expenditures	<u>1,253,595,830</u>	<u>226,883,965</u>	<u>221,492,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,020,852</u>	<u>4,029,205</u>	<u>(758,618)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	648,908	5,695,286
Transfers out	(45,813,428)	-	-
Premium on issuance of debt	-	-	1,124,848
Issuance of leases and software	-	-	-
Refunding bonds	-	-	33,380,000
Payment to bond escrow agent	-	-	(33,705,000)
Total other financing sources (uses)	<u>(45,813,428)</u>	<u>648,908</u>	<u>6,495,134</u>
Net change in fund balances	14,207,424	4,678,113	5,736,516
Fund balance - beginning	133,393,336	17,426,130	220,866,772
Change in reporting entity	81,010	-	-
Fund balance - beginning, as restated	133,474,346	17,426,130	220,866,772
Fund balance - ending	<u>\$ 147,681,770</u>	<u>\$ 22,104,243</u>	<u>\$ 226,603,288</u>

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

Continued next page

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Building	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 87,997,509	\$ 1,165,706,159
Intergovernmental:			
Revenue from state sources	-	246,451	391,759,312
Revenue from federal sources	6,585,598	33,838,221	211,100,109
Charges for services	7,648	5,030,884	90,114,011
Investment income	14,953,688	229,770	23,541,755
Other local sources	23,182,783	5,813,992	60,928,940
Total revenues	<u>44,729,717</u>	<u>133,156,827</u>	<u>1,943,150,286</u>
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	-	32,978,221	714,609,840
Special education	-	2,580,825	120,966,654
Vocational education	-	36	59,783
Other instruction	-	11,641,751	55,224,291
Total instruction	<u>-</u>	<u>47,200,833</u>	<u>890,860,568</u>
Support services:			
Pupil supporting services	-	2,652,765	123,323,235
Instructional support	-	2,164,685	135,917,254
General administration	-	180,012	14,551,287
School administration	-	46,676	89,285,781
Business services	-	2,651	22,198,150
Operations and maintenance	18,417,734	47,797,243	123,996,764
Pupil transportation	-	-	34,137,079
Central services	11,013,362	1,002,123	53,736,002
Other support services	-	44,257,973	47,022,600
Total support services	<u>29,431,096</u>	<u>98,104,128</u>	<u>644,168,152</u>
Community services	-	12,588	19,824,764
Education for adults	51	2,487	26,560,131
Capital outlay	219,130,104	12,468,030	233,175,400
Debt service:			
Principal payments	10,797,306	1,261,274	164,270,331
Interest and fiscal charges	6,479,076	268,054	148,267,984
Total debt service	<u>17,276,382</u>	<u>1,529,328</u>	<u>312,538,315</u>
Total expenditures	<u>265,837,633</u>	<u>159,317,394</u>	<u>2,127,127,330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(221,107,916)</u>	<u>(26,160,567)</u>	<u>(183,977,044)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	31,914,777	7,554,457	45,813,428
Transfers out	-	-	(45,813,428)
Premium on issuance of debt	-	-	1,124,848
Issuance of leases and software	2,371,271	12,385,719	14,756,990
Refunding bonds	-	-	33,380,000
Payment to bond escrow agent	-	-	(33,705,000)
Total other financing sources (uses)	<u>34,286,048</u>	<u>19,940,176</u>	<u>15,556,838</u>
Net change in fund balances	(186,821,868)	(6,220,391)	(168,420,206)
Fund balance - beginning	777,646,743	21,713,819	1,171,046,800
Change in reporting entity	92,013,861	-	92,094,871
Fund balance - beginning, as restated	869,660,604	21,713,819	1,263,141,671
Fund balance - ending	<u>\$ 682,838,736</u>	<u>\$ 15,493,428</u>	<u>\$ 1,094,721,465</u>

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



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SCHOOL DISTRICT NO. 1
 IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2023

Net change in fund balance - governmental funds	\$ (168,420,206)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of capitalized assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital, leases and software asset additions	231,076,855
Capital, leases and software asset depreciation	(113,402,649)
Capital, leases and software asset loss on disposal	(85,212)
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.	(34,504,848)
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.	193,945,000
Amortization of premium on debt has no effect on the governmental funds, but increases the change in net position of governmental activities.	33,905,424
Amortization of deferred loss on refundings are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	(11,852,113)
Amortization of deferred gain on refundings are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense. Current year deferred gain on refunding less amortization - gain on refunding	(2,308,678)
Some expenses reported in the statement of activities do /(do not) require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds:	
Change in compensated absences	(830,515)
Change in leases liability	1,222,093
Change in software liability	(11,948,752)
Change in accrued claims liability	(857,737)
Change in interest payable related to long-term liabilities	514,411
Net Pension Credit	46,307,122
Net OPEB Credit	25,739,258
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.	(29,159,568)
Change in net position of governmental activities	\$ 159,339,885

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

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Assets		
Cash and investments	\$ -	\$ 1,047,593
Retiree Life Insurance Investment	20,459,412	-
Due from other funds	-	<u>8,942</u>
Total Assets	<u>20,459,412</u>	<u>1,056,535</u>
LIABILITIES		
Accounts payable	<u>20,459,412</u>	-
Total liabilities	<u>20,459,412</u>	-
Net Position		
Restricted for		
Net position held in trust	-	1,056,535
Total Net Position	<u>\$ -</u>	<u>\$ 1,056,535</u>

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

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

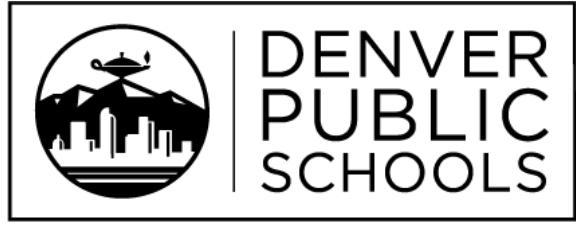
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Additions		
Employer contributions	\$ 3,877,366	\$ -
Interest income	<u>511,403</u>	<u>40,943</u>
Total Additions	<u><u>4,388,769</u></u>	<u><u>40,943</u></u>
Deductions		
Medical and life insurance for retirees	2,170,842	-
Payment of annuity contract	<u>20,459,412</u>	<u>-</u>
Total Deductions	<u><u>22,630,254</u></u>	<u><u>-</u></u>
Net increase in fiduciary net position	(18,241,485)	40,943
Net position - beginning	<u>18,241,485</u>	<u>1,015,592</u>
Net position - ending	<u><u>\$ -</u></u>	<u><u>\$ 1,056,535</u></u>

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for major governmental funds and fiduciary funds. Fiduciary activities are not reflected in the government-wide financial statements because those resources are not available to support the district's own programs. General Fund, Grants Special Revenue, Bond Redemption and Building are major governmental funds and are reported as separate columns in the fund financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

Governmental Funds

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds as detailed below. Primary revenue sources for the general fund include property taxes, state equalization, and tuition billing for early childhood education. The internal service fund was combined into the general fund starting the fiscal year 2023. The district is no longer providing goods or services on a cost reimbursement basis.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 ongoing capital outlay needs of the District such as construction, renovation projects, repairs and maintenance funded by the sale of general obligation bonds and proceeds from the issuance of certificates of participation (COPs). Debt payments on certain COPs are also accounted for here. The capital reserve fund was combined into the building fund starting fiscal year 2023. The Building and Capital Reserve Funds were combined into a single fund to promote efficiencies of managing capital in a single fund while maintaining capabilities of project level reporting at the funding level as allowed by state statute.

The District reports the following nonmajor governmental funds:

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

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

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

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

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

Fiduciary Funds

The District has two Fiduciary Funds which include the Other Employee Benefit Trust Fund and the Private Purpose Trust Fund. The Private Purpose Trust Fund is used to report all fiduciary activities that are not required to be reported in pension and other employee benefit trust funds or investment trust funds and are held in trust. The Other Employee Benefit Trust Fund is used to report the MetLife Retiree Life Insurance OPEB Plan since the assets are administered through a trust in which Denver Public Schools is not a beneficiary, dedicated to providing benefits to retirees or designated beneficiaries in accordance with the benefit terms, and legally protected from the creditors of Denver Public Schools. The District included the Retiree Life Insurance trust as a fiduciary component unit in its financial statements. The District's postemployment health benefits were transferred to PERACare on January 1, 2010. See Note 10 for additional information for OPEB Retiree Life Insurance Plan.

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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 the 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 the 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.
5. Restricted cash is a result of unspent bond proceeds.

Unearned Revenue

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

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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, Leases and Software Assets

Capital and leases/software assets are real, personal and intangible property that have a cost equal to or greater than an established capitalization threshold of \$25,000 and have an estimated useful life extending beyond one year. The presentation of capital assets has changed to incorporate leases/software assets as per GASB 87/96 reporting requirements that took effect July 1, 2021 and July 1, 2022. For additional information, refer to Note 5, Note 6 and Note 7.

Due From and Due to Other Funds

A general disbursing account within the General Fund is used on an imprest basis to make expenditures on behalf of all funds. This account is periodically reimbursed by the applicable funds. Interfund balances at June 30, 2023 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

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twelve-month period from August 1 to July 31. Changes in the accrual are reflected in expenditures or expenses on the applicable fund's statement of revenues, expenditures and changes in fund balances. Certain payroll benefits and part-time salaries which are payable at June 30 are also included.

Encumbrances

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

Compensated Absences

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. In accordance with Section 22-45-103, CRS, the District's bond redemption fund custodian for FY 2023 was U.S. Bank.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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Net Position

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

Fund Balances

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

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

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

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

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

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

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

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2. CASH AND INVESTMENTS

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

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

<u>Authorized Investment Type</u>	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, 2023, the District investments are in compliance with the investment policy.

Investments Authorized by Debt Agreements

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

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

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The District has the following recurring fair value measurements as of June 30, 2023:

- Corporate Notes of \$125,104,298 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- U.S. Treasury securities of \$361,614,378 are valued using quoted price in active markets for identical assets (Level 1 inputs).
- Repurchase Agreements of \$38,475,000 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 \$16,638,691 and related carrying amount of \$4,708,098.

Interest Rate Risk

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

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

Type of Security	Fair Value	Maturity				
		30 days or less	12 months or less	1 to 2 years	2 to 7 years	Perpetual
Certificate of Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	-	-	-	-	-	-
US Treasury Notes	361,614,378		361,614,378			
Corporate Note	125,104,298		125,104,298			
External Investment Pools	427,382,554	427,382,554				
Money Market Funds	149,855,393	149,855,393				
Repurchase Agreements	38,475,000	-	-	-	38,475,000	
Forward Delivery Agreements:						
First American Treasury Obligations	23,612	-	23,612	-	-	
Retiree Life Insurance	20,459,411	20,459,411	-	-	-	
Total	\$ 1,122,914,646	\$ 597,697,358	\$ 486,742,288	\$ -	\$ 38,475,000	

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

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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	\$ 4,708,098
Investments	1,122,914,646
Stocks	3,982
Total	<u>\$ 1,127,626,726</u>
Cash and investments per government-wide statements of net position:	
Cash and cash equivalents	\$ 274,248,279
Investments	3,982
Restricted cash and cash equivalents	644,186,165
Held by fiscal agents	3,226,167
Restricted investments	184,455,128
Cash and investments per the fiduciary statements of net position:	
Private purpose trust	1,047,593
Post Employment Benefit Trust Fund	20,459,412
Total	<u>\$ 1,127,626,726</u>

Foreign Currency Rate Risk

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

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSROs). State law limits investments for school districts to U.S. Treasury instruments, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in Rule 2a-7, as amended, as long as such rule does not increase the remaining maturities beyond a maximum of three years. The District's investment policy requires money market funds and local government investment pools to have a rating of AAA 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, 2023, the money market funds that the District participated in were rated as follows by Standard and Poor's:

Financial Institution	Fund	Rating as of June 30, 2023
Wells Fargo	Government Money Market Fund	AAA
Wells Fargo	Treasury Plus Money Market Fund	AAA
MetLife	MetLife General Account	A-1+

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

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

The District invests \$59,273,174 in the CSAFE-Cash account, \$113,140,246 in COLOTRUST, and \$254,969,134 in CSIP. The Colorado Division of Securities regulates these local government investment pools. The District's position is that these pools are the same as the value of pool shares. Standard and Poor's rates COLOTRUST as AAA and CSIP as AAA. Fitch Ratings Financial Services Company rates CSAFE-Cash as AAmmf.

The District has \$3,226,167 in the State of Colorado Treasury ("T-Pool") as required by the Colorado Workers' Compensation Act for self-insurance security. T-Pool is held by fiscal agents and considered a money market fund. The pool is not rated.

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

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

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

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

Concentration of Credit Risk

Concentration of credit risk as defined by the Government Accounting Standards Board (GASB) is any investment that represents 5% or more of the total investments to any one issuer. The District's investments do not contain more than a 5% concentration in one issuer as of June 30, 2023.

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3. REVENUE AND RECEIVABLES

Property Taxes

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

Property taxes levied for the General Fund totaled \$818,456,533 and for ProComp totaled \$38,917,115 in 2023. The Mill Levy Technology Maintenance Fund, which was created in fiscal year 2021, levied property taxes of \$51,040,624. 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 2023 collection year was approximately \$37.7 million. The 2012 override will generate \$83.6 million for the 2023 property tax collection year which results in a levy of 3.839 mills. The 2016 override election mill levy is variable at 3.379 mills and will generate \$73.5 million for the 2023 property tax collection year.

Deferred inflow of resources in the General Fund, ProComp Special Revenue Fund and Mill Levy Technology Maintenance Fund included \$11,012,934, \$523,658 and \$686,789, respectively, of property taxes at June 30, 2023. In addition, property taxes levied for the Bond Redemption Fund totaled \$214,240,025 in 2023 and accounted for the entire deferred inflow of resources of \$3,083,533 at June 30, 2023. Property tax revenue is recorded in the General Fund, the ProComp Special Revenue Fund, the Mill Levy Technology Maintenance Fund and the Bond Redemption Fund. The taxes receivable are recorded net of an estimated uncollectible amount of \$3,095,588 in the governmental activities, \$2,480,968 in the General Fund and \$614,620 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). In FY23 DPS changed the name to Central Park School Funding Agreement. The Funding Agreement provides funding of various projects in the Central Park Urban Redevelopment Area.

The Central Park School 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 Central Park Urban Redevelopment Area. The Authority and the District entered into the Funding Agreement which provides for the payment of the actual development costs of certain schools and other property identified therein from proceeds of obligations issued by the Authority.

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In accordance with the Funding Agreement, the District has performed work and is eligible for reimbursement with respect to an elementary school, a K-8 school and the acquisition and construction of a District high school and sports field. The District entered into a supplemental agreement with the Authority which included land for an elementary school and construction of a new fire station to accommodate the needs of the growing area. Per the supplemental agreement, the District also received donated land for a second school site. Reimbursement to the District is in accordance with the Redevelopment Plan and Funding Agreement including amendments. Payments are expected each year through 2026. The following table summarizes the projects and outstanding reimbursable amounts as of June 30, 2023. The remaining balances are reflected as accounts receivable and deferred inflow of resources in the Building Fund.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2023
Central Park Redevelopment Plan	\$ 57,346,163	\$ 5	\$ 13,556,980	\$ 43,789,188

The District has an agreement with National Jewish Health. Per the agreement, the final payment shall be due and payable by October 1, 2022. The final payment was received in September 2022.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2023
National Jewish Health	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -

Other Revenue

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

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2023
U.S. Treasury Subsidy	\$ 25,113	\$ 6,573,028	\$ 6,585,598	\$ 12,543

Other Receivables

Other Receivables for the District include the receivables mentioned above for Central Park Redevelopment, National Jewish Health, the U.S. Treasury and other receivables that are expected to be paid in the following fiscal year. General Fund receivables of \$4.4 million consists of other state and local revenues. Grants Special Revenue receivables of \$5.7 million consists of private grants and higher education student tuition.

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4. INTERFUND BALANCES AND TRANSFERS

Balances of interfund receivables, payables and transfers at June 30, 2023 are as follows:

	Due From	Due To	Transfer In	Transfer Out
Major Funds				
General Fund - Due to Other Funds	\$ -	\$ 1,331,085	\$ -	\$ 45,813,428
Grants Special Revenue	-	69,868,680	648,908	-
Bond Redemption	33,780,145	-	5,695,286	-
Building	39,654,451	-	31,914,777	-
Subtotal	<u>\$ 73,434,596</u>	<u>\$ 71,199,765</u>	<u>\$ 38,258,971</u>	<u>\$ 45,813,428</u>
Nonmajor Funds				
Food Service	-	5,524,302	618,725	-
Pupil Activity Fund	6,801,500	-	6,935,732	-
ProComp	-	1,486,940	-	-
Mill Levy Technology Maintenance	-	1,973,503	-	-
Permanent	-	60,528	-	-
Subtotal	<u>\$ 6,801,500</u>	<u>\$ 9,045,273</u>	<u>\$ 7,554,457</u>	<u>\$ -</u>
Fiduciary Funds				
Private Purpose Trust	<u>8,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 80,245,038</u>	<u>\$ 80,245,038</u>	<u>\$ 45,813,428</u>	<u>\$ 45,813,428</u>

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



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5. CAPITAL, LEASES AND SOFTWARE ASSETS

Capital, lease and software-based information technology arrangements (SBITA) assets resulting from expenditures in the governmental funds are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital and lease/software assets are capitalized at cost, or estimated historical cost and updated for additions and retirements during the year. The presentation of capital assets has changed to incorporate lease/software assets as per the implementation of GASB 87 lease reporting requirements effective July 1, 2021, along with GASB 96 software reporting requirements effective July 1, 2022. Donated capital assets are recorded at acquisition values as of the date received. Effective July 1, 2022, the District increased capitalization threshold from \$5,000 to \$25,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital and lease/software 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
Leases/software assets	Varies**

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

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

Instruction:	
Regular	\$ 51,175,881
Special education	8,663,620
Vocational	4,282
Other Instruction	3,955,158
Supporting services:	
Pupil support	8,832,397
Instructional support	9,734,380
General administration	1,042,162
School administration	6,394,639
Business services	1,589,830
Operations and maintenance	9,026,190
Pupil transportation	2,444,894
Central services	3,848,567
Other support services	3,368,567
Community services	1,419,848
Education for adults	1,902,234
Total Depreciation Expense	<u>\$ 113,402,649</u>

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A summary of changes in governmental capital, lease and software assets are as follows:

	July 1, 2022	Additions	Transfers	Retirements	June 30, 2023
Land	\$ 110,487,963	\$ -	\$ -	\$ -	\$ 110,487,963
Buildings and Improvements	\$ 2,322,451,285	-	71,127,640	-	\$ 2,393,578,925
Less accumulated depreciation	937,306,409	81,729,239	-	-	1,019,035,648
Net	\$ 1,385,144,876	\$ (81,729,239)	\$ 71,127,640	\$ -	\$ 1,374,543,277
Equipment	\$ 326,257,388	707,519	26,582,882	(1,074,856)	\$ 352,472,933
Less accumulated depreciation	272,854,879	26,580,094	-	(1,009,956)	298,425,017
Net	\$ 53,402,509	\$ (25,872,575)	\$ 26,582,882	\$ (64,900)	\$ 54,047,916
Construction in progress	\$ 81,694,406	\$ 215,040,347	\$ (97,710,522)	\$ -	\$ 199,024,231
Lease Assets					
Land	\$ 509,467	\$ -	\$ -	\$ -	\$ 509,467
Building	13,452,000	1,137,775	-	(199,081)	14,390,694
Equipment	2,206,257	-	-	-	2,206,257
Less amortization expense	2,188,610	2,866,118	-	(178,769)	4,875,959
Net	\$ 13,979,114	\$ (1,728,343)	\$ -	\$ (20,312)	\$ 12,230,459
Software Assets	\$ -	\$ 14,191,214	\$ -	\$ -	\$ 14,191,214
Less amortization expense	-	2,227,198	-	-	2,227,198
Net	\$ -	\$ 11,964,016	\$ -	\$ -	\$ 11,964,016
Total Capital Assets (Net)	\$ 1,644,708,868	\$ 117,674,206	\$ -	\$ (85,212)	\$ 1,762,297,862

Net investment in capital assets is estimated by first comparing the total building fund expenditures since 2014 to the capital outlay from the building fund for the same time frame which is 85.57% as of June 30, 2023. The calculation of net investment in capital assets is below and results in a positive net investment in capital assets net of related debt.

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Capital assets (net)	\$	1,762,297,862
Outstanding bonds payable	\$	2,320,930,866
Less unspent bond proceeds		(639,868,168)
Less capital related deferred loss on refunding		(16,607,046)
Plus capital related deferred gain on refunding		7,331,313
Adjusted bonds payable	\$	1,671,786,965
Percent of capitalized assets		85.57%
Bonds payable related to capital assets	\$	<u>1,430,548,106</u>
Related Debt:		
Certificates of participation		268,065,118
Lease assets liability		12,820,535
SBITA/software assets liability		11,948,752
Accounts payable capital related		24,930,042
Retainage payable		8,197,146
Total related debt	\$	<u>1,756,509,699</u>
Net investment in capital assets	\$	<u>5,788,163</u>

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6. LEASES AND SOFTWARE BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Lessee

Denver Public Schools implemented GASB No. 87 July 1, 2021, and GASB No. 96 July 1, 2022, recognized a liability for Equipment Leases, Building Leases, Land Leases, and Software Arrangements during fiscal year 2023.

The following is the RTU liability payment schedule as of June 30, 2023:

	Fiscal Year	Principal	Interest	Total Expenditures
Equipment	2024	\$ 140,853	\$ 2,373	\$ 143,226
	2025	76,018	805	76,823
	2026	2,219	26	2,245
		<u>\$ 219,090</u>	<u>\$ 3,204</u>	<u>\$ 222,294</u>
Buildings	2024	\$ 1,234,825	\$ 528,812	\$ 1,763,637
	2025	1,153,687	478,031	1,631,718
	2026	1,254,164	427,230	1,681,394
	2027	1,158,791	375,149	1,533,940
	2028	1,135,261	326,084	1,461,345
	2029-2033	4,932,459	978,862	5,911,321
	2034-2035	1,615,646	62,115	1,677,761
		<u>\$ 12,484,833</u>	<u>\$ 3,176,283</u>	<u>\$ 15,661,116</u>
Land	2024	\$ 113,303	\$ 2,293	\$ 115,596
	2025	1,057	143	1,200
	2026	1,102	98	1,200
	2027	1,150	50	1,200
		<u>\$ 116,612</u>	<u>\$ 2,584</u>	<u>\$ 119,196</u>
Total Lease Liability		<u>\$ 12,820,535</u>	<u>\$ 3,182,071</u>	<u>\$ 16,002,606</u>
Software	2024	\$ 2,073,797	\$ 305,454	\$ 2,379,251
	2025	1,657,804	251,291	1,909,095
	2026	1,597,761	200,385	1,798,146
	2027	1,713,516	150,960	1,864,476
	2028-2032	4,905,874	227,401	5,133,275
		<u>\$ 11,948,752</u>	<u>\$ 1,135,491</u>	<u>\$ 13,084,243</u>
Total Software Liability		<u>\$ 24,769,287</u>	<u>\$ 4,317,562</u>	<u>\$ 29,086,849</u>

Lessor

Denver Public Schools recognized a lease receivable for twenty-six Cell Towers, and two Building Leases during fiscal year 2023.

Total lease revenue recognized during the fiscal year ending June 2023 is as follows:

	Revenue	Interest	Total Revenue
Cell Towers	\$ 654,265	\$ 117,272	\$ 771,537
Buildings	26,420	142,627	169,047
	<u>\$ 680,685</u>	<u>\$ 259,899</u>	<u>\$ 940,584</u>

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7. LONG-TERM LIABILITIES

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

	Balance June 30, 2022	Additions	Refunded/ Reductions	Balance June 30, 2023	Due Within One Year
Bonds payable	\$ 2,192,172,000	\$ 33,380,000	\$ (155,445,000)	\$ 2,070,107,000	\$ 109,955,000
Premiums	281,386,246	1,124,848	(31,687,229)	250,823,866	-
Total bonds payable	2,473,558,246	34,504,848	(187,132,229)	2,320,930,866	109,955,000
Certificates of participation	935,485,000	-	(38,500,000)	896,985,000	41,315,000
Premiums	18,610,823	-	(2,218,195)	16,392,628	-
Total certificates of participation	954,095,823	-	(40,718,195)	913,377,628	41,315,000
Other long-term liabilities:					
Compensated absences	18,192,456	11,851,129	(11,020,614)	19,022,971	3,310,534
Lease Liability	14,042,628	1,130,617	(2,352,710)	12,820,535	1,488,981
SBITA Liability	-	13,626,373	(1,677,621)	11,948,752	2,073,797
Accrued Claims Liability	11,578,073	2,128,703	(1,270,966)	12,435,809	4,205,945
Net OPEB obligation*	26,552,730	-	(18,940,188)	7,612,542	-
Net Pension Liability*	4,035,111	435,109,908		439,145,019	-
Other obligation	1,500,000	-	-	1,500,000	-
Total other long-term liabilities	75,900,998	463,846,730	(35,262,099)	504,485,628	11,079,257
Total long-term liabilities	\$ 3,503,555,067	\$ 498,351,578	\$ (263,112,523)	\$ 3,738,794,122	\$ 162,349,257

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

Bonds payable and certificates of participation at June 30, 2023 are comprised of the following:

Bonds:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2005A GO Refunding Bonds	\$ 130,290,000	\$ 26,735,000	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%	12/1/2033
2009F GO Tax-Exempt Refunding Bonds	24,700,000	440,000	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	17,350,000	2.50% - 5.00%	12/1/2023
2012B GO Tax-Exempt Bonds	428,600,000	77,340,000	3.00% - 5.00%	12/1/2032
2012C GO Taxable Qualified Zone Academy Bonds	16,000,000	16,000,000	3.773%	12/1/2035
2012D GO Taxable Refunding Bonds	67,220,000	2,390,000	1.680% - 3.154%	12/1/2028
2014A GO Bonds	21,400,000	15,300,000	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	137,965,000	1.75% - 5.00%	12/1/2031
2017 GO Bonds	466,675,000	418,050,000	4.00% - 5.00%	12/1/2041
2018A GO Bonds	105,325,000	92,970,000	5.00% - 5.50%	12/1/2041
2018B GO Refunding Bonds	106,130,000	34,150,000	2.297% - 3.587%	12/1/2032
2021 GO Bonds	450,000,000	364,515,000	3.00% - 5.00%	12/1/2045
2021A GO Refunding Bonds	52,890,000	52,890,000	4.00%	12/1/2028
2022A GO Bonds	345,000,000	345,000,000	5.00%	12/1/2045
2022B GO Refunding Bonds	33,380,000	33,380,000	5.00%	12/1/2024
Premium	-	250,823,866	-	-
Total bonds payable		\$ 2,320,930,866		

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Certificates of Participation:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2011B Taxable	\$ 396,235,000	\$ 347,040,000	6.22% - 7.017%	12/15/2037
2013B Taxable	536,855,000	419,560,000	2.018% - 4.242%	12/31/2037
2013C	58,740,000	44,595,000	3.25% - 5.00%	12/15/2033
2015B Tax-exempt	8,570,000	7,725,000	2.50% - 5.00%	12/15/2045
2017A	32,080,000	19,840,000	2.00% - 5.00%	12/1/2030
2017B	14,095,000	9,750,000	4.00% - 5.00%	12/1/2025
2017C	10,000,000	7,885,000	2.94%	12/1/2036
2018	7,710,000	6,405,000	3.000% - 5.000%	12/1/2037
2020A	35,225,000	34,185,000	5.000%	12/1/2041
Premium	-	16,392,628	-	-
Total certificates of participation		<u>\$ 913,377,628</u>		

In prior years, the registered voters of Denver authorized the School District to issue general obligation bonds. As of June 30, 2023, all previously authorized bonds had been issued.

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

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

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

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

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

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

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

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

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

In September of 2022, as authorized by Board resolution, the District issued \$33.4 million Refunding general obligation bonds, Series 2022B. The proceeds were used for the refunding of \$33.7 million of 2012B general obligation bonds. This results in a deferred gain on refunding of \$4.6 million.

Annual requirements to maturity are as follows:

Year Ending	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
June 30, 2024	109,955,000	94,322,987	41,315,000	45,743,112
2025	139,247,000	88,614,319	45,445,000	43,836,635
2026	92,330,000	83,327,660	48,550,000	42,023,550
2027	94,215,000	78,896,253	44,955,000	39,573,505
2028	114,435,000	75,218,384	47,880,000	37,337,935
2029-2033	578,545,000	289,618,797	287,550,000	144,824,444
2034-2038	368,575,000	170,735,501	365,270,000	56,569,674
2039-2043	375,785,000	84,542,125	14,520,000	2,068,200
2044-2047	197,020,000	13,715,950	1,500,000	115,000
Total	\$ 2,070,107,000	\$ 978,991,976	\$ 896,985,000	\$ 412,092,056

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

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

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

The Building Fund ending fund balance of \$682,838,736 is from the issuance of Series 2017, 2018 and 2020 general obligation bonds and related interest earnings. At June 30, 2023, the Building Fund had capital expenditure purchase commitments outstanding of \$205,637,802.

Leases and Software Liability

The District has multiple agreements for leasing of buildings, equipment, land and software arrangements. In accordance with generally accepted accounting principles, the agreements have been capitalized at the present value of future minimum payments. The assets are reflected in the government-wide financial statements as of June 30, 2023 as follows:

Lease Type	Original Amount	Amount Outstanding	Interest Rate	Final Maturity
Building	\$ 12,490,415	\$ 12,484,833	Variable	06/01/2035
Equipment	1,232,988	219,090	Variable	05/01/2026
Land	319,225	116,612	Variable	05/01/2027
Software	<u>14,191,214</u>	<u>11,948,752</u>	Variable	12/23/2030
Total Lease Liability	<u>\$ 28,233,842</u>	<u>\$ 24,769,287</u>		

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

Year Ending June 30,	Total
2024	\$ 4,416,086
2025	3,629,801
2026	3,490,363
2027	3,407,330
2028	2,927,995
2029-2033	9,577,945
2034-2036	<u>1,677,761</u>
Total Minimum Lease and Software Payments	\$ 29,127,281
Less: Interest	<u>4,357,994</u>
Present Value of Future Minimum Lease and Software Payments	\$ 24,769,287

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, 2023, \$317,690,000 of refunded 2009F, 2012A, and 2012B bonds are considered in-substance defeased.

On September 28, 2022, the District advance refunded a portion of the District's Series 2012B general obligation bonds with the proceeds from the issuance of general obligation refunding bonds, Series

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2022B, with an average rate of 5.0%. The total debt service on the 2022B refunding bonds will be \$35,633,575 through December 2024 for a decrease of \$9,486,525 from prior debt service on 2012B bonds. As a result of the refunding, the District will experience an economic gain (the present value of the difference between the old and the new debt service) of \$3,448,812.

Compensated Absences Liability

Compensated absences liability consists of accumulated sick leave time that vests and is payable upon retirement and accumulated vacation leave time that vests and is payable upon retirement or termination. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid. The estimated cost for fiscal year 2024 is \$3,310,534. These expenditures are recognized in the fund where incurred.

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8. SHORT-TERM DEBT

The District participates in the State Treasurer's Interest-Free Loan Program for Colorado School Districts authorized by Sections 29-15-112 and 22-54-110 of the Colorado Revised Statutes. The loan is secured by ad valorem taxes on real and personal property received by the District on and after March 1, 2023, to and including June 30, 2023. The District borrowed \$490,000,000 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 2023, the District's Board of Education authorized participation in the Fiscal Year 2024 State Interest Free Loan Program with a Maximum Principal Amount of \$630,000,000.

June 30, 2022	Borrowed	Repayment	June 30, 2023
Balance			Balance
\$ 0	\$ 490,000,000	\$ 490,000,000	\$ 0

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9. PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

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

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

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

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

Contributions provisions as of June 30, 2023. Eligible employees of the District, the District's discretely presented component units and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

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	July 1, 2022 through December 31, 2022	January 1, 2023 through June 30, 2023
Employer Contribution Rate	11.40%	11.40%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
PCOP offset as specified in C.R.S. § 24-51-412*	(11.72)%	(10.93)%
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	8.66%	9.45%

*To conform with this presentation of contribution rates, the 2022 annual PCOP offset of 11.47 percent has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements.

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the District and the discretely presented component units were \$67,931,125 and \$6,267,875 respectively, for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

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, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the TPL to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the DPS Division for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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At June 30, 2023, the District and its discretely presented component units reported a liability of \$439,145,019 and \$67,851,476, respectively, for their proportionate share of the net pension liability that reflected an increase 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	\$ 439,145,019
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	312,455,572
Discretely presented component units	67,851,476
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	48,276,933
Total	\$ 867,729,000

At December 31, 2022, the District's proportion was 50.61 percent, which was a decrease of 16.97 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District and its discretely presented component units recognized a pension expense of \$21,624,002 and \$10,075,886 respectively.

At June 30, 2023, 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	\$ 166,341,177	\$ -
Contributions subsequent to the measurement date	34,937,827	-
Difference between expected and actual experience	15,530,244	-
Changes in proportion	52,092,047	(129,361,159)
Changes of assumptions or other inputs	15,349,066	
Total	\$ 284,250,361	\$ (129,361,159)

At June 30, 2023, the District's discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 25,701,066	\$ -
Contributions subsequent to the measurement date	5,891,323	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,293,548	(14,375,586)
Difference between expected and actual experience	2,399,549	-
Changes of assumptions or other inputs	2,371,556	-
Total	<u>\$ 43,657,042</u>	<u>\$ (14,375,586)</u>

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The District and the component units reported \$34,937,827 and \$5,891,323 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, 2024. 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:		
2024	\$	(495,612)
2025		(21,678,235)
2026		45,731,632
2027		96,393,590
Total	\$	<u>119,951,375</u>

Component units		
Year ended:		
2024	\$	2,136,586
2025		(370,360)
2026		7,476,774
2027		13,501,424
2028	\$	<u>645,709</u>
Total	\$	<u>23,390,133</u>

Actuarial assumptions. The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2022	\$ 4,639,698,000	\$ 4,633,727,000	\$ 5,971,000
Changes for the year:			
Service cost	113,836,000	-	113,836,000
Interest	333,769,000	-	333,769,000
Changes of benefit terms	-	-	-
Differences between expected and actual experience	15,514,000	-	15,514,000
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	74,199,000	(74,199,000)
Contributions - nonemployer	-	52,784,000	(52,784,000)
Contributions - active member (includes purchased service)	-	96,124,000	(96,124,000)
Net investment income	-	(619,265,000)	619,265,000
Benefit payments, including refunds and disability premiums	(299,660,000)	(299,660,000)	-
Administrative expense	-	(3,133,000)	3,133,000
Other changes	-	652,000	(652,000)
Net changes	163,459,000	(698,299,000)	861,758,000
Balances at 6/30/2023	\$ 4,803,157,000	\$ 3,935,428,000	\$ 867,729,000

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

Sensitivity of proportionate share of the Net Pension Liability/(Asset)	1% Decrease (6.25)%	Current Discount Rate (7.25%)	1% Increase (8.25)%
District	\$ 743,217,856	\$ 439,145,019	\$ 188,496,079
Component units	114,841,548	67,851,476	29,126,294
	<u>\$ 858,059,404</u>	<u>\$ 506,996,495</u>	<u>\$ 217,622,373</u>

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

Membership – Benefit recipients and members of PERA consisted of the following as of December 31, 2022. 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	7,256
Inactive members eligible but not yet receiving benefits	3,165
Inactive members not eligible for benefits	16,377
Active members	
Vested general employees	8,377
Non-vested general employees	6,877
Total Actives	<u>15,254</u>
Total	<u><u>42,052</u></u>

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, the District does not match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2023, Program members contributed \$2,782,514 for the Voluntary Investment Program.

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10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Denver Public Schools provides the following other postemployment benefit plans:

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

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

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense (Credit)</u>
DPSRLIT				
District	\$ -	\$ -	\$ -	\$ -
DPS HCTF				
District	7,612,542	8,568,864	(12,281,911)	(864,212)
DPCU	1,176,456	1,984,214	(2,149,809)	(115,518)
Plan Total	<u>8,788,998</u>	<u>10,553,078</u>	<u>(14,431,720)</u>	<u>(979,730)</u>
Combined OPEB				
District	7,612,542	8,568,864	(12,281,911)	(864,212)
DPCU	1,176,456	1,984,214	(2,149,809)	(115,518)
Combined OPEB Totals	\$ 8,788,998	\$ 10,553,078	\$ (14,431,720)	\$ (979,730)

Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)

During Fiscal Year 2023, the District executed a contract with Met-Life Insurance to transfer the liabilities of the closed Denver Public Schools Retiree Life Insurance Trust. In accordance with the contract, Met-Life Insurance will continue to pay the post-employment benefits contemplated in the Trust until all remaining claims have been paid. Accordingly, the DPSRLIT OPEB liability has been reduced to \$0 for the Fiscal Year 2023. The agreement was closed on October 2, 2023 and the District transferred \$9.2 million cash from general fund reserves and \$20.5 million was transferred from Fiduciary Fund at that time. The transfer is reflected as a general fund current liability as of June 30, 2023.

The District's actual contribution amount for the year ended June 30, 2023 was \$3,877,366.

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Changes in the Net OPEB Liability - DPSRLIT

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	\$ 35,587,243	\$ 18,241,485	\$ 17,345,758
Balances as of June 30, 2022			
Changes for the year:			
Service cost	-	-	-
Interest on total OPEB liability	1,002,668	-	1,002,668
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	732,234	-	732,234
Effect of assumptions changes or inputs	(5,148,459)	-	(5,148,459)
Benefit payments	(2,039,531)	(2,039,531)	-
Employer contributions	-	3,877,366	(3,877,366)
Member contributions	-	-	-
Net investment income	-	511,403	(511,403)
Administrative expenses	-	(131,311)	131,311
Payment for annuity contracts	(30,134,155)	(20,459,412)	(9,674,743)
Net changes during fiscal year	(35,587,243)	(18,241,485)	(17,345,758)
Balances as of June 30, 2023	\$ -	\$ -	\$ -

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

Summary of Significant Accounting Policies

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

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General Information about the OPEB Plan

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

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

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

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

Membership. Benefit recipients and members of PERA consisted of the following as of December 31, 2022. 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	7,256
Inactive members eligible but not yet receiving benefits	3,165
Inactive members not eligible for benefits	16,377
Active members	
Vested general employees	8,377
Non-vested general employees	6,877
Total active members	15,254
Total	42,052

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PERA Benefit Structure - HCTF

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

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

DPS Benefit Structure - HCTF

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

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

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

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from the District and its discretely presented component units were \$7,606,004 and \$1,137,996 for the year ended June 30, 2023.

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

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At June 30, 2023, the District reported a liability of \$7,612,542 for its proportionate share of the net OPEB liability and the discretely presented component units reported an aggregate liability of \$1,176,456. The net OPEB liability for the DPS HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District proportion of the net OPEB liability was based on District contributions to the DPS HCTF for the calendar year 2022 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2022, the District's proportion was 86.61 percent, which is a decrease of 0.92 percent from its proportion measured as of December 31, 2021, and the discretely presented component units proportion was 13.39 percent, which is an increase of 0.92 percent from the proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB credit of \$(864,212) and the discretely presented component units recognized OPEB credit of \$(115,518). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$(8,161,677)
Changes of assumptions or other inputs	- -	(3,638,672)
Net difference between projected and actual earnings on OPEB plan investments	4,315,997	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	49,581	(481,562)
Contributions subsequent to the measurement date	4,203,286	-
Total	<u>\$ 8,568,864</u>	<u>\$ (12,281,911)</u>

At June 30, 2023, the District's discretely presented components units reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$(1,261,446)
Changes of assumptions or other inputs	- -	(562,383)
Net difference between projected and actual earnings on OPEB plan investments	667,068	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	681,325	(325,980)
Contributions subsequent to the measurement date	635,821	-
Total	<u>\$ 1,984,214</u>	<u>\$ (2,149,809)</u>

The District and its component units reported \$4,203,286 and \$635,821, 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 2024. Other amounts reported as deferred outflows

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of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

District		
Year Ended:		
2024	\$	(2,717,728)
2025		(2,155,827)
2026		(1,040,450)
2027		(5,120)
2028		(1,288,010)
Thereafter		(709,198)
Total	\$	(7,916,333)

Discretely Presented Component Units		
Year Ended June 30:		
2024	\$	(280,226)
2025		(249,879)
2026		(130,747)
2027		33,013
2028		(131,293)
Thereafter		(42,284)
Total	\$	(801,416)

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Actuarial assumptions. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the United Healthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$ 1,704	\$ 1,450	\$ 583	\$ 496	\$ 1,923
70	\$ 1,976	\$ 1,561	\$ 676	\$ 534	\$ 2,229	\$ 1,761
75	\$ 2,128	\$ 1,681	\$ 728	\$ 575	\$ 2,401	\$ 1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
	65	\$ 6,514	\$ 5,542	\$ 4,227	\$ 3,596	\$ 6,752
70	\$ 7,553	\$ 5,966	\$ 4,901	\$ 3,872	\$ 7,826	\$ 6,185
75	\$ 8,134	\$ 6,425	\$ 5,278	\$ 4,169	\$ 8,433	\$ 6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for the DPS Division as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the DPS HCTF, but developed using a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

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

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate*	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 8,566,000	\$ 8,788,998	\$ 8,972,000
District Portion	\$ 7,419,391	\$ 7,612,542	\$ 7,771,046
Discretely Presented Component Units	\$ 1,146,609	\$ 1,176,456	\$ 1,200,954

*For the January 1, 2023, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarial determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

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

Based on the above assumptions and methods, the DPS HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.. 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	\$ 12,883,029	\$ 7,612,542	\$ 3,122,450
Discretely Presented Component Units	\$ 1,990,971	\$ 1,176,456	\$ 482,550

Schedule of Changes in Net OPEB Liability - HCTF

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2022	\$ 65,472,000	\$ 54,953,000	\$ 10,519,000
Changes for the year:			
Service cost	1,095,000	-	1,095,000
Interest	4,675,000	-	4,675,000
Differences between expected and actual experience	(2,353,000)	-	(2,353,000)
Changes of assumptions or other inputs	(3,703,000)	-	(3,703,000)
Benefit payments	(4,162,000)	(4,022,000)	(140,000)
Contributions - employer	-	8,744,000	(8,744,000)
Purchased service transfers	-	306,000	(306,000)
Net investment income (loss)	-	(7,311,000)	7,311,000
Administrative expense	-	(434,000)	434,000
Other additions and deductions	-	(998)	998
Balances as of June 30, 2023	\$ 61,024,000	\$ 52,235,002	\$ 8,788,998

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

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11. RISK MANAGEMENT

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

Property and Liability Insurance

The District has the normal exposures to loss that are part of any large organization. The District is a public facility that teaches and supervises over 89,000 students, employs approximately 13,000 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, 2023 the District retained \$250,000 of each school entity liability loss and \$250,000 for each automobile liability loss. For the same period the retention level for each property claim was \$100,000. These deductible levels were arrived at after reviewing the average historical losses and determining the amount of each loss the District could pay directly.

Fiscal Year ended June 30	2023	2022
Claims Liability, Beginning of Fiscal Year	\$ 2,126,351	\$ 2,336,301
IBNR Adjustment	(2,394,605)	(118,122)
Claims incurred	2,406,279	575,027
Claims Paid	(173,401)	(666,855)
Claims Liability, End of Fiscal Year	<u><u>\$ 1,964,624</u></u>	<u><u>\$ 2,126,351</u></u>

Workmen's Compensation

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

Fiscal Year Ended June 30	2023	2022
Claims Liability, Beginning of Fiscal Year	\$ 9,451,722	\$ 9,643,041
Claims Incurred	4,484,593	3,008,650
Claims Paid	(3,465,130)	(3,199,969)
Claims Liability, End of Fiscal Year	<u><u>\$ 10,471,185</u></u>	<u><u>\$ 9,451,722</u></u>

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Medical and Dental

The District began self-insuring for employee medical and dental benefits on July 1, 2022. Premiums are paid into the Medical, Dental and Vision account in the General Fund by all participating employees and operating departments to pay claims, claim reserves, and administrative costs. Sun Life Provides Stop Loss Insurance for the District's medical plans. Sun Life covers claims that are in excess of 400k and this insurance helps DPS limit our exposure/risk to high medical claims. All claims are reviewed and approved for payment by Kaiser Motiv and Aetna in accordance with their administrative services agreement with the District.

Fiscal Year ended June 30	2023	2022
Claims Liability, Beginning of Fiscal Year	\$ 5,230,741	\$ 4,494,574
Claims Incurred	45,247,695	45,420,827
Claims Paid	(56,861,415)	(55,146,142)
Claims Liability, end of Fiscal Year	<u>\$ 6,382,979</u>	<u>\$ 5,230,741</u>

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



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12. RELATED PARTIES

The District has an intergovernmental agreement with Douglas County School District RE-1, Arapahoe County School District No. 6 (Littleton Public Schools), Cherry Creek School District No. 5 and Aurora Public Schools to create a board of cooperative educational services (BOCES) for the purpose of operating an expeditionary learning school. The Rocky Mountain School of Expeditionary Learning (RMSEL), is a kindergarten through 12th grade school. RMSEL is a self-governing organization with its own Board of Education. The six Board members consist of one school Board member from each of the participating districts and one member appointed by the sponsoring districts from the public at large. During FY 2023, Douglas County School District RE-1 and Cherry Creek School District No. 5 withdrew from the BOCES. Per the current Intergovernmental Agreement 2022 - 2027, both districts will remain partners through June 30, 2024. The BOCES is evaluating the impact and options on how to proceed.

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 \$3,875,102 for FY 2023. RMSEL purchased special education services from the District for \$130,549 for the same year.

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

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13. COMMITMENTS AND CONTINGENCIES

The District is a party to pending or potential lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the District's management has concluded that no significant adverse effect on the June 30, 2023 financial statements should result upon final disposition of these proceedings.

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

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

For the year ended June 30, 2023, the District reported a deficit net position of \$561,555,537 in the government-wide statements. This deficit can be partially attributed to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requiring the recognition of a long-term liability for pensions and postemployment benefits other than pensions respectively. The deficit net position can also be attributed to liabilities related to the District's Certificates of Participation and General Obligation bonds to fund retirement and necessary capital and maintenance projects of the District's facilities.

Encumbrances represent a contractual obligation and expenditures are recognized when the goods and services are delivered and/or received. As of June 30, 2023 encumbrances for the governmental funds were:

Fund	Encumbrances
General	52,357,970
Grant Special Revenue Fund	16,148,398
Building Fund	205,637,802
Nonmajor Funds	1,977,931
Total	\$ 276,122,101

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

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

Building Fund encumbrances include commitments towards major capital maintenance and construction projects such as but not limited to construction of the new Montbello and Ceylon campus, DSA South Remodel and Martin Luther King gym and soccer field. Other major commitments for heating ventilation and cooling projects at Stedman, Wyman, Carson, Whiteman, Place Bridge, Fallis, Sabin and Thomas Jefferson. Also included are commitments towards the implementation of the new Enterprise Resource Planning management system.

Nonmajor Fund encumbrances include commitments for food services and athletics equipment.

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14. CERTAIN CONSTITUTIONAL LIMITATIONS

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

In accordance with TABOR, the District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. For fiscal year 2023, spending was \$1,466,768,935 and the 3% emergency reserve was \$44,003,068, which excludes multi-year obligations of \$309,116. 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 \$38,060,520 equal to 3% of budgeted General Fund revenues. The remaining \$5.9 million of the emergency reserve is secured by physical property.

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15. COMPONENT UNITS

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

Change in Reporting Entity

The component units combining financial statements reflect changes in reporting entity. The changes in reporting entity include charter schools that closed.

As of June 30, 2023, REACH Charter School was closed due to staffing and academic challenges. REACH charter's Board of director's voted to surrender their charter.

Blended Component Units

Denver School Facilities Leasing Corporation

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

Denver Public Schools Professional Compensation System for Teachers

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

Denver Public Schools Retiree Life Insurance Trust

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

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Discretely Presented Component Units

Denver Public Schools Foundation

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

Charter Schools

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

Separately issued financial statements for the District's 23 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
- American Indian Academy Denver, 1865 W. 29th Avenue, Denver, CO 80223
- Colorado High School Charter, 1175 Osage Street, Suite #100, Denver, CO 80204
- Compass Academy, 2285 S. Federal Boulevard, Denver, CO, 80219
- Denver Justice High School, 300 E. 9th Avenue, Denver, CO 80203
- Denver Language School, 451 Newport Street, Denver, CO 80220
- Downtown Denver Expeditionary School, 1860 Lincoln Street, Denver CO 80295
- DSST Public Schools, 3401 Quebec Street, Suite 7200, Denver, CO 80207
- French American School of Denver, 2350 N. Gaylord Street, Denver, CO 80205
- Girls Athletic Leadership Schools, 750 Galapago Street, Denver CO 80204
- Highline Academy Schools, 2170 S. Dahlia Street, Denver, CO 80222
- KIPP Colorado Schools, 1390 Lawrence Street, Suite 200, Denver, CO 80204
- Monarch Montessori of Denver Charter, 4895 Peoria Street, Denver, CO 80239
- Odyssey School of Denver, 6550 E. 21st Avenue, Denver, CO 80207
- Omar D. Blair Charter School, 4905 Cathay Street, Denver, CO 80249
- RiseUp Community School, 1801 Federal Boulevard, Denver, CO 80204
- Rocky Mountain Preparatory Schools, 7808 Cherry Creek South Drive, Denver, CO 80231
- SOAR Charter School, 4800 Telluride Street, #4, Denver, CO 80249

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

Pension Plan

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

OPEB Plan

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

Change in Reporting Entity and Correction of an Error:

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

Ending net position for component units in the aggregate from prior report \$ 112,046,257

School Closures:

REACH Charter \$ (92,364)

Beginning net position for component units in the aggregate in this report \$ 111,953,893

Adjustments to beginning net position for:

Correction of Error:

Denver Language School _____ (56,181)

Beginning net position, restated \$ 111,897,712



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	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
ASSETS					
Assets:					
Cash and cash equivalents	\$ 1,690,872	\$ 997,689	\$ 700,768	\$ 1,803,253	\$ 129,189
Investments	11,494,607	-	-	-	-
Deposits	-	-	-	-	25,000
Receivables:					
Accounts	-	740,218	95,945	161,260	-
Grants	-	-	-	-	134,728
Other	2,435,540	-	-	-	102,820
Inventory	-	-	-	-	-
Prepaid items	12,000	16,886	44,250	7,156	2,297
Restricted cash	-	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	-	1,521,216	865,619	13,223	1,701,269
Leases and Software assets, net	-	1,104,376	734,034	-	-
Total assets	<u>15,633,019</u>	<u>4,380,385</u>	<u>2,440,616</u>	<u>1,984,892</u>	<u>2,095,303</u>
Deferred Outflows of Resources					
Related to pensions	-	397,379	649,454	581,583	500,386
Related to OPEB	-	38,505	35,740	23,635	33,725
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>435,884</u>	<u>685,194</u>	<u>605,218</u>	<u>534,111</u>
LIABILITIES					
Liabilities:					
Accounts payable	32,296	33,374	-	-	388,540
Grants payable	1,650,595	-	-	-	-
Accrued interest	-	-	-	-	14,313
Accrued payroll	-	35,161	145,963	156,339	95,692
Compensated absences	-	-	-	-	-
Other liabilities	2,168,835	-	-	-	-
Accrued liabilities	-	-	-	-	60,041
Unearned revenue	-	-	88,525	268,900	-
Noncurrent liabilities:					
Due within one year	-	-	430,139	-	103,965
Due in more than one year	-	1,153,777	591,633	-	547,369
Pension liabilities	-	652,066	982,681	905,164	638,135
OPEB liabilities	-	11,306	17,038	15,694	11,064
Total liabilities	<u>3,851,726</u>	<u>1,885,684</u>	<u>2,255,979</u>	<u>1,346,097</u>	<u>1,859,119</u>
Deferred Inflows of Resources					
Related to pensions	-	(1,744)	145,275	102,777	21,382
Inflows Related to OPEB	-	13,275	26,518	94,964	17,144
Inflows Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>11,531</u>	<u>171,793</u>	<u>197,741</u>	<u>38,526</u>
NET POSITION (deficit)					
Net investment in capital assets	-	1,471,815	577,881	13,223	1,049,935
Restricted for:					
Donor-designated purposes	6,507,479	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	-	-
Emergency reserve	-	70,000	114,240	93,700	84,200
Unrestricted (deficit)	5,273,814	1,377,239	5,917	939,349	(402,366)
Total net position (deficit)	<u>\$ 11,781,293</u>	<u>\$ 2,919,054</u>	<u>\$ 698,038</u>	<u>\$ 1,046,272</u>	<u>\$ 731,769</u>

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	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
ASSETS					
Assets:					
Cash and cash equivalents	\$ 4,861,868	\$ 2,617,539	\$ 1,482,707	\$ 3,943,702	\$ 1,758,762
Investments	-	-	-	-	-
Deposits	6,738	-	-	-	-
Receivables:					
Accounts	361,584	319,697	385,612	75,031	251,143
Grants	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	25,846	7,905	36,243	2,748
Restricted cash	-	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	4,791,437	3,673	408	25,416	82,412
Leases and Software assets, net	-	-	-	-	-
Total assets	<u>10,021,627</u>	<u>2,966,755</u>	<u>1,876,632</u>	<u>4,080,392</u>	<u>2,095,065</u>
Deferred Outflows of Resources					
Related to pensions	1,206,930	824,287	380,838	2,182,642	825,543
Related to OPEB	53,956	44,992	10,284	82,909	24,682
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>1,260,886</u>	<u>869,279</u>	<u>391,122</u>	<u>2,265,551</u>	<u>850,225</u>
LIABILITIES					
Liabilities:					
Accounts payable	189,310	13,080	42,003	34,492	-
Grants payable	-	-	-	-	-
Accrued interest	4,992	-	-	-	-
Accrued payroll	337,081	172,070	36,591	534,086	178,088
Compensated absences	42,059	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Noncurrent liabilities:					
Due within one year	41,444	-	-	-	-
Due in more than one year	1,418,614	-	-	-	-
Pension liabilities	1,779,946	1,346,427	633,451	3,133,117	1,308,830
OPEB liabilities	30,865	23,345	10,983	54,324	22,693
Total liabilities	<u>3,844,311</u>	<u>1,554,922</u>	<u>723,028</u>	<u>3,756,019</u>	<u>1,509,611</u>
Deferred Inflows of Resources					
Related to pensions	507,947	360,213	60,916	874,480	534,352
Inflows Related to OPEB	48,577	39,767	12,146	84,209	83,739
Inflows Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>556,524</u>	<u>399,980</u>	<u>73,062</u>	<u>958,689</u>	<u>618,091</u>
NET POSITION (deficit)					
Net investment in capital assets	3,331,379	3,673	408	25,416	82,412
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	317,441	-	-	-	-
Capital Construction	-	-	-	-	-
Emergency reserve	197,000	123,000	49,700	317,250	110,000
Unrestricted (deficit)	3,035,858	1,754,459	1,421,556	1,288,569	625,176
Total net position (deficit)	<u>\$ 6,881,678</u>	<u>\$ 1,881,132</u>	<u>\$ 1,471,664</u>	<u>\$ 1,631,235</u>	<u>\$ 817,588</u>

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	DSST Public Schools	French American School	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools
ASSETS					
Assets:					
Cash and cash equivalents	\$ 22,886,224	\$ 202,317	\$ 1,607,218	\$ 6,483,101	\$ 20,475,156
Investments	-	-	-	-	-
Deposits	-	24,000	-	104,000	-
Receivables:					
Accounts	801,506	74,251	-	411,761	-
Grants	-	-	360,102	-	361,312
Other	31,080,729	-	5,627	-	-
Inventory	-	-	-	30,646	-
Prepaid items	209,156	32,812	6,436	130,859	182,196
Restricted cash	-	-	-	7,501,341	-
Restricted investments	1,198,372	-	-	-	-
Capital assets, net	35,099,771	101,334	17,482	6,997,254	30,908
Leases and Software assets, net	1,019,781	1,695,153	-	197,164	330,834
Total assets	<u>92,295,539</u>	<u>2,129,867</u>	<u>1,996,865</u>	<u>21,856,126</u>	<u>21,380,406</u>
Deferred Outflows of Resources					
Related to pensions	-	266,215	914,512	3,097,232	7,628,762
Related to OPEB	-	19,828	54,150	157,909	425,234
Loss on deferred charges	-	-	-	551,742	-
Total deferred outflows of resources	<u>-</u>	<u>286,043</u>	<u>968,662</u>	<u>3,806,883</u>	<u>8,053,996</u>
LIABILITIES					
Liabilities:					
Accounts payable	2,378,530	3,159	135,232	745,653	756,466
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	69,515	-
Accrued payroll	5,865,953	60,897	181,887	307,194	-
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	32,204	-
Accrued liabilities	-	-	-	-	867,125
Unearned revenue	-	139,500	99,825	198,251	107,050
Noncurrent liabilities:					
Due within one year	612,625	124,168	-	40,269	149,097
Due in more than one year	19,560,084	1,767,962	-	15,942,903	187,097
Pension liabilities	-	277,520	1,725,408	4,645,665	12,111,927
OPEB liabilities	-	4,812	29,916	80,549	210,018
Total liabilities	<u>28,417,192</u>	<u>2,378,018</u>	<u>2,172,268</u>	<u>22,062,203</u>	<u>14,388,780</u>
Deferred Inflows of Resources					
Related to pensions	-	-	591,421	1,140,190	2,344,084
Inflows Related to OPEB	-	7,459	91,330	126,059	344,297
Inflows Related to leases	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>7,459</u>	<u>682,751</u>	<u>1,266,249</u>	<u>2,688,381</u>
NET POSITION (deficit)					
Net investment in capital assets	15,926,988	(95,643)	17,482	(735,671)	25,548
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	34,274	-	-
Capital Construction	-	-	-	-	790,989
Emergency reserve	3,190,789	63,000	140,050	521,113	1,208,917
Unrestricted (deficit)	44,760,570	63,076	(81,298)	2,549,115	10,331,787
Total net position (deficit)	<u>\$ 63,878,347</u>	<u>\$ 30,433</u>	<u>\$ 110,508</u>	<u>\$ 2,334,557</u>	<u>\$ 12,357,241</u>

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	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School	RiseUp Community School	Rocky Mountain Preparatory Schools
ASSETS					
Assets:					
Cash and cash equivalents	\$ 1,170,419	\$ 1,363,822	\$ 5,719,519	\$ 463,478	\$ 6,515,204
Investments	-	-	-	-	-
Deposits	-	-	-	10,000	-
Receivables:					
Accounts	267,966	-	-	329,626	1,770,407
Grants	-	10,988	436,849	-	-
Other	419,847	6,251	33,350	-	-
Inventory	-	1,860	-	-	-
Prepaid items	31,309	18,073	45,307	12,884	24,968
Restricted cash	365,800	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	9,319,819	47,199	372,996	138,430	5,570,432
Leases and Software assets, net	-	-	-	757,660	-
Total assets	<u>11,575,160</u>	<u>1,448,193</u>	<u>6,608,021</u>	<u>1,712,078</u>	<u>13,881,011</u>
Deferred Outflows of Resources					
Related to pensions	655,968	784,393	1,396,895	768,808	4,509,357
Related to OPEB	20,874	40,341	64,288	16,881	151,711
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>676,842</u>	<u>824,734</u>	<u>1,461,183</u>	<u>785,689</u>	<u>4,661,068</u>
LIABILITIES					
Liabilities:					
Accounts payable	8,329	8,237	130,168	3,615	720,835
Grants payable	-	-	-	-	-
Accrued interest	50,528	-	-	-	-
Accrued payroll	181,556	-	529,671	-	-
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	211	-	-	18,451	58,121
Noncurrent liabilities:					
Due within one year	150,000	-	17,867	192,332	-
Due in more than one year	8,175,000	-	66,148	696,010	-
Pension liabilities	1,026,786	1,226,662	2,606,430	696,038	6,348,702
OPEB liabilities	<u>17,803</u>	<u>21,269</u>	<u>45,192</u>	<u>12,068</u>	<u>110,069</u>
Total liabilities	<u>9,610,213</u>	<u>1,256,168</u>	<u>3,395,476</u>	<u>1,618,514</u>	<u>7,237,727</u>
Deferred Inflows of Resources					
Related to pensions	176,440	175,194	535,858	21,750	1,792,310
Inflows Related to OPEB	34,948	32,969	70,124	44,414	182,591
Inflows Related to leases	<u>419,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>631,235</u>	<u>208,163</u>	<u>605,982</u>	<u>66,164</u>	<u>1,974,901</u>
NET POSITION (deficit)					
Net investment in capital assets	1,360,619	47,199	288,981	7,748	5,570,432
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	35,877	-	-	-
Emergency reserve	110,350	118,000	302,500	58,000	624,104
Unrestricted (deficit)	<u>539,585</u>	<u>607,520</u>	<u>3,476,265</u>	<u>747,341</u>	<u>3,134,915</u>
Total net position (deficit)	<u>\$ 2,010,554</u>	<u>\$ 808,596</u>	<u>\$ 4,067,746</u>	<u>\$ 813,089</u>	<u>\$ 9,329,451</u>

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	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy	Total
ASSETS					
Assets:					
Cash and cash equivalents	\$ 4,816,124	\$ 1,929,083	\$ 3,665,637	\$ 1,242,307	\$ 98,525,958
Investments	-	7,230,165	-	-	18,724,772
Deposits	-	-	-	-	169,738
Receivables:					
Accounts	394,710	119,686	15,392	4,400	6,580,195
Grants	-	1,939,479	1,540,951	186,003	4,970,412
Other	-	-	-	9,000	34,093,164
Inventory	-	-	39,390	-	71,896
Prepaid items	18,048	130,311	54,469	-	1,052,159
Restricted cash	-	-	-	-	7,867,141
Restricted investments	-	-	-	-	1,198,372
Capital assets, net	-	-	42,134	1,255,558	67,997,990
Leases and Software assets, net	-	1,023,790	-	-	6,862,792
Total assets	<u>5,228,882</u>	<u>12,372,514</u>	<u>5,357,973</u>	<u>2,697,268</u>	<u>248,114,589</u>
Deferred Outflows of Resources					
Related to pensions	1,303,942	12,327,710	1,962,684	491,522	43,657,042
Related to OPEB	64,723	535,299	69,167	15,381	1,984,214
Loss on deferred charges	-	-	-	-	551,742
Total deferred outflows of resources	<u>1,368,665</u>	<u>12,863,009</u>	<u>2,031,851</u>	<u>506,903</u>	<u>46,192,998</u>
LIABILITIES					
Liabilities:					
Accounts payable	36,229	76,211	129,303	23,583	5,888,645
Grants payable	-	-	-	-	1,650,595
Accrued interest	-	-	-	-	139,348
Accrued payroll	346,300	-	-	147,777	9,312,306
Compensated absences	-	-	-	-	42,059
Other liabilities	-	-	-	-	2,201,039
Accrued liabilities	-	1,210,819	33,663	63,606	2,235,254
Unearned revenue	54,457	1,750	-	22,200	1,057,241
Noncurrent liabilities:					
Due within one year	-	356,877	-	43,804	2,262,587
Due in more than one year	-	699,220	-	43,804	50,849,621
Pension liabilities	2,100,270	19,873,280	3,043,797	789,174	67,851,476
OPEB liabilities	36,415	344,575	52,775	13,683	1,176,456
Total liabilities	<u>2,573,671</u>	<u>22,562,732</u>	<u>3,259,538</u>	<u>1,147,631</u>	<u>144,666,627</u>
Deferred Inflows of Resources					
Related to pensions	155,527	3,849,963	725,904	261,347	14,375,586
Inflows Related to OPEB	56,448	597,088	84,344	57,399	2,149,809
Inflows Related to leases	-	-	-	-	419,847
Total deferred inflows of resources	<u>211,975</u>	<u>4,447,051</u>	<u>810,248</u>	<u>318,746</u>	<u>16,945,242</u>
NET POSITION (deficit)					
Net investment in capital assets	-	(32,307)	42,134	1,167,950	30,147,602
Restricted for:					
Donor-designated purposes	-	-	-	-	6,507,479
Multi Year Obligations	-	-	-	-	351,715
Capital Construction	-	789,495	-	-	1,616,361
Emergency reserve	205,000	1,386,660	287,800	92,000	9,467,373
Unrestricted (deficit)	3,606,901	(3,918,108)	2,990,104	477,844	84,605,188
Total net position (deficit)	<u>\$ 3,811,901</u>	<u>\$ (1,774,260)</u>	<u>\$ 3,320,038</u>	<u>\$ 1,737,794</u>	<u>\$ 132,695,718</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
Expenses:					
Instruction	\$ -	\$ 1,057,120	\$ 1,771,357	\$ 1,788,778	\$ 1,139,073
Supporting services	-	1,507,371	1,745,432	1,338,759	2,110,875
Interest	-	460	90,442	-	101,769
Program services	4,989,376	-	-	-	-
Fundraising	897,508	-	-	-	-
Management and general	1,108,201	-	-	-	-
Total expenses	<u>6,995,085</u>	<u>2,564,951</u>	<u>3,607,231</u>	<u>3,127,537</u>	<u>3,351,717</u>
Program revenues:					
Operating grants and contributions	2,237,930	640,083	1,382,391	604,252	1,043,619
Capital grants and contributions	-	57,174	60,252	28,154	51,645
Charges for services	-	-	7,830	-	-
Total program revenues	<u>2,237,930</u>	<u>697,257</u>	<u>1,450,473</u>	<u>632,406</u>	<u>1,095,264</u>
Net program expense	<u>(4,757,155)</u>	<u>(1,867,694)</u>	<u>(2,156,758)</u>	<u>(2,495,131)</u>	<u>(2,256,453)</u>
General revenues:					
Per pupil revenue	-	959,673	1,401,480	1,608,880	1,365,428
Capital construction funding	-	-	-	-	-
Property tax mill levy override	-	465,985	512,472	909,840	390,241
Investment earnings	396,574	-	-	-	-
Interest income	-	-	14,764	15,481	-
Unrestricted grants and contributions	3,715,444	-	-	-	32,211
At-risk supplemental aid	-	-	-	-	3,227
Other	-	1,263,704	492,325	94,460	356,335
Transfers to/from Denver Public Schools	<u>313,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>4,425,018</u>	<u>2,689,362</u>	<u>2,421,041</u>	<u>2,628,661</u>	<u>2,147,442</u>
Change in net position	<u>(332,137)</u>	<u>821,668</u>	<u>264,283</u>	<u>133,530</u>	<u>(109,011)</u>
Net position (deficit) - beginning	<u>12,113,430</u>	<u>2,097,386</u>	<u>433,755</u>	<u>912,742</u>	<u>840,780</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>12,113,430</u>	<u>2,097,386</u>	<u>433,755</u>	<u>912,742</u>	<u>840,780</u>
Net position (deficit) - ending	<u>\$ 11,781,293</u>	<u>\$ 2,919,054</u>	<u>\$ 698,038</u>	<u>\$ 1,046,272</u>	<u>\$ 731,769</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
Expenses:					
Instruction	\$ 2,598,048	\$ 2,673,724	\$ 801,979	\$ 6,600,065	\$ 2,202,080
Supporting services	3,744,035	1,743,317	1,052,681	4,659,720	1,876,781
Interest	141,257	-	-	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>6,483,340</u>	<u>4,417,041</u>	<u>1,854,660</u>	<u>11,259,785</u>	<u>4,078,861</u>
Program revenues:					
Operating grants and contributions	1,028,097	1,391,584	534,567	1,108,275	914,813
Capital grants and contributions	121,146	-	-	158,700	45,687
Charges for services	-	5,565	-	586,369	379,401
Total program revenues	<u>1,149,243</u>	<u>1,397,149</u>	<u>534,567</u>	<u>1,853,344</u>	<u>1,339,901</u>
Net program expense	<u>(5,334,097)</u>	<u>(3,019,892)</u>	<u>(1,320,093)</u>	<u>(9,406,441)</u>	<u>(2,738,960)</u>
General revenues:					
Per pupil revenue	3,926,456	2,537,174	1,039,025	8,196,282	2,445,750
Capital construction funding	-	50,748	-	-	-
Property tax mill levy override	2,220,314	715,817	587,640	1,720,133	555,523
Investment earnings	-	24,242	-	-	11,798
Interest income	153,315	-	683	72,171	-
Unrestricted grants and contributions	109,883	-	-	193,420	(80,799)
At-risk supplemental aid	-	3,241	-	-	-
Other	59,288	3,245	29,317	-	264,381
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>6,469,256</u>	<u>3,334,467</u>	<u>1,656,665</u>	<u>10,182,006</u>	<u>3,196,653</u>
Change in net position	<u>1,135,159</u>	<u>314,575</u>	<u>336,572</u>	<u>775,565</u>	<u>457,693</u>
Net position (deficit) - beginning	<u>5,746,519</u>	<u>1,566,557</u>	<u>1,135,092</u>	<u>911,851</u>	<u>359,895</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	(56,181)	-
Net position (deficit) - beginning, as restated	<u>5,746,519</u>	<u>1,566,557</u>	<u>1,135,092</u>	<u>855,670</u>	<u>359,895</u>
Net position (deficit) - ending	<u>\$ 6,881,678</u>	<u>\$ 1,881,132</u>	<u>\$ 1,471,664</u>	<u>\$ 1,631,235</u>	<u>\$ 817,588</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	DSST Public Schools	French American School	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools
Expenses:					
Instruction	\$ 101,684,639	\$ 1,459,011	\$ 2,840,403	\$ 10,282,609	\$ 23,346,297
Supporting services	-	1,028,419	2,466,683	7,007,422	17,722,811
Interest	-	96,539	-	698,950	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	2,513,500	-	-	-	-
Total expenses	<u>104,198,139</u>	<u>2,583,969</u>	<u>5,307,086</u>	<u>17,988,981</u>	<u>41,069,108</u>
Program revenues:					
Operating grants and contributions	14,393,253	753,539	1,377,427	2,947,934	7,151,268
Capital grants and contributions	-	34,788	60,073	285,839	-
Charges for services	852,322	-	91,655	95,888	256,148
Total program revenues	<u>15,245,575</u>	<u>788,327</u>	<u>1,529,155</u>	<u>3,329,661</u>	<u>7,407,416</u>
Net program expense	<u>(88,952,564)</u>	<u>(1,795,642)</u>	<u>(3,777,931)</u>	<u>(14,659,320)</u>	<u>(33,661,692)</u>
General revenues:					
Per pupil revenue	64,640,649	1,329,499	2,726,385	10,317,925	25,021,069
Capital construction funding	-	-	-	-	-
Property tax mill levy override	17,834,131	276,859	670,211	2,755,833	8,059,067
Investment earnings	-	-	28,396	-	505,426
Interest income	781,244	284	-	282,285	-
Unrestricted grants and contributions	10,406,402	-	353,325	-	7,534,766
At-risk supplemental aid	-	-	-	-	-
Other	-	148,670	61,807	2,088,420	125,726
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>93,662,426</u>	<u>1,755,312</u>	<u>3,840,124</u>	<u>15,444,463</u>	<u>41,246,054</u>
Change in net position	<u>4,709,862</u>	<u>(40,330)</u>	<u>62,193</u>	<u>785,143</u>	<u>7,584,362</u>
Net position (deficit) - beginning	<u>59,168,485</u>	<u>70,763</u>	<u>48,315</u>	<u>1,549,414</u>	<u>4,772,879</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>59,168,485</u>	<u>70,763</u>	<u>48,315</u>	<u>1,549,414</u>	<u>4,772,879</u>
Net position (deficit) - ending	<u>\$ 63,878,347</u>	<u>\$ 30,433</u>	<u>\$ 110,508</u>	<u>\$ 2,334,557</u>	<u>\$ 12,357,241</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	Monarch Montessori of Denver Charter	Odyssey School of Denver	Omar D. Blair Charter School	RiseUp Community School	Rocky Mountain Preparatory Schools
Expenses:					
Instruction	\$ 2,012,952	\$ 2,564,799	\$ 5,724,703	\$ 1,060,051	\$ 14,674,285
Supporting services	1,735,574	1,401,517	4,138,188	1,917,992	9,678,321
Interest	395,438	376	4,701	-	247,724
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>4,143,964</u>	<u>3,966,692</u>	<u>9,867,592</u>	<u>2,978,043</u>	<u>24,600,330</u>
Program revenues:					
Operating grants and contributions	802,787	466,131	1,612,852	1,058,648	8,253,318
Capital grants and contributions	78,901	49,493	121,580	41,134	-
Charges for services	10,767	54,774	56,951	-	-
Total program revenues	<u>892,455</u>	<u>570,398</u>	<u>1,791,383</u>	<u>1,099,782</u>	<u>8,253,318</u>
Net program expense	<u>(3,251,509)</u>	<u>(3,396,294)</u>	<u>(8,076,209)</u>	<u>(1,878,261)</u>	<u>(16,347,012)</u>
General revenues:					
Per pupil revenue	2,257,703	2,891,423	7,203,716	1,196,459	12,404,042
Capital construction funding	-	-	-	-	-
Property tax mill levy override	648,065	606,775	1,960,191	667,650	3,327,743
Investment earnings	-	40,247	112	-	88,489
Interest income	42,814	-	-	-	-
Unrestricted grants and contributions	-	7,868	2,691	-	-
At-risk supplemental aid	-	-	-	-	-
Other	207,705	6,978	275,873	109,113	731,536
Transfers to/from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>3,156,287</u>	<u>3,553,291</u>	<u>9,442,583</u>	<u>1,973,222</u>	<u>16,551,810</u>
Change in net position	<u>(95,222)</u>	<u>156,997</u>	<u>1,366,374</u>	<u>94,961</u>	<u>204,798</u>
Net position (deficit) - beginning	<u>2,105,776</u>	<u>651,599</u>	<u>2,701,372</u>	<u>718,128</u>	<u>9,124,653</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>2,105,776</u>	<u>651,599</u>	<u>2,701,372</u>	<u>718,128</u>	<u>9,124,653</u>
Net position (deficit) - ending	<u>\$ 2,010,554</u>	<u>\$ 808,596</u>	<u>\$ 4,067,746</u>	<u>\$ 813,089</u>	<u>\$ 9,329,451</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy	Total
Expenses:					
Instruction	\$ 4,194,601	\$ 28,856,561	\$ 5,232,825	\$ 1,302,383	\$ 225,868,343
Supporting services	2,933,909	29,768,472	5,618,544	1,374,752	106,571,575
Interest	-	43,575	-	-	1,821,231
Program services	-	-	-	-	4,989,376
Fundraising	-	-	-	-	897,508
Management and general	-	-	-	-	3,621,701
Total expenses	<u>7,128,510</u>	<u>58,668,608</u>	<u>10,851,369</u>	<u>2,677,135</u>	<u>343,769,734</u>
Program revenues:					
Operating grants and contributions	1,293,736	12,215,496	3,526,543	403,111	67,141,654
Capital grants and contributions	51,582	587,727	-	-	1,833,875
Charges for services	30,480	-	446,851	4,000	2,879,001
Total program revenues	<u>1,375,798</u>	<u>12,803,223</u>	<u>3,973,394</u>	<u>407,111</u>	<u>71,854,530</u>
Net program expense	<u>(5,752,712)</u>	<u>(45,865,385)</u>	<u>(6,877,975)</u>	<u>(2,270,024)</u>	<u>(271,915,204)</u>
General revenues:					
Per pupil revenue	5,016,687	32,560,635	5,794,981	1,887,870	198,729,191
Capital construction funding	-	-	-	64,197	114,945
Property tax mill levy override	1,345,254	9,297,305	1,792,061	600,156	57,919,266
Investment earnings	41,620	315,562	-	-	1,452,466
Interest income	-	-	74,050	6,445	1,443,536
Unrestricted grants and contributions	47,047	2,524,585	-	231,689	25,078,532
At-risk supplemental aid	-	-	-	45,005	51,473
Other	381,326	734,052	-	176,540	7,610,801
Transfers to/from Denver Public Schools	-	-	-	-	313,000
Total general revenues	<u>6,831,934</u>	<u>45,432,139</u>	<u>7,661,092</u>	<u>3,011,902</u>	<u>292,713,210</u>
Change in net position	<u>1,079,222</u>	<u>(433,246)</u>	<u>783,117</u>	<u>741,878</u>	<u>20,798,006</u>
Net position (deficit) - beginning	<u>2,732,679</u>	<u>(1,341,014)</u>	<u>2,536,921</u>	<u>995,916</u>	<u>111,953,893</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	(56,181)
Net position (deficit) - beginning, as restated	<u>2,732,679</u>	<u>(1,341,014)</u>	<u>2,536,921</u>	<u>995,916</u>	<u>111,897,712</u>
Net position (deficit) - ending	<u>\$ 3,811,901</u>	<u>\$ (1,774,260)</u>	<u>\$ 3,320,038</u>	<u>\$ 1,737,794</u>	<u>\$ 132,695,718</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

16. IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In May 2020, the GASB issued Statement No. 96, "Subscription-based Information Technology Arrangements" (SBITA). The statement requires recognition of software assets and liabilities for arrangements lasting longer than twelve months and to recognize as outflows of resources based on the payment provisions of the software arrangement. It establishes that a SBITA results in a right-to-use subscription asset. Under the statement, a lessee is required to recognize a software liability and a intangible right-to-use software asset, and a deferred outflow of resources. Effective July 1, 2022, the District implemented the provisions of GASB Statement No. 96. This amendment did not have an impact on beginning net position.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

17. Subsequent Events

On August 24, 2023 the DPS Board of Education approved AYS HCM Payroll Go Live Replanning for the implementation of new software (Oracle Fusion Cloud) to support DPS for all human resources, payroll and finance.

On November 7th Denver voters elected new candidates for three open seats on the Denver Public Schools Board of Education. John Youngquist was elected as the At Large Board member, Marlene DeLaRosa was elected as District 5 Board member and Kimberlee Sia was elected as District 1 Board member.



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REQUIRED SUPPLEMENTARY INFORMATION

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

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2023

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 871,430	\$ 865,605	\$ 860,813	\$ (4,792)
State sources	297,272	326,908	357,665	30,757
Federal sources	1,042	1,042	1,214	172
Local sources	80,354	75,129	93,924	18,795
Total revenues	<u>1,250,098</u>	<u>1,268,684</u>	<u>1,313,616</u>	<u>44,932</u>
EXPENDITURES				
Employee Salaries	630,233	630,820	629,176	1,644
Employee Benefits	128,829	136,776	147,375	(10,599)
Charter school*	239,744	245,129	246,267	(1,138)
Supplies and Materials	63,568	63,988	47,080	16,908
Purchased Services	71,274	76,394	95,553	(19,159)
Property	5,939	6,185	3,653	2,532
Other Expenses	30,822	14,801	12,563	2,238
Debt Service Principal	29,360	29,360	30,375	(1,015)
Debt Service Interest	41,531	41,531	41,553	(22)
Appropriated Reserves	118,241	112,289	-	112,289
Unappropriated reserves	19,406	12,121	-	12,121
Total expenditures	<u>1,378,947</u>	<u>1,369,394</u>	<u>1,253,595</u>	<u>115,799</u>
Excess (deficiency) of revenues over expenditures	<u>(128,849)</u>	<u>(100,710)</u>	<u>60,021</u>	<u>160,731</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(9,975)	(32,764)	(45,813)	(13,049)
Total other financing sources (uses)	<u>(9,975)</u>	<u>(32,764)</u>	<u>(45,813)</u>	<u>(13,049)</u>
Net change in fund balance	(138,824)	(133,474)	14,208	147,682
Beginning fund balance, as restated	<u>138,824</u>	<u>133,474</u>	<u>133,474</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,682</u>	<u>\$ 147,682</u>

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

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

BUDGETARY COMPARISON SCHEDULE
GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 31,586	\$ 31,586	\$ 33,848	\$ 2,262
Federal sources	223,047	180,535	169,462	(11,073)
Local sources	22,530	21,197	27,603	6,406
Total revenues	<u>277,163</u>	<u>233,318</u>	<u>230,913</u>	<u>(2,405)</u>
EXPENDITURES				
Employee Salaries	102,339	100,328	86,269	14,059
Employee Benefits	29,661	27,123	24,516	2,607
Charter school	24,672	38,830	39,626	(796)
Supplies and Materials	20,447	9,125	16,845	(7,720)
Purchased Services	56,160	34,410	30,567	3,843
Property	10,981	14,778	7,378	7,400
Other Expenses	31,053	9,987	21,563	(11,576)
Debt Service Principal	-	-	97	(97)
Debt Service Interest	-	-	22	(22)
Appropriated Reserves	<u>17,725</u>	<u>16,812</u>	<u>-</u>	<u>16,812</u>
Total expenditures	<u>293,038</u>	<u>251,393</u>	<u>226,883</u>	<u>24,510</u>
Excess (deficiency) of revenues over expenditures	<u>(15,875)</u>	<u>(18,075)</u>	<u>4,030</u>	<u>22,105</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	649	649	649	-
Total other financing sources (uses)	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
Net change in fund balance	<u>(15,226)</u>	<u>(17,426)</u>	<u>4,679</u>	<u>22,105</u>
Beginning fund balance	<u>15,226</u>	<u>17,426</u>	<u>17,426</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,105</u>	<u>\$ 22,105</u>



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

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost at end of year	\$ 113,836,000	\$ 107,672,000	\$ 93,058,000	\$ 91,764,000	\$ 90,657,000
Interest	333,769,000	326,361,000	309,174,000	301,210,000	313,294,000
Changes of benefit terms	-	(89,028,000)	-	(82,064,000)	(318,480,000)
Difference between expected and actual experience	15,514,000	46,732,000	(15,298,000)	86,001,000	35,147,000
Changes of assumptions or other inputs	-	-	125,275,000	-	-
Benefit payments, including refunds of active member contributions and disability premiums	(299,660,000)	(291,799,000)	(287,719,000)	(288,984,000)	(287,825,000)
Net change in total pension liability	<u>163,459,000</u>	<u>99,938,000</u>	<u>224,490,000</u>	<u>107,927,000</u>	<u>(167,207,000)</u>
Total pension liability - beginning	<u>4,639,698,000</u>	<u>4,539,760,000</u>	<u>4,315,270,000</u>	<u>4,207,343,000</u>	<u>4,374,550,000</u>
Total pension liability - ending (a)	<u>4,803,157,000</u>	<u>4,639,698,000</u>	<u>4,539,760,000</u>	<u>4,315,270,000</u>	<u>4,207,343,000</u>
Plan fiduciary net position					
Contributions - employer	74,199,000	65,215,000	56,245,000	43,340,000	35,994,000
Contributions - nonemployer	52,784,000	19,153,000	-	19,201,000	18,621,000
Contributions - active member (includes purchased service)	96,124,000	90,154,000	75,456,000	65,496,000	61,098,000
Net investment income (loss)	(619,265,000)	649,370,000	610,847,000	632,669,000	(114,070,000)
Benefit payments (includes refunds and disability premiums)	(299,660,000)	(291,799,000)	(287,719,000)	(288,984,000)	(287,825,000)
Administrative expense	(3,133,000)	(2,829,000)	(2,667,000)	(2,713,000)	(2,919,000)
Other additions and deductions	652,000	(3,115,000)	(1,010,000)	2,975,000	(4,497,000)
Net change in plan fiduciary net position	<u>(698,299,000)</u>	<u>526,149,000</u>	<u>451,152,000</u>	<u>471,984,000</u>	<u>(293,598,000)</u>
Plan fiduciary net position - beginning	<u>4,633,727,000</u>	<u>4,107,578,000</u>	<u>3,656,426,000</u>	<u>3,184,442,000</u>	<u>3,478,040,000</u>
Plan fiduciary net position - ending (b)	<u>3,935,428,000</u>	<u>4,633,727,000</u>	<u>4,107,578,000</u>	<u>3,656,426,000</u>	<u>3,184,442,000</u>
Collective net pension liability - ending (a)-(b)	<u>\$ 867,729,000</u>	<u>\$ 5,971,000</u>	<u>\$ 432,182,000</u>	<u>\$ 658,844,000</u>	<u>\$ 1,022,901,000</u>
Plan fiduciary net position as a percentage of the total pension liability	81.93%	99.87%	90.48%	84.73%	75.69%
The District's proportionate share of the net pension liability	\$ 439,145,019	\$ 4,035,111	\$ 395,426,442	\$ 400,400,429	\$ 594,110,636
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	\$ 312,455,572	\$ 1,167,079	\$ -	\$ 177,449,057	\$ 307,805,513
Discretely presented component units	\$ 67,851,476	\$ 580,771	\$ 54,487,558	\$ 56,122,281	\$ 79,695,199
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	\$ 48,276,933	\$ 188,039	\$ -	\$ 24,872,233	\$ 41,289,652
Covered payroll	810,403,000	823,396,000	771,347,000	736,264,000	722,040,000
District's net pension liability as a percentage of covered payroll	107.07%	0.73%	56.03%	89.48%	141.67%

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

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

	2018	2017	2016	2015
Total pension liability				
Service cost at end of year	\$ 91,986,000	\$ 85,988,000	\$ 82,079,000	\$ 76,564,000
Interest	295,838,000	283,862,000	281,752,000	274,862,000
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	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	(281,844,000)	(272,071,000)	(263,323,000)	(255,434,000)
Net change in total pension liability	<u>153,101,000</u>	<u>300,585,000</u>	<u>32,503,000</u>	<u>95,818,000</u>
Total pension liability - beginning	<u>4,221,449,000</u>	<u>3,920,864,000</u>	<u>3,888,361,000</u>	<u>3,792,543,000</u>
Total pension liability - ending (a)	<u>4,374,550,000</u>	<u>4,221,449,000</u>	<u>3,920,864,000</u>	<u>3,888,361,000</u>
Plan fiduciary net position				
Contributions - employer	27,578,000	17,071,000	8,494,000	18,478,000
Contributions - nonemployer	56,820,000	54,852,000	53,558,000	49,409,000
Contributions - active member (includes purchased service)	-	-	-	-
Net investment income (loss)	548,585,000	218,415,000	49,172,000	182,823,000
Benefit payments (includes refunds and disability premiums)	(281,844,000)	(272,071,000)	(263,323,000)	(255,434,000)
Administrative expense	(2,857,000)	(2,754,000)	(2,599,000)	(2,377,000)
Other additions and deductions	<u>3,781,000</u>	<u>3,135,000</u>	<u>(1,764,000)</u>	<u>(1,547,000)</u>
Net change in plan fiduciary net position	<u>352,063,000</u>	<u>18,648,000</u>	<u>(156,462,000)</u>	<u>(8,648,000)</u>
Plan fiduciary net position - beginning	<u>3,125,977,000</u>	<u>3,107,329,000</u>	<u>3,263,791,000</u>	<u>3,272,439,000</u>
Plan fiduciary net position - ending (b)	<u>3,478,040,000</u>	<u>3,125,977,000</u>	<u>3,107,329,000</u>	<u>3,263,791,000</u>
Collective net pension liability - ending (a)-(b)	<u>\$ 896,510,000</u>	<u>\$ 1,095,472,000</u>	<u>\$ 813,535,000</u>	<u>\$ 624,570,000</u>
Plan fiduciary net position as a percentage of the total pension liability	79.51%	74.05%	79.25%	83.94%
The District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with DPS	-	-	-	-
Discretely presented component units	-	-	-	-
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with discretely presented component units	-	-	-	-
Covered payroll	658,198,000	642,177,000	621,115,000	584,319,000
District's net pension liability as a percentage of covered payroll	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.

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

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 74,199,000	\$ 66,121,676	\$ 62,056,740	\$ 70,421,044	\$ 57,730,581
Contributions in relation to the statutorily required contribution	74,199,000	66,121,676	62,056,740	70,421,044	57,730,581
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	838,837,781	830,670,252	787,919,015	759,247,080	725,751,189
Contributions as a percentage of covered payroll	8.85%	7.96%	7.88%	9.28%	7.95%

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

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

Notes to Schedule

Valuation date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry Age				
Amortization method	Level Percentage of Payroll				
Remaining amortization period	30 Years, Open				
Asset valuation method	4-year smoothed market				
Inflation	2.30% annually	2.30% annually	2.30% annually	2.40% annually	2.40% annually
Salary increases	3.80% - 11.50%	3.80% - 11.50%	3.80% - 11.50%	3.50% - 9.70%	3.50% - 9.70%
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	Inclusive of wage inflation				
PERA benefit structure hired after 12/31/06	1.00% 0.00% as financed by the AIR	1.00% 0.00% as financed by the AIR	1.25% 0.00% as financed by the AIR	1.25% 0.00% as financed by the AIR	2.00% 0.00% as financed by the AIR
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%

Continued next page

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

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

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

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

Notes to Schedule

Valuation date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Methods and assumptions used to determine contribution rates:				
Actuarial cost method	Entry Age Level Percentage of Payroll			
Amortization method	30 Years, Open	30 Years, Open	30 Years, Open	30 Years, Open
Remaining amortization period	4-year smoothed market	4-year smoothed market	4-year smoothed market	4-year smoothed market
Asset valuation method	2.40% annually	2.80% annually	2.80% annually	2.80% annually
Inflation	3.90% - 9.70%	3.90% - 10.10%	3.90% - 10.85%	3.90% - 10.10%
Salary increases	Inclusive of wage inflation			
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	2.00% 0.00% as financed by the AIR			
PERA benefit structure hired after 12/31/06	7.25%	7.25%	7.50%	7.50%
Investment rate of return				

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

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

DPS Retiree Life Insurance Trust	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost at end of year	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,002,668	1,039,438	1,055,152	1,258,786	1,288,036
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	732,234	(265,018)	-	(1,231,536)	(620,709)
Effect of assumptions changes or inputs	(5,148,459)	-	-	1,782,321	15,315
Benefit payments, including refunds of active member contributions and disability premiums	(2,039,531)	(2,045,098)	(1,155,331)	(1,619,675)	(1,418,760)
Payment for annuity contracts	(30,134,155)	-	-	-	-
Net change in total OPEB liability	(35,587,243)	(1,270,678)	(100,179)	189,896	(736,118)
Total OPEB liability - beginning	35,587,243	36,857,921	36,958,100	36,768,204	37,504,322
Total OPEB liability - ending (a)	-	35,587,243	36,857,921	36,958,100	36,768,204
Plan fiduciary net position					
Contributions - employer	3,877,366	3,687,568	3,080,000	1,980,000	2,860,000
Contributions - active member (includes purchased service)	-	-	-	-	-
Net investment income	511,403	427,558	427,017	397,523	357,146
Benefit payments (includes refunds and disability premiums)	(2,039,531)	(2,045,098)	(2,101,487)	(2,173,823)	(2,234,262)
Administrative expense	(131,311)	(181,544)	(197,484)	(189,345)	(56,436)
Payment for annuity contracts	(20,459,412)	-	-	-	-
Other additions and deductions	-	-	-	-	27,518
Net change in plan fiduciary net position	(18,241,485)	1,888,484	1,208,046	14,355	953,966
Contributions receivable	-	-	-	1,198,767	1,770,266
Plan fiduciary net position - beginning	18,241,485	16,353,001	15,144,955	13,931,833	11,207,601
Plan fiduciary net position - ending (b)	-	18,241,485	16,353,001	15,144,955	13,931,833
Collective net OPEB liability - ending (a) - (b)	\$ -	\$ 17,345,758	\$ 20,504,920	\$ 21,813,145	\$ 22,836,371
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	51.26%	44.37%	40.98%	37.89%
Covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*
District's net OPEB liability as a percentage of covered payroll	N/A*	N/A*	N/A*	N/A*	N/A*

Continued next page

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

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

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

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

DPS Retiree Life Insurance Trust	2018
Total OPEB liability	
Service cost at end of year	\$ -
Interest	1,289,505
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	194,817
Benefit payments, including refunds of active member contributions and disability premiums	(1,631,943)
Net change in total OPEB liability	(147,621)
Total OPEB liability - beginning	37,651,943
Total OPEB liability - ending (a)	37,504,322
Plan fiduciary net position	
Contributions - employer	¹ 2,640,000
Contributions - active member (includes purchased service)	-
Net investment income	280,483
Benefit payments (includes refunds and disability premiums)	(2,302,539)
Administrative expense	(251,430)
Other additions and deductions	436,517
Net change in plan fiduciary net position	803,031
Contributions receivable	² 1,689,004
Plan fiduciary net position - beginning	8,715,566
Plan fiduciary net position - ending (b)	11,207,601
Collective net OPEB liability - ending (a) - (b)	\$ 26,296,721

Plan fiduciary net position as a percentage of the total OPEB liability	29.88%
Covered payroll	N/A*
District's net OPEB liability as a percentage of covered payroll	N/A*

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

² Includes dividend payable by MetLife for DPS

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

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

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

DPS Retiree Life Insurance Trust	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000	\$ 2,640,000
Contributions in relation to the actuarially determined contribution	<u>3,877,366</u>	<u>3,687,568</u>	<u>3,080,000</u>	<u>3,178,767</u>	<u>4,681,325</u>
Contribution deficiency (excess)	<u>\$ (1,237,366)</u>	<u>\$ (1,047,568)</u>	<u>\$ (440,000)</u>	<u>\$ (538,767)</u>	<u>\$ (2,041,325)</u>
DPS Retiree Life Insurance Trust	2018				
Actuarially determined contribution	\$ 2,640,000				
Contributions in relation to the actuarially determined contribution	<u>4,329,004</u>				
Contribution deficiency (excess)	<u>\$ (1,689,004)</u>				

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

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

DPS Health Care Trust Fund	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 1,095,000	\$ 1,237,000	\$ 1,291,000	\$ 1,342,000	\$ 1,420,000
Interest	4,675,000	4,750,000	5,005,000	4,970,000	5,245,000
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,353,000)	(2,855,000)	(4,339,000)	(2,070,000)	(6,045,000)
Changes of assumptions or other inputs	(3,703,000)	-	(1,764,000)	-	5,000
Benefit payments	(4,162,000)	(3,873,000)	(3,453,000)	(3,968,000)	(4,693,000)
Net change in total OPEB liability	(4,448,000)	(741,000)	(3,260,000)	274,000	(4,068,000)
Total OPEB liability - beginning	65,472,000	66,213,000	69,473,000	69,199,000	73,267,000
Total OPEB liability - ending (a)	61,024,000	65,472,000	66,213,000	69,473,000	69,199,000
Plan fiduciary net position					
Contributions - employer	8,744,000	8,622,000	8,045,000	7,649,000	7,417,000
Other additions (includes purchased service)	306,000	206,000	224,000	188,000	(4,000)
Net investment income	(7,311,000)	6,963,000	6,019,000	4,892,000	(894,000)
Benefit payments	(4,022,000)	(3,516,000)	(3,086,000)	(3,644,000)	(4,158,000)
Administrative expense	(434,000)	(639,000)	(516,000)	(477,000)	(845,000)
Other deductions	(998)	(4,000)	(1,000)	(1,000)	205,000
Net change in plan fiduciary net position	(2,717,998)	11,632,000	10,685,000	8,607,000	1,721,000
Plan fiduciary net position - beginning	54,953,000	43,321,000	32,636,000	24,029,000	22,308,000
Plan fiduciary net position - ending (b)	52,235,002	54,953,000	43,321,000	32,636,000	24,029,000
Collective net OPEB liability - ending (a) - (b)	\$ 8,788,998	\$ 10,519,000	\$ 22,892,000	\$ 36,837,000	\$ 45,170,000
Plan fiduciary net position as a percentage of the total OPEB liability	85.60%	83.93%	65.43%	46.98%	34.72%
Covered payroll	810,403,000	823,396,000	771,347,000	736,264,000	722,040,000
District's net OPEB liability as a percentage of covered payroll	1.08%	1.28%	2.97%	5.00%	6.26%

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

DPS Health Care Trust Fund 2018

Total OPEB liability

Service cost	\$ 1,591,000
Interest	5,057,000
Changes of benefit terms	-
Difference between expected and actual experience	(35,000)
Changes of assumptions or other inputs	(6,191,000)
Benefit payments	<u>422,000</u>
Net change in total OPEB liability	<u>422,000</u>
Total OPEB liability - beginning	<u>72,845,000</u>
Total OPEB liability - ending (a)	<u>73,267,000</u>

Plan fiduciary net position

Contributions - employer	6,930,000
Other additions (includes purchased service)	242,000
Net investment income	3,305,000
Benefit payments	(5,694,000)
Administrative expense	(808,000)
Other deductions	(4,000)
Net change in plan fiduciary net position	<u>3,971,000</u>

Plan fiduciary net position - beginning	<u>18,337,000</u>
Plan fiduciary net position - ending (b)	<u>22,308,000</u>

Collective net OPEB liability - ending (a) - (b) \$ 50,959,000

Plan fiduciary net position	
as a percentage of the total OPEB liability	30.45%
Covered payroll	658,198,000
District's net OPEB liability	
as a percentage of covered payroll	7.74%

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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	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 2,836,000	\$ 3,623,000	\$ 3,934,000	\$ 4,418,000	\$ 4,838,000
Contributions in relation to the actuarially determined contribution	<u>8,744,000</u>	<u>8,749,889</u>	<u>8,159,161</u>	<u>7,847,796</u>	<u>7,662,714</u>
Contribution deficiency (excess)	<u>\$ (5,908,000)</u>	<u>\$ (5,126,889)</u>	<u>\$ (4,225,161)</u>	<u>\$ (3,429,796)</u>	<u>\$ (2,824,714)</u>
Covered payroll	\$ 838,837,781	\$ 830,670,252	\$ 787,919,015	\$ 759,247,080	\$ 725,751,189
Contribution as a percentage of covered payroll	1.04%	1.05%	1.04%	1.03%	1.06%
 DPS Health Care Trust Fund	 2018				
Actuarially determined contribution	\$ 4,476,000				
Contributions in relation to the actuarially determined contribution	<u>\$ 7,079,432</u>				
Contribution deficiency (excess)	<u>\$ (2,603,432)</u>				
Covered payroll	\$ 677,633,712				
Contribution as a percentage of covered payroll	1.04%				

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



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

NOTES TO OTHER REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

1. SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION - PENSIONS

2022 Changes in Plan Provisions and Assumptions or Other Inputs Since 2021

- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption remained at 7.25% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.70%
- House Bill (HB) 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.
- 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

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

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

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

NOTES TO OTHER REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

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. See Note 10 for additional information related to this plan.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2023.
Valuation Date	7/1/2023
Measurement Date	6/30/2023
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Contribution Rate	MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates.
Inflation	3.92%
Discount Rate	2.90% was selected by Denver Public Schools based on the prevailing trust yields at the valuation date. MetLife is anticipated to set premium levels such that trust assets will be sufficient to pay future benefits.
Long-term expected rate of return net of investment expense	2.90%
Mortality	2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants. The plan does not have enough credible data to develop a mortality assumption. As a result, the plan must rely on publicly available mortality tables. The Society of Actuaries recently published and recommends using both 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale. Based on this recommendation, we believe these tables are appropriate for the plan's mortality assumption.
Changes since prior year	None

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

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

Denver Public Schools Health Care Trust Fund

2022 Changes in Plan Provisions and Assumptions or Other Inputs Since 2021

- The total OPEB liability for the Health Care Trust Fund (HCTF), as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (Tri-County Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the fiduciary net position as of the December 31, 2022, measurement date.
- The timing of the retirement decrement was adjusted to middle-of-year.
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption remained at 7.25% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.70%

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

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

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.80 percent to 11.50 percent
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	6.50 percent in 2022, gradually decreasing to 4.50 percent in 2030
Medicare Part A premiums	3.75 percent in 2022, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

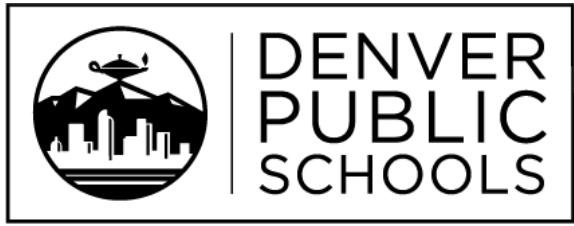


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OTHER SUPPLEMENTARY INFORMATION



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GOVERNMENTAL FUNDS

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Mill Levy Technology Maintenance	Permanent Fund	Total
ASSETS						
Cash and cash equivalents	\$ 108,008	\$ -	\$ 6,305,578	\$ -	\$ 122,066	\$ 6,535,652
Investments	-	-	-	-	3,982	3,982
Taxes receivable	-	-	2,039,693	2,675,100	-	4,714,793
Intergovernmental receivables	7,170,290	-	-	-	-	7,170,290
Other receivables	236,084	-	-	-	-	236,084
Due from other funds	-	6,801,500	-	-	-	6,801,500
Inventory	3,586,163	-	-	-	-	3,586,163
Total assets	<u>11,100,545</u>	<u>6,801,500</u>	<u>8,345,271</u>	<u>2,675,100</u>	<u>126,048</u>	<u>29,048,464</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	623,818	-	-	14,808	-	638,626
Due to other funds	5,524,302	-	1,486,940	1,973,503	60,528	9,045,273
Unearned revenue	557,561	2,103,129	-	-	-	2,660,690
Total liabilities	<u>6,705,681</u>	<u>2,103,129</u>	<u>1,486,940</u>	<u>1,988,311</u>	<u>60,528</u>	<u>12,344,589</u>
Deferred inflows of resources:						
Property taxes	-	-	523,658	686,789	-	1,210,447
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>523,658</u>	<u>686,789</u>	<u>-</u>	<u>1,210,447</u>
Fund balances:						
Nonspendable:						
Inventory	540,879	-	-	-	-	540,879
Permanent fund	-	-	-	-	65,520	65,520
Restricted for:						
Performance-based teacher compensation	-	-	6,334,673	-	-	6,334,673
Committed to:						
Pupil activities	-	4,698,371	-	-	-	4,698,371
Assigned to:						
Food service	3,853,985	-	-	-	-	3,853,985
Total fund balances	<u>4,394,864</u>	<u>4,698,371</u>	<u>6,334,673</u>	<u>-</u>	<u>65,520</u>	<u>15,493,428</u>
Total liabilities and fund balances	<u>\$ 11,100,545</u>	<u>\$ 6,801,500</u>	<u>\$ 8,345,271</u>	<u>\$ 2,675,100</u>	<u>\$ 126,048</u>	<u>\$ 29,048,464</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Mill Levy Technology Maintenance	Permanent Fund	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 38,049,447	\$ 49,948,062	\$ -	\$ 87,997,509
Intergovernmental:						
Revenue from state sources	246,451	-	-	-	-	246,451
Revenue from federal sources	33,838,221	-	-	-	-	33,838,221
Charges for services	4,629,828	401,056	-	-	-	5,030,884
Investment income	-	-	224,741	-	5,029	229,770
Other local sources	-	5,819,419	(2,816)	(2,611)	-	5,813,992
Total revenues	<u>38,714,500</u>	<u>6,220,475</u>	<u>38,271,372</u>	<u>49,945,451</u>	<u>5,029</u>	<u>133,156,827</u>
EXPENDITURES						
Instruction:						
Regular instruction	-	628,622	32,349,599	-	-	32,978,221
Special education	-	318	2,580,507	-	-	2,580,825
Vocational education	-	36	-	-	-	36
Other instruction	-	11,628,407	13,344	-	-	11,641,751
Total instruction	<u>-</u>	<u>12,257,383</u>	<u>34,943,450</u>	<u>-</u>	<u>-</u>	<u>47,200,833</u>
Support services:						
Pupil supporting services	-	212	2,652,553	-	-	2,652,765
Instructional support	-	738,488	1,426,197	-	-	2,164,685
General administration	-	-	43,499	136,513	-	180,012
School administration	-	29,429	17,247	-	-	46,676
Business services	-	55	2,596	-	-	2,651
Operations and maintenance	-	64,606	23,646	47,708,991	-	47,797,243
Central services	-	2,268	429,235	570,620	-	1,002,123
Other support services	<u>44,257,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,257,973</u>
Total support services	<u>44,257,973</u>	<u>835,058</u>	<u>4,594,973</u>	<u>48,416,124</u>	<u>-</u>	<u>98,104,128</u>
Community services	-	-	12,588	-	-	12,588
Education for adults	-	-	2,487	-	-	2,487
Capital outlay	-	82,312	-	12,385,718	-	12,468,030
Principal payments	-	-	-	1,261,274	-	1,261,274
Interest and fiscal charges	-	-	-	268,054	-	268,054
Total expenditures	<u>44,257,973</u>	<u>13,174,753</u>	<u>39,553,498</u>	<u>62,331,170</u>	<u>-</u>	<u>159,317,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,543,473)</u>	<u>(6,954,278)</u>	<u>(1,282,126)</u>	<u>(12,385,719)</u>	<u>5,029</u>	<u>(26,160,567)</u>
OTHER FINANCING SOURCES						
Transfers in	618,725	6,935,732	-	-	-	7,554,457
Issuance of leases and software	-	-	-	12,385,719	-	12,385,719
Total other financing sources	<u>618,725</u>	<u>6,935,732</u>	<u>-</u>	<u>12,385,719</u>	<u>-</u>	<u>19,940,176</u>
Net change in fund balances	<u>(4,924,748)</u>	<u>(18,546)</u>	<u>(1,282,126)</u>	<u>-</u>	<u>5,029</u>	<u>(6,220,391)</u>
Fund balances - beginning	<u>9,319,612</u>	<u>4,716,917</u>	<u>7,616,799</u>	<u>-</u>	<u>60,491</u>	<u>21,713,819</u>
Fund balances - ending	<u>\$ 4,394,864</u>	<u>\$ 4,698,371</u>	<u>\$ 6,334,673</u>	<u>\$ -</u>	<u>\$ 65,520</u>	<u>\$ 15,493,428</u>

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

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

YEAR ENDED JUNE 30, 2023

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 215,519	\$ 215,519	\$ 216,895	\$ 1,376
Local sources	545	545	3,838	3,293
Total revenues	<u>216,064</u>	<u>216,064</u>	<u>220,733</u>	<u>4,669</u>
EXPENDITURES				
Purchased Services	150	150	28	122
Debt Service Principal	121,740	121,740	121,740	-
Debt Service Interest	99,652	99,430	99,725	(295)
Appropriated Reserves	227,748	221,306	-	221,306
Total expenditures	<u>449,290</u>	<u>442,626</u>	<u>221,493</u>	<u>221,133</u>
Excess (deficiency) of revenues over expenditures	<u>(233,226)</u>	<u>(226,562)</u>	<u>(760)</u>	<u>225,802</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	-	5,695	5,695	-
Other sources (uses)	-	-	800	800
Total other financing sources (uses)	<u>-</u>	<u>5,695</u>	<u>6,495</u>	<u>800</u>
Net change in fund balance	<u>(233,226)</u>	<u>(220,867)</u>	<u>5,735</u>	<u>226,602</u>
Beginning fund balance, as restated	<u>233,226</u>	<u>220,867</u>	<u>220,867</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,602</u>	<u>\$ 226,602</u>

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

BUDGETARY COMPARISON SCHEDULE

BUILDING FUND

YEAR ENDED JUNE 30, 2023

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Federal sources	\$ 6,413	\$ 6,413	\$ 6,586	\$ 173
Local sources	30,520	30,520	38,144	7,624
Total revenues	<u>36,933</u>	<u>36,933</u>	<u>44,730</u>	<u>7,797</u>
EXPENDITURES				
Employee Salaries	8,330	8,329	8,159	170
Employee Benefits	2,286	2,286	2,416	(130)
Supplies and Materials	7,349	9,349	7,441	1,908
Purchased Services	3,809	5,809	16,143	(10,334)
Property	216,905	216,905	219,235	(2,330)
Other Expenses	-	-	(4,832)	4,832
Debt Service Principal	9,140	9,140	10,797	(1,657)
Debt Service Interest	5,894	5,894	6,479	(585)
Appropriated Reserves	91,406	124,495	-	124,495
Unappropriated reserves	578,471	539,301	-	539,301
Total expenditures	<u>923,590</u>	<u>921,508</u>	<u>265,838</u>	<u>655,670</u>
Excess (deficiency) of revenues over expenditures	<u>(886,657)</u>	<u>(884,575)</u>	<u>(221,108)</u>	<u>663,467</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	500	14,915	31,915	17,000
Issuance of leases	-	-	2,371	2,371
Total other financing sources (uses)	<u>500</u>	<u>14,915</u>	<u>34,286</u>	<u>19,371</u>
Net change in fund balance	<u>(886,157)</u>	<u>(869,660)</u>	<u>(186,822)</u>	<u>682,838</u>
Beginning fund balance, as restated	<u>886,157</u>	<u>869,660</u>	<u>869,660</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,838</u>	<u>\$ 682,838</u>

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

BUDGETARY COMPARISON SCHEDULE
FOOD SERVICES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 918	\$ 417	\$ 246	\$ (171)
Federal sources	34,757	31,299	33,838	2,539
Local sources	5,852	6,094	4,630	(1,464)
Total revenues	<u>41,527</u>	<u>37,810</u>	<u>38,714</u>	<u>904</u>
EXPENDITURES				
Employee Salaries	17,381	17,381	20,730	(3,349)
Employee Benefits	6,252	6,252	6,165	87
Supplies and Materials	18,261	18,233	21,040	(2,807)
Purchased Services	1,131	971	1,609	(638)
Property	178	178	385	(207)
Other Expenses	(557)	(554)	(5,672)	5,118
Appropriated Reserves	6,370	9,902	-	9,902
Total expenditures	<u>49,016</u>	<u>52,363</u>	<u>44,257</u>	<u>8,106</u>
Excess (deficiency) of revenues over expenditures	<u>(7,489)</u>	<u>(14,553)</u>	<u>(5,543)</u>	<u>9,010</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	2,559	5,234	619	(4,615)
Total other financing sources (uses)	<u>2,559</u>	<u>5,234</u>	<u>619</u>	<u>(4,615)</u>
Net change in fund balance	<u>(4,930)</u>	<u>(9,319)</u>	<u>(4,924)</u>	<u>4,395</u>
Beginning fund balance	<u>4,930</u>	<u>9,319</u>	<u>9,319</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,395</u>	<u>\$ 4,395</u>

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

BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 10,530	\$ 10,901	\$ 6,220	\$ (4,681)
Total revenues	<u>10,530</u>	<u>10,901</u>	<u>6,220</u>	<u>(4,681)</u>
EXPENDITURES				
Employee Salaries	3,169	2,910	3,861	(951)
Employee Benefits	731	701	945	(244)
Supplies and Materials	10,652	10,652	4,715	5,937
Purchased Services	2,000	2,000	2,642	(642)
Property	4	4	105	(101)
Other Expenses	306	306	907	(601)
Appropriated Reserves	5,316	5,315	-	5,315
Total expenditures	<u>22,178</u>	<u>21,888</u>	<u>13,175</u>	<u>8,713</u>
Excess (deficiency) of revenues over expenditures	<u>(11,648)</u>	<u>(10,987)</u>	<u>(6,955)</u>	<u>4,032</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	6,267	6,270	6,936	666
Total other financing sources (uses)	<u>6,267</u>	<u>6,270</u>	<u>6,936</u>	<u>666</u>
Net change in fund balance	<u>(5,381)</u>	<u>(4,717)</u>	<u>(19)</u>	<u>4,698</u>
Beginning fund balance	<u>5,381</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,698</u>	<u>\$ 4,698</u>

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

BUDGETARY COMPARISON SCHEDULE
PROCOMP SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 37,463	\$ 37,459	\$ 38,049	\$ 590
Local sources	15	15	222	207
Total revenues	<u>37,478</u>	<u>37,474</u>	<u>38,271</u>	<u>797</u>
EXPENDITURES				
Employee Salaries	30,629	30,534	29,836	698
Employee Benefits	6,818	8,238	9,556	(1,318)
Supplies and Materials	1	1	-	1
Purchased Services	150	150	161	(11)
Unappropriated reserves	7,498	6,168	-	6,168
Total expenditures	<u>45,096</u>	<u>45,091</u>	<u>39,553</u>	<u>5,538</u>
Net change in fund balance	<u>(7,618)</u>	<u>(7,617)</u>	<u>(1,282)</u>	<u>6,335</u>
Beginning fund balance	<u>7,618</u>	<u>7,617</u>	<u>7,617</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,335</u>	<u>\$ 6,335</u>

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

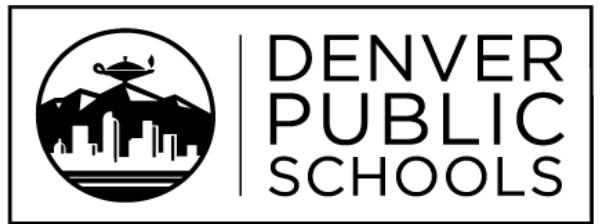
BUDGETARY COMPARISON SCHEDULE
MILL LEVY TECHNOLOGY MAINTENANCE FUND
YEAR ENDED JUNE 30, 2023
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 34,683	\$ 50,658	\$ 49,948	\$ (710)
Local sources	-	-	(3)	(3)
Total revenues	<u>34,683</u>	<u>50,658</u>	<u>49,945</u>	<u>(713)</u>
EXPENDITURES				
Employee Salaries	21,785	28,803	19,037	9,766
Employee Benefits	4,834	8,589	5,644	2,945
Charter school	7,384	11,108	11,108	-
Supplies and Materials	680	2,158	505	1,653
Purchased Services	-	-	12,122	(12,122)
Property	-	-	12,386	(12,386)
Debt Service Principal	-	-	1,261	(1,261)
Debt Service Interest	-	-	268	(268)
Total expenditures	<u>34,683</u>	<u>50,658</u>	<u>62,331</u>	<u>(11,673)</u>
Excess (deficiency) of revenues over expenditures	-	-	(12,386)	(12,386)
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	-	12,386	12,386
Total other financing sources (uses)	-	-	12,386	12,386
Net change in fund balance	-	-	-	-
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

BUDGETARY COMPARISON SCHEDULE
 PERMANENT FUND
 YEAR ENDED JUNE 30, 2023
Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget
REVENUES				
Local sources	\$ -	\$ -	\$ 5	\$ 5
Total revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES				
Supplies and Materials	60	60	-	60
Total expenditures	<u>60</u>	<u>60</u>	<u>-</u>	<u>60</u>
Net change in fund balance	(60)	(60)	5	65
Beginning fund balance	60	60	60	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 65</u>



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FIDUCIARY FUND

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

BUDGETARY COMPARISON SCHEDULE

FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2023

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Employer contributions	\$ 2,040	\$ 3,040	\$ 3,877	\$ 837
Interest income	132	600	552	(48)
Total revenues	<u>2,172</u>	<u>3,640</u>	<u>4,429</u>	<u>789</u>
EXPENDITURES				
Medical and life insurance for retirees	2,380	2,380	2,171	209
Payment of annuity contract	-	-	20,459	(20,459)
Appropriated Reserves	16,950	20,517	-	20,517
Total expenditures	<u>19,330</u>	<u>22,897</u>	<u>22,630</u>	<u>267</u>
Net change in fund balance	(17,158)	(19,257)	(18,201)	1,056
Beginning fund balance	17,158	19,257	19,257	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056</u>	<u>\$ 1,056</u>



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Colorado Department of Education
Auditors Integrity Report

 District: 0880 - Denver County 1
 Fiscal Year 2022-23

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

	Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*)	Ending Fund Balance
	Governmental					=
10	General Fund	133,474,346	1,070,403,979	1,056,196,555		147,681,770
18	Risk Mgmt Sub-Fund of General Fund	0	0	0		0
19	Colorado Preschool Program Fund	0	0	0		0
Sub- Total		133,474,346	1,070,403,979	1,056,196,555		147,681,770
11	Charter School Fund	125,939,361	370,515,118	358,294,764		138,159,715
20,26-29	Special Revenue Fund	7,616,799	38,271,372	39,553,498		6,334,673
06	Supplemental Cap Const, Tech, Main, Fund	0	62,331,170	62,331,170		0
07	Total Program Reserve Fund	0	0	0		0
21	Food Service Spec Revenue Fund	9,319,612	39,333,225	44,257,973		4,394,844
22	Govt Designated-Purpose Grants Fund	17,426,130	231,562,078	226,883,365		22,104,243
23	Pupil Activity Special Revenue Fund	4,716,917	13,156,207	13,174,753		4,698,311
25	Transportation Fund	0	0	0		0
31	Bond Redemption Fund	220,866,772	227,229,024	221,492,508		226,603,288
39	Certificate of Participation (COP) Debt Service Fund	0	0	0		0
41	Building Fund	869,660,604	79,015,765	265,837,633		682,838,736
42	Special Building Fund	0	0	0		0
43	Capital Reserve Capital Projects Fund	0	0	0		0
46	Supplemental Cap Const, Tech, Main Fund	0	0	0		0
Totals		1,389,020,541	2,131,817,938	2,288,022,819		1,232,815,660
	Proprietary					
50	Other Enterprise Funds	0	0	0		0
64 (63)	Risk Related Activity Fund	0	0	0		0
60,65-69	Other Internal Service Funds	0	0	0		0
Totals		0	0	0		0
	Fiduciary					
70	Other Trust and Agency Funds	0	0	0		0
72	Private Purpose Trust Fund	19,257,077	4,429,712	22,630,254		1,056,535
73	Agency Fund	0	0	0		0
74	Pupil Activity Agency Fund	0	0	0		0
79	GASB 34:Permanent Fund	60,491	5,029	0		65,530
85	Foundations	12,113,430	6,662,948	6,995,085		11,781,933
Totals		31,430,998	11,097,689	29,625,339		12,903,348
	FINAL					

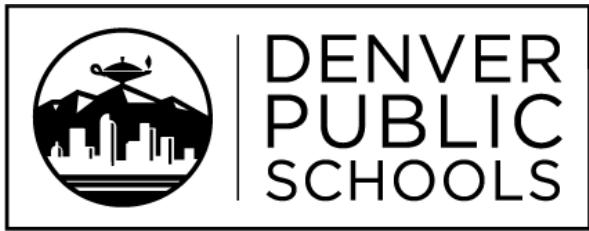
*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.

12/19/23

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STATISTICAL SECTION

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

STATISTICAL SECTION
YEAR ENDED JUNE 30, 2023

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
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Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
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Debt Capacity	
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Direct and Overlapping Debt	183
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
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SCHOOL DISTRICT NO.1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Unaudited)

	2023	2022	2021	2020	2019
Governmental activities					
Net investment in capital assets	\$ 5,788,163	\$ (58,596,829)	\$ (54,971,225)	\$ (67,160,973)	\$ (62,814,668)
Restricted	294,405,998	287,564,514	281,985,613	260,280,665	616,186,143
Unrestricted (deficit)	(861,749,698)	(949,863,107)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)
Total governmental activities net position (deficit)	<u><u>(561,555,537)</u></u>	<u><u>(720,895,422)</u></u>	<u><u>(1,007,436,104)</u></u>	<u><u>(1,129,522,542)</u></u>	<u><u>(1,281,258,380)</u></u>

Business-type activities*

Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	-	-	-	-	-
Total business-type activities net position (deficit)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Primary government

Net investment in capital assets	5,788,163	(58,596,829)	(54,971,225)	(67,160,973)	(62,814,668)
Restricted	294,405,998	287,564,514	281,985,613	260,280,665	616,186,143
Unrestricted (deficit)	(861,749,698)	(949,863,107)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)
Total primary government net position (deficit)	<u><u>\$ (561,555,537)</u></u>	<u><u>\$ (720,895,422)</u></u>	<u><u>\$ (1,007,436,104)</u></u>	<u><u>\$ (1,129,522,542)</u></u>	<u><u>\$ (1,281,258,380)</u></u>

	2018	2017	2016	2015	2014
Governmental activities					
Net investment in capital assets	\$ (48,797,256)	\$ 148,648,229	\$ 104,965,907	\$ 118,645,799	\$ 130,564,763
Restricted	650,615,101	648,556,477	290,705,891	391,653,002	175,105,064
Unrestricted (deficit)	(2,093,681,026)	(2,154,349,495)	(1,652,698,513)	(1,702,868,865)	(961,343,671)
Total governmental activities net position (deficit)	<u><u>\$ (1,491,863,181)</u></u>	<u><u>\$ (1,357,144,789)</u></u>	<u><u>\$ (1,257,026,715)</u></u>	<u><u>\$ (1,192,570,064)</u></u>	<u><u>\$ (655,673,844)</u></u>

Business-type activities

Net investment in capital assets	-	-	-	-	643,501
Unrestricted (deficit)	-	-	-	-	(760,348)
Total business-type activities net position (deficit)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(116,847)</u></u>

Primary government

Net investment in capital assets	(48,797,256)	148,648,229	104,965,907	118,645,799	131,208,264
Restricted	650,615,101	648,556,477	290,705,891	391,653,002	175,105,064
Unrestricted (deficit)	(2,093,681,026)	(2,154,349,495)	(1,652,698,513)	(1,702,868,865)	(962,104,019)
Total primary government net position (deficit)	<u><u>\$ (1,491,863,181)</u></u>	<u><u>\$ (1,357,144,789)</u></u>	<u><u>\$ (1,257,026,715)</u></u>	<u><u>\$ (1,192,570,064)</u></u>	<u><u>\$ (655,790,691)</u></u>

Source: School District annual financial reports for the respective years

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

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)

	2023	2022	2021	2020	2019
Expenses:					
Governmental activities:					
Instructional services	\$ 914,711,136	\$ 676,114,938	\$ 721,672,819	\$ 696,846,877	\$ 605,647,740
Supporting services:					
Pupil support	126,633,648	101,253,791	105,227,056	83,180,894	71,532,274
Instructional support	139,565,736	120,594,357	139,036,789	129,767,373	124,605,828
General administration	14,941,890	12,476,768	9,927,774	8,188,423	6,123,865
School administration	91,682,513	72,605,869	83,576,693	80,450,074	78,604,576
Business services	22,794,030	15,091,303	15,260,179	14,857,663	14,842,975
Operations and maintenance	129,412,125	121,134,834	126,680,477	102,853,799	100,668,711
Pupil transportation	35,053,433	26,934,216	26,904,924	28,916,105	29,743,657
Central services	55,178,459	47,767,462	52,582,084	49,694,958	70,219,410
Other support services	48,296,510	59,840,338	40,929,494	51,852,458	51,903,765
Community services	20,356,928	14,378,888	10,546,516	16,698,518	15,982,204
Education for adults	27,273,093	22,349,130	26,212,064	23,954,101	21,951,395
Food services	-	-	-	-	-
Principal payments	-	-	-	7,172,890	-
Interest and fiscal charges	128,072,087	115,823,208	126,994,110	118,717,714	129,019,562
Total governmental activities expenses	<u>1,753,971,588</u>	<u>1,406,365,102</u>	<u>1,485,550,979</u>	<u>1,413,151,847</u>	<u>1,320,845,962</u>
Business-type activities:					
Food services	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Total primary government expenses	<u>1,753,971,588</u>	<u>1,406,365,102</u>	<u>1,485,550,979</u>	<u>1,413,151,847</u>	<u>1,320,845,962</u>
Program revenues:					
Governmental activities:					
Charges for services - Instructional	51,695,050	43,919,285	35,081,610	42,579,085	42,939,547
Charges for services - Other	40,071,562	39,877,949	30,797,332	35,150,712	41,558,397
Operating grants and contributions	386,869,863	282,026,841	270,988,646	187,021,129	264,820,334
Capital grants and contributions	-	-	-	10,077,400	-
Total governmental activities program revenues	<u>478,636,475</u>	<u>365,824,075</u>	<u>336,867,588</u>	<u>274,828,326</u>	<u>349,318,278</u>
Business-type activities:					
Food services	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-
Total primary government program revenues	<u>478,636,475</u>	<u>365,824,075</u>	<u>336,867,588</u>	<u>274,828,326</u>	<u>349,318,278</u>
Net Expenses					
Governmental activities	(1,275,335,113)	(1,040,541,027)	(1,148,683,391)	(1,138,323,521)	(971,527,684)
Business-type activities	-	-	-	-	-
Total primary government net expense	<u>(1,275,335,113)</u>	<u>(1,040,541,027)</u>	<u>(1,148,683,391)</u>	<u>(1,138,323,521)</u>	<u>(971,527,684)</u>
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	1,076,826,381	1,026,245,124	997,407,662	956,891,384	814,556,942
Specific ownership taxes	59,720,206	58,412,078	53,379,052	50,937,342	52,944,185
Payment in lieu of taxes	5,478,167	-	4,205,252	3,596,102	3,604,926
State equalization	264,084,334	222,280,693	182,477,557	238,991,040	279,467,577
Interest and investment income	23,541,755	(10,085,488)	1,753,078	10,546,065	18,101,994
Other	5,024,155	30,229,951	31,547,228	24,855,144	13,456,861
Total governmental activities	<u>1,434,674,998</u>	<u>1,327,082,358</u>	<u>1,270,769,829</u>	<u>1,285,817,077</u>	<u>1,182,132,485</u>
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	<u>1,434,674,998</u>	<u>1,327,082,358</u>	<u>1,270,769,829</u>	<u>1,285,817,077</u>	<u>1,182,132,485</u>
Change in net position					
Governmental activities	159,339,885	286,541,331	122,086,438	147,493,556	210,604,801
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ 159,339,885</u>	<u>\$ 286,541,331</u>	<u>\$ 122,086,438</u>	<u>\$ 147,493,556</u>	<u>\$ 210,604,801</u>

Continued net page

Source: School District annual financial reports for the respective years

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

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (Unaudited)

	2018	2017	2016	2015	2014
Expenses:					
Governmental activities:					
Instructional services	\$ 647,048,830	\$ 661,536,065	\$ 668,873,429	\$ 606,202,845	\$ 525,401,180
Supporting services:					
Pupil support	66,443,705	58,337,272	45,246,471	36,294,290	30,804,590
Instructional support	125,760,427	114,572,496	111,594,016	113,735,904	89,761,367
General administration	7,526,400	6,964,963	6,096,731	5,299,658	5,862,233
School administration	78,617,586	77,079,051	69,544,540	65,203,286	57,364,780
Business services	14,882,801	12,957,204	8,609,001	6,971,488	9,069,995
Operations and maintenance	96,681,984	91,074,789	79,314,548	74,977,465	68,752,560
Pupil transportation	26,546,492	25,164,705	26,012,440	22,571,539	22,069,496
Central services	183,402,521	176,020,151	134,964,286	126,422,167	139,191,526
Other support services	46,450,521	51,052,612	48,582,600	47,742,261	4,570,465
Community services	17,638,447	16,515,410	14,366,660	12,899,167	11,611,773
Education for adults	22,244,905	20,508,759	17,828,984	17,810,825	14,527,846
Food services	-	-	-	-	43,974
Principal payments	-	-	-	-	-
Interest and fiscal charges	162,850,968	137,843,846	128,003,672	127,899,257	117,380,359
Total governmental activities expenses	1,496,095,587	1,449,627,323	1,359,037,378	1,264,030,152	1,096,412,144
Business-type activities:					
Food services	-	-	-	-	38,774,528
Total business-type activities expenses	-	-	-	-	38,774,528
Total primary government expenses	1,496,095,587	1,449,627,323	1,359,037,378	1,264,030,152	1,135,186,672
Program revenues:					
Governmental activities:					
Charges for services - Instructional	36,974,879	33,194,921	29,805,479	27,970,405	24,268,736
Charges for services - Other	33,989,449	30,514,695	27,398,922	25,712,014	22,309,227
Operating grants and contributions	220,120,675	214,428,461	212,702,661	221,919,647	170,631,292
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	291,085,003	278,138,077	269,907,062	275,602,066	217,209,255
Business-type activities:					
Food services	-	-	-	-	4,388,602
Operating grants and contributions	-	-	-	-	34,152,589
Total business-type activities program revenues	-	-	-	-	38,541,191
Total primary government program revenues	291,085,003	278,138,077	269,907,062	275,602,066	255,750,446
Net Expenses					
Governmental activities	(1,205,010,584)	(1,171,489,246)	(1,089,130,316)	(988,428,086)	(879,202,889)
Business-type activities	-	-	-	-	(233,337)
Total primary government net expense	(1,205,010,584)	(1,171,489,246)	(1,089,130,316)	(988,428,086)	(879,436,226)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	796,450,648	671,768,786	623,495,039	512,100,229	545,898,621
Specific ownership taxes	51,821,726	44,805,199	40,303,943	36,829,683	33,376,380
Payment in lieu of taxes	2,990,033	2,828,616	2,522,094	2,489,581	2,492,618
State equalization	243,213,839	296,486,570	294,025,391	331,479,392	282,036,930
Interest and investment income	8,630,469	5,922,616	1,958,554	2,481,057	7,214,663
Other	38,472,898	49,559,385	62,368,644	35,645,024	12,430,956
Total governmental activities	1,141,579,613	1,071,371,172	1,024,673,665	921,024,966	883,450,168
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	-	36,462
Total business-type activities	-	-	-	-	36,462
Total primary government	1,141,579,613	1,071,371,172	1,024,673,665	921,024,966	883,486,630
Change in net position					
Governmental activities	(63,430,971)	(100,118,074)	(64,456,651)	(67,403,120)	4,247,279
Business-type activities	-	-	-	-	(196,875)
Total primary government	\$ (63,430,971)	\$ (100,118,074)	\$ (64,456,651)	\$ (67,403,120)	\$ 4,050,404

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

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

	2023	2022	2021	2020	2019
General Fund					
Nonspendable:					
Inventory	\$ 1,475,845	\$ 1,386,782	\$ 1,160,643	\$ 1,238,552	\$ 1,107,816
Prepaid expenses	-	-	-	-	-
Restricted for:					
Emergency reserve	38,060,520	40,200,974	31,697,040	33,618,750	31,046,220
Committed to:					
Pupil Activities	6,609,037	2,316,528	8,672,016	1,448,767	1,266,865
Emergency reserve	-	-	-	-	-
Assigned to:					
Special projects	12,439,657	24,128,060	23,671,535	23,478,391	25,093,990
Subsequent year expenditures	12,677,000	11,760,000	3,790,000	13,847,000	6,827,418
Unassigned	76,419,711	53,600,992	56,144,186	45,424,828	53,165,742
Total General Fund	<u>147,681,770</u>	<u>133,393,336</u>	<u>125,135,420</u>	<u>119,056,288</u>	<u>118,508,051</u>
All other governmental funds					
Nonspendable:					
Permanent fund	65,520	60,491	59,519	58,871	131,044
Inventory	540,879	801,824	497,844	504,881	393,196
Prepaid expenses	93,192	142,325	424,389	913,699	288,384
Restricted for:					
Debt service	227,841,042	222,260,120	226,255,934	203,916,531	173,213,859
Capital projects	643,116,618	780,687,082	508,861,239	236,677,860	381,306,757
Performance-based teacher compensation	6,334,673	7,616,799	7,676,261	7,858,567	11,664,070
Higher education	19,012,629	16,439,498	15,091,649	12,819,754	11,235,893
Non-governmental grantor-designated purposes	3,091,614	986,632	1,077,193	1,043,138	817,330
State programs	-	-	-	-	-
Federal programs	-	-	128,017	965,054	4,981,574
Committed to:					
Capital projects	-	-	-	-	-
Pupil activities	4,698,371	4,716,917	5,381,600	4,808,712	332,120
Assigned to:					
Debt service	-	-	-	-	-
Capital projects	38,391,172	87,437,849	64,223,469	16,683,835	28,209,850
Food service	3,853,985	8,517,788	2,443,493	935,636	6,992
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>947,039,695</u>	<u>1,129,667,325</u>	<u>832,120,607</u>	<u>487,186,538</u>	<u>612,581,069</u>
Total fund balances	<u>\$ 1,094,721,465</u>	<u>\$ 1,263,060,661</u>	<u>\$ 957,256,027</u>	<u>\$ 606,242,826</u>	<u>\$ 731,089,120</u>

Continued next page

Source: District annual financial reports for the respective years

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

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

	2018	2017	2016	2015	2014
General Fund					
Nonspendable:					
Inventory	\$ 892,874	\$ 761,736	\$ 704,168	\$ 824,309	\$ 73,575
Prepaid expenses	-	150,566	142,383	-	-
Restricted for:					
Emergency reserve	28,893,630	27,033,570	24,910,740	23,587,040	-
Committed to:					
Pupil Activities	-	-	-	-	-
Emergency reserve	-	-	-	-	21,562,473
Assigned to:					
Special projects	22,869,037	15,923,740	17,397,322	15,920,181	12,483,461
Subsequent year expenditures	17,886,037	8,182,740	1,315,705	4,082,181	9,736,417
Unassigned	48,469,286	70,097,523	50,072,162	62,139,089	54,441,927
Total General Fund	<u>119,010,864</u>	<u>122,149,875</u>	<u>94,542,480</u>	<u>106,552,800</u>	<u>98,297,853</u>
All other governmental funds					
Nonspendable:					
Permanent fund	131,371	130,992	128,553	128,806	127,586
Inventory	2,935,450	332,113	3,485,663	3,059,757	16
Prepaid expenses	458,901	1,531,060	509,302	-	-
Restricted for:					
Debt service	160,157,619	130,144,786	140,280,738	109,761,547	109,621,401
Capital projects	443,137,420	470,254,135	87,492,008	202,717,436	428,287,451
Performance-based teacher compensation	8,590,764	11,837,366	18,345,329	31,352,361	44,698,850
Higher education	9,936,855	9,595,895	10,572,551	10,047,631	11,180,577
Non-governmental grantor-designated purposes	1,013,135	1,492,383	6,111,724	9,859,915	9,584,310
State programs	-	-	-	-	-
Federal programs	7,766,488	5,876,870	8,548,506	4,198,266	-
Committed to:					
Capital projects	28,005,130	35,949,286	5,554,771	17,390,944	7,438,353
Pupil activities	2,263,445	3,505,285	3,168,599	-	-
Assigned to:					
Debt service	16,447,000	46,598,000	10,963,000	6,964,000	-
Capital projects	-	-	-	-	-
Food service	-	-	-	-	-
Unassigned	(737,940)	(46,913)	(3,344,733)	(3,059,757)	-
Total all other governmental funds	<u>680,105,638</u>	<u>717,201,258</u>	<u>291,816,011</u>	<u>392,420,906</u>	<u>610,938,544</u>
Total fund balances	<u>\$ 799,116,502</u>	<u>\$ 839,351,133</u>	<u>\$ 386,358,491</u>	<u>\$ 498,973,706</u>	<u>\$ 709,236,397</u>

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

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

	2023	2022	2021	2020	2019
Revenues:					
Taxes	\$ 1,165,706,159	\$ 1,101,742,098	\$ 1,054,513,077	\$ 998,219,378	\$ 858,529,862
Intergovernmental:					
State sources	391,759,312	307,891,606	244,656,236	326,157,713	357,074,878
Federal sources	211,100,109	223,838,236	192,730,693	109,255,314	111,381,652
Charges for services	90,114,011	83,796,585	65,878,942	75,572,797	84,497,944
Investment income (loss)	23,541,755	(10,082,439)	1,753,078	10,546,065	18,101,994
Other local sources	60,928,940	54,517,271	51,832,738	55,339,778	53,325,393
Total revenue	<u>1,943,150,286</u>	<u>1,761,703,357</u>	<u>1,611,364,764</u>	<u>1,575,091,045</u>	<u>1,482,911,723</u>
Expenditures:					
Current:					
Instructional services	890,860,568	780,510,913	694,846,491	709,651,580	625,813,397
Supporting services:					
Pupil support	123,323,235	115,228,146	100,576,930	82,736,120	73,950,774
Instructional support	135,917,254	125,935,594	133,611,460	129,073,497	128,828,831
General administration	14,551,287	14,198,726	9,501,382	8,062,993	6,330,914
School administration	89,285,781	82,626,435	80,403,979	80,112,333	81,262,191
Business services	22,198,150	14,490,900	14,575,241	14,716,470	15,679,087
Operations and maintenance	123,996,764	124,211,645	119,394,688	102,251,049	104,354,778
Pupil transportation	34,137,079	30,447,107	25,992,801	28,761,438	30,768,374
Central services	53,736,002	54,502,677	50,736,344	49,678,519	72,593,522
Other support services	47,022,600	68,028,876	39,834,647	51,574,682	53,658,626
Total support services	<u>644,168,152</u>	<u>629,670,106</u>	<u>574,627,472</u>	<u>546,967,101</u>	<u>567,427,097</u>
Community services	19,824,764	16,363,364	10,383,123	16,609,229	16,522,561
Education for adults	26,560,131	24,574,574	24,979,010	23,573,860	22,693,569
Capital outlay	233,175,400	129,424,043	161,111,733	205,539,953	166,970,851
Debt service:					
Principal	164,270,331	156,734,529	212,403,162	114,480,000	101,926,321
Interest and fiscal charges	148,267,984	142,784,197	135,496,728	133,013,278	134,464,342
Total debt service	<u>312,538,315</u>	<u>299,518,726</u>	<u>347,899,890</u>	<u>247,493,278</u>	<u>236,390,663</u>
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>2,127,127,330</u>	<u>1,880,061,726</u>	<u>1,813,847,719</u>	<u>1,749,835,001</u>	<u>1,635,818,138</u>
Deficiency of revenues under expenditures	(183,977,044)	(118,358,369)	(202,482,955)	(174,743,956)	(152,906,415)
Other financing sources (uses):					
Transfers in	45,813,428	23,728,558	22,323,536	18,184,640	20,519,669
Transfers out	(45,813,428)	(23,728,558)	(22,323,536)	(18,184,640)	(20,519,669)
Issuance of leases	14,756,990	-	355,289	110,658	395,098
Issuance of certificates of participation	-	-	-	45,544,722	84,483,935
Issuance of bonds	-	345,000,000	450,000,000	-	-
Premium on issuance of debt	1,124,848	86,575,794	103,140,867	-	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	33,380,000	52,890,000	-	-	-
Premium on refunding bonds	-	-	-	-	-
Payment to Bond Escrow Agent	(33,705,000)	(61,215,000)	-	-	-
Total other financing sources	<u>15,556,838</u>	<u>423,250,794</u>	<u>553,496,156</u>	<u>45,655,380</u>	<u>84,879,033</u>
Change in fund balances	<u>\$ (168,420,206)</u>	<u>\$ 304,892,425</u>	<u>\$ 351,013,201</u>	<u>\$ (129,088,576)</u>	<u>\$ (68,027,382)</u>
Debt service as a percentage of noncapital expenditures	16.48%	17.09%	21.05%	16.03%	16.09%

Continued next page

Source: School District annual financial reports for the respective years

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

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

	2018	2017	2016	2015	2014
Revenues:					
Taxes	\$ 848,458,684	\$ 717,451,368	\$ 662,087,462	\$ 549,453,629	\$ 549,095,824
Intergovernmental:					
State sources	304,016,976	354,546,283	352,543,848	386,841,732	321,083,838
Federal sources	114,906,618	118,038,010	128,143,943	135,266,941	91,110,827
Charges for services	78,175,058	70,136,444	63,538,071	58,485,884	46,577,962
Investment income	8,440,469	5,697,617	1,703,554	2,191,056	6,646,572
Other local sources	55,720,801	72,195,800	45,033,043	46,432,436	56,121,534
Total revenue	<u>1,409,718,606</u>	<u>1,338,065,522</u>	<u>1,253,049,921</u>	<u>1,178,671,678</u>	<u>1,070,636,557</u>
Expenditures:					
Current:					
Instructional services	563,170,061	533,413,133	580,342,703	545,258,244	524,717,767
Supporting services:					
Pupil support	66,443,705	58,337,272	45,246,471	36,294,290	30,750,759
Instructional support	125,760,427	114,572,496	111,594,016	113,735,903	89,657,359
General administration	7,526,400	6,964,963	6,096,731	5,299,657	5,855,666
School administration	78,617,586	77,079,051	69,544,540	65,203,286	57,265,795
Business services	14,996,029	12,817,546	8,581,051	6,700,984	8,511,434
Operations and maintenance	95,181,985	91,074,789	79,314,548	74,977,466	77,295,764
Pupil transportation	26,546,492	25,164,705	26,012,440	22,571,539	21,759,520
Central services	96,964,007	104,428,614	67,066,399	72,231,405	76,726,379
Other support services	46,450,521	49,799,171	48,582,600	47,742,261	4,570,465
Total support services	<u>558,487,152</u>	<u>540,238,607</u>	<u>462,038,796</u>	<u>444,756,791</u>	<u>372,393,141</u>
Community services	17,638,447	16,515,410	14,366,660	12,899,168	11,600,514
Education for adults	22,244,905	20,508,759	17,828,984	17,810,826	14,504,741
Capital outlay	200,399,726	161,734,202	132,056,762	207,594,348	209,752,895
Debt service:					
Principal	75,815,765	90,105,000	62,663,175	57,125,000	52,638,533
Interest and fiscal charges	<u>141,457,068</u>	<u>118,391,994</u>	<u>106,825,938</u>	<u>284,599,941</u>	<u>115,257,640</u>
Total debt service	<u>217,272,833</u>	<u>208,496,994</u>	<u>169,489,113</u>	<u>341,724,941</u>	<u>167,896,173</u>
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>1,579,213,124</u>	<u>1,480,907,105</u>	<u>1,376,123,018</u>	<u>1,570,044,318</u>	<u>1,300,865,231</u>
Deficiency of revenues under expenditures	(169,494,518)	(142,841,583)	(123,073,097)	(391,372,640)	(230,228,674)
Other financing sources (uses):					
Transfers in	23,722,566	23,172,970	16,052,982	26,513,288	7,384,908
Transfers out	(23,722,566)	(23,256,436)	(16,052,982)	(26,513,288)	(7,384,908)
Issuance of capital leases	5,468,230	2,271,141	-	-	-
Issuance of certificates of participation	17,710,000	46,175,000	9,680,591	-	-
Issuance of bonds	105,325,000	466,675,000	-	-	25,347,008
Premium on issuance of debt	25,776,657	80,796,550	-	-	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	106,130,000	-	143,280,000	149,170,000	-
Premium on refunding bonds	-	-	26,500,712	24,225,792	-
Payment to Bond Escrow Agent	<u>(131,150,000)</u>	<u>-</u>	<u>(169,003,421)</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>129,259,887</u>	<u>595,834,225</u>	<u>10,457,882</u>	<u>173,395,792</u>	<u>25,347,008</u>
Change in fund balances	<u>\$ (40,234,631)</u>	<u>\$ 452,992,642</u>	<u>\$ (112,615,215)</u>	<u>\$ (217,976,848)</u>	<u>\$ (204,881,666)</u>
Debt service as a percentage of noncapital expenditures	15.75%	15.89%	13.71%	25.08%	15.39%

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

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

	2023	2022	2021	2020	2019
Expenditures:					
Instructional services	\$ 739,427,941	\$ 657,192,165	\$ 580,623,950	\$ 622,903,734	\$ 555,976,258
Supporting services:					
Pupil support	86,702,501	74,193,579	74,251,724	69,814,604	58,488,826
Instructional support	106,644,896	93,651,824	97,018,956	99,003,429	99,065,785
General administration	10,918,334	9,994,152	8,626,792	7,539,801	5,740,240
School administration	87,529,034	79,687,970	77,298,216	77,047,427	78,720,284
Business services	15,748,677	13,602,200	11,505,865	13,294,858	15,033,777
Operations and maintenance	51,880,969	76,820,175	64,396,850	86,305,872	86,106,056
Pupil transportation	33,888,903	29,788,063	25,126,430	28,368,149	30,726,808
Central services	35,465,538	42,583,410	37,729,172	38,847,732	61,936,798
Other support services	-	492,055	1,404,453	51,261	24,650
Total support services	<u>428,778,852</u>	<u>420,813,428</u>	<u>397,358,458</u>	<u>420,273,133</u>	<u>435,843,224</u>
Community services	12,734,634	11,037,996	6,836,774	13,994,995	14,539,363
Education for adults	175,203	-	14,098	20,353	124,599
Capital outlay	330,796	2,587,751	2,063,854	1,603,160	1,642,364
Debt service:					
Principal payments	30,374,869	29,059,492	27,355,402	24,185,000	24,138,012
Interest and fiscal charges	41,773,535	42,476,054	43,696,155	46,185,341	45,508,555
Total expenditures	<u>1,253,595,830</u>	<u>1,163,166,886</u>	<u>1,057,948,691</u>	<u>1,129,165,716</u>	<u>1,077,772,375</u>
Other financing uses:					
Transfers out	45,813,428	23,728,558	22,323,536	18,114,719	20,440,202
Total other financing uses	<u>45,813,428</u>	<u>23,728,558</u>	<u>22,323,536</u>	<u>18,114,719</u>	<u>20,440,202</u>
Total expenditures and other financing uses	<u><u>\$ 1,299,409,258</u></u>	<u><u>\$ 1,186,895,444</u></u>	<u><u>\$ 1,080,272,227</u></u>	<u><u>\$ 1,147,280,435</u></u>	<u><u>\$ 1,098,212,577</u></u>

Continued next page

Source: School District annual financial reports for the respective years

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

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

	2018	2017	2016	2015	2014
Expenditures:					
Instructional services	\$ 484,208,616	\$ 437,905,667	\$ 466,866,692	\$ 435,036,390	\$ 418,723,429
Supporting services:					
Pupil support	56,583,981	49,753,091	37,126,952	29,300,812	25,685,836
Instructional support	95,764,566	79,952,672	70,635,195	64,420,077	50,236,006
General administration	7,064,098	6,525,345	5,642,389	4,891,160	5,465,573
School administration	75,888,710	73,368,180	68,299,902	63,290,849	54,895,533
Business services	14,339,316	12,152,815	7,571,069	5,970,739	7,718,542
Operations and maintenance	79,691,394	77,568,148	71,563,249	57,100,385	56,461,321
Pupil transportation	26,546,492	25,102,779	25,724,818	21,942,671	20,913,687
Central services	86,356,839	89,188,409	53,956,802	54,801,151	54,075,641
Other support services	97,898	1,131,085	1,036,037	914,267	705,984
Total support services	<u>442,333,294</u>	<u>414,742,524</u>	<u>341,556,413</u>	<u>302,632,111</u>	<u>276,158,123</u>
Community services	15,120,743	13,587,690	11,021,566	8,555,867	7,790,165
Education for adults	952,581	1,750,462	2,256,856	629,177	1,173,530
Capital outlay	6,387,652	2,092,671	1,467,271	1,270,899	528,674
Debt service:					
Principal payments	21,891,858	18,945,000	14,730,000	13,360,000	9,305,000
Interest and fiscal charges	<u>46,097,937</u>	<u>46,170,414</u>	<u>46,114,624</u>	<u>45,878,257</u>	<u>48,629,712</u>
Total expenditures	<u>1,016,992,681</u>	<u>935,194,428</u>	<u>884,013,422</u>	<u>807,362,701</u>	<u>762,308,633</u>
Other financing uses:					
Transfers out	23,176,635	9,775,503	9,926,794	19,727,702	7,067,866
Total other financing uses	<u>23,176,635</u>	<u>9,775,503</u>	<u>9,926,794</u>	<u>19,727,702</u>	<u>7,067,866</u>
Total expenditures and other financing uses	<u><u>\$ 1,040,169,316</u></u>	<u><u>\$ 944,969,931</u></u>	<u><u>\$ 893,940,216</u></u>	<u><u>\$ 827,090,403</u></u>	<u><u>\$ 769,376,499</u></u>

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

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

	2023	2022	2021	2020	2019
Revenues:					
Property taxes	\$ 860,813,112	\$ 828,144,100	\$ 788,001,851	\$ 769,149,008	\$ 664,565,675
Intergovernmental:					
State sources	357,665,238	284,201,031	227,877,959	303,212,342	339,992,597
Federal sources	1,213,978	1,142,972	1,312,843	1,195,373	1,154,792
Charges for services	74,736,609	73,155,090	56,492,660	61,185,131	67,507,804
Investment income	4,519,945	274,821	176,958	1,593,600	2,442,363
Other local sources	14,667,800	7,323,137	11,460,481	11,382,560	21,571,968
Total revenue	<u>1,313,616,682</u>	<u>1,194,241,151</u>	<u>1,085,322,752</u>	<u>1,147,718,014</u>	<u>1,097,235,199</u>
Other financing sources:					
Transfers in	-	-	673,318	-	79,467
Issuance of leases	-	912,209	355,289	110,658	395,098
Total other financing sources	<u>-</u>	<u>912,209</u>	<u>1,028,607</u>	<u>110,658</u>	<u>474,565</u>
Total revenue and other financing sources	<u>\$ 1,313,616,682</u>	<u>\$ 1,195,153,360</u>	<u>\$ 1,086,351,359</u>	<u>\$ 1,147,828,672</u>	<u>\$ 1,097,709,764</u>

	2018	2017	2016	2015	2014
Revenues:					
Property taxes	\$ 657,100,914	\$ 559,685,741	\$ 495,515,584	\$ 408,845,811	\$ 409,088,016
Intergovernmental:					
State sources	281,166,970	334,508,875	330,071,454	367,131,089	307,706,457
Federal sources	1,047,048	1,051,459	1,021,504	1,017,755	922,508
Charges for services	62,970,356	40,640,410	36,843,509	33,656,565	28,913,976
Investment income	1,967,899	1,243,941	876,883	725,088	659,844
Other local sources	25,694,780	20,344,239	8,669,688	8,708,951	5,899,120
Total revenue	<u>1,029,947,967</u>	<u>957,474,665</u>	<u>872,998,622</u>	<u>820,085,259</u>	<u>753,189,921</u>
Other financing sources:					
Transfers in	1,876,568	12,969,063	8,931,274	6,785,586	67,042
Issuance of leases	5,205,770	2,133,598	-	-	-
Total other financing sources	<u>7,082,338</u>	<u>15,102,661</u>	<u>8,931,274</u>	<u>6,785,586</u>	<u>67,042</u>
Total revenue and other financing sources	<u>\$ 1,037,030,305</u>	<u>\$ 972,577,326</u>	<u>\$ 881,929,896</u>	<u>\$ 826,870,845</u>	<u>\$ 753,256,963</u>

Source: School District annual financial reports for the respective years

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

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

	2022	2021	2020	2019	2018
Vacant property	\$ 425,525	\$ 470,322	\$ 328,355	\$ 352,077	\$ 231,259
Residential property	9,888,755	10,290,939	9,211,401	8,957,539	7,428,065
Commercial property	10,926,343	11,391,813	10,832,339	10,664,888	8,224,419
Industrial property	264,626	281,325	219,793	230,238	175,198
Agricultural property	83	227	125	133	356
Personal property	851,143	817,751	970,056	988,926	918,036
State assessed property	879,331	872,881	965,822	914,200	947,791
Total taxable assessed value	23,235,806	24,125,258	22,527,891	22,108,001	17,925,124
 Total direct tax rate	 79.525	 74.618	 74.201	 72.116	 77.365
 Estimated actual taxable value	 \$ 192,464,828	 \$ 192,464,828	 \$ 166,203,442	 \$ 171,449,490	 \$ 139,408,175
 Assessed value as a percentage of estimated actual value	 12.1%	 12.5%	 13.6%	 12.9%	 12.9%

Continued next page

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

Taxable assessed values are reported net of tax-exempt property

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

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

	2017	2016	2015	2014	2013
Vacant property	\$ 259,521	\$ 186,774	\$ 219,528	\$ 181,758	\$ 212,668
Residential property	7,211,589	6,059,029	5,919,659	4,567,603	4,469,706
Commercial property	8,084,596	6,521,348	6,445,053	4,909,533	4,886,510
Industrial property	179,325	143,930	150,606	122,425	124,503
Agricultural property	92	138	79	69	69
Personal property	887,721	827,331	825,798	765,486	741,538
State assessed property	<u>925,503</u>	<u>920,535</u>	<u>824,187</u>	<u>838,378</u>	<u>829,207</u>
Total taxable assessed value	17,548,347	14,659,085	14,384,910	11,385,252	11,264,201
 Total direct tax rate	 77.134	 81.547	 78.127	 83.054	 83.090
 Estimated actual taxable value	 \$ 134,744,419	 \$ 105,772,919	 \$ 100,203,607	 \$ 80,891,083	 \$ 79,581,379
 Assessed value as a percentage of estimated actual value	 13.0%	 13.9%	 14.4%	 14.1%	 14.2%

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

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

Levy Collection	Assessed	Tax Increment	Net Assessed	Percent
Year	Valuation	Valuation	Value	Change
2023	\$ 22,042,141,036	\$ (276,416,691)	\$ 21,765,724,345	-1.27%
2022	\$ 21,091,522,247	\$ 950,618,789	\$ 22,042,141,036	4.31%
2021	\$ 20,722,174,107	\$ 369,348,140	\$ 21,091,522,247	1.75%
2020	\$ 16,824,261,116	\$ 3,897,912,991	\$ 20,722,174,107	18.81%
2019	\$ 16,576,650,104	\$ 247,611,012	\$ 16,824,261,116	1.47%
2018	\$ 13,460,852,897	\$ 3,115,797,207	\$ 16,576,650,104	18.80%
2017	\$ 13,221,694,094	\$ 239,158,803	\$ 13,460,852,897	1.78%
2016	\$ 10,517,386,669	\$ 2,704,307,425	\$ 13,221,694,094	20.45%
2015	\$ 10,454,481,228	\$ 62,905,441	\$ 10,517,386,669	0.60%
2014	\$ 10,007,267,892	\$ 447,213,336	\$ 10,454,481,228	4.28%

Levy Collection	General Fund	Debt Service	Special Revenue	Mill Levy	Abatement	Total Mill
Year	Mills	Mills	Mill Levy	Override	Mills	Levy
2023	27.000	9.843	2.345	11.208	1.183	51.579
2022	26.541	9.568	1.517	10.445	0.427	48.498
2021	25.541	9.568	1.517	10.852	0.533	48.011
2020	25.541	9.568		11.014	0.541	46.664
2019	25.541	9.568		12.829	0.306	48.244
2018	25.541	9.650		12.547	0.506	48.244
2017	25.541	9.383		14.948	0.524	50.396
2016	25.541	10.250		10.976	0.630	47.397
2015	25.541	10.519		12.466	0.773	49.299
2014	25.541	10.446		12.431	0.881	49.299

For Fiscal Year Ended June 30, 2023

Taxing Entity	Mill Levy
City and County of Denver	26.946
Urban Drainage and Flood Control	1.000
Overlapping Mill Levy	27.946
School District #1	51.579
Total Mill Levy	79.525

Source: Certification of Levy for Current Year

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

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

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

<u>Tax Year</u>	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Special Revenue Mill</u>	<u>Total</u>	<u>Denver County</u>	<u>Police and Firemen Pension</u>	<u>Improvement and Services Districts</u>	<u>Total</u>
2022	39.391	9.843	2.345	51.579	16.571	2.307	9.068	79.525
2021	37.413	9.568	1.517	48.498	16.320	2.277	7.523	74.618
2020	36.926	9.568	1.517	48.011	16.320	2.280	7.590	74.201
2019	37.096	9.568	0.000	46.664	15.760	2.285	7.407	72.116
2018	38.676	9.568	0.000	48.244	18.355	2.594	8.172	77.365
2017	38.594	9.650	0.000	48.244	18.377	2.598	7.915	77.134
2016	41.013	9.383	0.000	50.396	19.709	2.949	8.493	81.547
2015	37.147	10.250	0.000	47.397	19.764	2.960	8.006	78.127
2014	38.780	10.519	0.000	49.299	21.589	3.438	8.728	83.054
2013	38.853	10.446	0.000	49.299	21.618	3.447	8.726	83.090

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Brookfield Properties	\$ 475,327	1	2.05%	\$ 159,001	2	1.41%
Public Service Co.	311,649	2	1.34%	245,136	1	2.18%
Beacon Capital Partners	174,799	3	0.75%	140,004	4	1.24%
Hines Securities Inc	159,335	4	0.69%	-	-	0.00%
Kroenke Sports Enterprises	147,044	5	0.63%	-	-	0.00%
Invesco Realty Advisers Inc.	146,295	6	0.63%	-	-	0.00%
Franklin Street Properties	135,197	7	0.58%	-	-	0.00%
Columbia-Healthone, LLC	116,656	8	0.50%	91,814	5	0.82%
Simon Property Group	114,910	9	0.49%	-	-	0.00%
ProLogis	103,715	10	0.45%	-	-	0.00%
CenturyLink, Inc.				154,809	3	1.37%
Taubman Centers Inc.				82,545	6	0.73%
UBS Realty Investors				79,685	7	0.71%
United Continental Holdings				78,818	8	0.70%
Callahan Capital Partners				76,442	9	0.68%
LBA Realty Fund				72,044	10	0.64%
Totals	<u>\$ 1,884,927</u>		<u>8.11%</u>	<u>\$ 1,180,298</u>		<u>10.48%</u>

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS (Unaudited)

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Taxes Collected (Taxes Refunded)</u>	<u>Total Taxes Collected</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2014	515,395,470	511,059,056	99.16	460,277	511,519,333	99.25
2015	518,496,645	513,820,030	99.10	(1,163,514)	512,656,516	98.87
2016	626,668,635	621,313,860	99.15	160,185	621,474,045	99.17
2017	678,373,143	674,714,380	99.46	(620,259)	674,094,121	99.37
2018	799,723,908	793,052,267	99.17	557,110	793,609,377	99.24
2019	811,669,653	807,221,301	99.45	(3,315,419)	803,905,882	99.04
2020	966,979,533	957,264,361	99.00	(972,185)	956,292,176	98.89
2021	1,012,625,074	978,177,687	96.60	(3,212,794)	974,964,893	98.89
2022**	1,068,999,756	1,048,810,976	98.11	(6,003,420)	1,042,807,556	97.55
2023*	1,122,654,297	1,099,219,433	97.91	(841,506)	1,098,377,926	97.84

Source: District financial records for the respective years

* Property taxes are levied on a calendar year basis. Tax collections for 2023 represent collections for January through September 2023.

** Current Tax Collections for 2022 have been updated with the full calendar year figures.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)

	2023	2022	2021	2020	2019
Assessed value (prior year)	\$ 23,235,806,840	\$ 23,529,238,541	\$ 22,527,890,740	\$ 22,108,001,450	\$ 17,925,134,030
Actual value (prior year)	189,064,565,772	187,562,086,035	175,333,718,321	171,449,489,953	139,408,174,638
Debt limit is greater of:					
20% of assessed value	4,647,161,368	4,705,847,708	4,505,578,148	4,421,600,290	3,585,026,806
or 6% of actual value*	11,343,873,946	11,253,725,162	10,520,023,099	10,286,969,397	8,364,490,478
Debt limit	11,343,873,946	11,253,725,162	10,520,023,099	10,286,969,397	8,364,490,478
Amount of debt applicable to debt limits	2,070,107,000	2,192,172,000	1,974,762,000	1,623,512,000	1,708,747,000
Less: amount reserved for long-term debt	(226,603,288)	(220,866,772)	(224,018,962)	(201,801,053)	(167,631,916)
Net chargeable to bond limit	1,843,503,712	1,971,305,228	1,750,743,038	1,421,710,947	1,541,115,084
Legal debt margin	<u>\$ 9,500,370,234</u>	<u>\$ 9,282,419,934</u>	<u>\$ 8,769,280,061</u>	<u>\$ 8,865,258,450</u>	<u>\$ 6,823,375,394</u>
Total net debt applicable to the limit as a percentage of debt limit	16.25%	17.52%	16.64%	13.82%	18.42%

Continued next page

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

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

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)

	2018	2017	2016	2015	2014
Assessed value (prior year)	\$ 17,548,347,337	\$ 14,659,085,700	\$ 14,384,909,283	\$ 11,385,251,250	\$ 11,264,201,810
Actual value (prior year)	134,744,419,497	105,772,919,056	100,203,607,405	80,891,082,600	79,581,379,500
Debt limit is greater of:					
20% of assessed value	3,509,669,467	2,931,817,140	2,876,981,857	2,277,050,250	2,252,840,362
or 6% of actual value*	8,084,665,170	6,346,375,143	6,012,216,444	4,853,464,956	4,774,882,770
Debt limit	8,084,665,170	6,346,375,143	6,012,216,444	4,853,464,956	4,774,882,770
Amount of debt applicable to debt limits	1,783,592,000	1,718,072,000	1,321,607,000	1,364,745,175	1,408,510,175
Less: amount reserved for long-term debt	(160,157,619)	(130,144,786)	(140,280,738)	(109,761,547)	(105,629,590)
Net chargeable to bond limit	1,623,434,381	1,587,927,214	1,181,326,262	1,254,983,628	1,302,880,585
Legal debt margin	\$ 6,461,230,789	\$ 4,758,447,929	\$ 4,830,890,182	\$ 3,598,481,328	\$ 3,472,002,185
Total net debt applicable to the limit as a percentage of debt limit	20.08%	25.02%	19.65%	25.86%	27.29%

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

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

Year	District Population*	Assessed Property Valuation*	General Bonded Debt	Certificates of Participation	Leases and SBITA	Gross Debt Primary Government
2023	729,239	\$ 23,235,806,840	\$ 2,320,930,866	\$ 913,377,628	\$ 24,769,287	\$ 3,259,077,781
2022	749,103	23,529,238,541	2,473,558,246	954,095,823	14,042,628	3,441,696,697
2021	738,200	22,527,890,740	2,194,295,385	991,043,448	2,101,534	3,187,440,367
2020	727,211	22,108,001,450	1,758,455,749	1,105,613,043	3,259,407	2,867,328,199
2019	716,492	17,925,134,030	1,860,560,351	1,091,324,507	4,567,393	2,956,452,251
2018	693,292	17,548,347,337	1,953,095,785	1,034,383,784	5,430,536	2,992,910,105
2017	693,060	14,659,085,700	1,889,552,488	1,077,242,045	1,253,441	2,968,047,974
2016	682,545	14,384,909,283	1,433,272,568	1,044,456,762	-	2,477,729,330
2015	663,862	11,385,251,250	1,482,464,966	1,049,340,225	-	2,531,805,191
2014	649,495	11,264,201,810	1,513,418,866	1,062,149,172	-	2,575,568,038

Continued next page

Source: School District Financials

Source: * December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)

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

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

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

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

Year	Less Debt Service Funds Available		Net General Bonded Debt	Net General Bonded Debt to Assessed Value	Total Debt Per Capita	Net General Bonded Debt Per Capita	Personal Income (expressed in millions)	Percentage of Personal Income to O/S Debt		
	\$	227,841,042								
2023	\$	227,841,042	\$ 2,093,089,824	9.01%	\$ 4,469	\$ 2,870	n/a	**	n/a	
2022		222,260,120	2,251,298,126	9.57%	4,594	3,005	37,936,000			9.07%
2021		226,255,934	1,968,039,451	8.74%	4,318	2,666	51,543,000			6.18%
2020		203,916,531	1,554,539,218	7.03%	3,943	2,138	61,348,000			4.67%
2019		173,213,859	1,687,346,492	9.41%	4,126	2,355	57,211,000			5.17%
2018		160,157,619	1,792,938,166	10.22%	4,317	2,586	47,289,000			6.33%
2017		130,144,786	1,759,407,702	12.00%	4,283	2,539	46,612,000			6.37%
2016		140,280,738	1,292,991,830	8.99%	3,630	1,894	46,617,000			5.32%
2015		109,761,547	1,372,703,419	12.06%	3,814	2,068	41,743,000			6.07%
2014		109,621,401	1,403,797,465	12.46%	3,965	2,161	36,999,000			6.96%

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

DIRECT AND OVERLAPPING DEBT
(Unaudited)

<u>Taxing Body</u>	<u>Total Debt Outstanding</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping Debt				
City and County of Denver	<u>2,225,552,000</u>	12/31/22	100%	<u>2,225,552,000</u>
School District No. 1 Denver	<u>3,259,077,781</u>	06/30/23	100%*	<u>3,259,077,781</u>
	<u><u>\$ 5,484,629,781</u></u>			<u><u>\$ 5,484,629,781</u></u>

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report

Source: School District Financials - June 30, 2023

*As per City and County of Denver 2022 Annual Comprehensive Financial Report, all overlapping debt for Denver Public Schools is considered overlapping at 100%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (Unaudited)

Year Ended June 30,	Population	Total Personal Income	Median Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2022	729,239	N/A*	N/A*	35.1	89,213	2.8%
2021	749,103	\$ 37,936	\$ 50,642	34.6	90,250	4.2%
2020	738,200	\$ 51,543	\$ 69,822	36.6	90,296	6.9%
2019	727,211	\$ 61,348	\$ 81,405	36.2	92,039	2.5%
2018	716,492	\$ 57,211	\$ 79,849	35.8	93,356	3.0%
2017	693,292	\$ 47,289	\$ 69,862	35.5	92,686	3.0%
2016	693,060	\$ 46,612	\$ 67,256	35.2	92,331	3.0%
2015	682,545	\$ 46,617	\$ 68,299	35.1	91,429	3.7%
2014	663,862	\$ 41,743	\$ 62,880	34.9	90,150	4.3%
2013	649,495	\$ 36,999	\$ 56,967	34.7	87,398	7.0%

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report

(The most current information available)

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

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

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

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	12,644	1	2.1%	11,863	1	3.0%
City and County of Denver	11,503	2	1.9%	9,946	2	2.5%
State of Colorado Central Payroll	9,503	3	1.5%	9,790	3	2.5%
Denver Health & Hospital Authority	8,139	4	1.3%	5,408	5	1.4%
United Airlines, Inc	7,669	5	1.2%	4,682	6	1.2%
CHC Payroll Agent, Inc. (HCA Health One)	4,464	6	0.7%	4,153	7	1.1%
University of Denver	4,365	7	0.7%	3,764	8	1.0%
USDA National Finance Center	4,320	8	0.7%	7,567	4	1.9%
Southwest Airlines	3,079	9	0.5%			
ADP TotalSource	2,695	10	0.4%			
University of Colorado	-		-	3,389	9	0.9%
Accounting Service Center (U.S. Postal Service)	-		-	3,188	10	0.8%
Total	<u><u>68,381</u></u>		<u><u>11.1%</u></u>	<u><u>63,750</u></u>		<u><u>16.3%</u></u>

Source: December 31, 2022 - City and County of Denver Annual Comprehensive Financial Report
(The most current information available)
Based on 2022 and 2013 Principal Employers.

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

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

	2023	2022*	2021	2020	2019
Number of schools participating in:					
Lunch - regular schedule	200	162	161	246	201
Breakfast program	198	162	161	244	201
Student lunches served:					
Free	3,526,830	6,881,866	2,861,259	3,951,058	5,188,252
Reduced	611,575	-	-	730,590	755,021
Fully paid	1,758,006	-	-	1,259,076	1,657,770
Total	<u>5,896,411</u>	<u>6,881,866</u>	<u>2,861,259</u>	<u>5,940,724</u>	<u>7,601,043</u>
Adult lunches served	18,360	4,353	2,794	307,522	19,463
Student breakfasts served:					
Free	2,246,012	4,375,632	2,588,037	2,746,512	3,569,110
Reduced	381,052	-	-	499,217	544,058
Fully paid	1,013,007	-	-	935,579	1,233,206
Total	<u>3,640,071</u>	<u>4,375,632</u>	<u>2,588,037</u>	<u>4,181,308</u>	<u>5,346,374</u>
Number of serving days:					
Regular schedule	170.0	173.5	169.5	174.5	174.5
Average daily participation:					
Student lunch	34,685	39,665	16,881	34,044	43,559
Adult lunch	108	25	16	1,762	112
Student breakfast	21,412	25,220	15,269	23,962	30,638
October 1 pupil count	89,681	90,250	90,296	93,815	93,356
Percentage of students daily eating school lunch	38.68%	43.95%	18.69%	36.29%	46.66%
October 1 count of benefits					
Students on free lunch	49,297	-	45,398	48,474	51,467
Students on reduced lunch	6,829	-	5,938	10,041	8,235
Percentage of students on:					
Free lunch	54.97%	0.00%	50.28%	51.67%	55.13%
Reduced lunch	7.61%	0.00%	6.58%	10.70%	8.82%
Total	<u>62.58%</u>	<u>0.01%</u>	<u>56.85%</u>	<u>62.37%</u>	<u>63.95%</u>

Continued next page

Source: School District Planning Department

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

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

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

	2018	2017	2016	2015	2014
Number of schools participating in:					
Lunch - regular schedule	201	196	190	178	170
Breakfast program	205	196	187	176	164
Student lunches served:					
Free	5,543,297	5,790,913	6,039,463	6,321,861	6,545,540
Reduced	842,383	766,864	710,818	740,182	560,806
Fully paid	1,492,549	1,308,708	1,262,199	1,229,486	1,104,247
Total	<u>7,878,229</u>	<u>7,866,485</u>	<u>8,012,480</u>	<u>8,291,529</u>	<u>8,210,593</u>
Adult lunches served	18,795	21,142	25,558	40,205	47,833
Student breakfasts served:					
Free	4,051,403	4,181,279	4,360,853	4,598,757	3,915,825
Reduced	670,302	613,974	555,004	564,425	365,988
Fully paid	1,277,618	1,226,889	1,143,377	1,080,075	826,957
Total	<u>5,999,323</u>	<u>6,022,142</u>	<u>6,059,234</u>	<u>6,243,257</u>	<u>5,108,770</u>
Number of serving days:					
Regular schedule	173	173.5	173.5	172.5	172.5
Average daily participation:					
Student lunch	45,539	45,340	46,181	48,067	47,598
Adult lunch	109	122	147	233	277
Student breakfast	34,678	34,710	34,924	36,193	29,616
October 1 pupil count	93,403	92,754	91,860	90,591	87,398
Percentage of students daily eating school lunch	48.76%	48.88%	50.27%	53.06%	54.46%
October 1 count of benefits					
Students on free lunch	53,167	53,734	55,505	55,755	56,945
Students on reduced lunch	9,053	8,469	7,430	7,382	6,032
Percentage of students on:					
Free lunch	56.92%	57.93%	60.42%	61.55%	65.16%
Reduced lunch	9.69%	9.13%	8.09%	8.15%	6.90%
Total	66.61%	67.06%	68.51%	69.69%	72.06%



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

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

	2023	2022	2021	2020	2019
All Funds					
Instruction	7,436	6,624	6,510	6,340	6,575
Pupil support	1,279	1,232	1,076	1,089	1,177
Instructional support	911	1,118	1,174	1,200	1,240
General administration	62	106	52	61	58
School administration	729	841	834	878	849
Business services	97	131	140	138	128
Operation & maintenance	873	985	1,038	1,002	1,115
Pupil transportation	348	452	435	461	469
Central services	450	514	520	641	561
Community services	115	173	185	156	171
Education for adults	181	152	148	207	343
Food services	645	857	710	768	764
	13,126	13,185	12,822	12,941	13,450
	2023	2022	2021	2020	2019
Degree Held					
Bachelor's	2,628	3,453	3,552	3,760	3,834
Master's	3,835	4,282	4,372	4,408	4,271
Doctoral / Master's plus	171	218	224	229	211
Other	511	520	543	595	620
	2018	2017	2016	2015	2014
All Funds					
Instruction	6,439	6,686	6,948	7,495	6,911
Pupil support	1,173	849	792	533	448
Instructional support	1,160	1,355	1,361	1,133	803
General administration	46	39	40	37	36
School administration	865	833	827	756	37
Business services	124	122	118	131	108
Operation & maintenance	1,089	1,073	964	917	1,011
Pupil transportation	502	527	523	544	579
Central services	537	628	619	589	602
Community services	183	315	246	205	283
Education for adults	163	422	240	130	20
Food services	772	790	675	676	581
	13,053	13,639	13,353	13,146	11,419

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

As of June 30, 2023 the degree held data is for 13,126 actual FTE's (9,155 of whom are full-time and 3,971 of whom are part-time) and reflect degrees disclosed for the respective year.

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

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

Enrollment is as of October 1 in fiscal year.

	2023	2022	2021	2020	2019
Elementary & K-8 Schools:**	118	118	111	111	111
Total Square Feet	8,652,985	8,641,464	8,257,097	8,227,573	8,176,304
Total Capacity (Students)	73,325	74,214	74,214	74,214	74,214
Enrollment	39,560	39,939	39,915	43,530	43,994
Middle Schools:**	14	14	14	14	14
Total Square Feet	1,669,273	1,667,851	1,667,851	1,651,073	1,651,073
Total Capacity (Students)	11,675	12,325	12,325	12,325	12,325
Enrollment	9,056	9,338	9,525	9,443	9,271
High Schools:**	45	45	44	44	43
Total Square Feet	5,871,567	5,891,550	5,776,799	5,778,945	5,683,459
Total Capacity (Students)	44,525	44,593	44,593	44,593	44,025
Enrollment	19,760	20,147	19,506	19,046	18,711
Alternative Schools:**	15	14	14	14	14
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	1,843	1,521	1,619	1,743	1,791
Charter Schools:**	55	56	58	58	58
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	18,994	19,305	19,731	20,053	19,589
	2018	2017	2016	2015	2014
Elementary & K-8 Schools:**	110	111	121	120	136
Total Square Feet	8,055,067	7,848,747	6,694,908	6,694,908	6,694,908
Total Capacity (Students)	73,575	73,200	67,050	67,050	67,050
Enrollment	45,426	46,002	46,388	48,153	46,658
Middle Schools:**	14	13	29	29	15
Total Square Feet	1,651,073	1,647,064	1,955,193	1,955,193	1,955,193
Total Capacity (Students)	12,325	12,425	14,825	14,825	14,825
Enrollment	12,157	10,185	9,921	9,146	9,738
High Schools:**	43	43	35	27	38
Total Square Feet	5,683,459	5,660,945	4,843,312	4,824,362	4,824,362
Total Capacity (Students)	44,025	44,425	39,050	39,050	39,050
Enrollment	14,786	17,082	16,679	16,053	15,822
Alternative Schools:**	13	14	18	18	13
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	1,852	1,884	1,727	1,774	1,613
Charter Schools:**	58	54	60	51	43
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	18,763	17,178	16,714	15,024	13,567

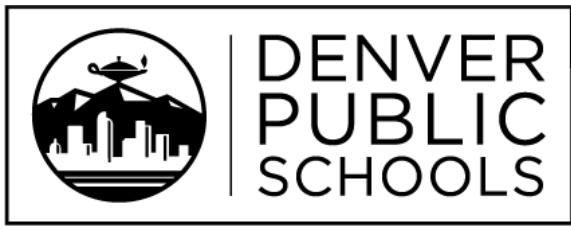
Sources: School District Research and Planning Office, and Facilities Planning Department

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

** Program Count



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SINGLE AUDIT REPORT



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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2023, which contained emphasis of matter paragraphs regarding a change in accounting principle and change in reporting entity. Our report includes a reference to other auditors who audited the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust Fund (the ProComp fund), a blended component unit. Our report also includes a reference to other auditors who audited the financial statements of all of the discretely presented component units, except for DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, and STRIVE Preparatory Schools. The component units included as aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for DSST Public Schools, KIPP Colorado Schools, Rocky Mountain Preparatory Schools, and STRIVE Preparatory Schools. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS, LLP

Denver, Colorado
December 19, 2023



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District No. 1 in the City and County of Denver and State of Colorado's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

FORVIS, LLP

Denver, Colorado
December 19, 2023

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Agriculture				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	Colorado Department of Education	4553	10.553	\$ 7,361,736
Donated Commodities	Colorado Department of Human Services	None	10.555	21,707,387
Summer Food Service Program for Children	Colorado Department of Education	4559	10.559	838,661
Fresh Fruit and Vegetable Program	Colorado Department of Education	4582	10.582	944,968
<i>Child Nutrition Cluster Subtotal</i>				<u><u>30,852,752</u></u>
Child and Adult Care Food Program	Colorado Department of Public Health- Environment	4558	10.558	34,992
Farm to School Grant Program	Colorado Department of Education	4575	10.575	16,229
Total Department of Agriculture				<u><u>30,903,973</u></u>
Department of Defense				
JROTC Career Academy			12.000	<u>1,213,978</u>
Total Department of Defense				<u>1,213,978</u>
Department of Labor				
<i>WIA/WIOA Cluster</i>				
WIA/WIOA Youth Activities	City and County of Denver	7259	17.259	<u>362,424</u>
<i>WIA/WIOA Cluster Subtotal</i>				<u><u>362,424</u></u>
H-1B Job Training Grants	Colorado Community College System	7268	17.268	17,969
Total Department of Labor				<u>380,393</u>
National Science Foundation				
<i>Research and Development Cluster</i>				
Education and Human Resources	University of Colorado	7076	47.076	<u>41,375</u>
<i>Research and Development Total</i>				<u><u>41,375</u></u>
Total National Science Foundation				<u>41,375</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Education	5127	21.027	98,417
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Colorado Community College System	7127	21.027	616,183
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Education	9019	21.027	37,234
<i>COVID-19-Coronavirus Relief Fund Subtotal</i>				<u>751,834</u>
Total Department of Treasury				<u>751,834</u>
Department of Education				
<i>Federal Student Financial Aid Cluster</i>				
Federal Supplemental Educational Opportunity Grants		5007	84.007	150,000
Federal Pell Grant Program		5063	84.063	1,275,658
<i>Federal Student Financial Aid Cluster Subtotal</i>				<u>1,425,658</u>
Title I Grants to Local Educational Agencies	Colorado Department of Education	4010	84.010A	38,569,945
Title I Grants to Local Educational Agencies	Colorado Department of Education	5010	84.010A	494,951
Title I Grants to Local Educational Agencies	Colorado Department of Education	7010	84.010A	167,887
Title I Grants to Local Educational Agencies	Colorado Department of Education	9202	84.010	19,393
Title I Grants to Local Educational Agencies	Colorado Department of Education	9205	84.010	86
Title I Grants to Local Educational Agencies	Colorado Department of Education	9206	84.010	68,680
Title I Grants to Local Educational Agencies	Colorado Department of Education	9211	84.010	3,119
<i>Title I Grants to Local Educational Agencies Subtotal</i>				<u>39,324,061</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education Grants to States	Colorado Department of Education	4027	84.027	13,151,476
COVID-19-Special Education Grants to States	Colorado Department of Education	6027	84.027	1,643,999
Special Education Grants to States	Colorado Department of Education	8027	84.027	2,206,404
Special Education Preschool Grants	Colorado Department of Education	4173	84.173	485,676
<i>Special Education Cluster Subtotal</i>				<u>17,487,555</u>
Career and Technical Education -- Basic Grants to States	Colorado Community College System	4048	84.048	1,346,629
<i>Career and Technical Education -- Basic Grants to States Subtotal</i>				<u>1,346,629</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Education (Continued)				
Indian Education Grants to Local Educational Agencies <i>Indian Education Grants to Local Educational Agencies</i>	Colorado Department of Education	4060	84.060	135,762
				<u>135,762</u>
Charter Schools <i>Charter Schools Subtotal</i>	Colorado Department of Education	5282	84.282	432,043
				<u>432,043</u>
Twenty-First Century Community Learning Centers	Colorado Department of Education	5287	84.287C	3,327
Twenty-First Century Community Learning Centers	Colorado Department of Education	6287	84.287C	534,913
Twenty-First Century Community Learning Centers	Colorado Department of Education	7287	84.287C	459,328
<i>Twenty- First Century Community Learning Centers Subtotal</i>				<u>997,568</u>
English Language Acquisition State Grants	Colorado Department of Education	4365	84.365A	2,584,519
English Language Acquisition State Grants	Colorado Department of Education	7365	84.365A	24,697
<i>English Language Acquisition State Grants Subtotal</i>				<u>2,609,216</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Colorado Department of Education	4367	84.367A	2,356,609
Student Support and Academic Enrichment Program	Colorado Department of Education	4421	84.424	9,023
Student Support and Academic Enrichment Program	Colorado Department of Education	4422	84.424	(8,043)
Student Support and Academic Enrichment Program	Colorado Department of Education	4423	84.424	(136)
Student Support and Academic Enrichment Program	Colorado Department of Education	4424	84.424	1,573,214
<i>Student Support and Academic Enrichment Program Subtotal</i>				<u>1,574,058</u>
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4414	84.425U	41,628,420
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4418	84.425U	273,820
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4419	84.425D	223,020
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4420	84.425D	29,598,048
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4425	84.425D	328,581
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4431	84.425U	51,660

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Education (Continued)				
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4434	84.425U	227,933
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4442	84.425D	1,642,014
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4445	84.425D	24,091
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	5625	84.425D	128,937
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	6426	84.425C	78,866
COVID-19-GEER II - Governor's Emergency Education Relief Fund (GEER II Fund)	Colorado Department of Education	6427	84.425R	717,584
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	8425	84.425W	4,980
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	8426	84.425W	209,786
COVID-19-ARP EANS Emergency Assistance for Non-Public School	Colorado Department of Education	9426	84.425R	576,867
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	9414	84.425U	13,522,349
COVID-19-Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	Colorado Department of Education	9425	84.425E	<u>8,458</u>
<i>COVID-19-Education Stabilization Fund Subtotal</i>				<u>89,245,414</u>
Total Department of Education				<u>156,934,573</u>
Department of Health and Human Services				
State Personal Responsibility Education Program	Colorado Department of Human Services	7092	93.092	4,435
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Colorado Department of Human Services	7323	93.323	33,376
COVID-19- Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Colorado Department of Human Services	7354	93.354	216,068
2022 Preschool Development Grant	Colorado Department of Human Services	7434	93.434	43,092
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	8558	93.558	272,757
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	7566	93.566	582,133

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Health and Human Services (Continued)				
<i>Head Start Cluster</i>				
Head Start	City and County of Denver	8600	93.600	2,720,665
<i>Head Start Cluster Subtotal</i>				<u>2,720,665</u>
Opioid STR	Colorado Department of Human Services	7788	93.788	39,848
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services	7959	93.959	<u>179,236</u>
Total Department of Health and Human Services				<u>4,091,610</u>
Total Federal Expenditures				\$ <u>194,317,736</u>

**School District No. 1 in the
City and County of Denver and State of Colorado**
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the District. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the District through the state of Colorado or other non-federal entities. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
2. The accompanying schedule of federal awards is presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
3. The District utilizes the indirect cost rate established for it by the Colorado Department of Education, therefore it has not used the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
4. Certain grant programs have not been assigned Federal Assistance Listing Numbers by the federal government, or the numbers are not obtainable. These programs are identified in the Schedule by the federal agency number followed by three zeros (for example, 12.000).
5. During the year ended June 30, 2023, the District did not pass through any federal funds to subrecipients.
6. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
7. Commodities donated to the District by the U.S Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The District takes possession of all inventory, including commodity items when they reach the District's dock or cold storage facility, and title passes at that time. The majority of commodity items are stored in the district warehouse or off-site cold storage facility. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (Federal Assistance Listing Number 10.555) on the Schedule. The District recognized noncash awards of \$21,707,387 for the year ended June 30, 2023.

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

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

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

3. Noncompliance material to the financial statement noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:

Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by
2 CFR 200.516(a)? Yes No

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

7. Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.027, 84.173	Special Education Cluster
84.425C, 84.425D, 84.425U, 84.425R, 84.425W, 84.425E	COVID-19 - Education Stabilization Fund

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

9. Auditee qualified as a low-risk auditee?

Yes No

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
No matters are reportable.	

**School District No. 1 in the
City and County of Denver and State of Colorado**
Status of Prior Year Audit Findings
Year Ended June 30, 2023

Reference Number	Finding	Status
No matters are reportable.		



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