



DENVER
PUBLIC
SCHOOLS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

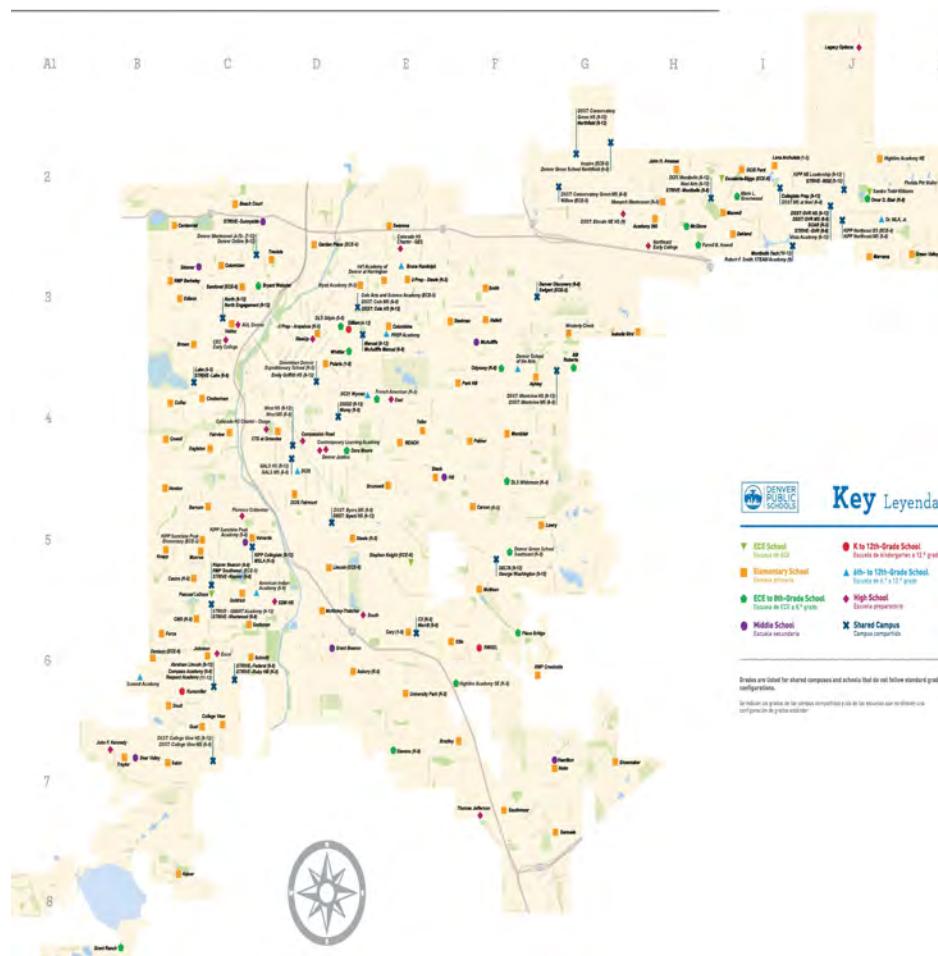


SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO
PREPARED BY THE OFFICE OF THE CONTROLLER

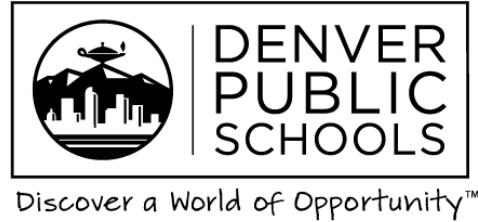
Denver Public Schools

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

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



School District No. 1 in the City and County of Denver
For the year ended June 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT



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Stephen Clawson, Controller
Patricia Morris, Senior Manager of Accounting Operations
Juan Martinez, Accounting Supervisor
Jordan Eaglin, Accounting Supervisor
Medina Steta, Accounting Supervisor
Martial Allogo Meye, Senior Financial Accountant
Jerre Fleming, Senior Financial Accountant
Duncan Zelkin, Senior Financial Accountant
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Denver Public Schools
Office of the Controller
1860 Lincoln Street, 11th floor
Denver, CO 80203
720.423.3440

OFFICE OF THE CONTROLLER

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

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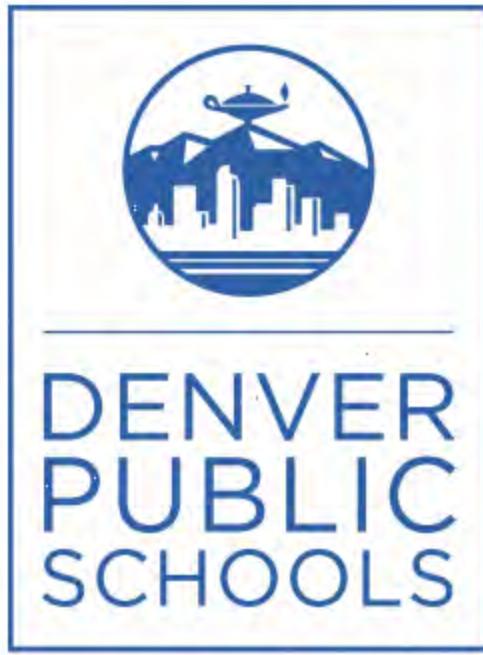
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INTRODUCTORY SECTION



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

November 18, 2021

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, 2021, was prepared by the Financial Services Department and includes the report of the independent auditors, BKD, LLP. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion on the financial statements for the year ended June 30, 2021 as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

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

- The introductory section includes this letter of transmittal, the District's organizational chart, a list of principal officials, a reproduction of the 2020 Government Finance Officers Association (GFOA) Certificate of Achievement and the 2020 Association of School Business Officials (ASBO) Certificate of Excellence.
- The financial section includes the MD&A, the basic financial statements, required supplementary information and other supplementary information, as well as the independent auditors' report on the financial statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

PROFILE OF THE DISTRICT

The Districts' financial operations support Denver Public Schools' mission of *Every Child Succeeds*. Denver Public Schools (DPS) serves more than 90,000 students in more than 207 schools and has more than 12,000 employees in the City and County of Denver. Denver County is the largest county in Colorado with over 716,000 residents. Nearly 62% of students qualify for free/reduced priced lunch and approximately 72% are ethnic minorities. In the last ten years, DPS has increased the graduation rate by 26% and decreased the dropout rate by nearly 60%. DPS has continued to have significant achievement gaps, when comparing minority students and students in poverty with white and middle class students. Closing this achievement gap is one of the core tenants of the Denver Plan. The FY 2022 Adopted Budget is intended to provide the financial resources necessary to enable educators to further the academic goals of the Denver Plan: Great Schools in Every Neighborhood, School Readiness, Foundation for Success, Ready for College and Career and Support for the Whole Child.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

Colorado uses a public school funding formula that was developed in 1994 called the Public School Finance Act. School districts in Colorado are funded on a per pupil revenue basis (PPR). The state calculates each district's PPR based on a number of factors including at-risk enrollment (updated for 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 33% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. State Equalization). Given that K-12 funding makes up close to 40% of the State of Colorado's budget, the

state was forced to make a choice between fully funding K-12 education or continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education and Human Services. Beginning in FY 2011, the state introduced the "Negative Factor", (which is now referred to as the Budget Stabilization Factor) to reduce school funding to a level that it could afford. For FY 2022, the Budget Stabilization Factor was decreased to bring it back to pre-pandemic levels, although this factor is still reducing annual funding for K-12 education by \$571 million below fully funded or an estimated \$60 million for DPS.

State statute allows school districts to levy general fund taxes at a general or special Override Election mill levy. The maximum amount of the general Override Election mill levy revenue increase may not exceed 25% of the District's formula funding, plus a cost of living adjustment from 2002. In 1988, 1998, 2003, 2005, 2012, 2016 and 2020 the voters of Denver approved mill levy overrides. The 1988, 1998 and 2003 Override Election mill levies are fixed dollar amounts of \$12.1 million, \$17 million and \$20 million respectively. The 2005 Override Election mill levy, initially set at \$25 million, is adjusted annually for inflation as measured by the Denver-Boulder-Greeley consumer price index. The 2005 Override Election mill levy amount for the FY 2022 is forecasted at approximately \$36.5 million. The 2012 Override Election mill levy is fixed at 4.86 mills, which is forecasted to generate \$106 million for FY 2022. In future years, the mill rate of 4.86 will remain fixed regardless of changes to assessed valuation. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost-of-living adjustment. The 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 \$33.1 million for FY 2022.

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 pre-pandemic levels, Per Pupil Revenue (PPR) in FY 2022 is expected to increase \$801 above the PPR for FY 2021 from \$8,353 to \$9,160. 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 2021, the general fund balance increased by \$6.1 million.

MAJOR INITIATIVES

Capital Improvements

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

With the addition of the 2020 bond funds the District has been able to continue the efforts of renovating existing schools, classroom cooling and building additions. In FY21 significant funds were spent from 2020 bond funds acquiring a building at 200 E 9th Ave, land at 18500 East 64th Ave and a portion of the Johnson & Wales campus. The District invested in information technology upgrades along with student technology using both 2016 and 2020 bond funds. The District also invested significant funds in major renovations at Kepner, Baker, Grant, Hamilton and Hill middle schools. Major HVAC work was completed at Garden Place, Kepner, Beach Court, Hamilton and Sabin. Another highlight was the completion of nurse station renovations at multiple school locations in the wake of COVID-19, as well as upgraded fire suppression at George Washington high school.

FINANCIAL INFORMATION

Internal Control

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

Single Audit

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

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

Accounting and Budgetary Controls

The District maintains its records on the full accrual basis for proprietary funds and similar fiduciary fund types and modified accrual basis for all other funds. For financial statement presentation purposes, the modified accrual basis of accounting is followed for all governmental funds. The management's discussion and analysis and the notes to financial statements expand upon this and other accounting policies. The financial statements are prepared in accordance with the standards of the Governmental Accounting Standards Board. All of the District's funds are presented in this report and all opinion units consisting of those funds have been audited by the District's independent auditors, BKD, LLP, except for the ProComp Special Revenue Fund 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 BKD, LLP was selected by the District's Board of Education and performed the audit of this report which is included in the financial section.

Awards

The District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the thirty-sixth 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, 2020 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, 2020. This was the twenty-first 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 2020 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.

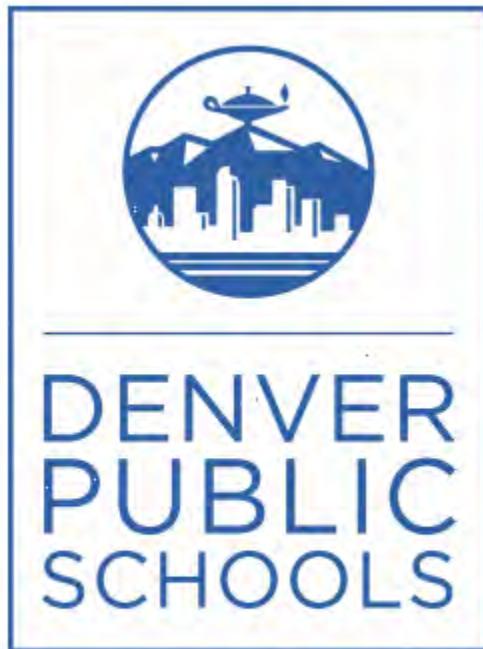
Respectfully submitted,

CHARLES CAF 

Chuck Carpenter
Chief Financial Officer

Steve Clawson 

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Monell

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 Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

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



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

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

DISTRICT OFFICIALS

BOARD OF EDUCATION

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

SUPERINTENDENT

Dr. Alex Marrero

DEPUTY SUPERINTENDENT OF OPERATIONS

James Carpenter

CHIEF FINANCIAL OFFICER

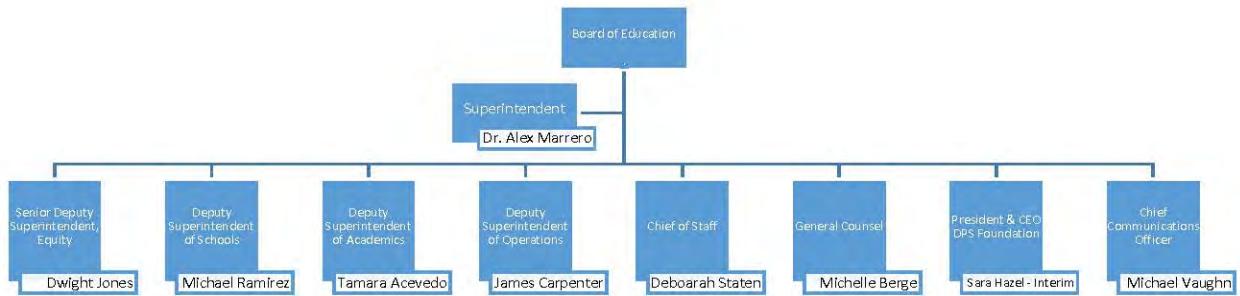
Charles Carpenter

CONTROLLER

Stephen A. Clawson, CPA

Denver Public School Organization Chart – Senior Leadership Team

As of June 30, 2021





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FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statement of the Denver Public Schools Professional Compensation System for Teachers Trust (ProComp) fund, which is part of the aggregate remaining fund information and represents 30.0% of total assets, 36.5% of total revenues of the aggregate remaining fund information and 22.8% of net position/fund balance. Those statements were audited by another auditor whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts included for the ProComp fund is solely based on the report of the other auditor. With the exception of DSST Public Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, we also did not audit the financial statements of the charter schools, as stated in Note 14 of the financial statements, included in the aggregate discretely presented component units, which represent 48.6% of total assets, 40.9% of total revenues and 41.3% of net position of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts of those other charter schools included in the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing

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

standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Rocky Mountain Preparatory Schools, Highline Academy Schools, DSST Public Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, which were audited under *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the School District No. 1 in the City and County of Denver and State of Colorado as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

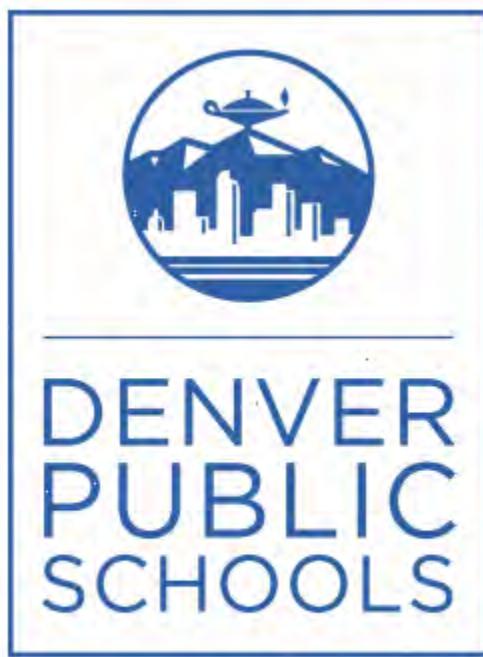
Board of Education
School District No. 1 in the
City and County of Denver and State of Colorado

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated November 18, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
November 18, 2021



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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, 2021

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, 2021. 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, 2021, the District's net position for governmental activities is a deficit of \$1,007.4 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 90.48% funded compared to the PERA School division of 66.99% as of December 31, 2020. Second, in order to fund the District's capital program, the voters of Denver authorized general obligation bonds. The proceeds of these bonds are used to fund capital and maintenance of the District's facilities. (See additional details in Note 5 and Note 6 to the financial statements).

Long-term liabilities increased to \$3,656.7 million from \$3,354.9 million in FY 2021 primarily due to issuance of Bonds.

On the statement of activities, general revenues accounted for \$1,270.8 million or 78% of total revenues and program revenues were \$336.9 million or 22% of the total revenues of the primary government. The total revenues increased to \$1,607.6 million from \$1,550.6 million, or 3.5% when compared to prior year, primarily due to increased property taxes. The change in net position of \$122.1 million is partially due to an increase in property tax revenue of \$40.5 million and other revenue increase of \$6.7 million. Of notable mention, HB 20-1379 suspended the \$225 million yearly direct distribution proportioned between State, School, Judicial and DPS Division Trust Funds and is to resume as of July 1, 2021 or fiscal year 2022.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

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

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

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities. The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Grants Special Revenue, Bond Redemption (debt service), Building and Capital Reserve, all of which are considered to be major funds. Data for the other 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

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

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

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

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

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

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

Financial Analysis of the District

Increases or decreases in net position may serve as a useful indicator of the District's overall financial position. The District's net position increased \$122.1 million partially due to an increase in property tax revenue of \$40.5 million and other revenue increase of \$6.7 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 \$21.1 billion of net assessed value.
- General fund balance increased \$6.08 million in FY 2021, with ending fund balance of \$125.1 million.
- In November of 2016, Denver voters approved a mill levy override of \$56.6 million and in the years following by the amount allowed by Colorado State law. The increased funding will go towards expanding early childhood reading programs, providing more mental health professionals and counselors for students, expanding student technology access, providing better training for teachers, developing a more diverse pool of teachers and expanding college and career programs.
- In November of 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 2016, Denver voters approved a \$572 million bond to invest in critical maintenance, constructing new schools and additions to existing schools, upgrading learning environments in older schools and increasing student technology access.
- 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.

SCHOOL DISTRICT NO. 1
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

- The 2020 voter approved general bond obligations were issued in 2021 with the following ratings:
 - Moody's ratings of Aa1
 - Fitch ratings of AA+
 - S&P ratings of AA+

A significant portion of the District's assets are its investment in capital assets (e.g., land, buildings, equipment and capital leases). The District uses these assets to provide instruction and related services to its students. Capital assets (net) increased to \$1,612.2 million in FY 2021 from \$1,554.3 million in FY 2020. The increase is primarily a result of capital spending from the District's general obligation bonds and certificates of participation. The District's capital assets will continue to increase as planned projects are completed in the Capital Reserve and Building Funds. Combined, these funds have available fund balance of \$575.7 million.

Current and other assets increased to \$1,212.5 million from \$900.4 million primarily due to the first issuance of the 2021 general obligation bonds.

The following table provides a summary of the District's net position as of June 30, 2021 and 2020, respectively (in millions):

	June 30, 2021	June 30, 2020
Current and other assets	\$ 1,212.5	\$ 900.4
Capital assets, net	1,612.2	1,554.3
Total assets	2,824.7	2,454.7
Deferred outflows of resources	494.5	270.4
Other liabilities	159.4	193.6
Long-term liabilities	3,656.7	3,354.9
Total liabilities	3,816.1	3,548.5
Deferred inflows of resources	510.5	306.2
Net position (deficit):		
Net investment in capital assets	(55.0)	(67.2)
Restricted	282.1	260.2
Unrestricted	(1,234.5)	(1,322.5)
Total net position (deficit)	\$ (1,007.4)	\$ (1,129.5)

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, 2021

The following table provides a summary of the District's activities for the fiscal years ended June 30, 2021 and 2020, respectively (in millions).

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
REVENUES		
Program revenues		
Charges for services	\$ 65.9	\$ 77.7
Operating grants and contributions	271.0	187.0
Capital grants and contributions	-	10.1
General revenues		
Taxes	1,055.0	1,011.4
State equalization	182.5	239.0
Investment income	1.8	10.5
Other	31.5	24.9
Total revenues	<u>1,607.7</u>	<u>1,560.6</u>
EXPENSES		
Instruction	721.7	696.8
Support services	636.9	597.5
Interest on long-term debt	127.0	118.7
Total expenses	<u>1,485.6</u>	<u>1,413.0</u>
Change in net position	122.1	147.5
Net position - beginning, previously stated	<u>(1,129.5)</u>	<u>(1,281.3)</u>
Change in Accounting Principle	-	4.2
Net position - beginning as restated	<u>(1,129.5)</u>	<u>(1,277.0)</u>
Net position - ending	<u>\$ (1,007.4)</u>	<u>\$ (1,129.5)</u>

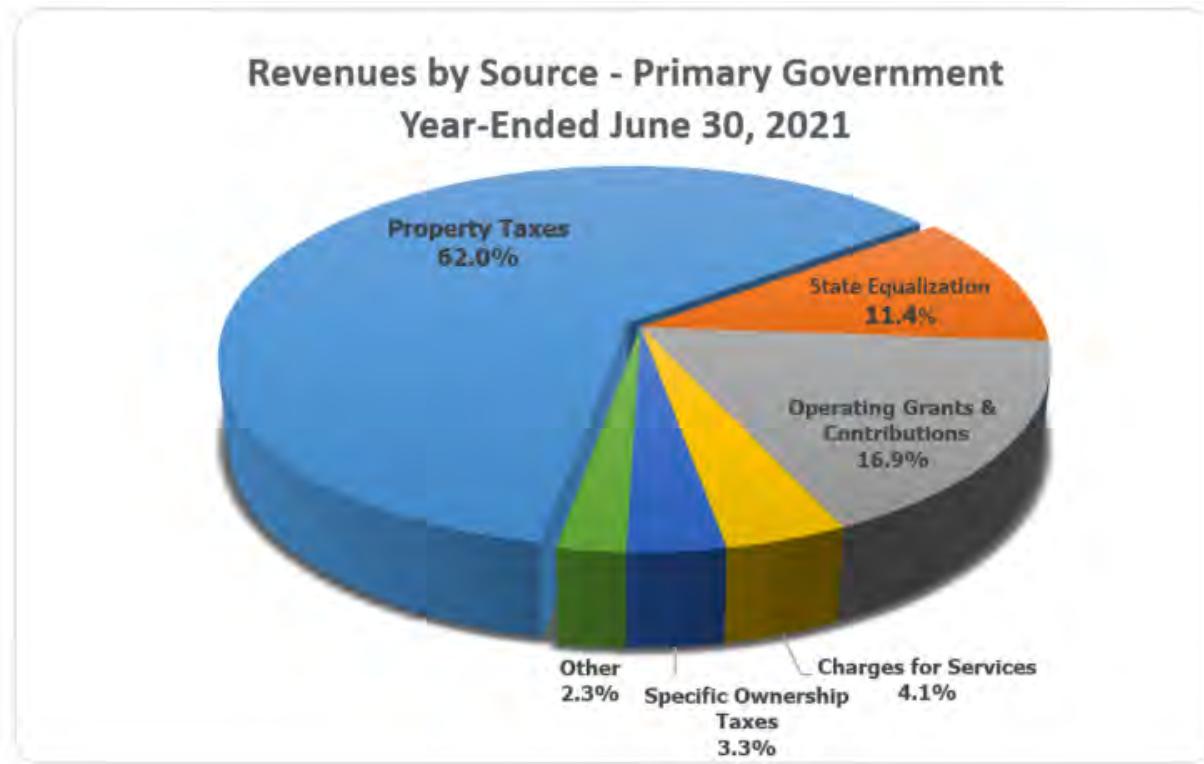
Most revenues to Colorado's school districts are provided through the Public School Finance Act of 1994 (as amended). The District's adjusted total program funding for FY 2021 was \$749.6 million reflected as a combination of state equalization and a portion of property tax revenues in the Statement of Activity. This was based on a funded pupil count of 89,746 and per pupil total program funding of \$8,353 compared to total program funding of \$796.9 million funded pupil count of 91,185 and per pupil total program funding of \$8,739 in FY 2020. Of the adjusted total program funding, \$182.5 million was funded through state share compared to \$239.0 million in FY 2020. The remainder was funded through a combination of local property and specific ownership taxes.

The District generated \$997.4 million in property tax revenues in FY 2021 compared to [\\$956.9](#) million in FY 2020. Total property tax revenues include School Finance Act mills, override election mills, Tax Abatement mills and Bond Redemption Fund mills. Tax revenues increased by \$43.6 million and are attributable to the rising property valuations in the City and County of Denver, partially offset by a decrease in state equalization of \$56.5 million. District grants operating revenue increased by \$84.0 million year over year due to CARES funding grants of Coronavirus Relief Fund, Elementary and Secondary School Emergency Relief Fund, and Higher Education Emergency Relief Fund. Total expenses for the primary government in FY 2021 were \$1,485.6 million compared to \$1,413.1 million in FY 2020. Total expenses increased by \$72.6 million partially due to an increase in PERA employer contributions as well as salary increases for hourly employees and teachers following the 2019 renegotiated teacher contract.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

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 \$957.3 million compared to \$606.2 million in FY 2020.

The General Fund is the primary operating fund of the District. Fund balance of the General Fund at June 30, 2021 was \$125.1 million, compared to \$119.1 million as of June 30, 2020. This increase in fund balance is primarily due to the COVID-19 response and the implementation of the new guidelines to spending and hiring within the District. Constraints on use of the General Fund balance include a restricted emergency reserve of \$31.7 million as required by the Taxpayer Bill of Rights (TABOR) and state statute.

Assigned fund balance includes \$3.8 million budgeted for subsequent year expenditure and \$23.7 million for special projects.

SCHOOL DISTRICT NO. 1
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MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

The Grant Special Revenue Fund balance as of June 30, 2021 was \$16.3 million compared to \$14.8 million at June 30, 2020. 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, 2021 was \$224.0 million compared to \$201.8 million as of June 30, 2020. The Bond Redemption Fund is restricted for payment of the District's General Obligation Bond debt service as authorized by Denver voters.

The Building Fund as of June 30, 2021 was \$502.8 million compared to \$183.0 million as of June 30, 2020. The Building Fund consists of unspent proceeds from issuance of voter approved general obligation bonds and is restricted for financing projects as described in the respective ballot language.

The Capital Reserve Fund as of June 30, 2021 was \$72.9 million compared to \$73.4 million as of June 30, 2020. The Capital Reserve Fund consists of unspent COPs restricted for financing capital projects and for debt service. Additionally, a portion of Capital Reserve Fund is restricted for capital projects by Board authorization and assigned to debt service by Board adoption of the annual budget.

The Building Fund increased by \$319.8 million as a result of the issuance of the 2021 general obligation bond. Capital Reserve Fund decreased by \$(0.5) million as a result of the certificates of participation capital expenditures. The Bond Redemption Fund increased \$22.2 million due to the increase in property tax. The Grant Special Reserve Fund increased \$1.5 million, due to receiving federal COVID-19 relief funds for lost tuition revenue for EGTC students.

Proprietary funds

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

General Fund Budgetary Highlights

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

The difference between the General Fund original and final budget for expenditures decreased by \$34.5 million to account for reduced revenue received due to enrollment changes from original projections, specifically due to COVID-19 enrollment declines.

As a result of the spread of the COVID-19 coronavirus, the District faced economic uncertainties which impacted the budget. Classrooms remained mostly remote during the first semester with a return to in-person schooling phased in during the second half of the year. This resulted in the District realizing savings in operational costs due to the closure of buildings, specifically in Transportation and Utilities. In addition, the District received federal funding from the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA) to help cover costs related to the District's response to and recovery from the COVID-19 pandemic. The District had increased unplanned expenses for technology, personal protective equipment (PPE), and COVID-19 testing that were paid by the CARES funding. In addition, as revenues for student meals and before and after care programs went down, stimulus funding covered these expenses to provide free breakfast and lunch to students and their families, as well as ensuring students had safe learning places and in order to allow families to return to work.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

The amended budget included a general fund reduction in fund balance of \$11.9M. The actual change to fund balance for general fund was a \$6.1M increase, an \$18.0M difference from what was included in the budget. The cause of this variance includes \$13.4M more revenue received due to a State Equalization Supplemental Payment announced after the amended budget had been finalized along with the State deciding to pay an additional monthly Equalization payment at fiscal year end instead of holding the payment back in place of Federal Stimulus funds. This additional revenue, along with the savings realized during operational closures and with stimulus funding, resulted in the district's ability to increase fund balance during the budget year.

Capital Assets and Debt Administration

Capital assets

The District's investment in capital assets, net of accumulated depreciation for its governmental activities as of June 30, 2021 amounted to \$1,612.2 million. Investment in capital assets includes land, buildings and improvements, equipment, capital leases and construction in progress with an original cost greater than \$5,000 and an estimated useful life longer than one year.

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

The District's total capital assets at June 30, 2021 and 2020, respectively, net of accumulated depreciation, were as follows (in millions).

	June 30, 2021	June 30, 2020
Buildings and improvements	\$ 1,406.7	\$ 1,246.1
Construction in progress	40.7	146.2
Land	108.5	97.1
Equipment	54.0	61.5
Capital leases	2.3	3.4
Total	\$ 1,612.2	\$ 1,554.3

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

Long-Term Debt

At June 30, 2021 and 2020, respectively, the District's long-term debt consisted of the following (in millions).

	June 30, 2021	June 30, 2020
General obligation bonds	\$ 2,194.3	\$ 1,758.5
Certificates of participation	991.0	1,105.6
Net pension liability	395.5	400.4
Net OPEB liability	40.6	54.1
Compensated absences	19.7	18.8
Accrued claims liability	12.0	12.7
Capital lease liability	2.1	3.3
Other obligation	1.5	1.5
Total	\$ 3,656.7	\$ 3,354.9

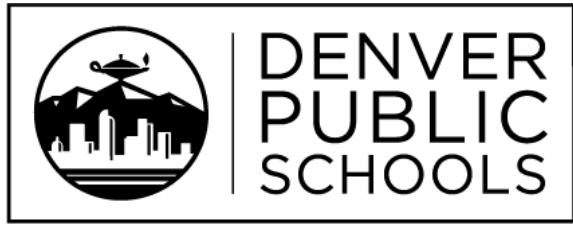
(Please see additional details in Note 6 to the financial statements)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021

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, 2021

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 221,703,471	\$ 106,829,210
Investments	3,982	-
Receivables (net of allowance):		
Taxes	75,990,100	-
Intergovernmental	62,107,270	-
Other	86,802,250	31,377,883
Inventory	4,889,590	152,053
Prepaid items	424,389	826,722
Held by fiscal agents	3,096,374	-
Restricted cash and cash equivalents	540,633,388	21,280,838
Restricted investments	216,806,413	2,250,546
Capital assets:		
Land and construction in progress	149,228,136	45,444,193
Buildings, improvements and equipment, net of acc	1,462,970,679	-
Total assets	<u>2,824,656,042</u>	<u>208,161,445</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	151,239,548	708,236
Related to pensions	339,024,097	50,064,710
Related to OPEB	4,209,700	1,320,032
Total deferred outflows of resources	<u>494,473,345</u>	<u>52,092,978</u>
LIABILITIES		
Accounts and interest payable	71,696,806	7,272,074
Accrued payroll and benefits	73,948,928	6,091,984
Claims payable	4,494,574	-
Unearned revenue	9,258,809	1,127,056
Due to fiduciary funds	8,649	-
Long-term liabilities:		
Due within one year	162,220,621	2,429,612
Due in more than one year	3,494,492,169	103,083,182
Total liabilities	<u>3,816,120,556</u>	<u>120,003,908</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refundings	1,946,604	-
Related to pensions	495,602,529	64,719,295
Related to OPEB	12,895,802	2,205,739
Total deferred inflows of resources	<u>510,444,935</u>	<u>66,925,034</u>
NET POSITION (deficit)		
Net investment in capital assets	(54,971,225)	21,637,366
Restricted for:		
Debt service	226,255,934	-
Performance-based teacher compensation	7,676,261	-
Higher education	15,091,649	-
Non-governmental grantor-designated purposes	1,077,193	-
Federal programs	128,017	-
Permanent fund and nonexpendable	59,519	-
Capital projects	-	1,298,584
Donor-designated purposes	-	8,972,848
TABOR Multi Year Obligations	-	245,000
Emergency reserve	31,697,040	7,869,837
Unrestricted (deficit)	(1,234,450,492)	33,301,846
Total net position (deficit)	<u>\$ (1,007,436,104)</u>	<u>\$ 73,325,481</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, 2021**

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, 2021

	General	Grants Special Revenue	Bond Redemption
ASSETS			
Assets:			
Cash and cash equivalents	\$ 206,177,381	\$ -	\$ -
Investments	-	-	-
Receivables (net of allowance):			
Taxes receivable	56,864,275	-	14,288,343
Intergovernmental	-	49,803,229	-
Other	8,951,668	7,109,286	-
Due from other funds	16,267,783	-	-
Inventory	1,160,643	-	-
Prepaid items	-	-	-
Cash with fiscal agents	3,096,374	-	-
Restricted cash and cash equivalents	417,390	-	-
Restricted investments	-	-	-
Total assets	<u>\$ 292,935,514</u>	<u>\$ 56,912,515</u>	<u>\$ 231,094,756</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 61,005,262	\$ 844,493	\$ -
Claims Liability	4,494,574	-	-
Accrued payroll and benefits	73,948,928	-	-
Due to other funds	566,010	33,933,331	184,934
Unearned revenue	2,394,971	5,837,832	-
Total liabilities	<u>142,409,745</u>	<u>40,615,656</u>	<u>184,934</u>
Deferred inflows of resources:			
Property taxes	25,390,349	-	6,890,860
Unavailable revenues - long-term receivables	-	-	-
Total deferred inflows of resources	<u>25,390,349</u>	<u>-</u>	<u>6,890,860</u>
FUND BALANCES:			
Nonspendable:			
Inventory	1,160,643	-	-
Prepaid items	-	-	-
Permanent fund	-	-	-
Restricted for:			
Higher education	-	15,091,649	-
Non-governmental grantor-designated purposes	-	1,077,193	-
Federal programs	-	128,017	-
Performance-based teacher compensation	-	-	-
Debt service	-	-	224,018,962
Capital projects	-	-	-
Emergency reserve	31,697,040	-	-
Committed to:			
Pupil activities	8,672,016	-	-
Assigned to:			
Subsequent year expenditure	3,790,000	-	-
Special projects	23,671,535	-	-
Capital Projects	-	-	-
Food service	-	-	-
Unassigned	56,144,186	-	-
Total fund balances	<u>125,135,420</u>	<u>16,296,859</u>	<u>224,018,962</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 292,935,514</u>	<u>\$ 56,912,515</u>	<u>\$ 231,094,756</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, 2021

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 15,526,090	\$ 221,703,471
Investments	-	-	3,982	3,982
Receivables (net of allowance):				
Taxes receivable	-	-	4,837,482	75,990,100
Intergovernmental	-	-	12,304,041	62,107,270
Other	-	70,738,106	2,930	86,801,990
Due from other funds	-	64,223,469	5,807,051	86,298,303
Inventory	-	-	3,728,947	4,889,590
Prepaid items	-	424,389	-	424,389
Cash with fiscal agents	-	-	-	3,096,374
Restricted cash and cash equivalents	531,930,275	8,285,723	-	540,633,388
Restricted investments	-	-	-	216,806,413
Total assets	\$ 531,930,275	\$ 143,671,687	\$ 42,210,523	\$ 1,298,755,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 61,849,755
Claims Liability	-	-	-	4,494,574
Accrued payroll and benefits	-	-	-	73,948,928
Due to other funds	29,117,787	-	22,791,353	86,593,415
Unearned revenue	-	-	1,026,006	9,258,809
Total liabilities	29,117,787	-	23,817,359	236,145,481
Deferred inflows of resources:				
Property taxes	-	-	2,334,447	34,615,656
Unavailable revenues - long-term receivables	-	70,738,106	-	70,738,106
Total deferred inflows of resources	-	70,738,106	2,334,447	105,353,762
FUND BALANCES:				
Nonspendable:				
Inventory	-	-	497,844	1,658,487
Prepaid items	-	424,389	-	424,389
Permanent fund	-	-	59,519	59,519
Restricted for:				
Higher education	-	-	-	15,091,649
Non-governmental grantor-designated purposes	-	-	-	1,077,193
Federal programs	-	-	-	128,017
Performance-based teacher compensation	-	-	7,676,261	7,676,261
Debt service	-	2,236,972	-	226,255,934
Capital projects	502,812,488	6,048,751	-	508,861,239
Emergency reserve	-	-	-	31,697,040
Committed to:				
Pupil activities	-	-	5,381,600	14,053,616
Assigned to:				
Subsequent year expenditure	-	-	-	3,790,000
Special projects	-	-	-	23,671,535
Capital Projects	-	64,223,469	-	64,223,469
Food service	-	-	2,443,493	2,443,493
Unassigned	-	-	-	56,144,186
Total fund balances	502,812,488	72,933,581	16,058,717	957,256,027
Total liabilities, deferred inflows of resources and fund balances	\$ 531,930,275	\$ 143,671,687	\$ 42,210,523	\$ 1,298,755,270

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, 2021

Total fund balances for governmental funds	\$ 957,256,027
Capital assets including donated land used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,612,198,815
Deferred outflows of resources related to loss on refundings are not financial resources and therefore, are not reported in the funds.	151,239,548
Deferred outflows of resources related to pensions are not included in the funds.	339,024,097
Deferred outflows of resources related to OPEB are not included in the funds.	4,209,700
Accrued interest payable, is not due and payable in the current period and, therefore is not reported in the funds.	(9,847,051)
Long term liabilities, are not due and payable in the current period and, therefore are not reported in the funds.	(3,656,712,790)
Deferred inflows of resources related to gain on refundings are not financial resources and, therefore are not reported in the funds.	(1,946,604)
Deferred inflows of resources related to pensions are not financial resources and, therefore are not reported in the funds.	(495,602,529)
Deferred inflows of resources related to OPEB are not financial resources and, therefore are not reported in the funds.	(12,895,802)
Deferred inflows of resources related to property taxes and long-term receivables are economic resources and, therefore are recognized in governmental activities.	105,353,762
Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	<hr/> <u>286,723</u>
Net position (deficit) of governmental activities	<u>\$ (1,007,436,104)</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, 2021

	General	Grants Special Revenue	Bond Redemption
REVENUES			
Taxes	\$ 788,001,851	\$ -	\$ 199,649,658
Intergovernmental:			
Revenue from state sources	227,877,959	16,448,575	-
Revenue from federal sources	1,312,843	156,752,885	-
Charges for services	56,492,660	8,841,207	-
Investment income	176,958	-	1,683,210
Other local sources	11,460,481	15,888,625	-
Total revenues	<u>1,085,322,752</u>	<u>197,931,292</u>	<u>201,332,868</u>
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	491,623,330	55,645,377	-
Special education	83,832,293	18,467,152	-
Vocational education	926,302	9,514	-
Other instruction	4,242,025	3,008,118	-
Total instruction	<u>580,623,950</u>	<u>77,130,161</u>	<u>-</u>
Support services:			
Pupil supporting services	74,251,724	23,902,497	-
Instructional support	97,018,956	34,756,039	-
General administration	8,626,792	711,956	-
School administration	77,298,216	3,015,734	-
Business services	11,505,865	2,797,112	-
Operations and maintenance	64,396,850	9,626,187	-
Pupil transportation	25,126,430	497,520	-
Central services	37,729,172	1,429,256	-
Other support services	1,404,453	14,491,921	-
Total support services	<u>397,358,458</u>	<u>91,228,222</u>	<u>-</u>
Community services	6,836,774	3,546,349	-
Education for adults	14,098	24,964,912	-
Capital outlay	2,063,854	241,643	-
Debt service:			
Principal payments	27,355,402	-	98,750,000
Interest and fiscal charges	43,696,155	-	80,364,959
Total debt service	<u>71,051,557</u>	<u>-</u>	<u>179,114,959</u>
Total expenditures	<u>1,057,948,691</u>	<u>197,111,287</u>	<u>179,114,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,374,061</u>	<u>820,005</u>	<u>22,217,909</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	673,318	648,908	-
Transfers out	(22,323,536)	-	-
Issuance of bond principal	-	-	-
Premium on issuance of debt	-	-	-
Issuance of capital leases	355,289	-	-
Total other financing sources (uses)	<u>(21,294,929)</u>	<u>648,908</u>	<u>-</u>
Net change in fund balances	6,079,132	1,468,913	22,217,909
Fund balance - beginning	119,056,288	14,827,946	201,801,053
Fund balance - ending	<u>\$ 125,135,420</u>	<u>\$ 16,296,859</u>	<u>\$ 224,018,962</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, 2021

	Building	Capital Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 66,861,568	\$ 1,054,513,077
Intergovernmental:				
Revenue from state sources	-	-	329,702	244,656,236
Revenue from federal sources	-	9,837,030	24,827,935	192,730,693
Charges for services	-	150,000	395,075	65,878,942
Investment income	(231,783)	118,578	6,115	1,753,078
Other local sources	17,246	22,198,465	2,267,921	51,832,738
Total revenues	(214,537)	32,304,073	94,688,316	1,611,364,764
EXPENDITURES				
Current:				
Instruction:				
Regular instruction	-	-	29,021,405	576,290,112
Special education	-	-	2,911,747	105,211,192
Vocational education	-	-	17,010	952,826
Other instruction	-	-	5,142,218	12,392,361
Total instruction	-	-	37,092,380	694,846,491
Support services:				
Pupil supporting services	-	-	2,422,709	100,576,930
Instructional support	76,602	-	1,759,863	133,611,460
General administration	44,521	-	118,113	9,501,382
School administration	72,619	-	17,410	80,403,979
Business services	272,264	-	-	14,575,241
Operations and maintenance	10,949,328	4,184,022	30,238,301	119,394,688
Pupil transportation	-	368,851	-	25,992,801
Central services	3,570,996	6,698,286	1,308,634	50,736,344
Other support services	147,997	-	23,790,276	39,834,647
Total support services	15,134,327	11,251,159	59,655,306	574,627,472
Community services	-	-	-	10,383,123
Education for adults	-	-	-	24,979,010
Capital outlay	135,202,208	23,554,138	49,890	161,111,733
Debt service:				
Principal payments	79,830,000	6,467,760	-	212,403,162
Interest and fiscal charges	2,941,736	8,493,878	-	135,496,728
Total debt service	82,771,736	14,961,638	-	347,899,890
Total expenditures	233,108,271	49,766,935	96,797,576	1,813,847,719
Excess (deficiency) of revenues over (under) expenditures	(233,322,808)	(17,462,862)	(2,109,260)	(202,482,955)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	17,000,000	4,001,310	22,323,536
Transfers out	-	-	-	(22,323,536)
Issuance of bond principal	450,000,000	-	-	450,000,000
Premium on issuance of debt	103,140,867	-	-	103,140,867
Issuance of capital leases	-	-	-	355,289
Total other financing sources (uses)	553,140,867	17,000,000	4,001,310	553,496,156
Net change in fund balances	319,818,059	(462,862)	1,892,050	351,013,201
Fund balance - beginning	182,994,429	73,396,443	14,166,667	606,242,826
Fund balance - ending	\$ 502,812,488	\$ 72,933,581	\$ 16,058,717	\$ 957,256,027

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, 2021

Net change in fund balance - governmental funds	\$ 351,013,201
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of capitalized assets is allocated over the estimated useful lives and reported as depreciation expense.	
Capital asset additions	160,724,491
Capital asset depreciation	(102,785,553)
Capital asset loss on disposal	(28,355)
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.	(553,140,867)
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.	210,890,000
Amortization of premium on debt has no effect on the governmental funds, but increases the change in net position of governmental activities.	20,980,826
Amortization of deferred loss on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	(11,852,091)
Amortization of deferred gain on refunding are not reported on the governmental fund statements while on the government-wide net position they are amortized over the life of the debt as an adjustment to interest expense.	299,478
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in compensated absences	(945,298)
Change in capital lease liability	1,157,873
Change in accrued claims liability	760,570
Change in interest payable related to long-term liabilities	(924,816)
Net Pension Credit	41,555,754
Net OPEB Credit	8,226,653
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.	(3,727,347)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net gain of the internal service funds is included in the government-wide statement of activities	(118,081)
Change in net position of governmental activities	<u>\$ 122,086,438</u>

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

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

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
AS OF JUNE 30, 2021

	Warehouse Fund
ASSETS	
Current assets:	
Receivables	\$ 260
Due from other funds	<u>286,463</u>
Total current assets	<u>286,723</u>
NET POSITION	
Unrestricted	<u>286,723</u>
Total net position	<u>\$ 286,723</u>

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

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Warehouse Fund
OPERATING REVENUES	
Billings to funds	\$ 145,458
Other revenue	<u>7,119</u>
Total operating revenues	<u><u>152,577</u></u>
OPERATING EXPENSES	
Cost of goods:	
Purchased	36,929
Salaries and employee benefits	22,284
Supplies	7,082
Other	<u>204,363</u>
Total operating expenses	<u><u>270,658</u></u>
OPERATING LOSS/CHANGE IN NET POSITION	
Total net position - beginning	(118,081)
	<u>404,804</u>
Total net position - ending	<u><u>\$ 286,723</u></u>

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



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

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Warehouse Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 270,658
Payments to suppliers	(248,374)
Payments to employees	<u>(22,284)</u>
Net cash provided by operating activities	<u>-</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (118,081)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Accounts receivable	415
Due from other funds	<u>117,666</u>
Net cash provided by operating activities	<u>\$ -</u>

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

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2021

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Assets		
Cash and investments	\$ -	\$ 1,004,592
Retiree Life Insurance Investment	16,353,001	-
Due from other funds	-	<u>8,649</u>
Total Assets	<u>16,353,001</u>	<u>1,013,241</u>
Net Position		
Restricted for		
Postemployment benefits other than		
pensions	16,353,001	-
Individuals	-	<u>1,013,241</u>
Total Net Position	<u>\$ 16,353,001</u>	<u>\$ 1,013,241</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, 2021

	Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Additions		
Employer contributions	\$ 3,080,000	\$ -
Interest income	427,017	1,788
Total Additions	<u>3,507,017</u>	<u>1,788</u>
Deductions		
Medical and life insurance for retirees	2,298,971	-
Total Deductions	<u>2,298,971</u>	<u>-</u>
Net increase (decrease) in fiduciary net position	1,208,046	1,788
Net position - beginning	15,144,955	1,011,453
Net position - ending	<u>\$ 16,353,001</u>	<u>\$ 1,013,241</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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

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, 2021

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers grant revenues to be available if they are collected within 180 days of the fiscal year-end. Property tax and other revenues are considered available if collected within 60 days of the year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, 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, fund equity, revenue and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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

Governmental Funds

The District reports the following major governmental funds:

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

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

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

The District reports the following nonmajor governmental funds:

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

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

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

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

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

Internal Service and Fiduciary Funds

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

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

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

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, 2021

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

Budgets and Budgetary Accounting

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

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

Use of Estimates

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

Deposits and Investments

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

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

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

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, 2021

3. Investments in external investment pool Colorado Local Government Liquid Asset Trust (COLOTRUST) and CSIP Term Investments are reported at \$1 net asset value per share.
4. Stocks held by trust which are reported at cost.

Unearned Revenue

Unearned revenue consists of Special Revenue funds that have been received but the corresponding expenditures have not been earned.

Inventories

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

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

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

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

Prepaid Items

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

Capital Assets

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

Due From and Due to Other Funds

A general disbursing account within the General Fund is used on an imprest basis to make expenditures on behalf of all funds. This account is periodically reimbursed by the applicable funds. Interfund balances at June 30, 2021 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.

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Accrued Payroll

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

Encumbrances

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

Compensated Absences

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance 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 2021 was U.S. Bank.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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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, federal programs, permanent fund and capital projects.

Fund Balances

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

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

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

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

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

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

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

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YEAR ENDED JUNE 30, 2021

2. CASH AND INVESTMENTS

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

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

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

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

As of June 30, 2021, 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, 2021:

- Corporate Notes of \$155,175,604 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- Commercial Paper of \$85,957,389 are valued using quoted market price or other observable inputs (Level 1 and 2 inputs).
- U.S. Treasury securities of \$78,596,849 are valued using quoted price in active markets for identical assets (Level 1 inputs).
- Repurchase Agreements of \$31,625,185 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 \$5,510,217 and related carrying amount of \$7,819,287.

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	Total
Certificate of Deposit	\$ 89,232,996	\$ -	\$ 89,232,996	\$ -	\$ -	\$ 89,232,996
Commercial Paper	85,957,389	-	85,957,389	-	-	85,957,389
US Treasury Notes	78,596,849		78,596,849		-	78,596,849
Corporate Note	155,175,604		155,175,604		-	155,175,604
External Investment Pools	333,403,022	333,403,022				333,403,022
Money Market Funds	183,800,916	183,800,916				183,800,916
Repurchase Agreements	31,625,185	-	-	-	-	31,625,185
Forward Delivery Agreements:						
First American Treasury Obligations	23,435	-	23,435	-	-	23,435
U.S. Treasury Bills	17,609,555	-	17,609,555	-	-	17,609,555
Retiree Life Insurance	16,353,001	16,353,001	-	-	-	16,353,001
Total	\$ 991,777,952	\$ 533,556,939	\$ 426,595,828	\$ -	\$ 31,625,185	\$ 991,777,952

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

Reconciliation

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

Cash and investments per footnote presentation:	
Cash in bank - carrying amount	\$ 7,819,287
Investments	991,777,952
Stocks	3,982
Total	<u>\$ 999,601,221</u>
 Cash and investments per government-wide statements of net position:	
Cash and cash equivalents	\$ 221,703,471
Investments	3,982
Restricted cash and cash equivalents	540,633,388
Held by fiscal agent	3,096,374
Restricted investments	216,806,413
Post Employment Benefit Trust Fund	-
 Cash and investments per the fiduciary statements of net position:	
Private purpose trust	1,004,592
Total	<u>\$ 983,248,220</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, 2021, 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, 2021
Wells Fargo	Government Money Market Fund	AAAm
Wells Fargo	Treasury Plus Money Market Fund	AAAm
MetLife	MetLife General Account	A-1+

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

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 \$31,077,765 in the CSAFE-Cash account, \$117,547,991 in COLOTRUST, and \$184,777,266 in CSIP. The Colorado Division of Securities regulates these local government investment pools. The District's position is that these pools are the same as the value of pool shares. Standard and Poor's rates COLOTRUST as AAAm, CSAFE-Cash as AAAm, and CSIP as AAAm.

The District has \$3,096,374 in the State of Colorado Treasury ("T-Pool") as required by the Colorado Workers' Compensation Act for self-insurance security. T-Pool is held by fiscal agents and considered a money market fund. The pool is not rated.

The 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, 2021.

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YEAR ENDED JUNE 30, 2021

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 \$742,548,132 and for ProComp totaled \$36,277,418 in 2021. The Mill Levy Technology Maintenance Fund, which was created in fiscal year 2021, levied property taxes of \$31,995,839. 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 2021 collection year was approximately \$35.8 million. The 2012 override will generate \$72.8 million for the 2021 property tax collection year which results in a levy of 3.450 mills. The 2016 override election mill levy is variable at 3.379 mills and will generate \$71.3 million for the 2021 property tax collection year.

Deferred inflow of resources in the General Fund, ProComp Special Revenue Fund and Mill Levy Technology Maintenance Fund included \$25,390,349, \$1,240,423 and \$1,094,024, respectively, of property taxes at June 30, 2021. In addition, property taxes levied for the Bond Redemption Fund totaled \$201,803,685 in 2021 and accounted for the entire deferred inflow of resources of \$6,890,860 at June 30, 2021. Property tax revenue is recorded in the General Fund, the ProComp Special Revenue Fund and the Bond Redemption Fund. The taxes receivable are recorded net of an estimated uncollectible amount of \$4,007,762 in the governmental activities, \$3,207,402 in the General Fund and \$800,360 in the Bond Redemption Fund.

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

DURA

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

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

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In accordance with the Funding Agreement, the District has performed work and is eligible for reimbursement with respect to an elementary school, a K-8 school and the acquisition and construction of a District high school and sports field. The District entered into a supplemental agreement with the Authority which included land for an elementary school and construction of a new fire station to accommodate the needs of the growing area. Per the supplemental agreement, the District also received donated land for a second school site. Reimbursement to the District is in accordance with the Redevelopment Plan and Funding Agreement including amendments. Payments are expected each year through 2026. The following table summarizes the projects and outstanding reimbursable amounts as of June 30, 2021. The remaining balances are reflected as accounts receivable and deferred inflow of resources in the Capital Reserve Fund.

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2021
Stapleton Redevelopment Plan	\$ 78,842,769	\$ 117,454	\$ 9,497,230	\$ 69,462,993

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

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2021
National Jewish Health	\$ 3,000,000	\$ -	\$ 1,750,000	\$ 1,250,000

Other Revenue

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

Project	Beginning Balance	Earned	Received	Receivable at June 30, 2021
U.S. Treasury Subsidy	\$ 3,279,543	\$ 12,570	\$ 3,267,000	\$ 25,113

Other Assets

Other Assets for the District include receivables that are expected to be paid in the following fiscal year. General Fund receivables of \$8.4 million consists of fiscal year 2021 State Equalization and other local and state revenues. Grants Special Revenue receivables of \$7.1 million consists of private grants and higher education student tuition.

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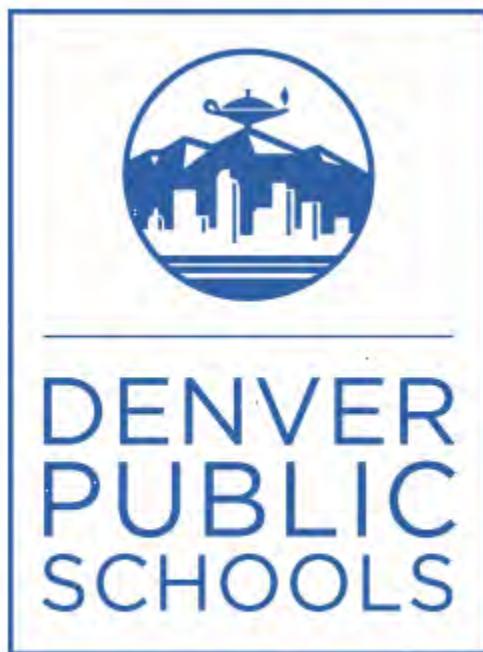
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

4. INTERFUND BALANCES AND TRANSFERS

Balances of interfund receivables, payables and transfers at June 30, 2021 are as follows:

	Due From	Due To	Transfer In	Transfer Out
Major Funds				
General Fund - Due to Other Funds	\$ 16,267,783	\$ 566,010	\$ 673,318	\$ 22,323,536
Grants Special Revenue	-	33,933,331	648,908	-
Bond Redemption	-	184,934	-	-
Building	-	29,117,787	-	-
Capital Reserve	64,223,469	-	17,000,000	-
Subtotal	<u>\$ 80,491,252</u>	<u>\$ 63,802,062</u>	<u>\$ 18,322,226</u>	<u>\$ 22,323,536</u>
Nonmajor Funds				
Food Service	-	12,499,599	-	-
Pupil Activity Fund	5,807,051	-	4,001,310	-
ProComp	-	9,057,203	-	-
Mill Levy Technology Maintenance	-	1,173,032	-	-
Permanent	-	61,519	-	-
Subtotal	<u>\$ 5,807,051</u>	<u>\$ 22,791,353</u>	<u>\$ 4,001,310</u>	<u>\$ -</u>
Fiduciary Funds				
Private Purpose Trust	8,649	-	-	-
Internal Service Funds				
	286,463	-	-	-
Total	<u>\$ 86,593,415</u>	<u>\$ 86,593,415</u>	<u>\$ 22,323,536</u>	<u>\$ 22,323,536</u>

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



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5. CAPITAL ASSETS

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

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

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

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

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

Instruction:	
Regular	\$ 45,395,968
Special education	8,287,777
Vocational	75,057
Other Instruction	976,181
Supporting services:	-
Pupil support	7,922,724
Instructional support	10,524,945
General administration	748,450
School administration	6,333,644
Business services	1,148,132
Operations and maintenance	9,405,050
Pupil transportation	2,047,525
Central services	3,996,642
Other support services	3,137,885
Community services	817,907
Education for adults	1,967,666
Total Depreciation Expense	<u>\$ 102,785,553</u>

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

Governmental assets:	Land	Buildings and Improvements	Equipment	Construction In-Progress	Capital Leases	Total
Balance July 1, 2020	\$ 97,065,910	\$ 2,029,866,266	\$ 282,607,879	\$ 146,234,065	\$ 7,289,478	\$ 2,563,063,598
Additions	11,418,873	32,047,673	2,379,408	114,523,248	355,289	160,724,491
Transfers	-	203,853,139	16,160,821	(220,013,960)	-	-
Less – Retirements	-	(78,682)	(824,492)	-	-	(903,174)
Balance June 30, 2021	108,484,783	2,265,688,396	300,323,616	40,743,353	7,644,767	2,722,884,915
Less – Accumulated Depreciation	-	858,985,761	246,352,056	-	5,348,283	1,110,686,100
Ending net capital assets	<u>\$ 108,484,783</u>	<u>\$ 1,406,702,635</u>	<u>\$ 53,971,560</u>	<u>\$ 40,743,353</u>	<u>\$ 2,296,484</u>	<u>\$ 1,612,198,815</u>
Accumulated depreciation – July 1, 2020	\$ 783,795,921	\$ 221,136,306		\$ 3,843,139	\$ 1,008,775,366	
Increases	75,189,928	26,090,481		1,505,144	102,785,553	
Decreases	(88)	(874,731)		-	-	(874,819)
Accumulated depreciation – June 30, 2021	<u>\$ 858,985,761</u>	<u>\$ 246,352,056</u>		<u>\$ 5,348,283</u>	<u>\$ 1,110,686,100</u>	

Net investment in capital assets is estimated by first comparing the total building fund expenditures since 2012 to the capital outlay from the building fund for the same time frame which is 83.61% as of June 30, 2021. The calculation of net investment in capital assets is below and results in a negative net investment in capital assets as certain capital assets are depreciated over a shorter life than the related debt service.

Capital assets (net)	\$ 1,612,198,815
Outstanding bonds payable	\$ 2,194,295,385
Less unspent bond proceeds	(502,812,488)
Less capital related deferred loss on refunding	(24,966,727)
Plus capital related deferred gain on refunding	1,946,604
Adjusted bonds payable	\$ 1,668,462,774
Percent of capitalized assets	83.61%
Bonds payable related to capital assets	<u>\$ 1,395,001,725</u>
Related Debt:	
Certificates of participation	266,321,927
Capital lease liability	2,101,534
Retainage payable	3,744,854
Total related debt	\$ 1,667,170,040
Net investment in capital assets	<u>\$ (54,971,225)</u>

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6. LONG-TERM LIABILITIES

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

	Balance June 30, 2020	Additions	Refunded/ Reductions	Balance June 30, 2021	Due Within One Year
Bonds payable	\$ 1,623,512,000	\$ 450,000,000	\$ (98,750,000)	\$ 1,974,762,000	\$ 119,265,000
Premiums	134,943,749	103,140,867	(18,551,231)	219,533,385	-
Total bonds payable	1,758,455,749	553,140,867	(117,301,231)	2,194,295,385	119,265,000
Certificates of participation	1,082,235,000		(112,140,000)	970,095,000	34,610,000
Premiums	23,378,043		(2,429,595)	20,948,448	-
Total certificates of participation	1,105,613,043	-	(114,569,595)	991,043,448	34,610,000
Other long-term liabilities:					
Compensated absences	18,795,396	9,501,807	(8,556,509)	19,740,694	2,815,084
Capital Lease Liability	3,259,407	355,289	(1,513,162)	2,101,534	1,553,948
Accrued Claims Liability	12,739,911	3,472,558	(4,233,128)	11,979,341	3,976,589
Net OPEB obligation*	54,122,079		(13,496,133)	40,625,946	-
Net Pension Liability*	400,400,429		(4,973,987)	395,426,442	-
Other obligation	1,500,000	-	-	1,500,000	-
Total other long-term liabilities	490,817,222	13,329,654	(32,772,919)	471,373,957	8,345,621
Total long-term liabilities	\$ 3,354,886,014	\$ 566,470,521	\$ (264,643,745)	\$ 3,656,712,790	\$ 162,220,621

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

Bonds payable and certificates of participation at June 30, 2021 are comprised of the following:

Bonds:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2005A GO Refunding Bonds	\$ 130,290,000	\$ 74,510,000	5.00% - 5.50%	12/1/2023
2009B GO Qualified School Construction Bonds	24,022,000	24,022,000	1.39%	12/1/2024
2009C GO Taxable Build America New Money bonds	250,000,000	250,000,000	5.664%	12/1/2023
2009F GO Tax-Exempt Refunding Bonds	24,700,000	790,000	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	51,585,000	2.50% - 5.00%	12/1/2023
2012A GO Refunding Bonds	129,870,000	61,215,000	3.50% - 5.00%	12/1/2028
2012B GO Tax-Exempt Bonds	428,600,000	144,065,000	3.00% - 5.00%	12/1/2032
2012C GO Taxable Qualified Zone Academy Bonds	16,000,000	16,000,000	3.773%	12/1/2035
2012D GO Taxable Refunding Bonds	67,220,000	3,165,000	1.680% - 3.154%	12/1/2028
2014A GO Bonds	21,400,000	17,055,000	5.00% - 5.50%	12/1/2034
2014B GO Refunding Bonds	149,170,000	130,805,000	3.50% - 5.00%	12/1/2029
2016A GO Refunding Bonds	143,280,000	139,220,000	1.75% - 5.00%	12/1/2031
2017 GO Bonds	466,675,000	443,550,000	4.00% - 5.00%	12/1/2041
2018A GO Bonds	105,325,000	98,010,000	5.00% - 5.50%	12/1/2041
2018B GO Refunding Bonds	106,130,000	39,965,000	2.297% - 3.587%	12/1/2032
2021 GO Bonds	450,000,000	450,000,000	3.00% - 5.00%	12/1/2045
Premium	-	219,533,385	-	-
Total bonds payable		\$ 2,194,295,385		

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Certificates of Participation:	Amount Issued	Amount Outstanding	Interest Rate	Final Maturity
2011B Taxable	\$ 396,235,000	\$ 367,685,000	6.22% - 7.017%	12/15/2037
2013B Taxable	536,855,000	455,460,000	2.018% - 4.242%	12/31/2037
2013C	58,740,000	50,510,000	3.25% - 5.00%	12/15/2033
2015B Tax-exempt	8,570,000	8,095,000	2.50% - 5.00%	12/15/2045
2017A	32,080,000	25,150,000	2.00% - 5.00%	12/1/2030
2017B	14,095,000	12,240,000	4.00% - 5.00%	12/1/2025
2017C	10,000,000	8,770,000	2.94%	12/1/2036
2018	7,710,000	6,960,000	3.000% - 5.000%	12/1/2037
2018B	79,830,000	-	5.000% - 5.250%	12/1/2040
2020A	35,225,000	35,225,000	5.000%	12/1/2041
Premium	-	20,948,448	-	-
Total certificates of participation		<u>\$ 991,043,448</u>		

In prior years, the registered voters of Denver authorized the School District to issue general obligation bonds. As of June 30, 2021, all previously authorized bonds had been issued.

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

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

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

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

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

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

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

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

Annual requirements to maturity are as follows:

Year Ending June 30,	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2022	119,265,000	87,096,371	34,610,000	48,899,240
2023	121,740,000	81,289,642	38,500,000	47,425,095
2024	82,425,000	76,327,914	41,315,000	45,743,112
2025	110,142,000	72,035,121	45,445,000	43,836,635
2026	92,330,000	67,476,087	48,550,000	42,023,550
2027-2031	572,300,000	266,544,585	256,500,000	173,079,483
2032-2036	455,260,000	134,125,328	332,065,000	94,844,067
2037-2041	257,875,000	60,657,800	166,665,000	12,155,084
2042-2046	163,425,000	12,941,888	6,445,000	495,125
Total	\$ 1,974,762,000	\$ 858,494,736	\$ 970,095,000	\$ 508,501,391

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

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

The Building Fund ending fund balance of \$502,812,488 is from the issuance of Series 2017, 2018 and 2020 general obligation bonds and related interest earnings. At June 30, 2021, the Building Fund had capital expenditure purchase commitments outstanding of \$92,605,225.

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Capital Lease Obligations

The District has multiple equipment lease arrangements for leasing and financing of various equipment. In accordance with generally accepted accounting principles, the leases have been capitalized at the present value of future minimum lease payments and the assets are reflected in the government-wide financial statements and as of June 30, 2021 were:

Capital Lease	Original Amount	Amount Outstanding	Interest Rate	Final Maturity
Ricoh copiers	\$ 5,205,771	\$ 1,286,537	3.50%	10/31/2023
Ricoh copiers	869,705	180,862	6.39%	5/30/2022
Ricoh copiers	113,411	29,986	3.80%	6/1/2022
Ricoh copiers	15,363	6,014	3.49%	12/1/2022
Ricoh copiers	266,324	102,328	3.27%	11/17/2022
Ricoh copiers	55,816	23,868	3.00%	9/23/2022
Ricoh copiers	54,842	30,306	2.10%	12/11/2022
Safety and Security Vehicles	48,060	99,043	4.59%	9/1/2025
Safety and Security Vehicles	187,364	23,775	3.34%	9/1/2024
Safety and Security Vehicles	75,096	32,037	3.19%	9/1/2022
Xerox Printers	371,876	286,778	1.81%	6/2/2025
Total Capital Lease	<u>\$ 7,263,628</u>	<u>\$ 2,101,534</u>		

At June 30, 2021, the collective net book value of assets under capital lease was \$2,296,484.

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

Year Ending June 30,	Total
2022	\$ 1,600,799
2023	347,190
2024	112,556
2025	97,446
2026	3,981
Total Minimum Lease Payments	<u>\$ 2,161,972</u>
Less: Interest	<u>60,438</u>
Present Value of Future Minimum Lease Payments	<u>\$ 2,101,534</u>

Defeasance of General Obligation Bonds

In prior years, the District advance refunded a portion of the District's general obligation bonds with the proceeds from the issuance of new general obligation bonds. The defeased bonds are not considered a liability of the District. At June 30, 2021, \$227,970,000 of refunded 2009F, 2012A, and 2012B bonds are considered in-substance defeased.

Compensated Absences Liability

Compensated absences liability consists of accumulated sick leave time 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 2022 is \$2,815,084. These expenditures are recognized in the fund where incurred.

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7. SHORT-TERM DEBT

The District participates in the State Treasurer's Interest-Free Loan Program for Colorado School Districts authorized by Sections 29-15-112 and 22-54-110 of the Colorado Revised Statutes. The loan is secured by ad valorem taxes on real and personal property received by the District on and after March 1, 2021, to and including June 30, 2021. The District borrowed \$459,609,350 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 2021, the District's Board of Education authorized participation in the Fiscal Year 2022 State Interest Free Loan Program with a Maximum Principal Amount of \$530,000,000.

June 30, 2020	Borrowed	Repayment	June 30, 2021
Balance			Balance
\$ 0	\$ 459,609,350	\$ 459,609,350	\$ 0

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8. PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions - The District participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The District's discretely presented component units also participate in the DPS Division, except for the employees of the Denver Public Schools Foundation, Denver School of Science and Technology schools and Ridge View Academy. All assumptions and information contained in this footnote apply to the District and its discretely presented component units that participate in the plan, unless otherwise noted. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

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 comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. 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 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the DPS Division. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

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Contributions provisions as of June 30, 2021: Eligible employees of the District, and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 through December 31, 2020	January 1, 2021 through June 30, 2021
Employer Contribution Rate	10.90%	10.90%
Amount of Employer Contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
PCOP offset as specified in C.R.S. § 24-51-412*	(12.75)%	(12.09)%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total Employer Contribution Rate to the DPS Division	7.13%	7.79%

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

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) 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) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

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 \$55,260,419 and \$6,796,321 respectively, for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the DPS Division for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. 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.

At June 30, 2021, the District and its discretely presented component units reported a liability of \$395,426,442 and \$54,487,558, respectively, for their proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District and the discretely presented component units as their proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District and its component units were as follows:

The District's proportionate share of the net pension liability	\$ 395,426,442
Discretely presented component units	\$ 54,487,558
Total	\$ 449,914,000

At December 31, 2020, the District's proportion was 87.90 percent, which was an increase of 27.12 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District and its discretely presented component units recognized a pension expense of \$13,704,665 and \$2,774,719, respectively.

At June 30, 2021, 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	\$ -	(393,443,631)
Contributions subsequent to the measurement date	30,207,334	-
Difference between expected and actual experience	58,517,647	-
Changes in proportion	167,519,534	(102,158,898)
Changes of assumptions or other inputs	82,779,582	
Total	\$ 339,024,097	\$ (495,602,529)

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At June 30, 2021, the District's discretely presented component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	(54,180,369)
Contributions subsequent to the measurement date	4,087,844	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	26,519,095	(10,538,926)
Difference between expected and actual experience	8,058,353	-
Changes of assumptions or other inputs	11,399,418	-
Total	\$ 50,064,710	\$ (64,719,295)

The District and the component units reported \$30,207,334 and \$4,087,844 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, 2022. 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:
2022
2023
2024
2025
Total

Component units
Year ended:
2022
2023
2024
2025
Total

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Actuarial assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 9.70%
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)	1.25%
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.

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

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

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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)	1.25%
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.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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.

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

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

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

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- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 percent 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:

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 ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value

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funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions for the DPS Division Trust Fund are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.
- As specified in law, the State, 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. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

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 position and the subsequent AIR benefit payments were estimated and included in the projections.

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

Based on the above assumptions and methods, the DPS Division's 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 total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2020	\$ 4,315,270,000	\$ 3,656,426,000	\$ 658,844,000
Changes for the year:			
Service cost	94,943,000	-	94,943,000
Interest	309,311,000	-	309,311,000
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,491,000	-	3,491,000
Changes of assumptions or other inputs	126,104,000	-	126,104,000
Contributions - employer	-	56,245,000	(56,245,000)
Contributions - nonemployer	-	-	-
Contributions - employee	-	75,456,000	(75,456,000)
Net investment income	-	610,847,000	(610,847,000)
Benefit payments, including refunds of employee contributions	(287,719,000)	(287,719,000)	-
Administrative expense	-	(2,667,000)	2,667,000
Other changes	-	2,898,000	(2,898,000)
Net changes	246,130,000	455,060,000	(208,930,000)
Balances at 6/30/2021	\$ 4,561,400,000	\$ 4,111,486,000	\$ 449,914,000

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	\$ 887,503,581	\$ 395,426,442	\$ (10,589,711)
Component units	122,216,419	54,487,558	(1,458,289)
	\$ 1,009,720,000	\$ 449,914,000	\$ (12,048,000)

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

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Membership – Benefit recipients and members of PERA consisted of the following as of December 31, 2020. 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	7,134
Inactive members eligible but not yet receiving benefits	2,237
Inactive members not eligible for benefits	14,661
Active members	
Vested general employees	7,800
Non-vested general employees	6,893
Total Actives	<u>14,693</u>
Total	<u><u>38,725</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, 2021, Program members contributed \$3,300,118 for the Voluntary Investment Program.

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9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Denver Public Schools provides the following other postemployment benefit plans:

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

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

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
DPSRLIT				
District	\$ 20,504,920	\$ 103,322	\$ -	\$ 842,466
DPS HCTF				
District	20,121,026	4,106,378	(12,895,802)	389,716
DPCU	2,770,974	1,320,032	(2,205,739)	68,148
Plan Total	<u>22,892,000</u>	<u>5,426,410</u>	<u>(15,101,541)</u>	<u>457,864</u>
Combined OPEB				
District	40,625,946	4,209,700	(12,895,802)	1,232,182
DPCU	2,770,974	1,320,032	(2,205,739)	68,148
Combined OPEB Totals	<u>\$ 43,396,920</u>	<u>\$ 5,529,732</u>	<u>\$ (15,101,541)</u>	<u>\$ 1,300,330</u>

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Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)

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

Plan Descriptions and Contribution Information - DPSRLIT

The contributions and benefits are provided to certain employees who retired under the provisions of early, regular or disability retirement who meet the other eligibility requirements. Contributions to the plan are paid from the general fund. Plan participants consisted of the following at July 1, 2020, the date of the latest actuarial valuation:

Number Retired	2,975
Number Disabled	138
Total	<u>3,113</u>

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

Contributions. For the year ended June 30, 2021, the District's average contribution rate was \$3.92 per \$1,000 coverage for premiums. MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates. Required contribution rates are established on an actuarial basis to account for claims charges, margin and retention charges. To calculate contribution rates, claims data is divided into yearly blocks, which are divided by the required contribution to determine the claim loss ratio. This ratio is then adjusted to reflect the demographics of the current group. The expected claim loss ratio for each year is then averaged into a single claim loss ratio and adjusted for margin and retention charges.

The District's actual contribution amount for the year ended June 30, 2021 was \$3,080,000. Should the plan structure change or the number of covered employees change by more than 10%, MetLife reserves the right to change plan contribution rates accordingly. Plan participants do not make contributions to the plan. In prior years, the general fund has been used to pay down the net plan liability.

Net OPEB Liability - DPSRLIT

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

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Actuarial assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

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

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

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

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Changes in the Net OPEB Liability - DPSRLIT

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2020	\$ 36,958,100	\$ 15,144,955	\$ 21,813,145
Changes for the year:			
Service Cost	-	-	-
Interest on total OPEB liability	1,055,152	-	1,055,152
Benefit term changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumption or other inputs	-	-	-
Benefit Payments	(1,155,331)	(2,101,487)	946,156
Contributions ¹	-	3,080,000	(3,080,000)
Benefit payments in excess of premiums	-	-	-
Net investment income	-	427,017	(427,017)
Adjustment to reserves	-	-	-
Administrative expenses	-	(197,484)	197,484
Net changes during fiscal year	(100,179)	1,208,046	(1,308,225)
Balances as of June 30, 2021	\$ 36,857,921	\$ 16,353,001	\$ 20,504,920

¹ Employer contributions exclude prior year receivable of \$1,198,767, which was accounted for in prior valuation.

The plan's fiduciary net position is 69.43% as a percentage of total OPEB liability.

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

	1% Decrease (1.90%)	Current Discount Rate (2.90%)	1% Increase (3.90%)
Net OPEB Liability	\$ 23,885,632	\$ 20,504,920	\$ 17,599,522

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$842,466. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions or other inputs	- -	- -
Net difference between projected and actual earnings on OPEB plan investments	<u>103,322</u>	- -
Total	<u>\$ 103,322</u>	\$ - -

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

District		
Year Ended June 30:		
2022	\$ 40,278	
2023	32,822	
2024	25,535	
2025	4,687	
Total	<u>103,322</u>	

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

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

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

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Membership. Benefit recipients and members of PERA consisted of the following as of December 31, 2020. 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	7,134
Inactive members eligible but not yet receiving benefits	2,237
Inactive members not eligible for benefits	14,661
Active members	
Vested general employees	7,800
Non-vested general employees	6,893
Total active members	14,693
Total	38,725

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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure - HCTF

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

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

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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 \$7,219,295 and \$939,866 for the year ended June 30, 2021.

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

At June 30, 2021 the District reported a liability of \$20,121,026 for its proportionate share of the net OPEB liability and the discretely presented component units reported an aggregate liability of \$2,770,974. The net OPEB liability for the DPS HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the DPS HCTF for the calendar year 2020 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2020, the District's proportion was 87.90 percent, which is an increase of 0.19 percent from its proportion measured as of December 31, 2019, and the discretely presented component units proportion was 12.10 percent, which is an increase of 0.19 percent from the proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,007,358 and the discretely presented component units recognized OPEB expense of \$68,148. At June 30, 2021, 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	\$ -	\$ (7,755,018)
Changes of assumptions or other inputs	1,758	(1,336,890)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,466,598)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	73,184	(337,296)
Contributions subsequent to the measurement date	4,031,436	-
Total	<u>\$ 4,106,378</u>	<u>\$ (12,895,802)</u>

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At June 30, 2021, 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	\$ -	(1,067,982)
Changes of assumptions or other inputs	242	(184,110)
Net difference between projected and actual earnings on OPEB plan investments		(477,402)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	772,096	(476,245)
Contributions subsequent to the measurement date	547,694	-
Total	<u>\$ 1,320,032</u>	<u>\$ (2,205,739)</u>

The District and its component units reported \$4,031,436 and \$547,694, 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 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

District		
Year Ended:		
2022	\$	(2,840,697)
2023		(2,496,147)
2024		(2,929,791)
2025		(2,350,630)
2026		(1,204,704)
Thereafter		(998,891)
Total	<u>\$</u>	<u>(12,820,860)</u>

Discretely Presented Component Units		
Year Ended June 30:		
2022	\$	(277,988)
2023		(242,184)
2024		(312,779)
2025		(273,946)
2026		(169,804)
Thereafter		(156,700)
Total	<u>\$</u>	<u>(1,433,401)</u>

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Actuarial assumptions. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in the aggregate
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	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, 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

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

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$ 588	\$ 227	\$ 550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

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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, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability used in the December 31, 2019, valuation for the DPS Division as shown below are applied, as applicable, in the determination of the total OPEB liability for the DPS HCTF. Affiliated employers of the DPS Division participate in the DPS HCTF.

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

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the

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October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

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%

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculation for the determination of the total pension liability of the DPS Division as shown below were applied, as applicable, in the roll forward calculation for 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:** M83 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 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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 percent 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:

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 ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changed to Alternatives, effective January 1 2020.

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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	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 22,891,000	\$ 22,892,000	\$ 22,894,000
District Portion	\$ 20,120,154	\$ 20,121,026	\$ 20,122,791
Discretely Presented Component Units	\$ 2,770,846	\$ 2,770,974	\$ 2,771,209

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, 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 actuarially 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.
- 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.

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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	\$ 25,642,627	\$ 20,121,026	\$ 15,404,562
Discretely Presented Component Units	\$ 3,531,373	\$ 2,770,974	\$ 2,121,438

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, 2020	<u>\$ 69,473,000</u>	<u>\$ 32,636,000</u>	<u>\$ 36,837,000</u>
Changes for the year:			
Service cost	1,291,000	-	1,291,000
Interest	5,005,000	-	5,005,000
Differences between expected and actual experience	(4,339,000)	-	(4,339,000)
Changes of assumptions or other inputs	(1,764,000)	-	(1,764,000)
Benefit payments	(3,453,000)	(3,086,000)	(367,000)
Contributions - employer	-	8,045,000	(8,045,000)
Purchased service transfers	-	224,000	(224,000)
Net investment income	-	6,019,000	(6,019,000)
Administrative expense	-	(516,000)	516,000
Other additions and deductions	-	(1,000)	1,000
Balances as of June 30, 2021	<u>\$ 66,213,000</u>	<u>\$ 43,321,000</u>	<u>\$ 22,892,000</u>

¹ Includes administrative and other health care claims processing fees.

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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10. RISK MANAGEMENT

The District's risk management program deals with the efficient operations of the commercial insurance programs that provide financial protection to the District. These programs include property insurance, several lines of liability insurance, 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 93,000 students, employs approximately 12,000 people to accomplish these functions and provides these services in over 207 facilities located throughout the City and County of Denver. Exposures to loss includes damages and theft of property, tort claims, errors and omissions on the part of District employees or Board members, on the job injuries and automobile liability claims.

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

The District retains a certain level of all liability losses. For the year ended June 30, 2021 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	2021	2020
Claims Liability, Beginning of Fiscal Year	\$ 2,456,110	\$ 2,331,761
Claims Incurred	166,055	3,647,111
Claims Paid	(285,865)	(3,522,762)
Claims Liability, End of Fiscal Year	<u>\$ 2,336,300</u>	<u>\$ 2,456,110</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	2021	2020
Claims Liability, Beginning of Fiscal Year	\$ 10,283,801	\$ 9,983,146
Claims Incurred	3,306,505	5,130,342
Claims Paid	(3,947,265)	(4,829,687)
Claims Liability, End of Fiscal Year	<u>\$ 9,643,041</u>	<u>\$ 10,283,801</u>

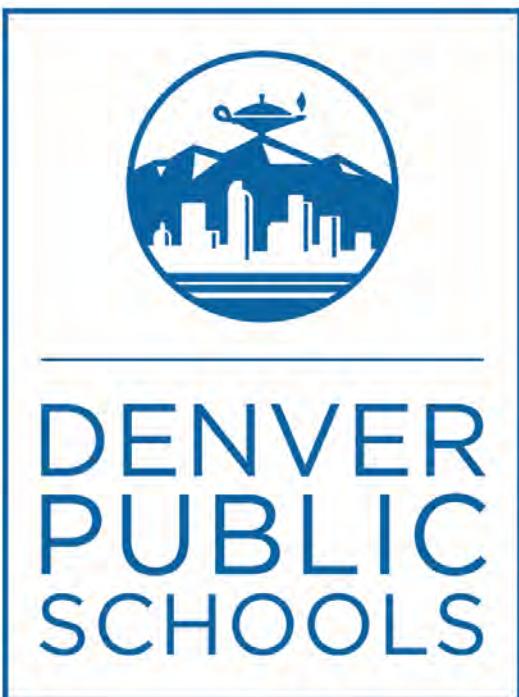
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Medical and Dental

The County began self-insuring for employee medical and dental benefits on July 1, 2021. Premiums are paid into the Medical, Dental and Vision account in the General Fund by all participating employees and operating departments to pay claims, claim reserves, and administrative costs. All claims are reviewed and approved for payment by Kaiser and Aetna in accordance with their administrative services agreement with the District.

Fiscal Year ended June 30	2021	2020
Claims Liability, Beginning of Fiscal Year	\$ -	\$ -
Claims Incurred	48,119,758	-
Claims Paid	(43,625,184)	-
Claims Liability, end of Fiscal Year	<u>\$ 4,494,574</u>	<u>\$ -</u>



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11. RELATED PARTIES

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

By contract, the maximum number of students the RMSEL may serve is 400. These students must be residents of one of the five participating school districts. All students at RMSEL are included in the District's enrollment number that is reported to the Colorado Department of Education for funding purposes. The District receives the funding related to the RMSEL students and passes 100% of that funding on to RMSEL along with a portion of state and federal categorical aid as appropriate. That funding was \$3,240,820 for FY 2021. RMSEL purchased special education services from the District for \$140,230 for the same year.

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

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12. COMMITMENTS AND CONTINGENCIES

The District is a party to pending or potential lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the District's management has concluded that no significant adverse effect on the June 30, 2021 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, 2021, the District reported a deficit net position of \$1,007,436,104 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 are to fund retirement and necessary capital and maintenance projects of the District's facilities.

Encumbrances represent a contractual obligation and expenditures are recognized when the goods and services are delivered and/or received. As of June 30, 2021 encumbrances for the governmental funds were:

Fund	Encumbrances
Building	92,605,225
General	70,620,564
Grant Special Revenue Fund	13,860,896
Capital Reserve	6,675,054
Nonmajor Funds	472,724
Total	<u>\$ 184,234,463</u>

Building Fund encumbrances include commitments towards major capital maintenance and construction projects such as but not limited to the demolition and reconstruction of the Montbello campus, electrical, galvanize piping and irrigation projects at several locations. They also include commitments towards the implementation of the new ERP management system.

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

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Grant Special Revenue Fund comprises commitments for technology devices acquisitions needed to address the access to technology gap for K-5 students.

Capital Reserve Fund encumbrances include commitments towards major capital maintenance and construction projects such as the ongoing districtwide energy performance upgrades, insurance reimbursable repairs, and the constructions of new buildings at the Paul Sandoval campus.

The District leases office facilities, educational facilities, warehouse, parking and office equipment under non-cancellable operating leases. Total expense for such facilities and equipment was \$2,611,769 for the fiscal year ended June 30, 2021. The future minimum operating lease obligations as of June 30, 2021 were as follows:

Year	Governmental Activities
2022	2,001,746
2023	1,413,237
2024	1,012,607
2025	510,530
2026	131,341
2027 - 2031	767,914
2032 - 2036	351,751
Total Minimum Lease Payments	<u>\$ 6,189,126</u>

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13. CERTAIN CONSTITUTIONAL LIMITATIONS

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

In accordance with TABOR, the District maintains an emergency reserve of 3% of fiscal year spending by designating real property owned by the District in lieu of cash. For fiscal year 2021, spending was \$1,212,435,775 and the 3% emergency reserve was \$36,540,189, which excludes multi-year obligations of \$167,116. Additionally, in accordance with C.R.S. Section 22-44-105, the District established an emergency cash reserve as a restricted fund balance in the General Fund for \$31,697,040 equal to 3% of budgeted General Fund revenues.

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14. COMPONENT UNITS

The District has 29 component units consisting of 3 blended component units and 26 discretely presented component units. Charter schools are included in the component units as they are fiscally dependent upon revenues derived from the State per pupil revenue funding calculation.

Change in Reporting Entity

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

As of June 30, 2021, The CUBE closed because there is a lack of long term facility options due to current real estate market conditions. Ridge View Academy is a school attached to a facility which the state closed over licensing issues. The school had no other students outside of that arrangement.

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 25 charter schools are available from the individual charter schools at the addresses noted below:

- 5280 High School, 899 Broadway, Denver, CO 80203
- Academy 360 Charter School, 12505 Elmendorf Place, Denver, CO 80239
- Academy of Urban Learning, 2417 W. 29th Avenue, Denver, CO 802
- American Indian Academy, 1865 W. Mississippi Avenue, Denver, Co 80223
- Colorado High School Charter, 1175 Osage Street, Suite #100, Denver, CO 80204
- Compass Academy, 2285 S. Federal Boulevard, Denver, CO, 80219
- Denver Justice High School, 300 E. 9th Avenue, Denver, CO 80203
- Denver Language School, 451 Newport Street, Denver, CO 80220
- Downtown Denver Expeditionary School, 1860 Lincoln Street, Denver CO 80295
- DSST Public Schools, 3401 Quebec St., Suite 7200, Denver, CO 80207
- Girls Athletic Leadership Schools, 750 Galapago Street, Denver CO 80204
- Highline Academy Schools, 2170 S. Dahlia Street, Denver, CO 80222
- KIPP Colorado Schools, 1390 Lawrence Street, Suite 200, Denver, CO 80204
- Monarch Montessori of Denver Charter, 4895 Peoria Street, Denver, CO 80239
- Odyssey School of Denver, 6550 E. 21st Avenue, Denver, CO 80207
- Omar D. Blair Charter School, 4905 Cathay Street, Denver, CO 80249
- REACH Charter School, 940 Fillmore Street, Denver, CO 80206
- Ridge View Academy, 28101 East Quincy Avenue, Watkins, CO 80137
- RiseUp Community School, 1801 Federal Boulevard, Denver, CO 80204
- Rocky Mountain Preparatory Schools, 7808 Cherry Creek South Drive, Denver, CO 80231
- SOAR Charter School, 4800 Telluride Street, #4, Denver, CO 80249

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

Pension Plan

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

OPEB Plan

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

Change in Reporting Entity and Correction of an Error:

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

Ending net position for component units in the aggregate from prior report	\$ 41,144,954
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School Closures:

Early College of Denver	528,467
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Beginning net position for component units in the aggregate in this report	<u>\$ 41,673,421</u>
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Adjustments to beginning net position for:

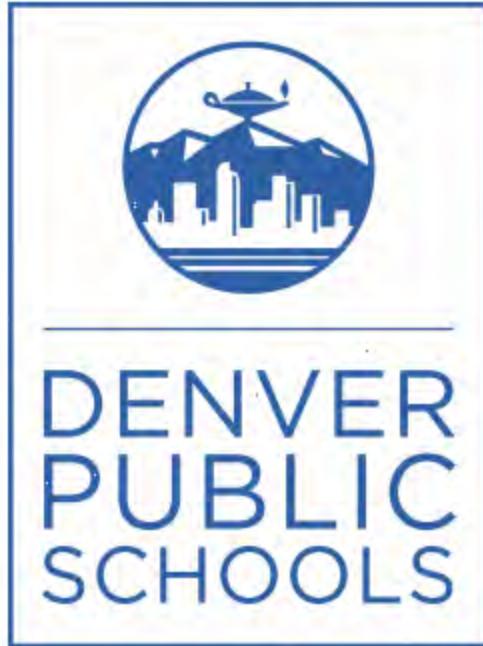
Change in Reporting entity:

American Indian Academy Denver	16,928
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Correction of Error:

Girls Athletic Leadership	<u>(52,117)</u>
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Beginning net position, restated	<u>\$ 41,638,232</u>
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YEAR ENDED JUNE 30, 2021

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 12,629,249	\$ 374,793	\$ 555,232	\$ 1,154,507	\$ 15,149
Deposits	-	-	-	-	25,000
Receivables:					
Accounts	-	58,526	105,072	67,172	-
Grants	-	-	-	-	217,910
Other	1,083,385	-	-	-	7,803
Inventory	-	-	-	-	-
Prepaid items	-	6,077	37,704	-	14,693
Restricted cash	-	-	-	-	-
Restricted investments	2,250,546	-	-	-	-
Capital assets, net	1,167	1,792,714	715,561	9,306	937,368
Total assets	<u>15,964,347</u>	<u>2,232,110</u>	<u>1,413,569</u>	<u>1,230,985</u>	<u>1,217,923</u>
Deferred Outflows of Resources					
Related to pensions	-	451,971	691,951	598,378	538,348
Related to OPEB	-	17,703	19,419	7,840	26,058
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>469,674</u>	<u>711,370</u>	<u>606,218</u>	<u>564,406</u>
LIABILITIES					
Liabilities:					
Accounts payable	38,567	2,861	741	705	82,578
Grants payable	669,502	-	-	-	-
Accrued interest	-	-	-	-	2,216
Accrued payroll	-	33,413	111,870	89,299	54,859
Compensated absences	-	-	-	-	-
Other liabilities	2,499,604	-	-	-	-
Accrued liabilities	-	-	-	-	17,805
Unearned revenue	-	-	51,311	-	-
Noncurrent liabilities:					
Due within one year	-	360,876	67,967	-	375,805
Due in more than one year	-	91,921	487,043	-	385,403
Pension liabilities	-	341,521	697,963	597,338	309,507
OPEB liabilities	-	17,376	35,514	30,395	15,749
Total liabilities	<u>3,207,673</u>	<u>847,968</u>	<u>1,452,409</u>	<u>717,737</u>	<u>1,243,922</u>
Deferred Inflows of Resources					
Related to pensions	-	339,783	848,646	683,116	307,930
Related to OPEB	-	11,725	22,368	132,024	9,834
Total deferred inflows of resources	<u>-</u>	<u>351,508</u>	<u>871,014</u>	<u>815,140</u>	<u>317,764</u>
NET POSITION (deficit)					
Net investment in capital assets	-	1,792,714	160,551	9,306	176,160
Restricted for:					
Donor-designated purposes	7,813,462	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	11,349	-
Emergency reserve	-	32,600	76,065	71,000	52,000
Unrestricted (deficit)	4,943,212	(323,006)	(435,100)	212,671	(7,517)
Total net position (deficit)	<u>\$ 12,756,674</u>	<u>\$ 1,502,308</u>	<u>\$ (198,484)</u>	<u>\$ 304,326</u>	<u>\$ 220,643</u>

	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 2,654,097	\$ 2,315,214	\$ 706,900	\$ 2,949,971	\$ 1,290,675
Deposits	-	-	-	-	-
Receivables:					
Accounts	298,514	-	311,959	88,182	251,694
Grants	-	319,958	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	34,608	-
Restricted cash	60,939	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	5,536,681	-	4,870	34,802	122,144
Total assets	<u>8,550,231</u>	<u>2,635,172</u>	<u>1,023,729</u>	<u>3,107,563</u>	<u>1,664,513</u>
Deferred Outflows of Resources					
Related to pensions	1,665,061	872,823	356,108	2,543,153	1,222,104
Related to OPEB	50,051	46,999	6,492	57,228	10,464
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>1,715,112</u>	<u>919,822</u>	<u>362,600</u>	<u>2,600,381</u>	<u>1,232,568</u>
LIABILITIES					
Liabilities:					
Accounts payable	39,969	63,735	18,440	16,108	-
Grants payable	-	-	-	-	-
Accrued interest	5,611	-	-	-	-
Accrued payroll	347,124	123,416	7,182	399,884	161,305
Compensated absences	48,327	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	1,186	-	-	-
Unearned revenue	-	29,552	-	1,500	-
Noncurrent liabilities:					
Due within one year	-	225,803	182,311	-	-
Due in more than one year	1,600,000	281,797	-	-	-
Pension liabilities	1,588,729	1,128,339	407,146	2,509,168	1,204,059
OPEB liabilities	79,313	57,413	20,717	127,674	61,266
Total liabilities	<u>3,709,073</u>	<u>1,911,241</u>	<u>635,796</u>	<u>3,054,334</u>	<u>1,426,630</u>
Deferred Inflows of Resources					
Related to pensions	1,731,604	1,227,873	619,564	2,918,468	1,875,804
Related to OPEB	49,504	43,283	21,037	82,261	105,982
Total deferred inflows of resources	<u>1,781,108</u>	<u>1,271,156</u>	<u>640,601</u>	<u>3,000,729</u>	<u>1,981,786</u>
NET POSITION (deficit)					
Net investment in capital assets	3,936,681	-	4,870	34,802	122,144
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	48,295	-
Emergency reserve	143,555	105,000	44,574	260,000	93,500
Unrestricted (deficit)	694,926	267,597	60,488	(690,216)	(726,979)
Total net position (deficit)	<u>\$ 4,775,162</u>	<u>\$ 372,597</u>	<u>\$ 109,932</u>	<u>\$ (347,119)</u>	<u>\$ (511,335)</u>

SCHOOL DISTRICT NO. 1
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	DSST Public Schools	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 19,277,552	\$ 1,607,902	\$ 4,348,743	\$ 14,590,269	\$ 607,589
Deposits	-	-	-	-	-
Receivables:					
Accounts	19,236,461	-	575,651	-	330,110
Grants	-	273,548	-	1,198,370	-
Other	2,947,685	81,121	-	-	-
Inventory	-	-	19,248	-	-
Prepaid items	185,462	8,104	40,745	195,285	19,633
Restricted cash	20,235,686	-	42,245	-	342,357
Restricted investments	-	-	-	-	-
Capital assets, net	12,604,451	28,818	5,796,752	143,322	10,036,389
Total assets	<u>74,487,297</u>	<u>1,999,493</u>	<u>10,823,384</u>	<u>16,127,246</u>	<u>11,336,078</u>
Deferred Outflows of Resources					
Related to pensions	-	866,699	3,860,356	8,506,154	658,273
Related to OPEB	-	68,975	136,509	322,821	7,314
Loss on deferred charges	-	-	708,236	-	-
Total deferred outflows of resources	<u>-</u>	<u>935,674</u>	<u>4,705,101</u>	<u>8,828,975</u>	<u>665,587</u>
LIABILITIES					
Liabilities:					
Accounts payable	1,800,700	103,163	40,816	966,866	1,881
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	50,528
Accrued payroll	3,991,565	161,975	4,810	-	129,423
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	-	793,069	-
Unearned revenue	-	80,000	51,645	10,000	211
Noncurrent liabilities:					
Due within one year	-	-	213,825	-	-
Due in more than one year	19,495,668	-	7,510,004	-	8,325,000
Pension liabilities	-	1,662,697	3,889,480	9,347,302	758,838
OPEB liabilities	-	84,603	197,907	475,617	38,628
Total liabilities	<u>25,287,933</u>	<u>2,092,438</u>	<u>11,908,487</u>	<u>11,592,854</u>	<u>9,304,509</u>
Deferred Inflows of Resources					
Related to pensions	-	1,654,234	4,471,263	10,716,947	989,313
Related to OPEB	-	110,958	123,523	324,400	35,576
Total deferred inflows of resources	<u>-</u>	<u>1,765,192</u>	<u>4,594,786</u>	<u>11,041,347</u>	<u>1,024,889</u>
NET POSITION (deficit)					
Net investment in capital assets	12,604,451	28,818	(1,884,832)	143,322	2,053,746
Restricted for:					
Donor-designated purposes	1,159,386	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	-	473,797	-
Emergency reserve	2,881,420	144,500	381,489	944,010	94,188
Unrestricted (deficit)	32,554,107	(1,095,781)	528,555	760,891	(475,667)
Total net position (deficit)	<u>\$ 49,199,364</u>	<u>\$ (922,463)</u>	<u>\$ (974,788)</u>	<u>\$ 2,322,020</u>	<u>\$ 1,672,267</u>

	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	Ridge View Academy	RiseUp Community School
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 1,147,552	\$ 4,078,701	\$ 730,179	\$ 782,912	\$ 491,157
Deposits	-	-	-	-	10,000
Receivables:					
Accounts	14,844	506,102	22,532	200,002	157,825
Grants	-	-	-	-	-
Other	-	-	-	-	-
Inventory	1,972	-	-	-	-
Prepaid items	50,901	-	12,529	4,010	22,084
Restricted cash	-	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	79,456	106,280	-	14,615	149,344
Total assets	<u>1,294,725</u>	<u>4,691,083</u>	<u>765,240</u>	<u>1,001,539</u>	<u>830,410</u>
Deferred Outflows of Resources					
Related to pensions	802,166	1,683,900	651,239	-	389,107
Related to OPEB	16,362	28,929	10,056	-	3,492
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>818,528</u>	<u>1,712,829</u>	<u>661,295</u>	<u>-</u>	<u>392,599</u>
LIABILITIES					
Liabilities:					
Accounts payable	5,738	5,001	71	117,135	46,422
Grants payable	-	-	-	-	-
Accrued interest	-	-	-	-	-
Accrued payroll	-	-	77,195	-	-
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	465,376	-	-	-
Unearned revenue	-	31,775	42,700	187,043	-
Noncurrent liabilities:					
Due within one year	-	-	-	245,700	84,028
Due in more than one year	-	-	-	-	8,772
Pension liabilities	863,913	2,048,049	627,250	-	456,954
OPEB liabilities	43,958	104,211	31,918	-	23,250
Total liabilities	<u>913,609</u>	<u>2,654,412</u>	<u>779,134</u>	<u>549,878</u>	<u>619,426</u>
Deferred Inflows of Resources					
Related to pensions	1,049,326	2,484,413	765,083	-	485,851
Related to OPEB	27,436	74,104	23,440	-	18,918
Total deferred inflows of resources	<u>1,076,762</u>	<u>2,558,517</u>	<u>788,523</u>	<u>-</u>	<u>504,769</u>
NET POSITION (deficit)					
Net investment in capital assets	79,456	106,280	-	14,615	149,344
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	245,000	-	-	-
Capital Construction	25,159	-	-	-	-
Emergency reserve	90,000	-	54,200	7,500	45,900
Unrestricted (deficit)	(71,733)	839,703	(195,322)	429,546	(96,430)
Total net position (deficit)	<u>\$ 122,882</u>	<u>\$ 1,190,983</u>	<u>\$ (141,122)</u>	<u>\$ 451,661</u>	<u>\$ 98,814</u>

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	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
ASSETS					
Assets:					
Cash, cash equivalents, and investments	\$ 11,895,368	\$ 3,240,431	\$ 14,417,001	\$ 4,048,018	\$ 707,800
Deposits	-	-	-	-	-
Receivables:					
Accounts	508,093	185,894	330,719	91,001	-
Grants	-	-	1,404,870	313,691	78,914
Other	-	-	-	-	51,008
Inventory	-	-	91,443	39,390	-
Prepaid items	9,286	-	154,108	31,493	-
Restricted cash	599,611	-	-	-	-
Restricted investments	-	-	-	-	-
Capital assets, net	5,750,906	-	-	50,838	1,436,880
Total assets	<u>18,763,264</u>	<u>3,426,325</u>	<u>16,398,141</u>	<u>4,574,431</u>	<u>2,274,602</u>
Deferred Outflows of Resources					
Related to pensions	6,240,272	1,354,555	12,586,911	1,931,864	527,404
Related to OPEB	125,356	42,619	222,258	23,517	8,076
Loss on deferred charges	-	-	-	-	-
Total deferred outflows of resources	<u>6,365,628</u>	<u>1,397,174</u>	<u>12,809,169</u>	<u>1,955,381</u>	<u>535,480</u>
LIABILITIES					
Liabilities:					
Accounts payable	495,420	37,556	699,817	104,689	63,861
Grants payable	-	-	-	-	-
Accrued interest	-	-	21,781	-	-
Accrued payroll	-	255,682	-	-	142,982
Compensated absences	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued liabilities	-	-	253,729	5,884	32,698
Unearned revenue	808	169,601	295,454	175,456	-
Noncurrent liabilities:					
Due within one year	310,582	-	187,500	-	175,215
Due in more than one year	4,951,938	-	187,500	-	-
Pension liabilities	5,614,517	1,282,966	15,299,022	2,519,504	708,001
OPEB liabilities	285,683	65,283	778,456	128,201	36,025
Total liabilities	<u>11,658,948</u>	<u>1,811,088</u>	<u>17,723,259</u>	<u>2,933,734</u>	<u>1,158,782</u>
Deferred Inflows of Resources					
Related to pensions	6,141,469	1,457,247	19,375,513	2,506,680	1,447,056
Related to OPEB	178,309	40,745	579,414	84,662	86,377
Total deferred inflows of resources	<u>6,319,778</u>	<u>1,497,992</u>	<u>19,954,927</u>	<u>2,591,342</u>	<u>1,533,433</u>
NET POSITION (deficit)					
Net investment in capital assets	700,906	-	-	50,838	1,261,665
Restricted for:					
Donor-designated purposes	-	-	-	-	-
Multi Year Obligations	-	-	-	-	-
Capital Construction	-	-	544,063	195,921	-
Emergency reserve	599,611	144,000	1,221,525	270,200	70,000
Unrestricted (deficit)	5,849,649	1,370,419	(10,236,464)	487,777	(1,213,798)
Total net position (deficit)	<u>\$ 7,150,166</u>	<u>\$ 1,514,419</u>	<u>\$ (8,470,876)</u>	<u>\$ 1,004,736</u>	<u>\$ 117,867</u>

	The CUBE School	Total
ASSETS		
Assets:		
Cash, cash equivalents, and investments	\$ 212,249	\$ 106,829,210
Deposits	-	35,000
Receivables:		
Accounts	24,267	23,364,620
Grants	-	3,807,261
Other	-	4,171,002
Inventory	-	152,053
Prepaid items	-	826,722
Restricted cash	-	21,280,838
Restricted investments	-	2,250,546
Capital assets, net	<u>91,529</u>	<u>45,444,193</u>
Total assets	<u>328,045</u>	<u>208,161,445</u>
Deferred Outflows of Resources		
Related to pensions	1,065,913	50,064,710
Related to OPEB	<u>61,494</u>	<u>1,320,032</u>
Loss on deferred charges	-	708,236
Total deferred outflows of resources	<u>1,127,407</u>	<u>52,092,978</u>
LIABILITIES		
Liabilities:		
Accounts payable	151,522	4,904,362
Grants payable	-	669,502
Accrued interest	-	80,136
Accrued payroll	-	6,091,984
Compensated absences	-	48,327
Other liabilities	-	2,499,604
Accrued liabilities	-	1,569,747
Unearned revenue	-	1,127,056
Noncurrent liabilities:		
Due within one year	-	2,429,612
Due in more than one year	-	43,325,046
Pension liabilities	<u>625,295</u>	<u>54,487,558</u>
OPEB liabilities	<u>31,817</u>	<u>2,770,974</u>
Total liabilities	<u>808,634</u>	<u>120,003,908</u>
Deferred Inflows of Resources		
Related to pensions	622,112	64,719,295
Related to OPEB	<u>19,859</u>	<u>2,205,739</u>
Total deferred inflows of resources	<u>641,971</u>	<u>66,925,034</u>
NET POSITION (deficit)		
Net investment in capital assets	91,529	21,637,366
Restricted for:		
Donor-designated purposes	-	8,972,848
Multi Year Obligations	-	245,000
Capital Construction	-	1,298,584
Emergency reserve	43,000	7,869,837
Unrestricted (deficit)	<u>(129,682)</u>	<u>33,301,846</u>
Total net position (deficit)	<u>\$ 4,847</u>	<u>\$ 73,325,481</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, 2021

	Denver Public Schools Foundation	5280 High School	Academy 360 Charter School	Academy of Urban Learning	American Indian Academy Denver
Expenses:					
Instruction	\$ -	\$ 657,540	\$ 1,472,812	\$ 1,038,924	\$ 721,181
Supporting services	-	834,267	1,187,004	980,972	1,209,929
Interest	-	6,979	43,329	-	17,400
Program services	5,025,147	-	-	-	-
Fundraising	519,268	-	-	-	-
Management and general	560,014	-	-	-	-
Total expenses	<u>6,104,429</u>	<u>1,498,786</u>	<u>2,703,145</u>	<u>2,019,896</u>	<u>1,948,510</u>
Program revenues:					
Operating grants and contributions	5,397,490	970,667	450,622	364,413	517,511
Capital grants and contributions	-	29,537	56,730	(24,205)	30,861
Charges for services	-	-	-	-	-
Total program revenues	<u>5,397,490</u>	<u>1,000,204</u>	<u>507,352</u>	<u>340,208</u>	<u>548,372</u>
Net program expense	<u>(706,939)</u>	<u>(498,582)</u>	<u>(2,195,793)</u>	<u>(1,679,688)</u>	<u>(1,400,138)</u>
General revenues:					
Per pupil revenue	-	843,813	1,232,395	1,380,672	869,178
Capital construction funding	-	-	-	-	-
Property tax mill levy override	-	240,347	429,185	746,245	226,849
Investment earnings	542,663	-	-	-	-
Interest income	-	-	494	299	-
Unrestricted grants and contributions	226,197	-	-	-	480,155
At-risk supplemental aid	-	-	-	-	1,143
Forgiveness of Debt	-	159,700	-	-	-
Other	-	1,797	485,860	3,975	26,528
Transfers from Denver Public Schools	<u>103,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>871,860</u>	<u>1,245,657</u>	<u>2,147,934</u>	<u>2,131,191</u>	<u>1,603,853</u>
Change in net position	<u>164,921</u>	<u>747,075</u>	<u>(47,859)</u>	<u>451,503</u>	<u>203,715</u>
Net position (deficit) - beginning	<u>12,591,753</u>	<u>755,233</u>	<u>(150,625)</u>	<u>(147,177)</u>	<u>-</u>
Change in reporting entity	-	-	-	-	16,928
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>12,591,753</u>	<u>755,233</u>	<u>(150,625)</u>	<u>(147,177)</u>	<u>16,928</u>
Net position (deficit) - ending	<u>\$ 12,756,674</u>	<u>\$ 1,502,308</u>	<u>\$ (198,484)</u>	<u>\$ 304,326</u>	<u>\$ 220,643</u>

	Colorado High School Charter	Compass Academy	Denver Justice High School	Denver Language School	Downtown Denver Expeditionary School
Expenses:					
Instruction	\$ 2,553,076	\$ 1,952,845	\$ 750,272	\$ 5,186,052	\$ 1,973,423
Supporting services	3,344,752	1,886,833	731,291	3,884,722	1,584,364
Interest	124,093	-	-	-	-
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>6,021,921</u>	<u>3,839,678</u>	<u>1,481,563</u>	<u>9,070,774</u>	<u>3,557,787</u>
Program revenues:					
Operating grants and contributions	1,059,212	854,204	539,222	443,475	408,826
Capital grants and contributions	120,603	-	15,197	128,240	45,687
Charges for services	6,282	-	-	147,722	25,168
Total program revenues	<u>1,186,097</u>	<u>854,204</u>	<u>554,419</u>	<u>719,437</u>	<u>479,681</u>
Net program expense	<u>(4,835,824)</u>	<u>(2,985,474)</u>	<u>(927,144)</u>	<u>(8,351,337)</u>	<u>(3,078,106)</u>
General revenues:					
Per pupil revenue	3,035,411	2,484,157	985,097	6,922,523	2,419,907
Capital construction funding	-	43,115	-	-	-
Property tax mill levy override	1,711,473	690,476	527,683	1,360,323	519,701
Investment earnings	-	226	-	-	396
Interest income	5,115	-	30	2,225	-
Unrestricted grants and contributions	-	-	-	-	-
At-risk supplemental aid	-	3,969	-	-	-
Forgiveness of Debt	475,997	507,600	-	-	-
Other	-	972	6,717	213,209	150,516
Transfers from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>5,227,996</u>	<u>3,730,515</u>	<u>1,519,527</u>	<u>8,498,280</u>	<u>3,090,520</u>
Change in net position	392,172	745,041	592,383	146,943	12,414
Net position (deficit) - beginning	<u>4,382,990</u>	<u>(372,444)</u>	<u>(482,451)</u>	<u>(494,062)</u>	<u>(523,749)</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>4,382,990</u>	<u>(372,444)</u>	<u>(482,451)</u>	<u>(494,062)</u>	<u>(523,749)</u>
Net position (deficit) - ending	<u>\$ 4,775,162</u>	<u>\$ 372,597</u>	<u>\$ 109,932</u>	<u>\$ (347,119)</u>	<u>\$ (511,335)</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, 2021

	DSST Public Schools	Girls Athletic Leadership Schools	Highline Academy Schools	KIPP Colorado Schools	Monarch Montessori of Denver Charter
Expenses:					
Instruction	\$ 48,076,036	\$ 2,920,696	\$ 8,466,375	\$ 18,290,912	\$ 1,708,030
Supporting services	37,557,275	2,190,953	5,068,688	15,626,990	1,180,998
Interest	-	9,072	445,561	-	395,501
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>85,633,311</u>	<u>5,120,721</u>	<u>13,980,624</u>	<u>33,917,902</u>	<u>3,284,529</u>
Program revenues:					
Operating grants and contributions	15,599,030	996,771	1,994,060	1,390,990	648,736
Capital grants and contributions	-	58,319	235,393	-	63,235
Charges for services	415,482	51,063	83,052	10,219	3,790
Total program revenues	<u>16,014,512</u>	<u>1,106,153</u>	<u>2,312,505</u>	<u>1,401,209</u>	<u>715,761</u>
Net program expense	<u>(69,618,799)</u>	<u>(4,014,568)</u>	<u>(11,668,119)</u>	<u>(32,516,693)</u>	<u>(2,568,768)</u>
General revenues:					
Per pupil revenue	54,757,279	3,137,752	8,393,483	21,190,826	1,750,891
Capital construction funding	-	-	-	-	-
Property tax mill levy override	15,021,500	743,338	2,172,667	7,167,750	520,561
Investment earnings	-	-	-	1,375	-
Interest income	362,837	2,554	2,517	-	391
Unrestricted grants and contributions	4,822,396	1,171,745	-	5,607,151	-
At-risk supplemental aid	-	-	-	-	-
Forgiveness of Debt	-	-	-	3,594,300	-
Other	-	781	1,643,146	208,163	189,810
Transfers from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>74,501,833</u>	<u>5,056,170</u>	<u>12,211,813</u>	<u>37,769,565</u>	<u>2,461,653</u>
Change in net position	<u>4,883,034</u>	<u>1,041,602</u>	<u>543,694</u>	<u>5,252,872</u>	<u>(107,115)</u>
Net position (deficit) - beginning	<u>44,316,330</u>	<u>(1,911,948)</u>	<u>(1,518,482)</u>	<u>(2,930,852)</u>	<u>1,779,382</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	(52,117)	-	-	-
Net position (deficit) - beginning, as restated	<u>44,316,330</u>	<u>(1,964,065)</u>	<u>(1,518,482)</u>	<u>(2,930,852)</u>	<u>1,779,382</u>
Net position (deficit) - ending	<u>\$ 49,199,364</u>	<u>\$ (922,463)</u>	<u>\$ (974,788)</u>	<u>\$ 2,322,020</u>	<u>\$ 1,672,267</u>

	Odyssey School of Denver	Omar D. Blair Charter School	REACH Charter School	Ridge View Academy	RiseUp Community School
Expenses:					
Instruction	\$ 1,954,918	\$ 5,076,179	\$ 1,170,166	\$ 1,149,704	\$ 820,621
Supporting services	987,198	2,739,832	814,705	608,136	1,050,667
Interest	-	-	-	-	1,464
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>2,942,116</u>	<u>7,816,011</u>	<u>1,984,871</u>	<u>1,757,840</u>	<u>1,872,752</u>
Program revenues:					
Operating grants and contributions	382,130	1,685,279	172,644	322,049	395,207
Capital grants and contributions	39,635	101,207	27,684	46,203	32,386
Charges for services	-	-	-	-	-
Total program revenues	<u>421,765</u>	<u>1,786,486</u>	<u>200,328</u>	<u>368,252</u>	<u>427,593</u>
Net program expense	<u>(2,520,351)</u>	<u>(6,029,525)</u>	<u>(1,784,543)</u>	<u>(1,389,588)</u>	<u>(1,445,159)</u>
General revenues:					
Per pupil revenue	2,188,389	5,604,615	616,558	442,689	985,764
Capital construction funding	-	-	-	-	-
Property tax mill levy override	437,510	1,474,139	200,026	260,892	541,436
Investment earnings	1,603	-	-	137	-
Interest income	-	-	917	-	-
Unrestricted grants and contributions	33,597	-	-	-	-
At-risk supplemental aid	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	166,200
Other	3,409	18,865	988,316	84,877	1,759
Transfers from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>2,664,508</u>	<u>7,097,619</u>	<u>1,805,817</u>	<u>788,595</u>	<u>1,695,159</u>
Change in net position	<u>144,157</u>	<u>1,068,094</u>	<u>21,274</u>	<u>(600,993)</u>	<u>250,000</u>
Net position (deficit) - beginning	<u>(21,275)</u>	<u>122,889</u>	<u>(162,396)</u>	<u>1,052,654</u>	<u>(151,186)</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>(21,275)</u>	<u>122,889</u>	<u>(162,396)</u>	<u>1,052,654</u>	<u>(151,186)</u>
Net position (deficit) - ending	<u>\$ 122,882</u>	<u>\$ 1,190,983</u>	<u>\$ (141,122)</u>	<u>\$ 451,661</u>	<u>\$ 98,814</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, 2021

	Rocky Mountain Preparatory Schools	SOAR Charter School	STRIVE Preparatory Schools	University Preparatory Schools	Wyatt Academy
Expenses:					
Instruction	\$ 14,742,732	\$ 3,049,588	\$ 22,624,676	\$ 5,005,525	\$ 876,572
Supporting services	3,734,819	977,687	22,369,222	5,738,252	1,302,105
Interest	256,336	-	75,208	-	603
Program services	-	-	-	-	-
Fundraising	-	-	-	-	-
Management and general	-	-	-	-	-
Total expenses	<u>18,733,887</u>	<u>4,027,275</u>	<u>45,069,106</u>	<u>10,743,777</u>	<u>2,179,280</u>
Program revenues:					
Operating grants and contributions	4,821,220	930,307	8,232,093	1,927,730	386,147
Capital grants and contributions	-	51,582	518,062	-	-
Charges for services	-	12,761	-	945,100	1,075
Total program revenues	<u>4,821,220</u>	<u>994,650</u>	<u>8,750,155</u>	<u>2,872,830</u>	<u>387,222</u>
Net program expense	<u>(13,912,667)</u>	<u>(3,032,625)</u>	<u>(36,318,951)</u>	<u>(7,870,947)</u>	<u>(1,792,058)</u>
General revenues:					
Per pupil revenue	11,597,505	3,814,812	29,565,221	6,235,679	1,528,531
Capital construction funding	-	-	-	-	55,369
Property tax mill levy override	3,061,852	921,287	8,542,920	1,823,559	482,290
Investment earnings	10,121	987	10,712	-	-
Interest income	-	-	-	1,456	1,335
Unrestricted grants and contributions	-	-	1,481,299	-	153,909
At-risk supplemental aid	-	-	-	-	68,846
Forgiveness of Debt	-	-	5,971,658	1,012,149	-
Other	2,150,929	62,104	439,593	13,518	359,640
Transfers from Denver Public Schools	-	-	-	-	-
Total general revenues	<u>16,820,407</u>	<u>4,799,190</u>	<u>46,011,403</u>	<u>9,086,361</u>	<u>2,649,920</u>
Change in net position	<u>2,907,740</u>	<u>1,766,565</u>	<u>9,692,452</u>	<u>1,215,414</u>	<u>857,862</u>
Net position (deficit) - beginning	<u>4,242,426</u>	<u>(252,146)</u>	<u>(18,163,328)</u>	<u>(210,678)</u>	<u>(739,995)</u>
Change in reporting entity	-	-	-	-	-
Correction of error	-	-	-	-	-
Net position (deficit) - beginning, as restated	<u>4,242,426</u>	<u>(252,146)</u>	<u>(18,163,328)</u>	<u>(210,678)</u>	<u>(739,995)</u>
Net position (deficit) - ending	<u>\$ 7,150,166</u>	<u>\$ 1,514,419</u>	<u>\$ (8,470,876)</u>	<u>\$ 1,004,736</u>	<u>\$ 117,867</u>

	The CUBE School	Total
Expenses:		
Instruction	\$ 1,756,407	\$ 153,995,262
Supporting services	858,119	118,449,780
Interest	-	1,375,546
Program services	-	5,025,147
Fundraising	-	519,268
Management and general	-	560,014
Total expenses	<u>2,614,526</u>	<u>279,925,017</u>
Program revenues:		
Operating grants and contributions	348,190	51,238,225
Capital grants and contributions	43,115	1,619,471
Charges for services	<u>19,091</u>	<u>1,720,805</u>
Total program revenues	<u>410,396</u>	<u>54,578,501</u>
Net program expense	<u>(2,204,130)</u>	<u>(225,346,516)</u>
General revenues:		
Per pupil revenue	1,147,507	173,130,654
Capital construction funding	-	98,484
Property tax mill levy override	267,612	50,091,621
Investment earnings	-	568,220
Interest income	-	380,170
Unrestricted grants and contributions	-	13,976,449
At-risk supplemental aid	-	73,958
Forgiveness of Debt	131,300	12,018,904
Other	-	7,054,484
Transfers from Denver Public Schools	-	(359,179)
Total general revenues	<u>1,546,419</u>	<u>257,033,765</u>
Change in net position	<u>(657,711)</u>	<u>31,687,249</u>
Net position (deficit) - beginning	<u>662,558</u>	<u>41,673,421</u>
Change in reporting entity	-	16,928
Correction of error	-	(52,117)
Net position (deficit) - beginning, as restated	<u>662,558</u>	<u>41,638,232</u>
Net position (deficit) - ending	<u>\$ 4,847</u>	<u>\$ 73,325,481</u>

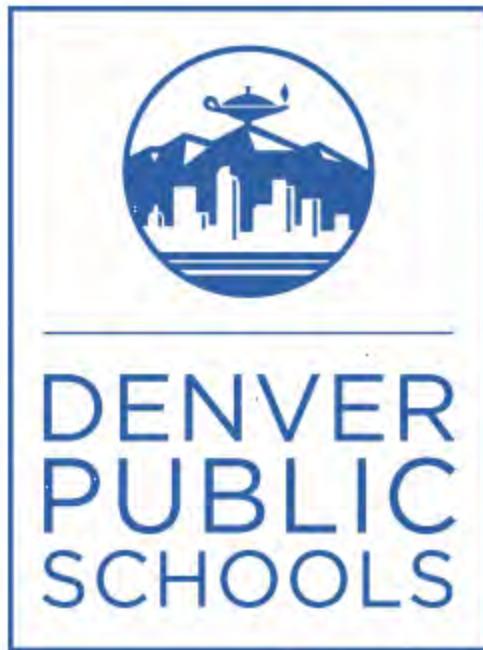
SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

15. SUBSEQUENT EVENTS

On June 10, 2021 our DPS Board approved the purchase and sale agreement for the Loretto Heights land purchase. The land purchase transaction is set to take place in the first quarter of fiscal year 2022. Land will be used to build a soccer field at the Loretto Height Campus.

In November 2021, the District issued general obligation refunding bonds to refund the 2012A GO Refunding Bonds.



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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, 2021

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 790,640	\$ 796,884	\$ 788,002	\$ (8,882)
State sources	244,464	224,758	227,878	3,120
Federal sources	1,042	1,042	1,313	271
Local sources	43,791	33,885	68,130	34,245
Total revenues	<u>1,079,937</u>	<u>1,056,569</u>	<u>1,085,323</u>	<u>28,754</u>
EXPENDITURES				
Employee Salaries	627,187	590,297	566,838	23,459
Employee Benefits	116,609	107,019	82,524	24,495
Charter school*	180,310	177,912	213,670	(35,758)
Supplies and Materials	34,538	17,114	39,085	(21,971)
Purchased Services	39,129	55,802	72,208	(16,406)
Property	5,941	5,653	7,589	(1,936)
Other Expenses	28,111	37,591	4,914	32,677
Debt Service Principal	25,890	25,890	27,355	(1,465)
Debt Service Interest	43,671	43,671	43,766	(95)
Appropriated Reserves	79,956	85,871	-	85,871
Total expenditures	<u>1,181,342</u>	<u>1,146,820</u>	<u>1,057,949</u>	<u>88,871</u>
Excess (deficiency) of revenues over expenditures	<u>(101,405)</u>	<u>(90,251)</u>	<u>27,374</u>	<u>117,625</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(6,521)	(7,516)	(21,650)	(14,134)
Issuance of certification of participation	-	-	355	355
Total other financing sources (uses)	<u>(6,521)</u>	<u>(7,516)</u>	<u>(21,295)</u>	<u>(13,779)</u>
Net change in fund balance	<u>(107,926)</u>	<u>(97,767)</u>	<u>6,079</u>	<u>103,846</u>
Beginning fund balance	<u>107,926</u>	<u>119,056</u>	<u>119,056</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 21,289</u>	<u>\$ 125,135</u>	<u>\$ 103,846</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

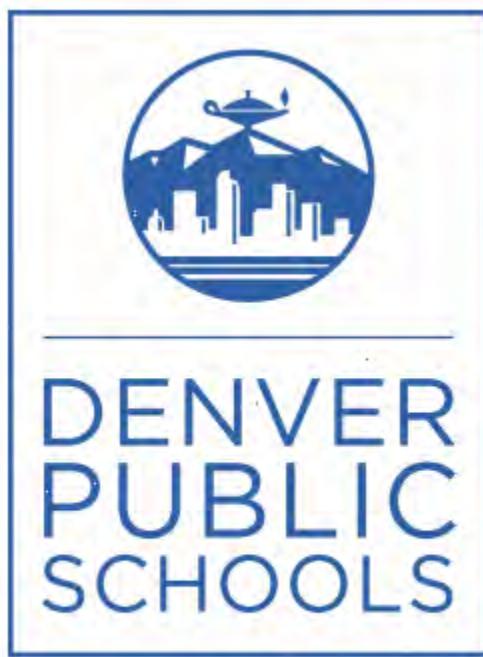
BUDGETARY COMPARISON SCHEDULE

GRANTS SPECIAL REVENUE FUND

YEAR ENDED JUNE 30, 2021

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 17,135	\$ 14,322	\$ 16,449	\$ 2,127
Federal sources	147,339	172,514	156,753	(15,761)
Local sources	25,630	31,288	24,730	(6,558)
Total revenues	190,104	218,124	197,932	(20,192)
EXPENDITURES				
Employee Salaries	71,641	63,261	77,089	(13,828)
Employee Benefits	16,651	14,749	19,055	(4,306)
Charter school	19,623	21,215	32,796	(11,581)
Supplies and Materials	13,082	16,498	14,845	1,653
Purchased Services	41,711	49,373	25,465	23,908
Property	9,150	4,425	5,996	(1,571)
Other Expenses	17,638	50,094	21,866	28,228
Appropriated Reserves	13,286	13,985	-	13,985
Total expenditures	202,782	233,600	197,112	36,488
Excess (deficiency) of revenues over expenditures	(12,678)	(15,476)	820	16,296
OTHER FINANCING SOURCES (USES)				
Interfund transfers	649	649	649	-
Total other financing sources (uses)	649	649	649	-
Net change in fund balance	(12,029)	(14,827)	1,469	16,296
Beginning fund balance	12,029	14,827	14,828	1
Ending fund balance	\$ -	\$ -	\$ 16,297	\$ 16,297



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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

	2021	2020	2019	2018	2017
Total pension liability					
Service cost at end of year	\$ 94,943,000	\$ 91,764,000	\$ 90,657,000	\$ 91,986,000	\$ 85,988,000
Interest	309,311,000	301,210,000	313,294,000	295,838,000	283,862,000
Changes of benefit terms	-	(82,064,000)	(318,480,000)	-	-
Difference between expected and actual experience	3,491,000	86,001,000	35,147,000	(47,121,000)	(2,839,000)
Changes of assumptions or other inputs	126,104,000	-	-	-	205,645,000
Benefit payments, including refunds of active member contributions and disability premiums	(287,719,000)	(288,984,000)	(287,825,000)	(281,844,000)	(272,071,000)
Net change in total pension liability	<u>246,130,000</u>	<u>107,927,000</u>	<u>(167,207,000)</u>	<u>153,101,000</u>	<u>300,585,000</u>
Total pension liability - beginning	<u>4,315,270,000</u>	<u>4,207,343,000</u>	<u>4,374,550,000</u>	<u>4,221,449,000</u>	<u>3,920,864,000</u>
Total pension liability - ending (a)	<u>4,561,400,000</u>	<u>4,315,270,000</u>	<u>4,207,343,000</u>	<u>4,374,550,000</u>	<u>4,221,449,000</u>
Plan fiduciary net position					
Contributions - employer	56,245,000	43,340,000	35,994,000	27,578,000	17,071,000
Contributions - nonemployer	-	19,201,000	18,621,000	56,820,000	54,852,000
Contributions - active member (includes purchased service)	75,456,000	65,496,000	61,098,000		
Net investment income	610,847,000	632,669,000	(114,070,000)	548,585,000	218,415,000
Benefit payments (includes refunds and disability premiums)	(287,719,000)	(288,984,000)	(287,825,000)	(281,844,000)	(272,071,000)
Administrative expense	(2,667,000)	(2,713,000)	(2,919,000)	(2,857,000)	(2,754,000)
Other additions and deductions	2,898,000	2,975,000	(4,497,000)	3,781,000	3,135,000
Net change in plan fiduciary net position	<u>455,060,000</u>	<u>471,984,000</u>	<u>(293,598,000)</u>	<u>352,063,000</u>	<u>18,648,000</u>
Plan fiduciary net position - beginning	<u>3,656,426,000</u>	<u>3,184,442,000</u>	<u>3,478,040,000</u>	<u>3,125,977,000</u>	<u>3,107,329,000</u>
Plan fiduciary net position - ending (b)	<u>4,111,486,000</u>	<u>3,656,426,000</u>	<u>3,184,442,000</u>	<u>3,478,040,000</u>	<u>3,125,977,000</u>
Collective net pension liability - ending (a)-(b)	<u>\$ 449,914,000</u>	<u>\$ 658,844,000</u>	<u>\$ 1,022,901,000</u>	<u>\$ 896,510,000</u>	<u>\$ 1,095,472,000</u>
Plan fiduciary net position as a percentage of the total pension liability	90.14%	84.73%	75.69%	79.51%	74.05%
The District's proportionate share of the net pension liability	\$ 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	\$ -	\$ 177,449,057	\$ 307,805,513	-	-
Discretely presented component units	\$ 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	\$ -	\$ 24,872,233	\$ 41,289,652	-	-
Covered payroll	771,347,000	736,264,000	722,040,000	658,198,000	642,177,000
District's net pension liability as a percentage of covered payroll	58.33%	89.48%	141.67%	136.21%	170.59%

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

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

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

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

DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30

	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 62,056,740	\$ 70,421,044	\$ 57,730,581	\$ 31,585,070	\$ 21,625,469
Contributions in relation to the statutorily required contribution	\$ 62,056,740	\$ 70,421,044	\$ 57,730,581	31,585,070	21,625,469
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	787,919,015	759,247,080	725,751,189	677,633,712	649,296,499
Contributions as a percentage of covered payroll	7.88%	9.28%	7.95%	4.66%	3.33%

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, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry Age				
	Level Percentage of Payroll				
Amortization method	30 Years, Open				
Remaining amortization period	4-year smoothed market				
Asset valuation method	2.30% annually	2.40% annually	2.40% annually	2.40% annually	2.80% annually
Inflation	3.80% - 11.50%	3.50% - 9.70%	3.50% - 9.70%	3.90% - 9.70%	3.90% - 10.10%
Salary increases	Inclusive of wage inflation				
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure	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	2.00% 0.00% as financed by the AIR	2.00% 0.00% as financed by the AIR
PERA benefit structure hired after 12/31/06					
Investment rate of return	7.25%	7.25%	7.25%	7.25%	7.25%

Mortality

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

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

**DPS DIVISION SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30**

	2016	2015
Statutorily required contribution	\$ 12,672,704	\$ 8,102,466
Contributions in relation to the statutorily required contribution	12,672,704	8,102,466
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	626,445,854	590,847,652
Contributions as a percentage of covered payroll	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, 2014	December 31, 2013
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Level Percentage of Payroll	Entry Age Level Percentage of Payroll
Amortization method	30 Years, Open	30 Years, Open
Remaining amortization period	4-year smoothed market	4-year smoothed market
Asset valuation method	2.80% annually	2.80% annually
Inflation	3.90% - 10.85%	3.90% - 10.10%
Salary increases	Inclusive of wage inflation	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	2.00% 0.00% as financed by the AIR
PERA benefit structure hired after 12/31/06		
Investment rate of return	7.50%	7.50%

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

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

DPS Retiree Life Insurance Trust	2021	2020	2019	2018
Total OPEB liability				
Service cost at end of year	\$ -	\$ -	\$ -	\$ -
Interest	1,055,152	1,258,786	1,288,036	1,289,505
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(1,231,536)	(620,709)	-
Changes of assumptions or other inputs	-	1,782,321	15,315	194,817
Benefit payments, including refunds of active member contributions and disability premiums	(1,155,331)	(1,619,675)	(1,418,760)	(1,631,943)
Net change in total OPEB liability	\$ (100,179)	\$ 189,896	(736,118)	(147,621)
Total OPEB liability - beginning	36,958,100	36,768,204	37,504,322	37,651,943
Total OPEB liability - ending (a)	36,857,921	36,958,100	36,768,204	37,504,322
Plan fiduciary net position				
Contributions - employer	3,080,000	1,980,000 ¹	2,860,000	2,640,000
Contributions - active member (includes purchased service)	-	-	-	-
Net investment income	427,017	397,523	357,146	280,483
Benefit payments (includes refunds and disability premiums)	(2,101,487)	(2,173,823)	(2,234,262)	(2,302,539)
Administrative expense	(197,484)	(189,345)	(56,436)	(251,430)
Other additions and deductions	-	-	27,518	436,517
Net change in plan fiduciary net position	1,208,046	14,355	953,966	803,031
Contributions receivable	-	1,198,767 ²	1,770,266	1,689,004
Plan fiduciary net position - beginning	15,144,955	13,931,833	11,207,601	8,715,566
Plan fiduciary net position - ending (b)	16,353,001	15,144,955	13,931,833	11,207,601
Collective net OPEB liability - ending (a) - (b)	20,504,920	21,813,145	\$ 22,836,371	\$ 26,296,721

Plan fiduciary net position as a percentage of the total OPEB liability	44.37%	40.98%	37.89%	29.88%
Covered payroll	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*

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

² Includes dividend payable by MetLife for DPS

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

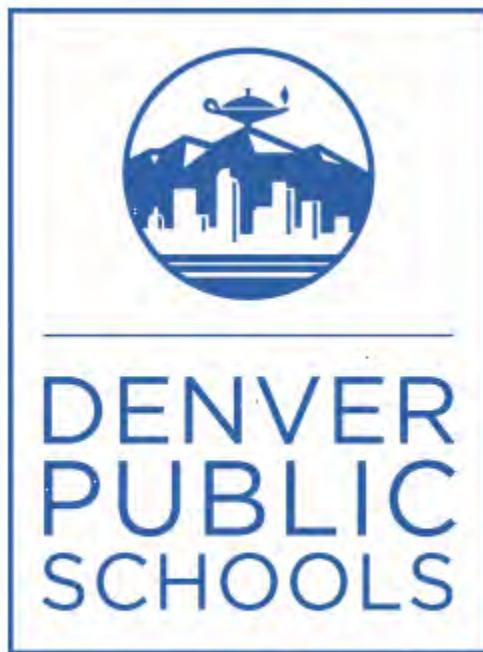
Note: Information is not available for prior years. In future reports, additional years will be added until 10 years of historical data are presented. Information above is presented as of the measurement date and include information for the reporting entity as a whole.

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

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

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

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



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

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

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

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

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

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

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

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

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



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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, 2021

1. SIGNIFICANT CHANGES AFFECTING TRENDS IN ACTUARIAL INFORMATION - PENSIONS

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

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$225 million direct distribution payable on July 1, 2020 for the State's 2020-2021 fiscal year
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.07%

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, 2021

2. OPEB

Denver Public Schools Retiree Life Insurance Trust

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

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of July 1. The most recent valuation was performed as of July 1, 2020.
Valuation Date	7/1/2020
Measurement Date	6/30/2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Contribution Rate	MetLife reviews 52 months of past claims experience to predict future claims activity, which is the basis for setting new required contribution rates.
Inflation	2.20%
Discount Rate	2.90% was selected by Denver Public Schools based on the prevailing trust yields at the valuation date. MetLife is anticipated to set premium levels such that trust assets will be sufficient to pay future benefits.
Long-term expected rate of return net of investment expense	2.90%
Mortality	2010 Pub General Healthy Retiree with 100% of MP Ultimate scale for retirees and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale for disabled participants.
Changes since prior year	The plan does not have enough credible data to develop a mortality assumption. As a result, the plan must rely on publically available mortality tables. The Society of Actuaries recently published and recommends using both 2010 Pub General Healthy Retiree with 100% of MP Ultimate scale and 2010 Pub General Disabled Retiree with 100% of MP Ultimate scale. Based on this recommendation, we believe these tables are appropriate for the plan's mortality assumption.

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, 2021

Denver Public Schools Health Care Trust Fund

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

- There were no changes made to the plan provisions
- Price inflation assumption decreased from 2.40% per year to 2.30% per year
- Real rate of investment return assumption increased from 4.85% per year, net of investment expenses to 4.95% per year, net of investment expenses
- Wage inflation assumption decreased from 3.50% per year to 3.00% per year
- Real wage growth decreased from 1.10% to 0.07%

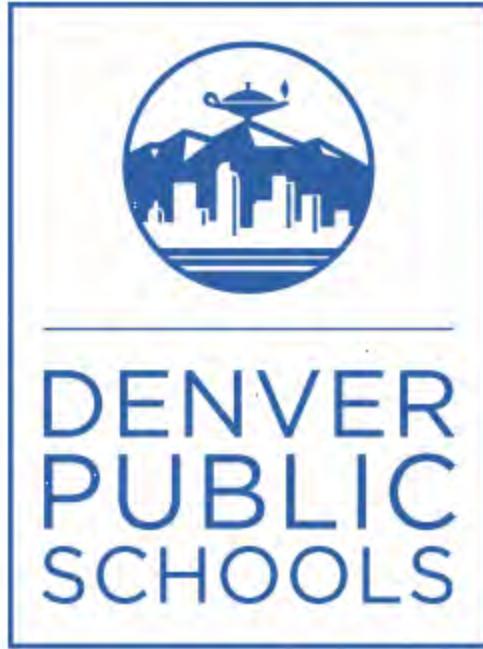
The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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



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OTHER SUPPLEMENTARY INFORMATION



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GOVERNMENTAL FUNDS

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	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	\$ 5,573	\$ -	\$ 15,403,461	\$ -	\$ 117,056	\$ 15,526,090
Investments	-	-	-	-	3,982	3,982
Taxes receivable	-	-	2,570,426	2,267,056	-	4,837,482
Intergovernmental receivables	12,304,041	-	-	-	-	12,304,041
Other receivables	2,930	-	-	-	-	2,930
Due from other funds	-	5,807,051	-	-	-	5,807,051
Inventory	3,728,947	-	-	-	-	3,728,947
Total assets	<u>16,041,491</u>	<u>5,807,051</u>	<u>17,973,887</u>	<u>2,267,056</u>	<u>121,038</u>	<u>42,210,523</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	12,499,599	-	9,057,203	1,173,032	61,519	22,791,353
Unearned revenue	600,555	425,451	-	-	-	1,026,006
Total liabilities	<u>13,100,154</u>	<u>425,451</u>	<u>9,057,203</u>	<u>1,173,032</u>	<u>61,519</u>	<u>23,817,359</u>
Deferred inflows of resources:						
Property taxes	-	-	1,240,423	1,094,024	-	2,334,447
Total deferred inflows of resources	-	-	<u>1,240,423</u>	<u>1,094,024</u>	<u>-</u>	<u>2,334,447</u>
Fund balances:						
Nonspendable:						
Inventory	497,844	-	-	-	-	497,844
Permanent fund	-	-	-	-	59,519	59,519
Restricted for:						
Performance-based teacher compensation	-	-	7,676,261	-	-	7,676,261
Committed to:						
Pupil activities	-	5,381,600	-	-	-	5,381,600
Assigned to:						
Food service	2,443,493	-	-	-	-	2,443,493
Total fund balances	<u>2,941,337</u>	<u>5,381,600</u>	<u>7,676,261</u>	<u>-</u>	<u>59,519</u>	<u>16,058,717</u>
Total liabilities and fund balances	<u>\$ 16,041,491</u>	<u>\$ 5,807,051</u>	<u>\$ 17,973,887</u>	<u>\$ 2,267,056</u>	<u>\$ 121,038</u>	<u>\$ 42,210,523</u>

SCHOOL DISTRICT NO. 1

IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2021

	Food Services Special Revenue Fund	Pupil Activity Special Revenue Fund	ProComp Special Revenue Fund	Mill Levy Technology Maintenance	Permanent Fund	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 35,885,642	\$ 30,975,926	\$ -	\$ 66,861,568
Intergovernmental:						
Revenue from state sources	329,702	-	-	-	-	329,702
Revenue from federal sources	24,827,935	-	-	-	-	24,827,935
Charges for services	149,785	245,290	-	-	-	395,075
Investment income	-	-	5,467	-	648	6,115
Other local sources	3,986	2,263,935	-	-	-	2,267,921
Total revenues	<u>25,311,408</u>	<u>2,509,225</u>	<u>35,891,109</u>	<u>30,975,926</u>	<u>648</u>	<u>94,688,316</u>
EXPENDITURES						
Instruction:						
Regular instruction	-	268,178	28,753,227	-	-	29,021,405
Special education	-	-	2,911,747	-	-	2,911,747
Vocational education	-	-	17,010	-	-	17,010
Other instruction	-	5,142,218	-	-	-	5,142,218
Total instruction	<u>-</u>	<u>5,410,396</u>	<u>31,681,984</u>	<u>-</u>	<u>-</u>	<u>37,092,380</u>
Support services:						
Pupil supporting services	-	-	2,422,709	-	-	2,422,709
Instructional support	-	497,673	1,262,190	-	-	1,759,863
General administration	-	-	46,387	71,726	-	118,113
School administration	-	-	17,410	-	-	17,410
Operations and maintenance	-	-	-	30,238,301	-	30,238,301
Central services	-	-	642,735	665,899	-	1,308,634
Other support services	<u>23,790,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,790,276</u>
Total support services	<u>23,790,276</u>	<u>497,673</u>	<u>4,391,431</u>	<u>30,975,926</u>	<u>-</u>	<u>59,655,306</u>
Capital outlay	20,312	29,578	-	-	-	49,890
Total expenditures	<u>23,810,588</u>	<u>5,937,647</u>	<u>36,073,415</u>	<u>30,975,926</u>	<u>-</u>	<u>96,797,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,500,820</u>	<u>(3,428,422)</u>	<u>(182,306)</u>	<u>-</u>	<u>648</u>	<u>(2,109,260)</u>
OTHER FINANCING SOURCES						
Transfers in	-	4,001,310	-	-	-	4,001,310
Total other financing sources	<u>-</u>	<u>4,001,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,001,310</u>
Net change in fund balances	1,500,820	572,888	(182,306)	-	648	1,892,050
Fund balances - beginning	1,440,517	4,808,712	7,858,567	-	58,871	14,166,667
Fund balances - ending	<u>\$ 2,941,337</u>	<u>\$ 5,381,600</u>	<u>\$ 7,676,261</u>	<u>\$ -</u>	<u>\$ 59,519</u>	<u>\$ 16,058,717</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, 2021
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 176,407	\$ 201,801	\$ 199,650	\$ (2,151)
Local sources	1,200	1,200	1,683	483
Total revenues	<u>177,607</u>	<u>203,001</u>	<u>201,333</u>	<u>(1,668)</u>
EXPENDITURES				
Purchased Services	120	120	51	69
Debt Service Principal	102,822	102,822	98,750	4,072
Debt Service Interest	73,585	80,314	80,314	-
Appropriated Reserves	201,510	221,546	-	221,546
Total expenditures	<u>378,037</u>	<u>404,802</u>	<u>179,115</u>	<u>225,687</u>
Net change in fund balance	<u>(200,430)</u>	<u>(201,801)</u>	<u>22,218</u>	<u>224,019</u>
Beginning fund balance	<u>200,430</u>	<u>201,801</u>	<u>201,801</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,019</u>	<u>\$ 224,019</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, 2021

Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget
REVENUES				
Local sources	\$ 2,000	\$ 2,000	\$ (215)	\$ (2,215)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>(215)</u>	<u>(2,215)</u>
EXPENDITURES				
Employee Salaries	8,499	8,499	7,365	1,134
Employee Benefits	2,215	2,215	1,796	419
Supplies and Materials	-	-	190	(190)
Purchased Services	-	-	7,197	(7,197)
Property	131,000	281,000	135,252	145,748
Other Expenses	-	-	467	(467)
Debt Service Principal	-	-	79,830	(79,830)
Debt Service Interest	-	-	1,012	(1,012)
Appropriated Reserves	10,000	115,925	-	115,925
Total expenditures	<u>151,714</u>	<u>407,639</u>	<u>233,109</u>	<u>174,530</u>
Excess (deficiency) of revenues over expenditures	(149,714)	(405,639)	(233,324)	172,315
OTHER FINANCING SOURCES (USES)				
Other sources	-	551,704	553,141	1,437
Total other financing sources (uses)	<u>-</u>	<u>551,704</u>	<u>553,141</u>	<u>1,437</u>
Net change in fund balance	(149,714)	146,065	319,817	173,752
Beginning fund balance	177,069	182,994	182,994	-
Ending fund balance	<u>\$ 27,355</u>	<u>\$ 329,059</u>	<u>\$ 502,811</u>	<u>\$ 173,752</u>

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

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

YEAR ENDED JUNE 30, 2021

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Federal sources	\$ 6,413	\$ 9,692	\$ 9,837	\$ 145
Local sources	16,877	17,662	22,467	4,805
Total revenues	<u>23,290</u>	<u>27,354</u>	<u>32,304</u>	<u>4,950</u>
EXPENDITURES				
Employee Salaries	76	49	54	(5)
Employee Benefits	19	12	13	(1)
Supplies and Materials	7,068	6,640	6,862	(222)
Purchased Services	4,703	4,371	7,242	(2,871)
Property	39,521	40,223	23,575	16,648
Other Expenses	23	-	(2,995)	2,995
Debt Service Principal	6,511	6,468	6,468	-
Debt Service Interest	10,572	8,548	8,548	-
Appropriated Reserves	15,904	33,513	-	33,513
Total expenditures	<u>84,397</u>	<u>99,824</u>	<u>49,767</u>	<u>50,057</u>
Excess (deficiency) of revenues over expenditures	<u>(61,107)</u>	<u>(72,470)</u>	<u>(17,463)</u>	<u>55,007</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(926)	(926)	17,000	17,926
Total other financing sources (uses)	(926)	(926)	17,000	17,926
Net change in fund balance	<u>(62,033)</u>	<u>(73,396)</u>	<u>(463)</u>	<u>72,933</u>
Beginning fund balance	62,033	73,396	73,396	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,933</u>	<u>\$ 72,933</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, 2021
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State sources	\$ 918	\$ 918	\$ 330	\$ (588)
Federal sources	34,704	32,704	24,828	(7,876)
Local sources	5,852	5,852	154	(5,698)
Total revenues	<u>41,474</u>	<u>39,474</u>	<u>25,312</u>	<u>(14,162)</u>
EXPENDITURES				
Employee Salaries	18,524	18,522	16,083	2,439
Employee Benefits	4,590	4,590	3,719	871
Supplies and Materials	20,142	20,142	9,270	10,872
Purchased Services	1,131	1,131	725	406
Property	178	178	101	77
Other Expenses	(557)	884	(6,087)	6,971
Total expenditures	<u>44,008</u>	<u>45,447</u>	<u>23,811</u>	<u>21,636</u>
Excess (deficiency) of revenues over expenditures	<u>(2,534)</u>	<u>(5,973)</u>	<u>1,501</u>	<u>7,474</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	2,534	4,532	-	(4,532)
Total other financing sources (uses)	<u>2,534</u>	<u>4,532</u>	<u>-</u>	<u>(4,532)</u>
Net change in fund balance	-	(1,441)	1,501	2,942
Beginning fund balance	-	1,441	1,441	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,942</u>	<u>\$ 2,942</u>

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

BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
YEAR ENDED JUNE 30, 2021
Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Local sources	\$ 10,973	\$ 10,242	\$ 2,509	\$ (7,733)
Total revenues	<u>10,973</u>	<u>10,242</u>	<u>2,509</u>	<u>(7,733)</u>
EXPENDITURES				
Employee Salaries	2,908	2,779	2,577	202
Employee Benefits	653	626	586	40
Supplies and Materials	10,740	10,731	2,019	8,712
Purchased Services	1,538	456	471	(15)
Property	4	4	63	(59)
Other Expenses	233	25	221	(196)
Appropriated Reserves	5,500	4,431	-	4,431
Total expenditures	<u>21,576</u>	<u>19,052</u>	<u>5,937</u>	<u>13,115</u>
Excess (deficiency) of revenues over expenditures	<u>(10,603)</u>	<u>(8,810)</u>	<u>(3,428)</u>	<u>5,382</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	5,003	4,001	4,001	-
Total other financing sources (uses)	<u>5,003</u>	<u>4,001</u>	<u>4,001</u>	<u>-</u>
Net change in fund balance	<u>(5,600)</u>	<u>(4,809)</u>	<u>573</u>	<u>5,382</u>
Beginning fund balance	<u>5,600</u>	<u>4,809</u>	<u>4,809</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,382</u>	<u>\$ 5,382</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, 2021

Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 35,754	\$ 35,754	\$ 35,886	\$ 132
Local sources	80	80	5	(75)
Total revenues	<u>35,834</u>	<u>35,834</u>	<u>35,891</u>	<u>57</u>
EXPENDITURES				
Employee Salaries	29,702	29,702	29,727	(25)
Employee Benefits	6,229	6,230	6,229	1
Supplies and Materials	1	1	-	1
Purchased Services	150	150	118	32
Unappropriated reserves	7,570	7,610	-	7,610
Total expenditures	<u>43,652</u>	<u>43,693</u>	<u>36,074</u>	<u>7,619</u>
Net change in fund balance	<u>(7,818)</u>	<u>(7,859)</u>	<u>(183)</u>	<u>7,676</u>
Beginning fund balance	<u>7,818</u>	<u>7,859</u>	<u>7,859</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,676</u>	<u>\$ 7,676</u>

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

BUDGETARY COMPARISON SCHEDULE

Mill Levy Technology Maintenance

YEAR ENDED JUNE 30, 2021

Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ -	\$ 32,000	\$ 30,976	\$ (1,024)
Total revenues	-	32,000	30,976	(1,024)
EXPENDITURES				
Employee Salaries	-	11,961	19,227	(7,266)
Employee Benefits	-	3,001	4,018	(1,017)
Supplies and Materials	-	6,164	666	5,498
Purchased Services	-	10,874	7,065	3,809
Total expenditures	-	32,000	30,976	1,024
Net change in fund balance	-	-	-	-
Beginning fund balance	-	-	-	-
Ending fund balance	\$ -	\$ -	\$ -	\$ -

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

BUDGETARY COMPARISON SCHEDULE

PERMANENT FUND

YEAR ENDED JUNE 30, 2021

Amount in 000's

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Local sources	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	1	1
EXPENDITURES				
Supplies and Materials	131	59	-	59
Appropriated Reserves	50	-	-	-
Total expenditures	181	59	-	59
Net change in fund balance	(181)	(59)	1	60
Beginning fund balance	181	59	59	-
Ending fund balance	\$ -	\$ -	\$ 60	\$ 60



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INTERNAL SERVICE FUND

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

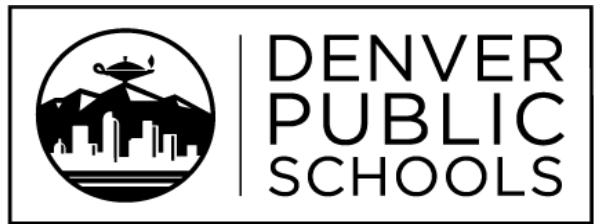
BUDGETARY COMPARISON SCHEDULE

WAREHOUSE FUND

YEAR ENDED JUNE 30, 2021

Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources	\$ 636	\$ 636	\$ 153	\$ (483)
Total revenues	<u>636</u>	<u>636</u>	<u>153</u>	<u>(483)</u>
EXPENDITURES				
Employee Salaries	29	29	18	11
Employee Benefits	7	7	4	3
Supplies and Materials	300	300	44	256
Purchased Services	200	200	-	200
Property	100	100	-	100
Other Expenses	-	-	205	(205)
Appropriated Reserves	-	405	-	405
Total expenditures	<u>636</u>	<u>1,041</u>	<u>271</u>	<u>770</u>
Net change in fund balance	<u>-</u>	<u>(405)</u>	<u>(118)</u>	<u>287</u>
Beginning fund balance	<u>-</u>	<u>405</u>	<u>405</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ 287</u>



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FIDUCIARY FUND

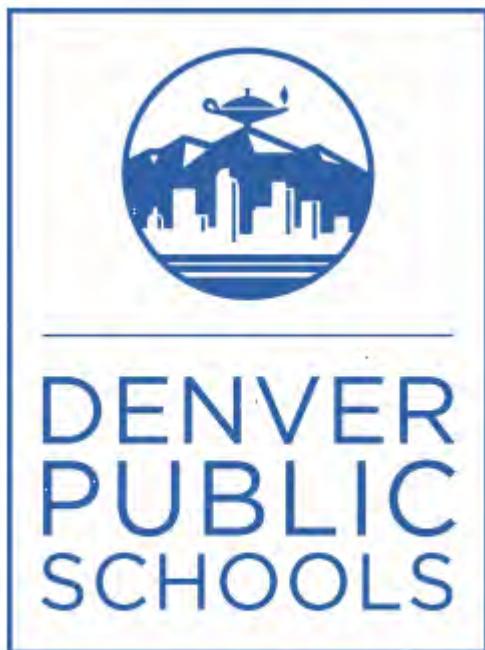
SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

BUDGETARY COMPARISON SCHEDULE
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021
Amount in 000's

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Employer contributions	\$ 2,040	\$ 2,040	\$ 3,080	\$ 1,040
Interest income	132	132	429	297
Total revenues	<u>2,172</u>	<u>2,172</u>	<u>3,509</u>	<u>1,337</u>
EXPENDITURES				
Medical and life insurance for retirees	2,380	2,380	2,299	81
Appropriated Reserves	12,736	15,948	-	15,948
Total expenditures	<u>15,116</u>	<u>18,328</u>	<u>2,299</u>	<u>16,029</u>
Net change in fund balance	(12,944)	(16,156)	1,210	17,366
Beginning fund balance	<u>12,944</u>	<u>16,156</u>	<u>16,156</u>	<u>-</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,366</u>	<u>\$ 17,366</u>



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Colorado Department of Education

Auditors Integrity Report

District: 0880 - Denver County 1

Fiscal Year 2020-21

Colorado School District/BOCES

Page: 1

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	119,056,288	892,207,318	886,128,186	125,135,420
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	119,056,288	892,207,318	886,128,186	125,135,420
11 Charter School Fund	107,119,958	300,469,119	274,037,055	133,552,022
20,26-29 Special Revenue Fund	7,858,567	35,891,109	36,073,415	7,676,261
06 Supplemental Cap Const, Tech, Main. Fund	0	30,975,926	30,975,926	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,440,517	25,311,408	23,810,588	2,941,337
22 Govt Designated-Purpose Grants Fund	14,827,946	198,580,200	197,111,287	16,296,859
23 Pupil Activity Special Revenue Fund	4,808,712	6,510,535	5,937,647	5,381,600
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	201,801,053	201,332,868	179,114,959	224,018,962
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	182,994,429	552,926,330	233,108,271	502,812,488
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	73,396,443	49,304,073	49,766,935	72,933,581
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	713,303,914	2,293,508,886	1,916,064,270	1,090,748,530
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	404,804	7,119	125,200	286,723
Totals	404,804	7,119	125,200	286,723
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	16,156,408	3,508,805	2,298,971	17,366,242
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	58,871	648	0	59,519
85 Foundations	12,591,753	6,269,350	6,104,429	12,756,674
Totals	28,807,032	9,778,803	8,403,400	30,182,435

FINAL



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STATISTICAL SECTION

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

STATISTICAL SECTION
YEAR ENDED JUNE 30, 2021

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

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
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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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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)

	2021	2020	2019	2018	2017
Governmental activities					
Net investment in capital assets	\$ (54,971,225)	\$ (67,160,973)	\$ (62,814,668)	\$ (48,797,256)	\$ 148,648,229
Restricted	281,985,613	260,280,665	616,186,143	650,615,101	648,556,477
Unrestricted (deficit)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)	(2,093,681,026)	(2,154,349,495)
Total governmental activities net position (deficit)	<u><u>(1,007,436,104)</u></u>	<u><u>(1,129,522,542)</u></u>	<u><u>(1,281,258,380)</u></u>	<u><u>(1,491,863,181)</u></u>	<u><u>(1,357,144,789)</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	(54,971,225)	(67,160,973)	(62,814,668)	(48,797,256)	148,648,229
Restricted	281,985,613	260,280,665	616,186,143	650,615,101	648,556,477
Unrestricted (deficit)	(1,234,450,492)	(1,322,642,234)	(1,834,629,855)	(2,093,681,026)	(2,154,349,495)
Total primary government net position (deficit)	<u><u>\$ (1,007,436,104)</u></u>	<u><u>\$ (1,129,522,542)</u></u>	<u><u>\$ (1,281,258,380)</u></u>	<u><u>\$ (1,491,863,181)</u></u>	<u><u>\$ (1,357,144,789)</u></u>
	2016	2015	2014	2013	2012
Governmental activities					
Net investment in capital assets	\$ 104,965,907	\$ 118,645,799	\$ 130,564,763	\$ 135,651,903	\$ 145,041,564
Restricted	290,705,891	391,653,002	175,105,064	192,765,619	254,525,804
Unrestricted (deficit)	(1,652,698,513)	(1,702,868,865)	(961,343,671)	(977,859,419)	(1,051,331,251)
Total governmental activities net position (deficit)	<u><u>(1,257,026,715)</u></u>	<u><u>(1,192,570,064)</u></u>	<u><u>(655,673,844)</u></u>	<u><u>(649,441,897)</u></u>	<u><u>(651,763,883)</u></u>
Business-type activities					
Net investment in capital assets	-	-	643,501	463,179	506,458
Unrestricted (deficit)	-	-	(760,348)	(383,151)	1,747,768
Total business-type activities net position (deficit)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(116,847)</u></u>	<u><u>80,028</u></u>	<u><u>2,254,226</u></u>
Primary government					
Net investment in capital assets	104,965,907	118,645,799	131,208,264	136,115,082	145,548,022
Restricted	290,705,891	391,653,002	175,105,064	192,765,619	254,525,804
Unrestricted (deficit)	(1,652,698,513)	(1,702,868,865)	(962,104,019)	(978,242,570)	(1,049,583,483)
Total primary government net position (deficit)	<u><u>\$ (1,257,026,715)</u></u>	<u><u>\$ (1,192,570,064)</u></u>	<u><u>\$ (655,790,691)</u></u>	<u><u>\$ (649,361,869)</u></u>	<u><u>\$ (649,509,657)</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)

	2021	2020	2019	2018	2017
Expenses:					
Governmental activities:					
Instructional services	\$ 721,672,819	\$ 696,846,877	\$ 605,647,740	\$ 647,048,830	\$ 661,536,065
Supporting services:					
Pupil support	105,227,056	83,180,894	71,532,274	66,443,705	58,337,272
Instructional support	139,036,789	129,767,373	124,605,828	125,760,427	114,572,496
General administration	9,927,774	8,188,423	6,123,865	7,526,400	6,964,963
School administration	83,576,693	80,450,074	78,604,576	78,617,586	77,079,051
Business services	15,260,179	14,857,663	14,842,975	14,882,801	12,957,204
Operations and maintenance	126,680,477	102,853,799	100,668,711	96,681,984	91,074,789
Pupil transportation	26,904,924	28,916,105	29,743,657	26,546,492	25,164,705
Central services	52,582,084	49,694,958	70,219,410	183,402,521	176,020,151
Other support services	40,929,494	51,852,458	51,903,765	46,450,521	51,052,612
Community services	10,546,516	16,698,518	15,982,204	17,638,447	16,515,410
Education for adults	26,212,064	23,954,101	21,951,395	22,244,905	20,508,759
Food services	-	-	-	-	-
Principal payments	-	7,172,890	-	-	-
Interest and fiscal charges	126,994,110	118,717,714	129,019,562	162,850,968	137,843,846
Total governmental activities expenses	1,485,550,979	1,413,151,847	1,320,845,962	1,496,095,587	1,449,627,323
Business-type activities:					
Food services	-	-	-	-	-
Total business-type activities expenses	-	-	-	-	-
Total primary government expenses	1,485,550,979	1,413,151,847	1,320,845,962	1,496,095,587	1,449,627,323
Program revenues:					
Governmental activities:					
Charges for services - Instructional	35,081,610	42,579,085	42,939,547	36,974,879	33,194,921
Charges for services - Other	30,797,332	35,150,712	41,558,397	33,989,449	30,514,695
Operating grants and contributions	270,988,646	187,021,129	264,820,334	220,120,675	214,428,461
Capital grants and contributions	-	10,077,400	-	-	-
Total governmental activities program revenues	336,867,588	274,828,326	349,318,278	291,085,003	278,138,077
Business-type activities:					
Food services	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-
Total primary government program revenues	336,867,588	274,828,326	349,318,278	291,085,003	278,138,077
Net Expenses					
Governmental activities	(1,148,683,391)	(1,138,323,521)	(971,527,684)	(1,205,010,584)	(1,171,489,246)
Business-type activities	-	-	-	-	-
Total primary government net expense	(1,148,683,391)	(1,138,323,521)	(971,527,684)	(1,205,010,584)	(1,171,489,246)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	997,407,662	956,891,384	814,556,942	796,450,648	671,768,786
Specific ownership taxes	53,379,052	50,937,342	52,944,185	51,821,726	44,805,199
Payment in lieu of taxes	4,205,252	3,596,102	3,604,926	2,990,033	2,828,616
State equalization	182,477,557	238,991,040	279,467,577	243,213,839	296,486,570
Interest and investment income	1,753,078	10,546,065	18,101,994	8,630,469	5,922,616
Other	31,547,228	24,855,144	13,456,861	38,472,898	49,559,385
Total governmental activities	1,270,769,829	1,285,817,077	1,182,132,485	1,141,579,613	1,071,371,172
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	-	-	-
Total business-type activities	-	-	-	-	-
Total primary government	1,270,769,829	1,285,817,077	1,182,132,485	1,141,579,613	1,071,371,172
Change in net position					
Governmental activities	122,086,438	147,493,556	210,604,801	(63,430,971)	(100,118,074)
Business-type activities	-	-	-	-	-
Total primary government	\$ 122,086,438	\$ 147,493,556	\$ 210,604,801	\$ (63,430,971)	\$ (100,118,074)

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)

	2016	2015	2014	2013	2012
Expenses:					
Governmental activities:					
Instructional services	\$ 668,873,429	\$ 606,202,845	\$ 525,401,180	507,722,226	477,604,430
Supporting services:					
Pupil support	45,246,471	36,294,290	30,804,590	29,638,062	29,312,499
Instructional support	111,594,016	113,735,904	89,761,367	81,086,728	78,847,455
General administration	6,096,731	5,299,658	5,862,233	6,652,309	6,873,428
School administration	69,544,540	65,203,286	57,364,780	58,734,139	52,697,622
Business services	8,609,001	6,971,488	9,069,995	7,487,603	6,442,027
Operations and maintenance	79,314,548	74,977,465	68,752,560	69,409,493	76,815,166
Pupil transportation	26,012,440	22,571,539	22,069,496	22,182,306	22,288,795
Central services	134,964,286	126,422,167	139,191,526	74,998,203	69,071,079
Other support services	48,582,600	47,742,261	4,570,465	4,045,531	4,628,895
Community services	14,366,660	12,899,167	11,611,773	10,497,464	9,483,230
Education for adults	17,828,984	17,810,825	14,527,846	14,790,637	15,775,918
Food services	-	-	43,974	96,963	153,482
Principal payments	-	-	-	-	-
Interest and fiscal charges	128,003,672	127,899,257	117,380,359	113,073,282	108,487,396
Total governmental activities expenses	1,359,037,378	1,264,030,152	1,096,412,144	1,000,414,946	958,481,422
Business-type activities:					
Food services	-	-	38,774,528	36,404,972	34,622,691
Total business-type activities expenses	-	-	38,774,528	36,404,972	34,622,691
Total primary government expenses	1,359,037,378	1,264,030,152	1,135,186,672	1,036,819,918	993,104,113
Program revenues:					
Governmental activities:					
Charges for services - Instructional	29,805,479	27,970,405	24,268,736	29,467,729	25,542,292
Charges for services - Other	27,398,922	25,712,014	22,309,227	12,389,843	15,989,891
Operating grants and contributions	212,702,661	221,919,647	170,631,292	163,451,886	178,115,194
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	269,907,062	275,602,066	217,209,255	205,309,458	219,647,377
Business-type activities:					
Food services	-	-	4,388,602	4,026,244	3,715,616
Operating grants and contributions	-	-	34,152,589	30,190,114	28,273,108
Total business-type activities program revenues	-	-	38,541,191	34,216,358	31,988,724
Total primary government program revenues	269,907,062	275,602,066	255,750,446	239,525,816	251,636,101
Net Expenses					
Governmental activities	(1,089,130,316)	(988,428,086)	(879,202,889)	(795,105,488)	(738,834,045)
Business-type activities	-	-	(233,337)	(2,188,614)	(2,633,967)
Total primary government net expense	(1,089,130,316)	(988,428,086)	(879,436,226)	(797,294,102)	(741,468,012)
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	623,495,039	512,100,229	545,898,621	498,552,760	420,204,686
Specific ownership taxes	40,303,943	36,829,683	33,376,380	30,035,934	27,021,138
Payment in lieu of taxes	2,522,094	2,489,581	2,492,618	2,143,237	2,081,204
State equalization	294,025,391	331,479,392	282,036,930	257,727,049	234,783,298
Interest and investment income	1,958,554	2,481,057	7,214,663	5,904,892	2,486,539
Other	62,368,644	35,645,024	12,430,956	5,867,733	935,905
Total governmental activities	1,024,673,665	921,024,966	883,450,168	800,231,605	687,512,770
Business-type activities:					
Interest and investment income	-	-	-	-	-
Other	-	-	36,462	14,416	29,589
Total business-type activities	-	-	36,462	14,416	29,589
Total primary government	1,024,673,665	921,024,966	883,486,630	800,246,021	687,542,359
Change in net position					
Governmental activities	(64,456,651)	(67,403,120)	4,247,279	5,126,117	(51,321,275)
Business-type activities	-	-	(196,875)	(2,174,198)	(2,604,378)
Total primary government	\$ (64,456,651)	\$ (67,403,120)	\$ 4,050,404	\$ 2,951,919	\$ (53,925,653)

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

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

	2021	2020	2019	2018	2017
General Fund					
Nonspendable:					
Inventory	\$ 1,160,643	\$ 1,238,552	\$ 1,107,816	\$ 892,874	\$ 761,736
Prepaid expenses	-	-	-	-	150,566
Restricted for:					
Emergency reserve	31,697,040	33,618,750	31,046,220	28,893,630	27,033,570
Preschool	-	-	-	-	-
Committed to:					
Pupil Activities	8,672,016	1,448,767	1,266,865	-	-
Emergency reserve	-	-	-	-	-
Assigned to:					
Special projects	23,671,535	23,478,391	25,093,990	22,869,037	15,923,740
Subsequent year expenditures	3,790,000	13,847,000	6,827,418	17,886,037	8,182,740
Unassigned	56,144,186	45,424,828	53,165,742	48,469,286	70,097,523
Total General Fund	<u>125,135,420</u>	<u>119,056,288</u>	<u>118,508,051</u>	<u>119,010,864</u>	<u>122,149,875</u>
All other governmental funds					
Nonspendable:					
Permanent fund	59,519	58,871	131,044	131,371	130,992
Inventory	497,844	504,881	393,196	2,935,450	332,113
Prepaid expenses	424,389	913,699	288,384	458,901	1,531,060
Restricted for:					
Debt service	226,255,934	203,916,531	173,213,859	160,157,619	130,144,786
Capital projects	508,861,239	236,677,860	381,306,757	443,137,420	470,254,135
Performance-based teacher compensation	7,676,261	7,858,567	11,664,070	8,590,764	11,837,366
Higher education	15,091,649	12,819,754	11,235,893	9,936,855	9,595,895
Non-governmental grantor-designated purposes	1,077,193	1,043,138	817,330	1,013,135	1,492,383
State programs	-	-	-	-	-
Federal programs	128,017	965,054	4,981,574	7,766,488	5,876,870
Special revenue fund	-	-	-	-	-
Committed to:					
Capital projects	-	-	-	28,005,130	35,949,286
Pupil activities	5,381,600	4,808,712	332,120	2,263,445	3,505,285
Assigned to:					
Encumbrances	-	-	-	-	-
Debt service	-	-	-	16,447,000	46,598,000
Capital projects	64,223,469	16,683,835	28,209,850	-	-
Food service	2,443,493	935,636	6,992	-	-
Unassigned	-	-	-	(737,940)	(46,913)
Total all other governmental funds	<u>832,120,607</u>	<u>487,186,538</u>	<u>612,581,069</u>	<u>680,105,638</u>	<u>717,201,258</u>
Total fund balances	<u>\$ 957,256,027</u>	<u>\$ 606,242,826</u>	<u>\$ 731,089,120</u>	<u>\$ 799,116,502</u>	<u>\$ 839,351,133</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)

	2016	2015	2014	2013	2012
General Fund					
Nonspendable:					
Inventory	\$ 704,168	\$ 824,309	\$ 73,575	\$ 866,501	\$ 847,557
Prepaid expenses	142,383	-	-	-	-
Restricted for:					
Emergency reserve	24,910,740	23,587,040	-	-	-
Preschool	-	-	-	-	-
Committed to:					
Pupil Activities	-	-	-	-	-
Emergency reserve	-	-	21,562,473	20,575,246	18,038,993
Assigned to:					
Special projects	17,397,322	15,920,181	12,483,461	10,737,052	11,752,585
Subsequent year expenditures	1,315,705	4,082,181	9,736,417	25,054,712	-
Unassigned	50,072,162	62,139,089	54,441,927	52,305,933	71,030,433
Total General Fund	<u>94,542,480</u>	<u>106,552,800</u>	<u>98,297,853</u>	<u>109,539,444</u>	<u>101,669,568</u>
All other governmental funds					
Nonspendable:					
Permanent fund	128,553	128,806	127,586	123,986	122,225
Inventory	3,485,663	3,059,757	16	-	-
Prepaid expenses	509,302	-	-	-	-
Restricted for:					
Debt service	140,280,738	109,761,547	109,621,401	109,580,300	72,084,732
Capital projects	87,492,008	202,717,436	428,287,451	600,539,662	92,538,729
Performance-based teacher compensation	18,345,329	31,352,361	44,698,850	52,566,684	-
Higher education	10,572,551	10,047,631	11,180,577	9,809,638	-
Non-governmental grantor-designated purposes	6,111,724	9,859,915	9,584,310	9,136,215	-
State programs	-	-	-	1,664,931	-
Federal programs	8,548,506	4,198,266	-	5,714	-
Special revenue fund	-	-	-	-	77,786,870
Committed to:					
Capital projects	5,554,771	17,390,944	7,438,353	16,273,544	20,816,392
Pupil activities	3,168,599	-	-	-	-
Assigned to:					
Encumbrances	-	-	-	-	-
Debt service	10,963,000	6,964,000	-	-	-
Capital projects	-	-	-	-	-
Food service	-	-	-	-	-
Unassigned	(3,344,733)	(3,059,757)	-	-	-
Total all other governmental funds	<u>291,816,011</u>	<u>392,420,906</u>	<u>610,938,544</u>	<u>799,700,674</u>	<u>263,348,948</u>
Total fund balances	<u>\$ 386,358,491</u>	<u>\$ 498,973,706</u>	<u>\$ 709,236,397</u>	<u>\$ 909,240,118</u>	<u>\$ 365,018,516</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)

	2021	2020	2019	2018	2017
Revenues:					
Taxes	\$ 1,054,513,077	\$ 998,219,378	\$ 858,529,862	\$ 848,458,684	\$ 717,451,368
Intergovernmental:					
State sources	244,656,236	326,157,713	357,074,878	304,016,976	354,546,283
Federal sources	192,730,693	109,255,314	111,381,652	114,906,618	118,038,010
Charges for services	65,878,942	75,572,797	84,497,944	78,175,058	70,136,444
Investment income	1,753,078	10,546,065	18,101,994	8,440,469	5,697,617
Other local sources	51,832,738	55,339,778	53,325,393	55,720,801	72,195,800
Total revenue	<u>1,611,364,764</u>	<u>1,575,091,045</u>	<u>1,482,911,723</u>	<u>1,409,718,606</u>	<u>1,338,065,522</u>
Expenditures:					
Current:					
Instructional services	694,846,491	709,651,580	625,813,397	563,170,061	533,413,133
Supporting services:					
Pupil support	100,576,930	82,736,120	73,950,774	66,443,705	58,337,272
Instructional support	133,611,460	129,073,497	128,828,831	125,760,427	114,572,496
General administration	9,501,382	8,062,993	6,330,914	7,526,400	6,964,963
School administration	80,403,979	80,112,333	81,262,191	78,617,586	77,079,051
Business services	14,575,241	14,716,470	15,679,087	14,996,029	12,817,546
Operations and maintenance	119,394,688	102,251,049	104,354,778	95,181,985	91,074,789
Pupil transportation	25,992,801	28,761,438	30,768,374	26,546,492	25,164,705
Central services	50,736,344	49,678,519	72,593,522	96,964,007	104,428,614
Other support services	39,834,647	51,574,682	53,658,626	46,450,521	49,799,171
Total support services	<u>574,627,472</u>	<u>546,967,101</u>	<u>567,427,097</u>	<u>558,487,152</u>	<u>540,238,607</u>
Community services	10,383,123	16,609,229	16,522,561	17,638,447	16,515,410
Education for adults	24,979,010	23,573,860	22,693,569	22,244,905	20,508,759
Capital outlay	161,111,733	205,539,953	166,970,851	200,399,726	161,734,202
Debt service:					
Principal	212,403,162	114,480,000	101,926,321	75,815,765	90,105,000
Interest and fiscal charges	135,496,728	133,013,278	134,464,342	141,457,068	118,391,994
Total debt service	<u>347,899,890</u>	<u>247,493,278</u>	<u>236,390,663</u>	<u>217,272,833</u>	<u>208,496,994</u>
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>1,813,847,719</u>	<u>1,749,835,001</u>	<u>1,635,818,138</u>	<u>1,579,213,124</u>	<u>1,480,907,105</u>
Deficiency of revenues under expenditures	(202,482,955)	(174,743,956)	(152,906,415)	(169,494,518)	(142,841,583)
Other financing sources (uses):					
Transfers in	22,323,536	18,184,640	20,519,669	23,722,566	23,172,970
Transfers out	(22,323,536)	(18,184,640)	(20,519,669)	(23,722,566)	(23,256,436)
Issuance of capital leases	355,289	110,658	395,098	5,468,230	2,271,141
Issuance of certificates of participation		45,544,722	84,483,935	17,710,000	46,175,000
Issuance of bonds	450,000,000	-	-	105,325,000	466,675,000
Premium on issuance of debt	103,140,867	-	-	25,776,657	80,796,550
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	106,130,000	-
Premium on refunding bonds	-	-	-	-	-
Face Amount of COPs	-	-	-	-	-
Debt service principal	-	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	(131,150,000)	-
Total other financing sources	<u>553,496,156</u>	<u>45,655,380</u>	<u>84,879,033</u>	<u>129,259,887</u>	<u>595,834,225</u>
Special Items					
Change in fund balances	\$ 351,013,201	\$ (129,088,576)	\$ (68,027,382)	\$ (40,234,631)	\$ 452,992,642
Debt service as a percentage of noncapital expenditures	21.05%	16.03%	16.09%	15.75%	15.89%

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Source: School District annual financial reports for the respective years

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

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

	2016	2015	2014	2013	2012
Revenues:					
Taxes	\$ 662,087,462	\$ 549,453,629	\$ 549,095,824	\$ 527,488,569	\$ 451,643,564
Intergovernmental:					
State sources	352,543,848	386,841,732	321,083,838	292,811,118	270,460,213
Federal sources	128,143,943	135,266,941	91,110,827	94,585,766	114,213,045
Charges for services	63,538,071	58,485,884	46,577,962	41,857,571	23,430,483
Investment income	1,703,554	2,191,056	6,646,572	5,346,754	2,010,633
Other local sources	45,033,043	46,432,436	56,121,534	42,198,314	54,343,359
Total revenue	<u>1,253,049,921</u>	<u>1,178,671,678</u>	<u>1,070,636,557</u>	<u>1,004,288,092</u>	<u>916,101,297</u>
Expenditures:					
Current:					
Instructional services	580,342,703	545,258,244	524,717,767	474,740,668	445,586,238
Supporting services:					
Pupil support	45,246,471	36,294,290	30,750,759	29,191,916	28,952,897
Instructional support	111,594,016	113,735,903	89,657,359	80,726,483	78,919,561
General administration	6,096,731	5,299,657	5,855,666	6,621,029	6,888,188
School administration	69,544,540	65,203,286	57,265,795	58,420,495	52,621,612
Business services	8,581,051	6,700,984	8,511,434	7,049,603	5,715,778
Operations and maintenance	79,314,548	74,977,466	77,295,764	75,907,378	78,203,626
Pupil transportation	26,012,440	22,571,539	21,759,520	20,626,032	20,319,139
Central services	67,066,399	72,231,405	76,726,379	64,742,988	57,892,081
Other support services	48,582,600	47,742,261	4,570,465	4,045,531	4,628,895
Total support services	<u>462,038,796</u>	<u>444,756,791</u>	<u>372,393,141</u>	<u>347,331,455</u>	<u>334,141,777</u>
Community services	14,366,660	12,899,168	11,600,514	10,465,425	9,491,061
Education for adults	17,828,984	17,810,826	14,504,741	14,775,707	15,908,260
Capital outlay	132,056,762	207,594,348	209,752,895	88,411,292	78,774,655
Debt service:					
Principal	62,663,175	57,125,000	52,638,533	424,254,920	30,492,391
Interest and fiscal charges	106,825,938	284,599,941	115,257,640	243,687,187	102,268,418
Total debt service	<u>169,489,113</u>	<u>341,724,941</u>	<u>167,896,173</u>	<u>667,942,107</u>	<u>132,760,809</u>
Debt issuance costs	-	-	-	7,419,384	760,824
Total expenditures	<u>1,376,123,018</u>	<u>1,570,044,318</u>	<u>1,300,865,231</u>	<u>1,611,086,038</u>	<u>1,017,423,624</u>
Deficiency of revenues under expenditures	(123,073,097)	(391,372,640)	(230,228,674)	(606,797,946)	(101,322,327)
Other financing sources (uses):					
Transfers in	16,052,982	26,513,288	7,384,908	25,776,235	29,807,290
Transfers out	(16,052,982)	(26,513,288)	(7,384,908)	(25,776,235)	(29,807,290)
Issuance of capital leases	-	-	-	-	-
Issuance of certificates of participation	9,680,591	-	-	-	-
Issuance of bonds	-	-	25,347,008	1,075,390,000	-
Premium on issuance of debt	-	-	-	-	-
Payment to refunded debt	-	-	-	-	-
Proceeds from refunding bonds	143,280,000	149,170,000	-	67,220,000	129,870,000
Premium on refunding bonds	26,500,712	24,225,792	-	78,030,437	16,171,251
Face Amount of COPs	-	-	-	-	-
Debt service principal	-	-	-	-	-
Payment to Bond Escrow Agent	(169,003,421)	-	-	(66,816,759)	(145,623,553)
Total other financing sources	<u>10,457,882</u>	<u>173,395,792</u>	<u>25,347,008</u>	<u>1,153,823,678</u>	<u>417,698</u>
Special Items	-	-	-	-	-
Change in fund balances	\$ (112,615,215)	\$ (217,976,848)	\$ (204,881,666)	\$ 547,025,732	\$ (100,904,629)
Debt service as a percentage of noncapital expenditures	13.71%	25.08%	15.39%	43.87%	14.14%

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)

	2021	2020	2019	2018	2017
Expenditures:					
Instructional services	\$ 580,623,950	\$ 622,903,734	\$ 555,976,258	\$ 484,208,616	\$ 437,905,667
Supporting services:					
Pupil support	74,251,724	69,814,604	58,488,826	56,583,981	49,753,091
Instructional support	97,018,956	99,003,429	99,065,785	95,764,566	79,952,672
General administration	8,626,792	7,539,801	5,740,240	7,064,098	6,525,345
School administration	77,298,216	77,047,427	78,720,284	75,888,710	73,368,180
Business services	11,505,865	13,294,858	15,033,777	14,339,316	12,152,815
Operations and maintenance	64,396,850	86,305,872	86,106,056	79,691,394	77,568,148
Pupil transportation	25,126,430	28,368,149	30,726,808	26,546,492	25,102,779
Central services	37,729,172	38,847,732	61,936,798	86,356,839	89,188,409
Other support services	1,404,453	51,261	24,650	97,898	1,131,085
Total support services	<u>397,358,458</u>	<u>420,273,133</u>	<u>435,843,224</u>	<u>442,333,294</u>	<u>414,742,524</u>
Community services	6,836,774	13,994,995	14,539,363	15,120,743	13,587,690
Education for adults	14,098	20,353	124,599	952,581	1,750,462
Capital outlay	2,063,854	1,603,160	1,642,364	6,387,652	2,092,671
Debt service:					
Principal payments	27,355,402	24,185,000	24,138,012	21,891,858	18,945,000
Interest and fiscal charges	43,696,155	46,185,341	45,508,555	46,097,937	46,170,414
Issuance costs of debt	-	-	-	-	-
Total expenditures	<u>1,057,948,691</u>	<u>1,129,165,716</u>	<u>1,077,772,375</u>	<u>1,016,992,681</u>	<u>935,194,428</u>
Other financing uses:					
Transfers out	22,323,536	18,114,719	20,440,202	23,176,635	9,775,503
Debt service principal	-	-	-	-	-
Total other financing uses	<u>22,323,536</u>	<u>18,114,719</u>	<u>20,440,202</u>	<u>23,176,635</u>	<u>9,775,503</u>
Total expenditures and other financing uses	<u>\$ 1,080,272,227</u>	<u>\$ 1,147,280,435</u>	<u>\$ 1,098,212,577</u>	<u>\$ 1,040,169,316</u>	<u>\$ 944,969,931</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)

	2016	2015	2014	2013	2012
Expenditures:					
Instructional services	\$ 466,866,692	\$ 435,036,390	\$ 418,723,429	\$ 364,156,448	\$ 326,490,335
Supporting services:					
Pupil support	37,126,952	29,300,812	25,685,836	23,591,382	23,623,681
Instructional support	70,635,195	64,420,077	50,236,006	42,541,541	37,443,813
General administration	5,642,389	4,891,160	5,465,573	6,068,298	6,270,835
School administration	68,299,902	63,290,849	54,895,533	55,494,061	50,610,332
Business services	7,571,069	5,970,739	7,718,542	6,560,065	5,249,788
Operations and maintenance	71,563,249	57,100,385	56,461,321	51,263,651	50,770,339
Pupil transportation	25,724,818	21,942,671	20,913,687	19,627,160	19,006,911
Central services	53,956,802	54,801,151	54,075,641	45,444,542	37,757,510
Other support services	1,036,037	914,267	705,984	719,810	757,315
Total support services	341,556,413	302,632,111	276,158,123	251,310,510	231,490,524
Community services	11,021,566	8,555,867	7,790,165	6,651,925	5,641,526
Education for adults	2,256,856	629,177	1,173,530	823,417	622,852
Capital outlay	1,467,271	1,270,899	528,674	195,172	1,847,261
Debt service:					
Principal payments	14,730,000	13,360,000	9,305,000	401,540,000	3,985,000
Interest and fiscal charges	46,114,624	45,878,257	48,629,712	188,137,089	52,412,285
Issuance costs of debt	-	-	-	3,633,148	-
Total expenditures	884,013,422	807,362,701	762,308,633	1,216,447,709	622,489,783
Other financing uses:					
Transfers out	9,926,794	19,727,702	7,067,866	22,505,189	28,240,127
Debt service principal	-	-	-	-	-
Total other financing uses	9,926,794	19,727,702	7,067,866	22,505,189	28,240,127
Total expenditures and other financing uses	\$ 893,940,216	\$ 827,090,403	\$ 769,376,499	\$ 1,238,952,898	\$ 650,729,910

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)

	2021	2020	2019	2018	2017
Revenues:					
Property taxes	\$ 788,001,851	\$ 769,149,008	\$ 664,565,675	\$ 657,100,914	\$ 559,685,741
Intergovernmental:					
State sources	227,877,959	303,212,342	339,992,597	281,166,970	334,508,875
Federal sources	1,312,843	1,195,373	1,154,792	1,047,048	1,051,459
Charges for services	56,492,660	61,185,131	67,507,804	62,970,356	40,640,410
Investment income	176,958	1,593,600	2,442,363	1,967,899	1,243,941
Other local sources	11,460,481	11,382,560	21,571,968	25,694,780	20,344,239
Total revenue	<u>1,085,322,752</u>	<u>1,147,718,014</u>	<u>1,097,235,199</u>	<u>1,029,947,967</u>	<u>957,474,665</u>
Other financing sources:					
Transfers in	673,318	-	79,467	1,876,568	12,969,063
Face amounts of refunding COPs	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Capital lease proceeds	355,289	110,658	395,098	5,205,770	2,133,598
Total other financing sources	<u>1,028,607</u>	<u>110,658</u>	<u>474,565</u>	<u>7,082,338</u>	<u>15,102,661</u>
Total revenue and other financing sources	<u>\$ 1,086,351,359</u>	<u>\$ 1,147,828,672</u>	<u>\$ 1,097,709,764</u>	<u>\$ 1,037,030,305</u>	<u>\$ 972,577,326</u>

Continued next page

Source: School District annual financial reports for the respective years

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

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

	2016	2015	2014	2013	2012
Revenues:					
Property taxes	\$ 495,515,584	\$ 408,845,811	\$ 409,088,016	\$ 390,026,018	\$ 343,058,887
Intergovernmental:					
State sources	330,071,454	367,131,089	307,706,457	279,032,257	256,289,344
Federal sources	1,021,504	1,017,755	922,508	7,573,147	7,863,578
Charges for services	36,843,509	33,656,565	28,913,976	23,888,965	6,127,453
Investment income	876,883	725,088	659,844	695,884	708,770
Other local sources	8,669,688	8,708,951	5,899,120	7,923,953	20,270,542
Total revenue	<u>872,998,622</u>	<u>820,085,259</u>	<u>753,189,921</u>	<u>709,140,224</u>	<u>634,318,574</u>
Other financing sources:					
Transfers in	8,931,274	6,785,586	67,042	3,631,681	1,567,163
Face amounts of refunding COPs	-	-	-	-	-
Bond proceeds	-	-	-	536,855,000	-
Capital lease proceeds	-	-	-	-	-
Total other financing sources	<u>8,931,274</u>	<u>6,785,586</u>	<u>67,042</u>	<u>540,486,681</u>	<u>1,567,163</u>
Total revenue and other financing sources	<u>\$ 881,929,896</u>	<u>\$ 826,870,845</u>	<u>\$ 753,256,963</u>	<u>\$ 1,249,626,905</u>	<u>\$ 635,885,737</u>

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

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

	2020	2019	2018	2017	2016
Vacant property	\$ 328,355	\$ 352,077	\$ 231,259	\$ 259,521	\$ 186,774
Residential property	9,211,401	8,957,539	7,428,065	7,211,589	6,059,029
Commercial property	10,832,339	10,664,888	8,224,419	8,084,596	6,521,348
Industrial property	219,793	230,238	175,198	179,325	143,930
Agricultural property	125	133	356	92	138
Oil and Gas property	-	-	-	-	-
Personal property	970,056	988,926	918,036	887,721	827,331
State assessed property	965,822	914,200	947,791	925,503	920,535
Total taxable assessed value	22,527,891	22,108,001	17,925,124	17,548,347	14,659,085
Total direct tax rate	73.201	72.116	77.365	77.134	81.547
Estimated actual taxable value	\$ 166,203,442	\$ 171,449,490	\$ 139,408,175	\$ 134,744,419	\$ 105,772,919
Assessed value as a percentage of estimated actual value	13.6%	12.9%	12.9%	13.0%	13.9%

Continued next page

Source: December 31, 2020 - City and County of Denver Comprehensive Annual 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

	2015	2014	2013	2012	2011
Vacant property	\$ 219,528	\$ 181,758	\$ 212,668	\$ 193,826	\$ 194,051
Residential property	5,919,659	4,567,603	4,469,706	4,345,018	4,325,747
Commercial property	6,445,053	4,909,533	4,886,510	4,567,479	4,655,265
Industrial property	150,606	122,425	124,503	120,329	147,433
Agricultural property	79	69	69	55	120
Oil and Gas property	-	-	-	-	-
Personal property	825,798	765,486	741,538	722,513	726,354
State assessed property	824,187	838,378	829,207	808,218	888,485
Total taxable assessed value	14,384,910	11,385,252	11,264,201	10,757,438	10,937,455
Total direct tax rate	78.127	83.054	83.090	84.071	71.307
Estimated actual taxable value	\$ 100,203,607	\$ 80,891,083	\$ 79,581,379	\$ 76,697,449	\$ 77,142,543
Assessed value as a percentage of estimated actual value	14.4%	14.1%	14.2%	14.0%	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
2021	\$ 20,722,174,107	\$ 369,348,140	\$ 21,091,522,247	1.75%
2020	\$ 16,824,261,116	\$ 3,897,912,991	\$ 20,722,174,107	18.81%
2019	\$ 16,576,650,104	247,611,012	16,824,261,116	1.47%
2018	\$ 13,460,852,897	3,115,797,207	16,576,650,104	18.80%
2017	\$ 13,221,694,094	239,158,803	13,460,852,897	1.78%
2016	\$ 10,517,386,669	2,704,307,425	13,221,694,094	20.45%
2015	\$ 10,454,481,228	62,905,441	10,517,386,669	0.60%
2014	\$ 10,007,267,892	447,213,336	10,454,481,228	4.28%
2013*	\$ 10,200,816,964	(193,549,072)	10,007,267,892	-1.93%
2012	\$ 11,165,147,081	(964,330,117)	10,200,816,964	-9.45%

Levy Collection	General Fund	Debt Service	Special Revenue	Mill Levy	Abatement	Total Mill
Year	Mills	Mills	Mill Levy	Override	Mills	Levy
2021	25.541	9.568	1.517	10.852	0.533	48.011
2020	25.541	9.568		11.014	0.541	46.664
2019	25.541	9.568		12.829	0.306	48.244
2018	25.541	9.650		12.547	0.506	48.244
2017	25.541	9.383		14.948	0.524	50.396
2016	25.541	10.250		10.976	0.630	47.397
2015	25.541	10.519		12.466	0.773	49.299
2014	25.541	10.446		12.431	0.881	49.299
2013*	25.541	10.913		12.714	1.320	50.488
2012	25.541	7.958		7.584	1.182	42.265

For Fiscal Year Ended June 30, 2021

Taxing Entity	Mill Levy
City and County of Denver	25.184
Urban Drainage and Flood Control	1.000
Overlapping Mill Levy	26.184
School District #1	48.011
Total Mill Levy	74.195

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)

Source: Certification of Levy for Current Year

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

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

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

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

Tax Year	General Fund	Bond Redemption Fund	Special Revenue Mill	Total	Denver County	Police and Firemen Pension	Improvement and Services Districts	Total
2020	36.926	9.568	1.517	48.011	16.320	2.280	7.590	74.201
2019	37.096	9.568		46.664	15.760	2.285	7.407	72.116
2018	38.676	9.568		48.244	18.355	2.594	8.172	77.365
2017	38.594	9.650		48.244	18.377	2.598	7.915	77.134
2016	41.013	9.383		50.396	19.709	2.949	8.493	81.547
2015	37.147	10.250		47.397	19.764	2.960	8.006	78.127
2014	38.780	10.519		49.299	21.589	3.438	8.728	83.054
2013	38.853	10.446		49.299	21.618	3.447	8.726	83.090
2012	39.575	10.913		50.488	21.312	3.480	8.791	84.071
2011	34.307	7.958		42.265	17.385	3.331	8.754	71.735

Source: December 31, 2020 - City and County of Denver Comprehensive Annual 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	2020		Percent of District's Total Taxable Value	2011		Percent of District's Total Taxable Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Brookfield Properties	\$ 386,893	1	1.72%	\$ 82,092	7	0.75%
Public Service Co.	357,435	2	1.59%	223,358	1	2.04%
Invesco Realty Advisers Inc.	273,414	3	1.21%			
Beacon Capital Partners	265,319	4	1.18%			
Franklin Street Properties	153,179	5	0.68%			
Kroenke Sports Enterprises	149,156	6	0.66%			
Taubman Centers Inc.	132,439	7	0.59%			
Columbia-Healthone, LLC	119,897	8	0.53%	82,921	6	0.76%
Hines Securities Inc	116,070	9	0.52%			
Heitman, LLC	105,979	10	0.47%			
CenturyLink, Inc.1				190,453	2	1.74%
Callahan Capital Partners				109,778	3	1.00%
Frontier Airlines				106,611	4	0.97%
United Airlines, Inc.				87,607	5	0.80%
LBA Realty Fund II Co IV				80,738	8	0.74%
UBS Realty Investors				74,186	9	0.68%
MPG Office Trust, Inc				73,678	10	0.67%
Totals	<u>\$ 2,059,781</u>		<u>9.15%</u>	<u>\$ 1,111,422</u>		<u>10.15%</u>

Source: December 31, 2020 - City and County of Denver Comprehensive Annual 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>
2012	431,137,524	422,713,147	98.05	(1,432,860)	421,280,287	97.71
2013	505,246,942	502,946,005	99.54	(809,506)	502,136,499	99.38
2014	515,395,470	511,059,056	99.16	460,277	511,519,333	99.25
2015	518,496,645	513,820,030	99.10	(1,163,514)	512,656,516	98.87
2016	626,668,635	621,313,860	99.15	160,185	621,474,045	99.17
2017	678,373,143	674,714,380	99.46	(620,259)	674,094,120	99.37
2018	799,723,908	793,052,267	99.17	557,110	793,609,377	99.24
2019	811,669,653	807,221,301	99.45	(3,315,419)	803,905,882	99.04
2020**	966,979,533	957,264,361	99.00	(972,185)	956,292,176	98.89
2021*	1,012,625,074	971,086,614	95.90	(3,216,833)	967,869,781	95.58

Source: District financial records for the respective years

* Property taxes are levied on a calendar year basis. Tax collections for 2021 represent collections for January through September 2021.

** Current Tax Collections for 2020 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)

	2021	2020	2019	2018	2017
Assessed value (prior year)	\$ 22,527,890,740	\$ 22,108,001,450	\$ 17,925,134,030	\$ 17,548,347,337	\$ 14,659,085,700
Actual value (prior year)	175,333,718,321	171,449,489,953	139,408,174,638	134,744,419,497	105,772,919,056
Debt limit is greater of:					
20% of assessed value	4,505,578,148	4,421,600,290	3,585,026,806	3,509,669,467	2,931,817,140
or 6% of actual value*	10,520,023,099	10,286,969,397	8,364,490,478	8,084,665,170	6,346,375,143
Debt limit	10,520,023,099	10,286,969,397	8,364,490,478	8,084,665,170	6,346,375,143
Amount of debt applicable to debt limits	1,974,762,000	1,623,512,000	1,708,747,000	1,783,592,000	1,718,072,000
Less: amount reserved for long-term debt	(224,018,962)	(201,801,053)	(167,631,916)	(160,157,619)	(130,144,786)
Net chargeable to bond limit	1,750,743,038	1,421,710,947	1,541,115,084	1,623,434,381	1,587,927,214
Legal debt margin	<u>\$ 8,769,280,061</u>	<u>\$ 8,865,258,450</u>	<u>\$ 6,823,375,394</u>	<u>\$ 6,461,230,789</u>	<u>\$ 4,758,447,929</u>
Total net debt applicable to the limit as a percentage of debt limit	16.64%	13.82%	18.42%	20.08%	25.02%

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)

	2016	2015	2014	2013	2012
Assessed value (prior year)	\$ 14,384,909,283	\$ 11,385,251,250	\$ 11,264,201,810	\$ 10,757,438,400	\$ 10,937,453,830
Actual value (prior year)	100,203,607,405	80,891,082,600	79,581,379,500	76,697,448,800	77,142,545,500
Debt limit is greater of:					
20% of assessed value	2,876,981,857	2,277,050,250	2,252,840,362	2,151,487,680	2,187,490,766
or 6% of actual value*	6,012,216,444	4,853,464,956	4,774,882,770	4,601,846,928	4,628,552,730
Debt limit	6,012,216,444	4,853,464,956	4,774,882,770	4,601,846,928	4,628,552,730
Amount of debt applicable to debt limits	1,321,607,000	1,364,745,175	1,408,510,175	1,430,390,175	1,002,395,175
Less: amount reserved for long-term debt	(140,280,738)	(109,761,547)	(105,629,590)	(102,079,673)	(72,084,732)
Net chargeable to bond limit	1,181,326,262	1,254,983,628	1,302,880,585	1,328,310,502	1,002,395,175
Legal debt margin	<u>\$ 4,830,890,182</u>	<u>\$ 3,598,481,328</u>	<u>\$ 3,472,002,185</u>	<u>\$ 3,273,536,426</u>	<u>\$ 3,698,242,287</u>
Total net debt applicable to the limit as a percentage of debt limit	19.65%	25.86%	27.29%	28.86%	21.66%

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

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

Year	District Population*	Assessed Property Valuation*	General Bonded Debt	Certificates of Participation	Capital Leases	Gross Debt Primary Government
2021	749,103	\$ 22,527,890,740	\$ 2,194,295,385	\$ 991,043,448	\$ 2,101,534	\$ 3,187,440,367
2020	727,211	\$ 22,108,001,450	\$ 1,758,455,749	\$ 1,105,613,043	\$ 3,259,407	2,867,328,199
2019	716,492	\$ 17,925,134,030	\$ 1,860,560,351	\$ 1,091,324,507	\$ 4,567,393	2,956,452,251
2018	693,292	17,548,347,337	1,953,095,785	1,034,383,784	5,430,536	2,992,910,105
2017	693,060	14,659,085,700	1,889,552,488	1,077,242,045	1,253,441	2,968,047,974
2016	682,545	14,384,909,283	1,433,272,568	1,044,456,762	-	2,477,729,330
2015	663,862	11,385,251,250	1,482,464,966	1,049,340,225	-	2,531,805,191
2014	649,495	11,264,201,810	1,513,418,866	1,062,149,172	-	2,575,568,038
2013	634,265	10,757,438,400	1,506,436,908	863,946,953	53,534	2,370,437,395
2012	619,968	10,937,453,830	1,018,114,694	720,556,945	298,454	1,738,970,093

Continued next page

Source: School District Financials

Source: * December 31, 2020 - City and County of Denver Comprehensive Annual 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
2021	\$ 226,255,934	\$ 1,968,039,451	8.74%	\$ 4,255	\$ 2,627	n/a	** n/a
2020	203,916,531	1,554,539,218	7.03%	3,943	2,138	61,348,000	4.67%
2019	173,213,859	1,687,346,492	9.41%	4,126	2,355	57,211,000	5.17%
2018	160,157,619	1,792,938,166	10.22%	4,317	2,586	47,289,000	6.33%
2017	130,144,786	1,759,407,702	12.00%	4,283	2,539	46,612,000	6.37%
2016	140,280,738	1,292,991,830	8.99%	3,630	1,894	46,617,000	5.32%
2015	109,761,547	1,372,703,419	12.06%	3,814	2,068	41,743,000	6.07%
2014	109,621,401	1,403,797,465	12.46%	3,965	2,161	36,999,000	6.96%
2013	109,580,300	1,396,856,608	12.99%	3,737	2,202	35,271,000	6.72%
2012	72,084,732	946,029,962	8.65%	2,805	1,526	33,811,000	5.14%

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>1,787,170,000</u>	12/31/20	100%	<u>1,787,170,000</u>
School District No. 1 Denver	<u>3,187,440,367</u>	06/30/21	100%*	<u>3,187,440,367</u>
	<u>\$ 4,974,610,367</u>			<u>\$ 4,974,610,367</u>

Source: December 31, 2020 - City and County of Denver Comprehensive Annual Financial Report

Source: School District Financials - June 30, 2021

*As per City and County of Denver 2020 Comprehensive Annual Financial Report, all overlapping debt for Denver Public Schools is considered overlapping at 100%

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (Unaudited)

Year Ended June 30,	Population	Total Personal Income	Median Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2021	749,103	N/A*	N/A*	36.6	90,296	6.9%
2020	727,211	\$ 61,348	\$ 81,405	36.2	92,039	2.5%
2019	716,492	\$ 57,211	\$ 79,849	35.8	93,356	3.0%
2018	693,292	\$ 47,289	\$ 69,862	35.5	92,686	3.0%
2017	693,060	\$ 46,612	\$ 67,256	35.2	92,331	3.0%
2016	682,545	\$ 46,617	\$ 68,299	35.1	91,429	3.7%
2015	663,862	\$ 41,743	\$ 62,880	34.9	90,150	4.3%
2014	649,495	\$ 36,999	\$ 56,967	34.7	87,398	7.0%
2013	634,265	\$ 35,721	\$ 56,318	34.5	84,424	8.2%
2012	619,968	\$ 33,811	\$ 54,537	34.2	81,870	9.2%

Source: December 31, 2020 - City and County of Denver Comprehensive Annual Financial Report
(The most current information available)

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

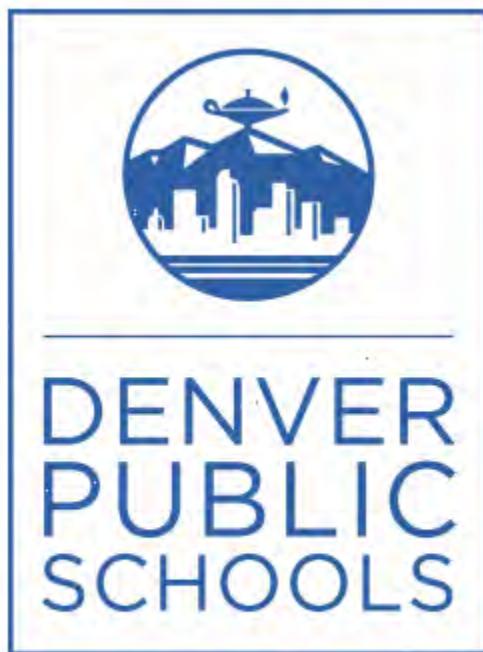
Certain data on this table are only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

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

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	14,957	1	3.40%	13,051	1	2.7%
City and County of Denver	14,675	2	3.30%	11,695	2	2.5%
State of Colorado Central Payroll	13,201	3	3.00%	9,879	3	2.1%
Denver Health & Hospital Authority	7,000	4	1.60%	7,396	4	1.6%
United Airlines, Inc.	7,000	5	1.60%	6,744	6	1.5%
Southwest Airlines	4,450	6	1.00%			
University of Denver	3,770	7	0.80%	4,241	8	0.9%
University of Colorado Central	3,085	8	0.70%	3,435	10	0.7%
Frontier Airlines	3,070	9	0.70%			
CHC Payroll Agent, Inc. (HCA Health One)	3,000	10	0.70%	3,781	7	1.0%
Deloitte Consulting LLP	-		-	7,314	5	1.6%
USDA National Finance Center	-		-	3,904	9	0.8%
Total	<u>74,208</u>		<u>16.8%</u>	<u>71,440</u>		<u>15.4%</u>

Source: December 31, 2020 - City and County of Denver Comprehensive Annual Financial Report
(The most current information available)
Based on 2020 and 2011 Principal Employers.



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

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

	2021	2020	2019	2018	2017
Number of schools participating in:					
Lunch - regular schedule	161	246	201	201	196
Breakfast program	161	244	201	205	196
Student lunches served:					
Free	2,861,259	3,951,058	5,188,252	5,543,297	5,790,913
Reduced		730,590	755,021	842,383	766,864
Fully paid		1,259,076	1,657,770	1,492,549	1,308,708
Total	<u>2,861,259</u>	<u>5,940,724</u>	<u>7,601,043</u>	<u>7,878,229</u>	<u>7,866,485</u>
Adult lunches served	2,794	307,522	19,463	18,795	21,142
Student breakfasts served:					
Free	2,588,037	2,746,512	3,569,110	4,051,403	4,181,279
Reduced		499,217	544,058	670,302	613,974
Fully paid		935,579	1,233,206	1,277,618	1,226,889
Total	<u>2,588,037</u>	<u>4,181,308</u>	<u>5,346,374</u>	<u>5,999,323</u>	<u>6,022,142</u>
Number of serving days:					
Regular schedule	169.5	174.5	174.5	173	173.5
Average daily participation:					
Student lunch	16,881	34,044	43,559	45,539	45,340
Adult lunch	16	1762	112	109	122
Student breakfast	15,269	23,962	30,638	34,678	34,710
October 1 pupil count	90,296	93,815	93,356	93,403	92,754
Percentage of students daily eating school lunch	18.69%	36.29%	46.66%	48.76%	48.88%
October 1 count of benefits					
Students on free lunch	45,398	48,474	51,467	53,167	53,734
Students on reduced lunch	5,938	10,041	8,235	9,053	8,469
Percentage of students on:					
Free lunch	50.28%	51.67%	55.13%	56.92%	57.93%
Reduced lunch	6.58%	10.70%	8.82%	9.69%	9.13%
Total	<u>56.85%</u>	<u>62.37%</u>	<u>63.95%</u>	<u>66.61%</u>	<u>67.06%</u>

Continued next page

Source: School District Planning Department

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

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

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

	2016	2015	2014	2013	2012
Number of schools participating in:					
Lunch - regular schedule	190	178	170	167	154
Breakfast program	187	176	164	163	146
Student lunches served:					
Free	6,039,463	6,321,861	6,545,540	6,157,279	6,247,801
Reduced	710,818	740,182	560,806	498,219	531,509
Fully paid	1,262,199	1,229,486	1,104,247	1,009,743	1,097,105
Total	<u>8,012,480</u>	<u>8,291,529</u>	<u>8,210,593</u>	<u>7,665,241</u>	<u>7,876,415</u>
Adult lunches served	25,558	40,205	47,833	50,983	52,596
Student breakfasts served:					
Free	4,360,853	4,598,757	3,915,825	3,200,617	2,660,621
Reduced	555,004	564,425	365,988	282,440	228,977
Fully paid	1,143,377	1,080,075	826,957	614,875	527,877
Total	<u>6,059,234</u>	<u>6,243,257</u>	<u>5,108,770</u>	<u>4,097,932</u>	<u>3,417,475</u>
Number of serving days:					
Regular schedule	173.5	172.5	172.5	171	171
Average daily participation:					
Student lunch	46,181	48,067	47,598	44,826	46,061
Adult lunch	147	233	277	298	308
Student breakfast	34,924	36,193	29,616	23,965	19,985
October 1 pupil count	91,860	90,591	87,398	84,424	81,870
Percentage of students daily eating school lunch	50.27%	53.06%	54.46%	53.10%	56.26%
October 1 count of benefits					
Students on free lunch	55,505	55,755	56,945	55,415	53,994
Students on reduced lunch	7,430	7,382	6,032	5,512	5,369
Percentage of students on:					
Free lunch	60.42%	61.55%	65.16%	65.64%	65.95%
Reduced lunch	8.09%	8.15%	6.90%	6.53%	6.56%
Total	<u>68.51%</u>	<u>69.69%</u>	<u>72.06%</u>	<u>72.17%</u>	<u>72.51%</u>

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

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

	2021	2020	2019	2018	2017
All Funds					
Instruction	6,510	6,340	6,575	6,439	6,686
Pupil support	1,076	1,089	1,177	1,173	849
Instructional support	1,174	1,200	1,240	1,160	1,355
General administration	52	61	58	46	39
School administration	834	878	849	865	833
Business services	140	138	128	124	122
Operation & maintenance	1,038	1,002	1,115	1,089	1,073
Pupil transportation	435	461	469	502	527
Central services	520	641	561	537	628
Community services	185	156	171	183	315
Education for adults	148	207	343	163	422
Food services	710	768	764	772	790
	12,822	12,941	13,450	13,053	13,639
	2021	2020	2019	2018	2017
Degree Held					
Bachelor's	3,552	3,760	3,834	3,761	3,730
Master's	4,372	4,408	4,271	4,449	4,421
Doctoral / Master's plus	224	229	211	217	224
Other	543	595	620	630	713
	2016	2015	2014	2013	2012
All Funds					
Instruction	6,948	7,495	6,911	4,893	5,277
Pupil support	792	533	448	386	422
Instructional support	1,361	1,133	803	812	786
General administration	40	37	36	26	28
School administration	827	756	37	699	705
Business services	118	131	108	114	124
Operation & maintenance	964	917	1,011	722	717
Pupil transportation	523	544	579	190	190
Central services	619	589	602	384	362
Community services	246	205	283	121	100
Education for adults	240	130	20	77	141
Food services	675	676	581	156	145
	13,353	13,146	11,419	8,580	8,997

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, 2021 the degree held data is for 12,011 actual FTE's (9,618 of whom are full-time and 2,393 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)

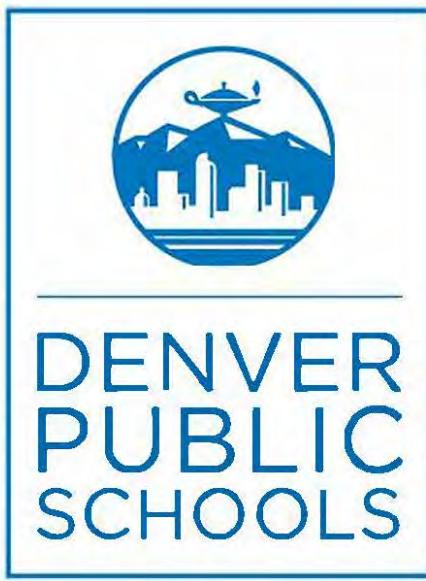
Enrollment is as of October 1 in fiscal year.	2021	2020	2019	2018	2017
Elementary & K-8 Schools:**	112	111	111	110	111
Total Square Feet	8,257,097	8,227,573	8,176,304	8,055,067	7,848,747
Total Capacity (Students)	74,214	74,214	74,214	73,575	73,200
Enrollment	39,915	43,530	43,994	45,426	46,002
Middle Schools:**	14	14	14	14	13
Total Square Feet	1,667,851	1,651,073	1,651,073	1,651,073	1,647,064
Total Capacity (Students)	12,325	12,325	12,325	12,325	12,425
Enrollment	9,525	9,443	9,271	12,157	10,185
High Schools:**	44	44	43	43	43
Total Square Feet	5,776,799	5,778,945	5,683,459	5,683,459	5,660,945
Total Capacity (Students)	44,593	44,593	44,025	44,025	44,425
Enrollment	19,506	19,046	18,711	14,786	17,082
Alternative Schools:***	14	14	14	13	14
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	1,619	1,743	1,791	1,852	1,884
Charter Schools:***	58	58	58	58	54
Total Square Feet	-	-	-	-	-
Total Capacity (Students)	-	-	-	-	-
Enrollment	19,731	20,053	19,589	18,763	17,178
	2016	2015	2014*	2013	2012
Elementary & K-8 Schools:**	121	120	136	82	82
Total Square Feet	6,694,908	6,694,908	6,694,908	5,651,281	5,596,588
Total Capacity (Students)	67,050	67,050	67,050	42,226	42,226
Enrollment	46,388	48,153	46,658	44,391	39,673
Middle Schools:**	29	29	15	15	14
Total Square Feet	1,955,193	1,955,193	1,955,193	2,114,045	2,114,543
Total Capacity (Students)	14,825	14,825	14,825	14,364	14,364
Enrollment	9,921	9,146	9,738	9,551	8,613
High Schools:**	35	27	38	12	12
Total Square Feet	4,843,312	4,824,362	4,824,362	3,793,938	3,774,707
Total Capacity (Students)	39,050	39,050	39,050	21,385	21,385
Enrollment	16,679	16,053	15,822	15,608	13,492
Alternative Schools:***	18	18	13	4	5
Total Square Feet	-	-	-	263,581	263,581
Total Capacity (Students)	-	-	-	1,006	1,006
Enrollment	1,727	1,774	1,613	1,597	923
Charter Schools:***	60	51	43	18	18
Total Square Feet	-	-	-	11,414	11,414
Total Capacity (Students)	-	-	-	-	-
Enrollment	16,714	15,024	13,567	11,567	5,391

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

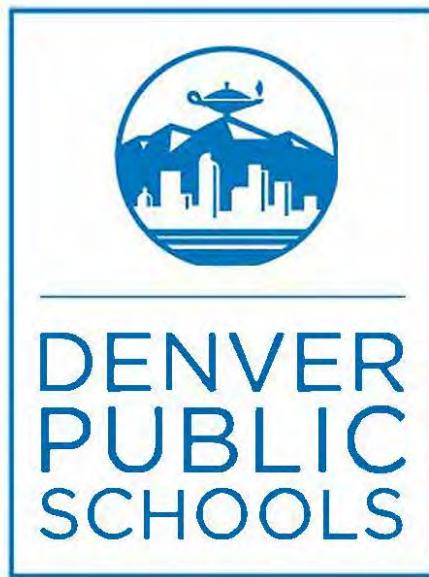
* The District has changed the presentation of this schedule. For the Alternative and Charter Schools located in DPS owned buildings, square footage and capacity are reflected in the K-12 building data and enrollment data is reflected within the Alternative and Charter Schools program categories.

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

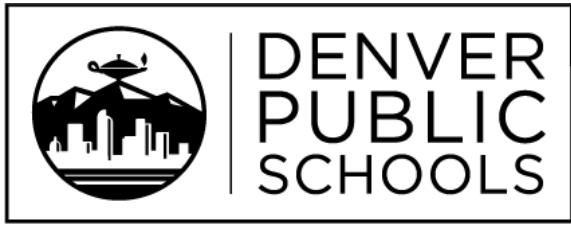
*** Program Count



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SINGLE AUDIT REPORT

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of School District No. 1 in the City and County of Denver and State of Colorado (the District), as of and for the year ended June 30, 2021, the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2021, which contained an emphasis of matter paragraph regarding a change in reporting entity and to correct misstatements. Our report includes a reference to other auditors who audited the financial statements of the Denver Public Schools Professional Compensation System for Teachers Trust Fund (the ProComp fund), a blended component unit. Our report also includes a reference to other auditors who audited the financial statements of all of the charter schools, except for DSST Public Schools, KIPP Colorado Schools and STRIVE Preparatory Schools, that are included as aggregate discretely presented component units. The component units included as aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Rocky Mountain Preparatory, DSST Public Schools, Highline Academy Schools, KIPP Colorado Schools and STRIVE Preparatory Schools. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinion 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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

BKD, LLP

Denver, Colorado
November 18, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited School District No. 1 in the City and County of Denver and State of Colorado's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

BKD, LLP

Denver, Colorado
November 18, 2021

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

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>				
National School Lunch Program	Colorado Department of Education	4555	10.555	\$ 2,090,670
COVID-19- National School Lunch Program	Colorado Department of Education	4555	10.555	3,099,387
Donated Commodities	Colorado Department of Human Services	None	10.555	2,359,749
Summer Food Service Program for Children	Colorado Department of Education	4559	10.559	<u>16,729,355</u>
<i>Child Nutrition Cluster Subtotal</i>				<u>24,279,161</u>
Child and Adult Care Food Program	Colorado Department of Public Health- Environment	193CO301N1090	10.558	100,442
Fresh Fruit and Vegetable Program	Colorado Department of Education	4582	10.582	<u>548,774</u>
Total Department of Agriculture				<u>24,928,377</u>
Department of Defense				
JROTC Career Academy			12.000	<u>897,497</u>
Total Department of Defense				<u>897,497</u>
Department of Labor				
<i>WIA/WIOA Cluster</i>				
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-201948967-00	17.259	4,246
WIA/WIOA Youth Activities	City and County of Denver	OEDEV-202054628-00	17.259	<u>261,144</u>
<i>WIA/WIOA Cluster Subtotal</i>				<u>265,390</u>
H-1B Job Training Grants	Colorado Community College System	7268	17.268	46,423
Total Department of Labor				<u>311,813</u>
National Science Foundation				
<i>Research and Development Cluster</i>				
Education and Human Resources	University of Colorado	1742053	47.076	<u>55,357</u>
<i>Research and Development Total</i>				<u>55,357</u>
Total National Science Foundation				<u>55,357</u>

**School District No. 1 in the
City and County of Denver and State of Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2021**

Federal Grantor/Program or Cluster Title	Pass-through Grantor	Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
Department of Treasury				
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	4012	21.019	53,096,217
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	5012	21.019	4,685,206
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	6012	21.019	151,776
COVID-19-Coronavirus Relief Fund	Colorado Department of Education	9012	21.019	6,179,246
Total Department of Treasury				64,112,445
Department of Education				
Adult Education - Basic Grants to States	Colorado Department of Education	5002	84.002	70,666
<i>Federal Student Financial Aid Cluster</i>				
Federal Supplemental Educational Opportunity Grants			84.007	90,000
Federal Pell Grant Program			84.063	1,158,098
<i>Federal Student Financial Aid Cluster Subtotal</i>				1,248,098
Title I Grants to Local Educational Agencies	Colorado Department of Education	4010	84.010A	28,823,354
Title I Grants to Local Educational Agencies	Colorado Department of Education	5010	84.010A	681,335
Title I Grants to Local Educational Agencies	Colorado Department of Education	7010	84.010A	438,923
<i>Title I Grants to Local Educational Agencies Subtotal</i>				29,943,612
<i>Special Education Cluster (IDEA)</i>				
Special Education Grants to States	Colorado Department of Education	4027	84.027	19,474,956
Special Education Preschool Grants	Colorado Department of Education	4173	84.173	421,370
<i>Special Education Cluster Subtotal</i>				19,896,326
Career and Technical Education -- Basic Grants to States	Colorado Community College System	4048	84.048	989,880
Career and Technical Education -- Basic Grants to States	Colorado Community College System	V048A200006	84.048	147,614
<i>Career and Technical Education--Basis Grants to States Subtotal</i>				1,137,494
Indian Education Grants to Local Education Agencies			84.060	186,317
School Safety National Activities (formerly, Safe and Drug- Free Schools and Communities - National Programs)	Colorado Department of Education	8174	84.184F	13,000
Charter Schools	Colorado Department of Education	5282	84.282	392,156
Charter Schools	Colorado Department of Education	8282	84.282A	421,667
<i>Charter Schools Subtotal</i>				813,823

**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, 2021**

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)				
Twenty-First Century Community Learning Centers	Colorado Department of Education	5287	84.287C	420,476
Twenty-First Century Community Learning Centers	Colorado Department of Education	6287	84.287C	681,525
<i>Twenty- First Century Community Learning Centers Subtotal</i>				<u>1,102,001</u>
Education Research, Development and Dissemination	Colorado Department of Education	1558003	84.305	11,617
Teacher Quality Partnership Grants	University of Colorado at Boulder	FY15.733.001	84.336	(188)
English Language Acquisition State Grants	Colorado Department of Education	4365	84.365A	2,461,068
English Language Acquisition State Grants	Colorado Department of Education	7365	84.365A	132,482
<i>English Language Acquisition State Grants Subtotal</i>				<u>2,593,550</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Colorado Department of Education	4367	84.367A	3,056,801
School Improvement Grants	Colorado Department of Education	7377	84.377A	(220,347)
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Colorado Department of Education	U396B100143	84.411	2,261
Student Support and Academic Enrichment Program	Colorado Department of Education	4424	84.424	2,132,220
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4425	84.425D	22,415,483
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4414	84.425U	5,656
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	4420	84.425D	139,678
COVID-19-Elementary and Secondary School Emergency Relief (ESSER) Fund	Colorado Department of Education	9414	84.425U	9,736
COVID-19-Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	Colorado Department of Education	84.425E		968,135
COVID-19-Higher Education Emergency Relief Fund (HEERF) Institutional Aid Portion		84.425F		<u>1,791,372</u>
<i>COVID-19-Education Stabilization Fund Subtotal</i>				<u>25,330,060</u>
Total Department of Education				<u>87,317,311</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, 2021**

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				
Teenage Pregnancy Prevention Program	Colorado Youth Matter	None	93.297	(4,258)
Grants for School-Based Health Center Capital Expenditures	Colorado Department of Human Services	155337-01	93.501	100,000
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	19 IHGA 12701	93.558	71,849
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	21 IHGA 163267	93.558	291,826
<i>Temporary Assistance for Needy Families (TANF) Subtotal</i>				<u>363,675</u>
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	Colorado Department of Human Services	19 IHGA 127101	93.566	3,563
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	Colorado Department of Human Services	20 IHGA 140833	93.566	66,653
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	Colorado Department of Human Services	21 IHGA 163267	93.566	299,807
<i>Refugee and Entrant Assistance State/Replacement Designee Administered Programs Subtotal</i>				<u>370,023</u>
CCDF Cluster				
COVID-19- Child Care and Development Block Grant	Colorado Department of Human Services	7575	93.575	219,932
<i>CCDF Cluster Subtotal</i>				<u>219,932</u>
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	20 IHGA 140833	93.576	28,286
Refugee and Entrant Assistance Discretionary Grants	Colorado Department of Human Services	21 IHGA 163267	93.576	148,173
<i>Refugee and Entrant Assistance Discretionary Grants Subtotal</i>				<u>176,459</u>
Head Start Cluster				
Head Start	City and County of Denver	MOEAI-202056348	93.600	2,510,083
<i>Head Start Cluster Subtotal</i>				<u>2,510,083</u>
Opioid STR	Colorado Department of Human Services	20 IHJA 140936	93.788	99,111
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services	21 IHJA 159955	93.959	189,133
Total Department of Health and Human Services				<u>4,024,158</u>
Total Federal Expenditures			\$	<u>181,646,958</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, 2021

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the District. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the District through the state of Colorado or other non-federal entities. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.
2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies and pass through grantors. The District utilizes the indirect cost rate established for it by the Colorado Department of Education, therefore it has not used the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. Certain grant programs have not been assigned Catalog of Federal Domestic Assistance (CFDA) numbers by the federal government, or the numbers are not obtainable. These programs are identified in the Schedule by the federal agency number followed by three zeros (for example, 12.000).
4. During the year ended June 30, 2021, the District did not pass through any federal funds to subrecipients.
5. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
6. Commodities donated to the District by the U.S Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The District takes possession of all inventory, including commodity items when they reach the District's dock or cold storage facility, and title passes at that time. The majority of commodity items are stored in the district warehouse or off-site cold storage facility. Since the District has received title to the commodities, the unused commodities are not reflected as unearned revenue. The commodities are reported under the National School Lunch Program (CFDA 10.555) on the Schedule. The District recognized noncash awards of \$2,359,749 for the year ended June 30, 2021.
7. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
8. Recognition of Prior Expenditures: The District received a pass through CARES HEERF I grant from the Colorado Department of Higher Education. The District incurred expenditures of \$1,600,336 in

**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, 2021**

2020. The total federal portion of these expenditures is presented in the 2021 schedule of expenditures of federal awards.

**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, 2021

Section I – Summary of Auditor's Results

Financial Statements

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

Unmodified Qualified Adverse Disclaimer

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

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

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

Federal Awards

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

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

5. The opinion expressed in the independent auditor's report on compliance for major federal award programs was:

Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings 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, 2021

7. The District's major programs were:

CFDA Number	Name of Federal Program or Cluster
21.019	COVID-19-Coronavirus Relief Fund
84.010A	Title I Grants to Local Educational Agencies
84.367A	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)
84.425D, 84.425E, 84.425F, 84.425U	COVID-19-Education Stabilization Fund

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

9. The District qualified as low-risk auditee?

Yes No

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No findings noted.

**School District No. 1 in the
City and County of Denver and State of Colorado**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2021

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
2021-001	<p>Finding: Reporting</p> <p>Federal Assistance Listing Number 84.425E & 84.425F - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion & HEERF Institutional Portion</p> <p>Department of Education</p> <p>Award Number - P425E203464 & P425F202917</p> <p>Award Year 2021</p> <p>Criteria: The <i>Coronavirus Aid, Relief, and Economic Security Act</i> (CARES Act) was signed into law on March 27, 2020 and appropriated federal funds to provide economic aid to the American people negatively impacted by the COVID-19 pandemic. As part of the CARES Act, funds were given to Emily Griffith Technical College (EGTC) under the Higher Education Emergency Relief Fund (HEERF) Program. The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), was signed into law on December 27, 2020, and authorized additional funding under the HEERF program (HEERF II). Finally, the American Rescue Plan Act of 2021 (ARP), enacted on March 11, 2021, authorized a third round of funding (HEERF III) in order for higher education institutions to serve students and ensure learning continues during the COVID-19 pandemic. Under the requirements of the HEERF program there are three components to reporting: (1) public reporting on the Student Aid Portion; (2) public reporting on the Institutional Portion, and (3) the annual report.</p> <p>Condition: The EGTC had not posted the Student Aid or Institutional Portion reports to the EGTC website for the four quarterly reports selected for testing. Additionally, the reporting frequency of the Student Aid reports was not consistent with the existing federal requirements.</p> <p>Questioned Costs: None noted.</p> <p>Context: We tested four of the eight quarterly Student Aid and Institutional reports for fiscal year 2021 to determine whether the reports were posted on the EGTC website by the federal due dates and complied with federal regulations.</p> <p>Effect: Constituents of the District and EGTC and federal oversight agencies, including the Department of Education, depend on accurate reports posted to the institution's website to measure program results and compliance with federal requirements and to ensure the transparency of the District. By failing to report the HEERF spending information in accordance with federal regulations, the District failed to comply with the requirements of the grant award notification.</p>

**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, 2021

Reference Number	Finding
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Cause: EGTC did not have adequate internal controls in place to ensure it complied with the HEERF grant reporting requirements. Specifically, they did not have appropriate policies and procedures in place for identifying and staying abreast of changes in federal reporting compliance and ensuring that staff publicly posted the required reports within federally required timeframes. Finally, EGTC did not have adequate cross-training in place to ensure that reporting requirements were met after turnover occurred during the fiscal year.

Identification as a Repeat Finding: Not applicable.

Recommendation: We recommend that EGTC strengthen its internal controls over reporting and ensure it complies with the Higher Education Emergency Relief Fund reporting requirements and to develop policies and procedures for staying abreast of the specific reporting requirements.

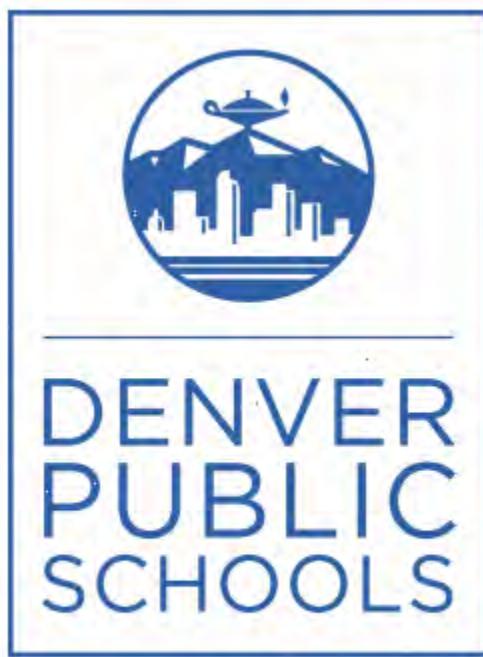
Views of Responsible Officials: We agree with the finding. See separate report for planned corrective actions.

**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, 2021

Reference Number	Summary of Finding	Status
	No findings noted.	

**School District No. 1 in the
City and County of Denver and State of Colorado**
Status of Prior Year Audit Findings
Year Ended June 30, 2021

Reference Number	Summary of Finding	Status
	No findings noted.	



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