

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

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2009**

Report issued by:

The Financial Services Department

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED June 30, 2009**

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I.

INTRODUCTORY

SECTION

I.

INTRODUCTORY

SECTION



December 7, 2009

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

The Comprehensive Annual Financial Report of School District No. 1 in the City and County of Denver and State of Colorado (the "School District") for the fiscal year ended June 30, 2009, is hereby submitted, in compliance with 29-1-603 of the Colorado Revised Statutes and the by-laws of the Board of Education. This report was prepared by the Financial Services Department and includes the report of the independent auditors, Clifton Gunderson LLP. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, remains with the School District. To the best of our knowledge and belief, 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 School District as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the School District's financial affairs have been included.

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

- The introductory section includes this transmittal letter, the School District's organizational chart, a list of principal officials and a reproduction of the 2008 GFOA Certificate of Achievement and the 2008 ASBO Certificate of Excellence;
- The financial section includes management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information, as well as the independent auditors' report on the financial statements and schedules and;
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Management's Discussion and Analysis is included in the financial section and provides an overview of the School District's operations for fiscal year 2009. The independent auditors' reports on the School District's internal control over financial reporting and compliance and other matters are included in the Single Audit reports, which are presented separately.

This CAFR includes all the financial activity of the School District. The School District serves the City and County of Denver. Though its boundaries are coterminous with those of the City, the School District is a fiscally and politically independent subdivision operating under the school laws of the State of Colorado. In defining and determining the School District as an appropriate reporting entity, the School District has considered the scope of public services of various associations and entities. More specifically, these considerations include, but are not limited to, the School District's ability to select another entity's governing authority or management, to significantly influence operations, to approve budgetary appropriations and revisions and the School District's responsibilities to fund deficits and operating deficiencies. Using the above considerations, the School District has included the Denver School Facilities Leasing Corporation, using the blended method, in its financial statements. Additionally, the Denver Public Schools Foundation and School District's charter schools have been included as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

The School District receives a majority of its General fund revenues from the Public School Finance Act funding formula, categorical program support from the state, and four voter-approved property tax mill levy overrides.

In November 2000, the Colorado voters approved Amendment 23, "Funding for Public Schools", which requires that the statewide base per pupil funding and the total State funding for categorical programs increase by at least the rate of inflation plus one-percent for the ten-year period beginning FY 2001-02, and by at least the rate of inflation thereafter. In addition, State revenues collected from a tax of one-third of one-percent on federal taxable income shall be deposited into the State Education Fund. The State cannot use the State Education Fund monies to supplant the level of Public School Finance Act and categorical funding appropriated in the State general fund existing for FY 1999-00; and, for the ten-year period through FY 2010-11, the State must annually increase its State general fund support for Public School Finance Act funding by a minimum of five percent. This State minimum general fund growth is not required in any fiscal year that Colorado personal income grows by less than four and one-half percent between the two previous calendar years. The State Education Fund monies can be used to fund what additional amounts are needed as required by Amendment 23 and any remaining funds can be used to support certain educational programs, as appropriated by the State General Assembly. As a result of the passage of Amendment 23, School Finance Act formula funding has increased each year for the School District by approximately the rate of inflation plus one-percent plus enrollment growth. Enrollment, in this regard, has been increasing for the School District over the last few years and is expected to continue so in the near future.

No school district may levy General Fund taxes at a rate greater than that allowed by the Public School Finance Act unless authorized to do so at a general election or at a special election in November in odd-numbered years. The maximum amount of the revenue increase may not exceed 20% of the formula amount or \$200,000, whichever is greater, plus an amount equal to the maximum dollar amount of property tax revenue that the district could have generated for FY 2001-02 in a Cost of Living Adjustment election. Specific ownership tax revenue attributable to an override levy and to a bond redemption levy that is not used to satisfy bonded indebtedness must be applied towards the override limit. In November 1988, November 1998, and November 2003, the voters of Denver approved overrides of \$12,099,253, \$17 million, and \$20 million, respectively, for an indefinite period of time. In November 2005, the voters of Denver approved the Denver Public Schools referred measure to levy \$25 to be adjusted annually in future years for inflation as measured by the Denver-Boulder-Greeley consumer price index. This amount for the 2009 collection year was \$27 million. All but the first measure are targeted to fund specific programs or initiatives. Based on estimated formula funding for FY 2009-10 and a 20% override limit plus the FY 2001-02 cost of living adjustment, the maximum additional override property taxes that could be requested of the voters by the School District if an election were held in November 2009 is \$30.2 million.

For FY 2009-10, the General Fund revenues for the School District are anticipated to be \$640.4 million, inclusive of transfers in from other funds, compared to the actual \$625.8 million for FY 2008-09, or a \$14.6 million increase, attributable to the consumer price index plus one-percent funding increase in the school finance formula, as well as the increase in the School District's total and at-risk enrollment. The School District's other funds include special revenue funds from grants, athletic events, and private contributions; bond redemption fund taxes and reserves; capital reserve fund and internal service fund support from the general fund and other funds; bond proceeds from the sale of general obligation bonds; food service enterprise funds from food sales and federal subsidies; and various trust funds. For FY 2009-10, sources for the other funds continue to be on the rise.

MAJOR INITIATIVES

Capital Improvement Plan

In 2008, the School District updated its Capital Improvement Plan and analyzed its capital needs in light of continuing enrollment growth and Denver property development, aging school buildings, and educational program requirements in anticipation of a bond referendum to come before the voters.

The School District's Capital Improvement Plan has been updated by management for the condition of existing schools. In addition, management continues to meet with City agencies and developers to discuss future school sites at the Stapleton Urban Redevelopment Area, for which schools will be funded with tax increment financing approved by the City pursuant to an Urban Renewal Plan and a May 2004 School Funding Agreement entered into between the Denver Urban Renewal Authority and the School District.

On November 4, 2008, the School District received voter approval on one ballot question. The School District received authorization to issue \$454 million in general obligation bonds to be used to: make critical repairs and renovations; improve computer technology; replace deteriorating school playgrounds; construct a new kindergarten-through-eighth grade and new high school; and expand elementary school classroom capacity. Of this authorization, general obligation bonds in the amount of \$149.2 million were issued on April 2, 2009. An additional \$24.0 million in qualified school construction bonds were issued on October 14, 2009.

Professional Compensation for Teachers Mill Levy Override

Denver Public Schools Professional Compensation System ("ProComp") is a groundbreaking compensation system that links teacher pay to the Denver Public School's instructional mission. Designed in a partnership between the Denver Classroom Teachers Association (DCTA) and the School District, ProComp has received national attention because it rewards teachers for their professional accomplishments while linking pay to student achievement. ProComp promotes improved student achievement by:

- Rewarding teachers with bonuses and salary increases for improved student performance
- Encouraging talented teachers to work in schools and assignments with the greatest needs

ProComp helps attract and retain top quality teachers by:

- Allowing teachers to have more direct control of their career with options that reward them for increased knowledge and skills
- Offering salary incentives for satisfactory professional evaluations

Denver voters went to the polls on November 1, 2005, to approve the \$25 million mill levy to pay for the new system with such amount to be increased annually by inflation in future years. The ProComp mill levy dollars are to be used to pay for the difference between the amount of compensation paid to School District general-operating-fund-paid DCTA members who are paid pursuant to the ProComp Agreement and what they would have been paid pursuant to the Master Agreement. In addition, the ProComp mill levy dollars are to be used for reasonable and necessary expenses of administering the Denver Public Schools Professional Compensation System for Teachers Trust ("Trust") such as legal and other professional fees, Trustee expenses, the rental or leasing of equipment and supplies as needed by the Trust. The Trust, which is a part of the School District and accounted for in a special revenue fund, is responsible for receiving the ProComp mill levy tax dollars from the Denver Public Schools, managing and distributing these funds. One of the most important functions of the Trust is to ensure that ProComp is financially stable over time. The Trust also is responsible for monitoring how the School District spends the monies derived from the Trust and ensuring that they are spent only for ProComp related expenses and spent in a manner consistent with the ProComp Agreement. The Denver Public Schools

Teacher Compensation Trust Agreement was approved by the School District Board of Education and ratified by the DCTA Executive Board. The first tax dollars from the November 1, 2005, Denver voter-approved mill levy were received by the School District on February 10, 2006 from the City and County of Denver for January 2006.

FINANCIAL INFORMATION

Internal Control

Management of the School District is responsible for establishing and maintaining effective internal control to ensure that the assets of the School 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 generally accepted accounting principles. The School 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 School 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 School District.

As a part of the School District's single audit, tests are made to determine the adequacy of its internal control (however, not to provide assurance on the internal control), including that portion related to federal financial assistance programs, as well as to determine that the School District has complied with applicable laws and regulations.

Accounting and Budgetary Controls

The School District maintains its records on the full accrual basis for proprietary funds, on the modified accrual basis for all other funds except the general fund and capital funds which are on the non-GAAP budgetary basis, which is modified accrual for revenues (with the exception of forward delivery agreement proceeds), and encumbrances are recorded as expenditures and changes in accrued payroll are excluded for budgetary purposes. For financial statement presentation purposes, the modified accrual basis of accounting is followed for all governmental funds and similar fiduciary fund types. The management's discussion and analysis and the notes to financial statements expand upon this and other accounting policies. All of the School District's funds are presented in this report and have been audited by the School District's independent auditors, Clifton Gunderson LLP. The financial statements have been prepared in accordance with the Standards of the Governmental Accounting Standards Board. The Association of School Business Officials International has also adopted the standards.

In developing and evaluating the School District's accounting system, consideration is given to the adequacy of the internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe that the School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial data.

Budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is maintained at the total fund level for each individual fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary

integration in all its funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Variances from the budget are reported to the School District's management and Board of Education on a monthly basis.

Cash Management

In keeping with prudent fiscal management, receipts were deposited and invested on a frequent basis in order to minimize idle funds. Funds were deposited in public depositories as designated by the Banking Board and the Commissioner of Financial Services, and approved by the Board of Education.

Also, it was necessary for the School District to participate in the State of Colorado's School District Cash Flow Program by borrowing \$166 million throughout the fiscal year in order to meet operating expenditures since the property tax receipt of significant amounts are not received until March, April, May and June. The loan was repaid during the months of March and May 2009.

Risk Management

The Self-Insurance Fund, accounted for as an Internal Service Fund, contains the financial activity supporting a portion of the School District's worker's compensation program and all of the property and liability insurance programs. The worker's compensation program is a structured self-financed program with the State of Colorado whereas the property and liability insurance program is administered by the Colorado School Districts Self-Insurance Pool wherein risk is managed for all members. The latter was established with the intent to reduce Colorado school districts' long-term burden for property and liability insurance premiums. Revenue for the Self-Insurance Fund is generated primarily through a purchased service by the General Fund (other funds reimburse the General Fund). A professional risk manager oversees the risk management program with the charge of developing and implementing measures for the purposes of minimizing the School District's risks and related losses.

Financial Policies

The School District adopted a Contingency Reserve Policy in January 2005 requiring that the General Fund set aside a 1% Contingency Reserve beginning FY 2005-06, to grow to 2% for FY 2006-07 and then 3% for ensuing fiscal years. The School District was able to achieve the 3% by FY 2006-07 due to the availability of funding. At the same time, the School District established a Retiree Health Benefit Trust effective July 1, 2005, for which lump-sum deposits were made on July 1 of 2005, 2006 and 2007, in addition to monthly contributions.

Long-term Financial Planning

The School District continues to review and analyze forward-looking financial projections as part of its annual budgetary process and considers it to be a critical component to successfully managing the finances of the School District. This is especially true in the current economic environment as the School District will be confronting a future funding decline as a result of the budget challenges the State of Colorado faces and the future completion of the two year funding received from the Federal Government as a result of the American Recovery and Reinvestment Act (ARRA). As a result, it is paramount that the School District reviews its projected financial position in order to ensure that appropriate re-balancing and budget setting occurs proactively to mitigate and prepare for these future financial pressures. One example is the School District's commitment to maintaining an adequate and appropriate fund balance through the establishment of reserves.

OTHER INFORMATION

Independent Audit

The Revised Statutes of the State of Colorado require an annual audit by independent certified public accountants. The accounting firm of Clifton Gunderson LLP was selected by the School District's Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was

designed to meet the requirements of the federal Single Audit Act Amendment of 1996 and related Office of Management and Budget Circular A-133. The independent auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to School District No. 1 in the City and County of Denver for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-fourth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the School District was awarded the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its CAFR for the fiscal year ended June 30, 2008. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. An expert ASBO Panel of Review consisting of certified public accountants and practicing school business officials grants the award only after an intensive review of the financial report. To receive the award is recognition that the School District has met the highest standards of excellence in school financial reporting. A Certificate of Excellence is valid for a period of one year only. School District No. 1 in the City and County of Denver has received a Certificate of Achievement for the last eleven consecutive fiscal years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to the ASBO.

Acknowledgement

The preparation of this report could not have been accomplished without the cooperation and the efficient dedicated services of the entire administrative staff of the School District. We would especially like to express our appreciation to the members of the Board of Education for their interest and support in conducting the financial affairs of the School District during the year.

Respectfully submitted,

/s/Brett J. Fuhrman
Chief Financial Officer

/s/Thomas R. Basilico
Interim Controller

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

Certificate of Achievement for Excellence in Financial Reporting

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. P. R. T."

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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

Certificate of Excellence in Financial Reporting

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

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

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

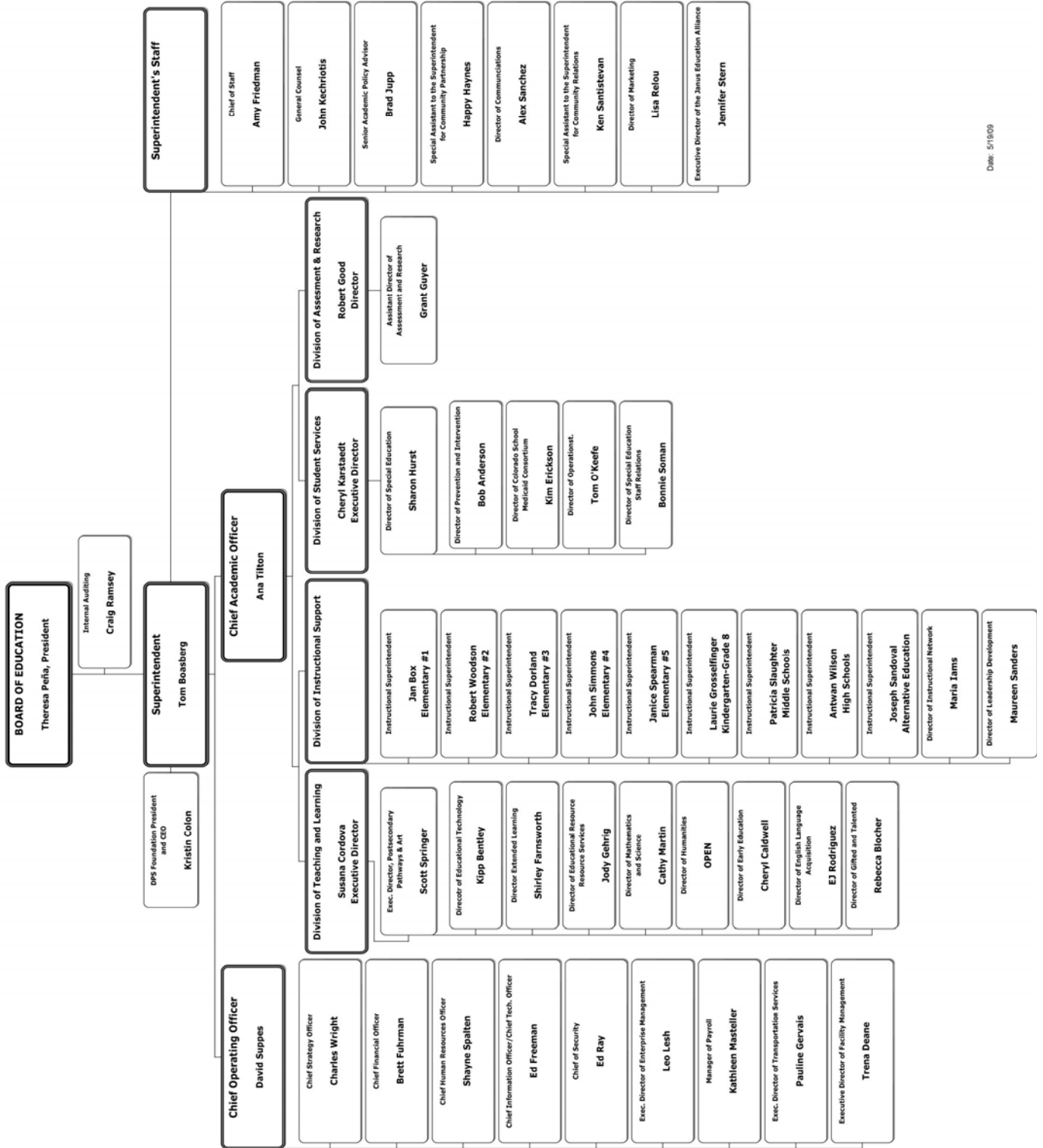
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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

Organizational Chart



Date: 5/19/09

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

District Officials

BOARD OF EDUCATION

Theresa Peña	President
Michelle Moss	Vice President
Bruce Hoyt	Treasurer
Jill Conrad	Secretary
Jeannie Kaplan	Member
Arturo Jimenez	Member
Kevin Patterson	Member

Superintendent

Tom Boasberg

Chief Financial Officer

Brett Fuhrman

II.
FINANCIAL
SECTION

II.
FINANCIAL
SECTION

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of 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, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Of the discretely presented component units, only the financial statements of Ridge View Academy were audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2009 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and other post-employment benefit information on pages II.3 through II.12 and II.84 through II.91 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor and individual fund financial statements and schedules and the CDE Report listed in the table of contents are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Henderson LLP

Greenwood Village, Colorado
December 7, 2009

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

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2009

As management of Denver Public School District No. 1 in the City and County of Denver and State of Colorado (the "School District"), we offer readers of the School District's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2009. 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 I.1 of this report.

Financial Highlights

- On the Statement of Net Assets, the School District's primary government net assets (liabilities) are reported as \$(654.8) million. This is primarily due to total long-term liabilities (due within one year and due after one year) of \$1,570.6 million. \$791.6 million of the long-term liabilities relate to bonds payable, which will be paid with Denver voter-approved future property tax collections that are restricted to the repayment of this debt and are not currently shown as assets. \$760.1 million of the long-term liabilities relate to taxable certificates of participation that were issued in 1997 and 2008 to fund pension related costs and \$4.5 million of certificates of participation that were issued in 1996.
- The School District has a \$13.4 million Other Post-Employment Benefit (OPEB) net asset on the Statement of Net Assets. This represents the amount that the School District contributed to the retiree benefit trusts that was greater than the actuarial required contribution. Additional information on the School District's OPEB can be found in note 10 to the basic financial statements.
- On the Statement of Activities, general revenues and transfers accounted for \$666.8 million or 79 percent of the \$845.9 million in total primary government revenues. Program specific revenues in the form of charges for services and sales, grants and contributions, accounted for \$179.1 million or 21 percent of total revenues.
- Outstanding long-term and current debt increased to \$1,570.6 million from \$1,436.6 million in 2008 primarily due to the issuance of \$149.2 million in general obligation bonds.
- On the Balance Sheet, fund balance of the School District's governmental funds, increased by \$118.0 million resulting in an ending fund balance of \$324.9 million. This increase is primarily due to new general obligation bond proceeds in the Building Fund.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic 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, 2009

Government-wide Statements

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

The statement of net assets includes all of the School District's assets and liabilities, with the difference between the two reported as net assets to the exclusion of fiduciary funds. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as 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's 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 School District's activities are divided into two categories:

- ***Governmental activities:*** Most of the School District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. Taxes and intergovernmental revenues principally support these activities.
- ***Business-type activities:*** The food service program is intended to recover all or a significant portion of their costs through fees, charges, and governmental reimbursements.

The government-wide financial statements include not only the School District itself (known as the primary government), but also the legally separate Denver Public Schools Foundation and charter schools as component units of the School District. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Denver School Facilities Leasing Corporation has been included as a blended component unit.

Fund Financial Statements

A fund is a grouping of related accounts that is 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 School District's operations, focusing on its most significant or "major" funds, not the School District as a whole. The School District has three kinds of funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) 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 School District's programs.

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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 School District maintains eight 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 fund, the special revenue fund, ProComp special revenue fund, the bond redemption (debt service) fund, the capital projects building fund and the capital reserve fund, all of which are considered to be major funds. Data for the other two governmental funds (pupil activity fund and permanent fund) is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds: The School District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The School District uses enterprise funds to account for its food services fund. Internal service funds are an accounting device to accumulate and allocate costs internally among the School District's various functions. The School District uses internal service funds to account for its self insurance, DoTs (Department of Technology Services) service bureau, and warehouse activities. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets for the general fund and special revenue funds. In addition, two schedules related to other post employment benefits are included in this section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. These are followed by schedules of revenues, expenditures, encumbrances and changes in fund balance –

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budget and actual (non-GAAP budget basis) for the School District's building and capital reserve fund. The schedules of revenue, expenditures, and changes in fund balance – budget and actual (GAAP basis) for the remaining funds follow next. The combining statements referred to earlier relating to the internal service funds are provided next.

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

Financial Analysis of the School District as a Whole

As noted earlier, net assets may serve over time as a useful indicator of the School District's financial position.

53% of the School District's assets are its investment in capital assets (e.g., land, buildings, and equipment). The School District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the School District's net assets (liabilities) as of June 30, 2009 and 2008, respectively (in millions):

	June 30, 2009			June 30, 2008		
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Current and other assets	\$ 470.0	\$ 8.0	\$ 478.0	\$ 341.3	\$ 8.3	\$ 349.6
Capital assets	<u>531.8</u>	<u>.5</u>	<u>532.3</u>	<u>531.7</u>	<u>.6</u>	<u>532.3</u>
Total assets	1,001.8	8.5	1,010.3	873.0	8.9	881.9
Long-term liabilities	1,543.1		1,543.1	1,410.9		1,410.9
Other liabilities	<u>121.0</u>	<u>1.0</u>	<u>122.0</u>	<u>116.2</u>	<u>1.1</u>	<u>117.3</u>
Total liabilities	<u>1,664.1</u>	<u>1.0</u>	<u>1,665.1</u>	<u>1,527.1</u>	<u>1.1</u>	<u>1,528.2</u>
Net assets:						
Invested in capital assets, net of related debt	156.5	.5	157.0	156.8	.6	157.4
Restricted	75.7		75.7	69.4		69.4
Unrestricted	<u>(894.5)</u>	<u>7.0</u>	<u>(887.5)</u>	<u>(880.3)</u>	<u>7.2</u>	<u>(873.1)</u>
Total net assets (liabilities)	<u>\$ (662.3)</u>	<u>\$ 7.5</u>	<u>\$ (654.8)</u>	<u>\$ (654.1)</u>	<u>\$ 7.8</u>	<u>\$ (646.3)</u>

To calculate capital assets, net of related debt, the original long-term debt was evaluated to ascertain the amount of proceeds not spent, and of the amount spent, what portion of it had been used on capital assets versus maintenance projects and other non-capitalizable expenditures. That percentage was then applied to the outstanding long-term debt to determine the amount applicable to capital assets.

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Governmental Activities

Following is a summary of the School District's change in net assets (in millions):

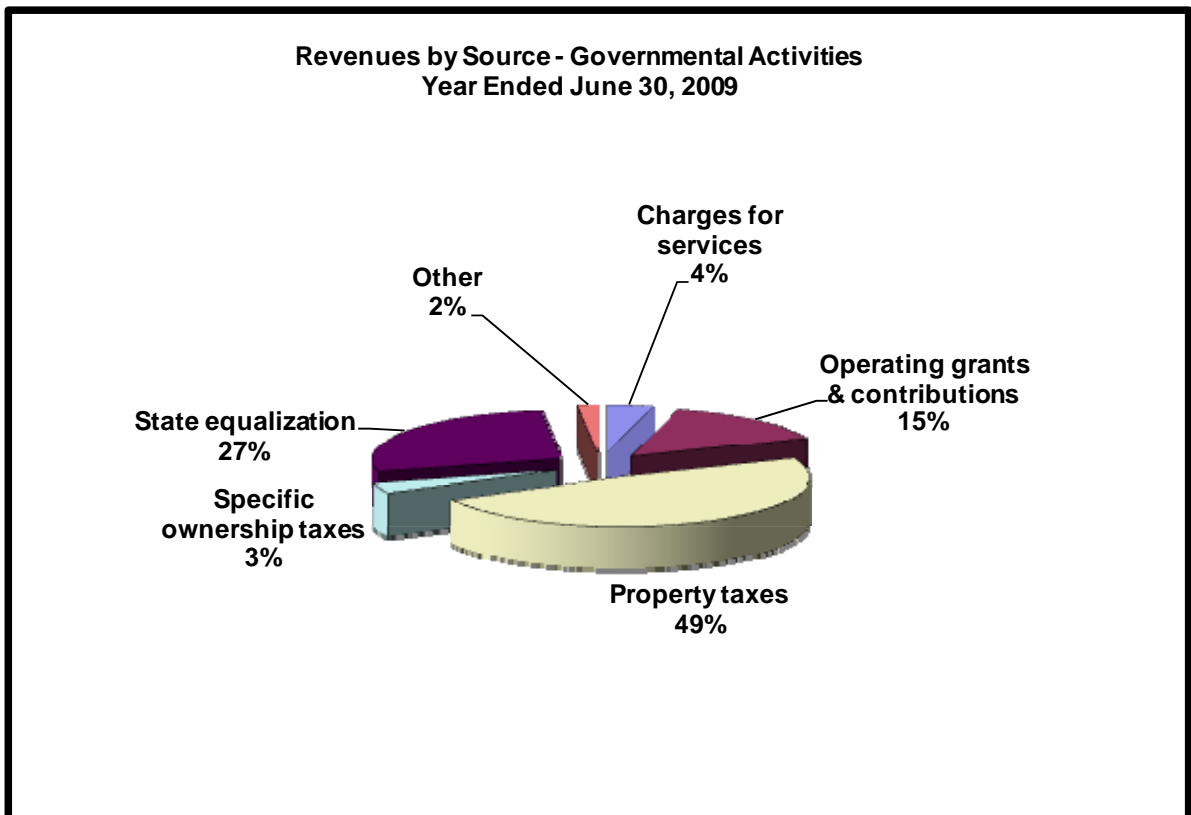
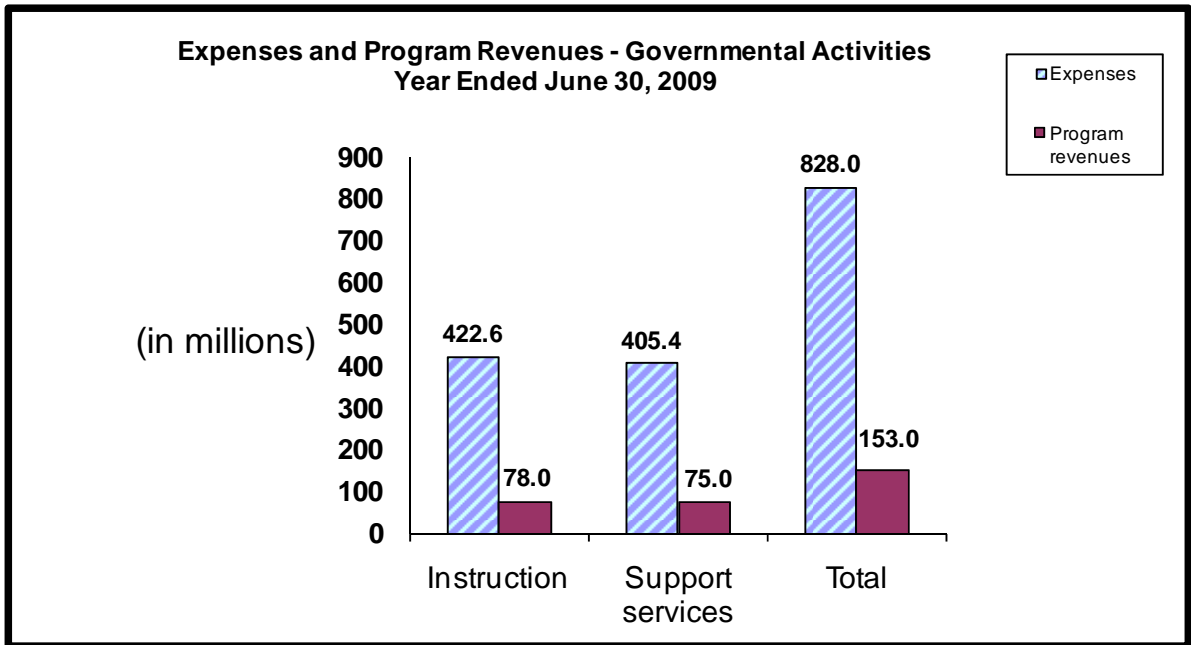
	Year ended June 30, 2009			Year ended June 30, 2008		
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Revenues						
Program revenues						
Charges for services	\$ 32.7	\$ 3.9	\$ 36.6	\$ 24.0	\$ 4.0	\$ 28.0
Operating grants, Contributions	120.3	22.2	142.5	126.3	20.0	146.3
General revenues						
Property taxes	399.8		399.8	389.7		389.7
Specific ownership taxes	27.2		27.2	29.5		29.5
State equalization	225.8		225.8	208.7		208.7
Other	14.0	-	14.0	13.8	.2	14.0
Total revenues	<u>819.8</u>	<u>26.1</u>	<u>845.9</u>	<u>792.0</u>	<u>24.2</u>	<u>816.2</u>
Expenses						
Instruction	422.6		422.6	397.7		397.7
Supporting services						
Pupil support	25.8		25.8	25.7		25.7
Instructional support	58.5		58.5	57.7		57.7
General administration	4.7		4.7	4.5		4.5
School administration	41.2		41.2	42.5		42.5
Business services	5.3		5.3	7.6		7.6
Operation & maintenance	73.7		73.7	68.4		68.4
Pupil transportation	21.2		21.2	23.1		23.1
Central services	48.7		48.7	39.5		39.5
Other supporting services	3.7		3.7	3.7		3.7
Community services	4.7		4.7	4.1		4.1
Education for adults	14.9		14.9	14.0		14.0
Food service	.5	26.4	26.9	.5	24.5	25.0
Interest on long-term debt	102.5		102.5	57.5		57.5
Total supporting services	<u>405.4</u>	<u>26.4</u>	<u>431.8</u>	<u>348.8</u>	<u>24.5</u>	<u>373.3</u>
Total primary government	<u>828.0</u>	<u>26.4</u>	<u>854.4</u>	<u>746.5</u>	<u>24.5</u>	<u>771.0</u>
Excess (deficiency) in net assets before transfers and special item	(8.2)	(.3)	(8.5)	45.5	(.3)	45.2
Transfers						
Special item	-	-	-	(397.8)	-	(397.8)
Change in net assets	(8.2)	(.3)	(8.5)	(352.3)	(.3)	(352.6)
Net assets (liabilities) - beginning	<u>(654.1)</u>	<u>7.8</u>	<u>(646.3)</u>	<u>(301.8)</u>	<u>8.1</u>	<u>(293.7)</u>
Net assets (liabilities) - ending	<u>\$(662.3)</u>	<u>\$ 7.5</u>	<u>\$(654.8)</u>	<u>\$(654.1)</u>	<u>\$ 7.8</u>	<u>\$(646.3)</u>

The primary source of operating revenue for school districts comes from the Public School Finance Act of 1994, as amended (SFA). Under the SFA the School District received \$7,303.12 in the current fiscal year and \$7,111.05 in the prior fiscal year per funded student. In fiscal year 2009 the funded pupil count was 69,394 while fiscal year 2008 was 68,132.0. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 45 percent of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax. The School District's assessed valuation generated \$399.8 million in property taxes in fiscal year 2009 and \$389.7 million in fiscal year 2008; both include four election overrides, bond redemption and a share of SFA funding.

The cost of all governmental activities this year was \$828.0 million for the primary government.

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Business-Type Activities

Business-type activities are made up of the food services fund. This program had total revenues of \$26.1 million and expenses of \$26.4 million in fiscal year 2009, with \$24.2 million and \$24.5 million, respectively, in fiscal year 2008. Business-type activities receive no support from tax revenue.

Financial Analysis of the School District's Funds

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

Governmental funds

The focus of the School 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 School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of \$324.9 million, an increase of \$118.0 million in comparison with the prior year. This is primarily due to the capital projects – building fund increase of \$114.5 million attributable to the new general obligation bond proceeds. The special revenue fund, the bond redemption – debt service fund, and the other governmental funds each had a fund balance increase of \$5.9 million, \$8.0 million, and \$0.2 million, respectively. At the same time, the general fund, the ProComp special revenue fund, and the capital reserve fund each had a fund balance decrease of \$6.3 million, \$1.3 million, and \$3.0 million, respectively.

The general fund is the primary operating fund of the School District. At year end, \$4.3 million of the fund balance was reserved for encumbrances. Due to the timing of the summer break with the fiscal year end, many items are ordered prior to the break to ensure that they are available for the start of the ensuing school year.

The decrease of \$6.3 million in the fund balance for the general fund was primarily attributable to payments made to cover interest spread differences related to the 2008 Certificates of Participation. The \$1.3 million decrease in the ProComp special revenue fund was due to lower than anticipated salary expenditures offset by a larger than anticipated unrealized investment loss due to unfavorable market conditions. The capital reserve fund's decrease of \$3.0 is due to a lower amount of general fund support with the issuance of the new government obligation bonds.

The special revenue fund's \$5.9 million increase was primarily due to the expansion of the preschool program and the first full year of tuition credit revenues received from the Denver Preschool Program. The balance in the bond redemption – debt service fund increased by \$8.0 million due to an unexpected increase in the property assessed valuation.

Proprietary funds

The School District's proprietary funds provide the same type of information found in the government-wide business-type activities financial statements, but in more detail. The fund statements show a column for internal service funds, which are included with the governmental activities for the government-wide financial statements.

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General Fund Budgetary Highlights

The School District's budget is prepared in accordance with state law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

Differences between the original budget and final budget for the general fund totaled an increase of \$45.2 million and can briefly be summarized as follows:

- \$4.5 million in re-appropriations of June 30, 2008, balances for school programs
- \$0.2 million in restricted Colorado Preschool Program carry-over from 2007-2008
- \$6.8 million in additional salary turnover/hiring lag savings in 2007-2008
- \$1.4 million in utility savings in 2007-2008
- \$8.7 million in Pension Certificates of Participation carry-over from 2007-2008
- \$11.4 million in other beginning balance increases
- \$4.7 million increase in other receipts primarily due to the close-out of the previously self-funded retiree health plan
- \$7.0 million increase in property tax revenue and school finance act state funding due to enrollment growth
- \$4.2 million decrease in specific ownership taxes
- \$4.7 million increase in Colorado Preschool Program slots

The major difference between the School District's final budget and actual expenditures relates to approximately \$42 million that were budgeted reserves which were not expected to be spent. The School District budgets in a manner such that beginning fund balance plus budgeted revenues equals budgeted expenditures and reserves. It is never the School District's intent to spend all funds and the ending actual expenditures were as anticipated.

Capital Assets and Debt Administration

Capital assets

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$532.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and capital leases all with an original cost greater than \$5,000.

The major capital event during the current fiscal year was the issuance of general obligation bonds in April 2009. The proceeds from these bonds are being used to finance projects that include making critical repairs and renovations at almost every school in the School District, improving computer technology across the School District, replacing deteriorating school playgrounds with safer ones, constructing a new kindergarten-through-eighth grade and a new high school in far northeast Denver, and expanding elementary school classroom capacity to accommodate the increasing demand of preschool and kindergarten programs. Spending of proceeds from the bond issuance of 2004 has been completed.

The School District's total capital assets at June 30, 2009 and 2008, respectively, net of accumulated depreciation, were as follows (in millions):

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	June 30, 2009			June 30, 2008		
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>
	<u>activities</u>	<u>type</u> <u>activities</u>		<u>activities</u>	<u>type</u> <u>activities</u>	
Land	\$ 61.6	\$	\$ 61.6	\$ 54.2	\$	\$ 54.2
Buildings and improvements	423.6		423.6	439.8		439.8
Construction in progress	8.2		8.2	.1		.1
Equipment, including leased	37.6	.5	38.1	37.7	.6	38.3
Capital leases	.8	.0	.8	.0	.0	.0
Total capital assets	<u>\$531.8</u>	<u>\$.5</u>	<u>\$532.3</u>	<u>\$531.8</u>	<u>\$.6</u>	<u>\$532.4</u>

Additional information on the School District's capital assets can be found in note 5 to the basic financial statements.

Long-Term Debt

At June 30, 2009 and 2008, respectively, the School District's long-term debt consisted of the following (in millions):

	June 30, 2009			June 30, 2008		
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>
	<u>activities</u>	<u>type</u> <u>activities</u>		<u>activities</u>	<u>type</u> <u>activities</u>	
Capital lease obligations	\$ 1.0	\$	\$ 1.0	\$ 0.0	\$	\$ 0.0
Certificates of participation	764.6		764.6	761.0		761.0
General obligation bonds	791.6		791.6	663.5		663.5
Compensated absences	13.4	.0	13.4	12.1	.0	12.1
Total	<u>\$1,570.6</u>	<u>\$.0</u>	<u>\$1,570.6</u>	<u>\$1,436.6</u>	<u>\$.0</u>	<u>\$1,436.6</u>

The School District's long-term debt increased during fiscal year 2009, primarily due to the issuance of general obligation bonds.

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 the taxable property in the School District, as certified 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 School District, as certified by the County Assessor to the Board of County commissioners. The School District's bonded debt limit at June 30, 2009, is \$4.7 billion.

Additional information on the School District's long-term debt can be found in note 6 to the basic financial statements.

Economic Factors

School Finance Act Funding

The largest source of revenue for the School District's operating funds is derived from the Public School Finance Act funding formula. In April 1994, the Colorado state legislature enacted the Public School Finance Act of 1994 which continued the goals of (1) establishing a financial base of support for public education, (2) moving toward a uniform mill tax levy for all school districts and (3) limiting the future growth of and reliance on the property tax to support public education. It establishes a statewide base per pupil funding and adjusts that amount for individual school districts by recognizing differences in (1) personnel costs, (2) nonpersonnel costs, (3) local cost of living, and (4) school district size. Additional funding is also provided to school districts

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based upon the presence of at-risk pupils. The sources of funding the Public School Finance Act formula amount include (1) a portion of the specific ownership taxes traditionally flowing to school districts in addition to (2) local property taxes and (3) state equalization payments. The School District's funding, based on this formula, increased by 2.70% and 4.57% per pupil for fiscal year 2009 and fiscal year 2008, respectively, primarily due to the increase in inflation of 2.2% and 3.6%, respectively.

In November 2000, the Colorado voters approved Amendment 23, "Funding for Public Schools", which requires that the statewide base per pupil funding and the total State funding for categorical programs increase by at least the rate of inflation plus one-percent for the ten-year period beginning FY 2001-02, and by at least the rate of inflation thereafter. In addition, State revenues collected from a tax of one-third of one-percent on federal taxable income shall be deposited into the State Education Fund. The State cannot use the State Education Fund monies to supplant the level of Public School Finance Act and categorical funding appropriated in the State general fund existing for FY 1999-2000; and, for the ten-year period through FY 2010-2011, the State must annually increase its State general fund support for Public School Finance Act funding by a minimum of five percent. This State minimum general fund growth is not required in any fiscal year that Colorado personal income grows by less than four and one-half percent between the two previous calendar years. The State Education Fund monies can be used to fund what additional amounts are needed as required by Amendment 23 and any remaining funds can be used to support certain educational programs, as appropriated by the State General Assembly. As a result of the passage of Amendment 23, School Finance Act formula funding has increased each year for the School District by approximately the rate of inflation plus one-percent plus enrollment growth. Enrollment, in this regard, has been increasing for the School District over the last few years and is expected to continue so in the near future.

Override Election Property Taxes

No school district may levy General Fund taxes at a rate greater than that allowed by the Public School Finance Act unless authorized to do so at a general election or at a special election in November in odd-numbered years. The maximum amount of the revenue increase may not exceed 20% of the formula amount or \$200,000, whichever is greater, plus an amount equal to the maximum dollar amount of property tax revenue that the School District could have generated for FY 2001-02 in a cost of living adjustment election. In November 1988, 1998, 2003, and 2005, the voters of Denver approved overrides of \$12,099,253, \$17,000,000, \$20,000,000, and \$25,000,000 respectively, for an indefinite period of time. The 1998 measure is targeted to fund student literacy programs, technology and maintenance of school buildings; the 2003 measure is targeted to fund early childhood and extended kindergarten education, elementary arts, textbooks, school reform and maintenance of school buildings; while the 2005 measure, which increases by inflation each year, is restricted for the ProComp special revenue fund for teacher compensation. The sum of these four election amounts approximates seventy-four percent of the override limit.

Contacting the District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, parents, investors and creditors with a general overview of the School 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, 900 Grant Street, Denver, Colorado 80203.

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT NO. 1
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**Statement of Net Assets
June 30, 2009**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 130,214,772	\$ 1,361,417	\$ 131,576,189	\$ 11,377,918
Investments	45,489,435		45,489,435	
Deposits held by Denver Public Schools				1,291,725
Receivables:				
Taxes (net)	32,018,025		32,018,025	
Accounts	20,974,139	4,695,578	25,669,717	1,022,583
Other	70,062	87,314	157,376	3,175,839
Internal balances	297,706	(297,706)		
Due from Private Purpose Trust	3,729,082		3,729,082	
Inventory	1,121,903	2,170,978	3,292,881	
OPEB net asset	13,404,644		13,404,644	
Deferred charges	21,275,282		21,275,282	246,019
Held by fiscal agent	1,127,778		1,127,778	
Restricted investments	200,285,861		200,285,861	2,940,880
Total current assets	<u>470,008,689</u>	<u>8,017,581</u>	<u>478,026,270</u>	<u>20,054,964</u>
Noncurrent assets:				
Capital assets:				
Not subject to depreciation	69,864,130		69,864,130	2,761,851
Subject to depreciation	880,637,240	2,526,592	883,163,832	25,904,474
Less accumulated depreciation	(418,681,952)	(2,044,380)	(420,726,332)	
Total noncurrent assets	<u>531,819,418</u>	<u>482,212</u>	<u>532,301,630</u>	<u>28,666,325</u>
Total assets	<u>1,001,828,107</u>	<u>8,499,793</u>	<u>1,010,327,900</u>	<u>48,721,289</u>
LIABILITIES				
Current liabilities:				
Accounts payable	38,595,553	487,594	39,083,147	1,853,440
Accrued payroll	45,244,086	474,589	45,718,675	719,180
Accrued claims	2,660,000		2,660,000	308,543
Unearned revenue	7,126,939		7,126,939	430,115
Long-term liabilities due within one year:				
Capital lease obligations	217,430		217,430	240,578
Certificates of participation	2,595,000		2,595,000	
Compensated absences payable	2,010,918		2,010,918	11,294
Bonds payable	22,541,618		22,541,618	
Loan payable				583,906
Total current liabilities	<u>120,991,544</u>	<u>962,183</u>	<u>121,953,727</u>	<u>4,147,056</u>
Long-term liabilities due after one year:				
Capital lease obligations	756,169		756,169	1,061,685
Certificates of participation	762,011,178		762,011,178	
Compensated absences payable	11,412,220		11,412,220	
Bonds payable	769,010,333		769,010,333	
Loan payable				17,681,728
Total long-term liabilities	<u>1,543,189,900</u>		<u>1,543,189,900</u>	<u>18,743,413</u>
Total liabilities	<u>1,664,181,444</u>	<u>962,183</u>	<u>1,665,143,627</u>	<u>22,890,469</u>
NET ASSETS				
Invested in capital assets, net of related debt	156,461,727	482,212	156,943,939	9,728,430
Restricted for:				
Capital outlays	15,153,172		15,153,172	173,659
Preschool	2,001,187		2,001,187	
By donors				5,198,520
Bond redemption	56,753,667		56,753,667	1,178,899
Emergency reserve	1,841,917		1,841,917	1,451,029
Unrestricted (deficit)	(894,565,007)	7,055,398	(887,509,609)	8,100,283
Total net assets (liabilities)	<u>\$ (662,353,337)</u>	<u>\$ 7,537,610</u>	<u>\$ (654,815,727)</u>	<u>\$ 25,830,820</u>

See notes to the basic financial statements.

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

**Statement of Activities
Year Ended June 30, 2009**

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total	
				Governmental Activities	Business-type Activities		
Primary government:							
Governmental activities:							
Instruction:							
Regular	\$ 347,688,817	\$ 17,300,641	\$ 26,699,186	\$ (303,688,990)	\$	\$ (303,688,990)	
Special education	56,882,081	104,902	22,420,056	(34,357,123)		(34,357,123)	
Vocational	4,269,630		1,578,019	(2,691,611)		(2,691,611)	
Other	13,786,970	668,492	9,271,522	(3,846,956)		(3,846,956)	
Total instruction	422,627,498	18,074,035	59,968,783	(344,584,680)		(344,584,680)	
Supporting services:							
Pupil support	25,824,063	159,350	2,915,090	(22,749,623)		(22,749,623)	
Instructional support	58,473,132	356,542	29,268,659	(28,847,931)		(28,847,931)	
General administration	4,733,562	28	725,180	(4,008,354)		(4,008,354)	
School administration	41,162,161	1,340,357	3,471,686	(36,350,118)		(36,350,118)	
Business services	5,268,181		1,201,158	(4,067,023)		(4,067,023)	
Operation & maintenance	73,688,352	3,849,320	193,862	(69,645,170)		(69,645,170)	
Pupil transportation	21,204,172		5,038,629	(16,165,543)		(16,165,543)	
Central services	48,720,535	5,400	3,611,995	(45,103,140)		(45,103,140)	
Other support services	3,741,000		3,042,285	(698,715)		(698,715)	
Community services	4,740,667	2,616,425	1,236,492	(887,750)		(887,750)	
Education for adults	14,881,683	6,332,389	9,652,791	1,103,497		1,103,497	
Food services	495,782			(495,782)		(495,782)	
Interest on long-term debt	102,499,436			(102,499,436)		(102,499,436)	
Total support services	405,432,726	14,659,811	60,357,827	(330,415,088)		(330,415,088)	
Total governmental activities	828,060,224	32,733,846	120,326,610	(674,999,768)		(674,999,768)	
Business-type activities:							
Food services	26,386,796	3,871,542	22,204,624		(310,630)	(310,630)	
Total business-type activities	26,386,796	3,871,542	22,204,624		(310,630)	(310,630)	
Total primary government	\$ 854,447,020	\$ 36,605,388	\$ 142,531,234	(674,999,768)	(310,630)	(675,310,398)	
Component units:							
	\$ 65,073,397	\$ 711,418	\$ 9,560,435				\$ (54,801,544)
General revenues:							
Property taxes				399,760,438		399,760,438	1,882,492
Specific ownership taxes				27,169,809		27,169,809	
Payment in lieu of taxes				2,113,706		2,113,706	
State equalization				225,756,709		225,756,709	45,211,484
Interest and investment income				(3,413,079)	28,204	(3,384,875)	195,276
Other				15,334,265		15,334,265	9,440,207
Transfers				(6,900)	6,900		
Total general revenues and transfers				666,714,948	35,104	666,750,052	56,729,459
Changes in net assets				(8,284,820)	(275,526)	(8,560,346)	1,927,915
Net assets (liabilities) - beginning				(654,068,517)	7,813,136	(646,255,381)	23,902,905
Net assets (liabilities) - ending				\$ (662,353,337)	\$ 7,537,610	\$ (654,815,727)	\$ 25,830,820

See notes to the basic financial statements.

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

**Balance Sheet
Governmental Funds
June 30, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>ProComp Special Revenue</u>
ASSETS			
Assets:			
Cash and cash equivalents	\$ 54,992,329	\$ 25,354,096	\$ 22,918,264
Investments	1,906,721		43,578,732
Receivables:			
Taxes	27,370,822		
Accounts	3,957,709	15,050,528	
Interest	14,492		55,570
Due from other funds	17,889,214	17,502,548	1,054,052
Inventory	611,668		
Held by fiscal agent	1,127,778		
Restricted investments			
Total assets	<u>\$ 107,870,733</u>	<u>\$ 57,907,172</u>	<u>\$ 67,606,618</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 17,684,444	\$ 5,820,496	\$ 31,706
Accrued payroll	40,390,836	4,853,250	
Due to other funds	2,476,791	23,823,505	4,224,545
Deferred revenue	<u>18,693,255</u>	<u>453,634</u>	
Total liabilities	<u>79,245,326</u>	<u>34,950,885</u>	<u>4,256,251</u>
Fund balances:			
Reserved for:			
Encumbrances	4,293,617	1,813,144	
Inventory	611,668		
Preschool	487,763		
Principal and interest on bonds payable			
Emergency reserve	1,841,917		
Unreserved, reported in:			
General fund	21,390,442		
Building fund			
Capital reserve fund			
Special revenue funds		21,143,143	63,350,367
Permanent fund			
Total fund balances	<u>28,625,407</u>	<u>22,956,287</u>	<u>63,350,367</u>
Total liabilities and fund balances	<u>\$ 107,870,733</u>	<u>\$ 57,907,172</u>	<u>\$ 67,606,618</u>

See notes to the basic financial statements.

<u>Bond Redemption</u>	<u>Building</u>	<u>Capital Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,832,391	\$ 83,528	\$ 14,696,152	\$ 277,256 3,982	\$ 120,154,016 45,489,435
4,647,203	3	1,949,001		32,018,025 20,957,241 70,062 37,694,726 611,668 1,127,778
<u>57,191,569</u>	<u>143,094,292</u>			<u>200,285,861</u>
<u>\$ 63,671,163</u>	<u>\$ 143,177,823</u>	<u>\$ 17,894,065</u>	<u>\$ 281,238</u>	<u>\$ 458,408,812</u>
\$	\$ 7,397,636	\$ 2,740,781	\$ 10,012	\$ 33,685,075 45,244,086 33,205,938 21,335,660
<u>2,188,771</u>	<u>2,680,751</u>	<u>112</u>	<u>234</u>	<u>21,335,660</u>
<u>2,188,771</u>	<u>10,078,387</u>	<u>2,740,893</u>	<u>10,246</u>	<u>133,470,759</u>
	64,580,657	2,832,323		73,519,741 611,668 487,763 61,482,392 1,841,917
61,482,392				21,390,442 68,518,779 12,320,849 84,644,134 120,368
	68,518,779	12,320,849	150,624 120,368	324,938,053
<u>61,482,392</u>	<u>133,099,436</u>	<u>15,153,172</u>	<u>270,992</u>	<u>324,938,053</u>
<u>\$ 63,671,163</u>	<u>\$ 143,177,823</u>	<u>\$ 17,894,065</u>	<u>\$ 281,238</u>	<u>\$ 458,408,812</u>

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

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2009**

Governmental funds total fund balance	\$ 324,938,053
Add:	
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements.	14,208,721
The amount of the OPEB contribution that is greater than the Annual Required Contribution (ARC) is recorded as an expenditure on the governmental fund financial statements but as an asset on the government-wide financial statements.	13,404,644
Non-internal service funds capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Total capital assets \$950,501,370 less internal service funds \$363,193.	950,138,177
The costs to issue debt are reported as expenditures on the governmental fund statements while on the government-wide net assets they are amortized over the life of the debt as an increase in interest expense.	21,275,282
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net asset balance of the internal service funds is included in the governmental activities statement of net assets.	7,295,058
Less:	
Non-internal service funds accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition. Total accumulated depreciation \$418,681,952 less internal service funds \$352,272.	418,329,680
Non-internal service funds long-term liabilities applicable to the School District's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. Interest payable on long-term obligations also is not recorded in the governmental funds, but is reported in the statement of net assets.	
Long-term liabilities, current and long term portion	1,570,554,866
Interest payable	<u>4,728,726</u>
Net liabilities	<u><u>\$ (662,353,337)</u></u>

See notes to the basic financial statements.



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

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>ProComp Special Revenue</u>	<u>Bond Redemption</u>
REVENUES				
Taxes	\$ 362,086,491	\$	\$	\$ 61,824,776
Intergovernmental:				
State sources	248,153,540	12,046,020		
Federal sources	912,634	67,207,830		
Charges for services	4,775,692	20,204,799		
Investment income (loss)	1,144,649	2,690	(5,650,152)	440,494
Other local sources	8,685,562	22,618,503		41,326
Total revenues	<u>625,758,568</u>	<u>122,079,842</u>	<u>(5,650,152)</u>	<u>62,306,596</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	273,666,680	37,711,926	22,164,034	
Special education	48,942,228	8,281,412		
Vocational	3,298,641	923,670		
Other	2,486,870	9,153,456		
Total instruction	<u>328,394,419</u>	<u>56,070,464</u>	<u>22,164,034</u>	
Supporting services:				
Pupil support	22,523,347	3,400,581		
Instructional support	28,463,467	30,108,344		
General administration	4,097,106	430,215	208,445	
School administration	35,434,160	4,793,643		
Business services	4,089,026	1,149,397		
Operation & maintenance	46,564,264	117,412		
Pupil transportation	17,397,151	709,016		
Central services	33,411,995	3,597,495	150,833	
Other support services	674,673	3,052,709		
Total support services	<u>192,655,189</u>	<u>47,358,812</u>	<u>359,278</u>	
Community services	389,602	4,351,065		
Education for adults		14,881,683		
Capital outlay	454,071	425,130		
Debt service:				
Principal	335,000			22,450,000
Interest and fiscal charges	65,397,537			31,381,945
Total debt service	<u>65,732,537</u>			<u>53,831,945</u>
Issuance costs of debt				
Total expenditures	<u>587,625,818</u>	<u>123,087,154</u>	<u>22,523,312</u>	<u>53,831,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,132,750</u>	<u>(1,007,312)</u>	<u>(28,173,464)</u>	<u>8,474,651</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,209,660	7,186,511	26,839,486	
Transfers out	(48,600,719)	(315,000)		(460,640)
Issuance of bonds				
Capital lease				
Total other financing sources (uses)	<u>(44,391,059)</u>	<u>6,871,511</u>	<u>26,839,486</u>	<u>(460,640)</u>
NET CHANGE IN FUND BALANCES	(6,258,309)	5,864,199	(1,333,978)	8,014,011
FUND BALANCES AT BEGINNING OF YEAR	<u>34,883,716</u>	<u>17,092,088</u>	<u>64,684,345</u>	<u>53,468,381</u>
FUND BALANCES AT END OF YEAR	<u>\$ 28,625,407</u>	<u>\$ 22,956,287</u>	<u>\$ 63,350,367</u>	<u>\$ 61,482,392</u>

See notes to the basic financial statements.

Building	Capital Reserve	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$ 423,911,267
			260,199,560
			68,120,464
		444,152	25,424,643
626,455	20,041	2,744	(3,413,079)
	<u>3,848,296</u>	<u>76,058</u>	<u>35,269,745</u>
<u>626,455</u>	<u>3,868,337</u>	<u>522,954</u>	<u>809,512,600</u>
476,590		362	334,019,592
			57,223,640
			4,222,311
		<u>2,159,886</u>	<u>13,800,212</u>
<u>476,590</u>		<u>2,160,248</u>	<u>409,265,755</u>
			25,923,928
			58,571,811
			4,735,766
			40,227,803
		1,550	5,239,973
12,648,271	13,554,858		72,884,805
	320,704		18,426,871
4,036,308	2,959,667		44,156,298
13,618			3,741,000
<u>16,698,197</u>	<u>16,835,229</u>	<u>1,550</u>	<u>273,908,255</u>
			4,740,667
			14,881,683
19,775,724	2,618,265		23,273,190
	1,293,809		24,078,809
	<u>306,555</u>		<u>97,086,037</u>
	<u>1,600,364</u>		<u>121,164,846</u>
<u>784,744</u>			<u>784,744</u>
<u>37,735,255</u>	<u>21,053,858</u>	<u>2,161,798</u>	<u>848,019,140</u>
<u>(37,108,800)</u>	<u>(17,185,521)</u>	<u>(1,638,844)</u>	<u>(38,506,540)</u>
	13,007,097	1,882,625	53,125,379
(6,900)			(49,383,259)
151,593,831			151,593,831
	<u>1,136,643</u>		<u>1,136,643</u>
<u>151,586,931</u>	<u>14,143,740</u>	<u>1,882,625</u>	<u>156,472,594</u>
114,478,131	(3,041,781)	243,781	117,966,054
<u>18,621,305</u>	<u>18,194,953</u>	<u>27,211</u>	<u>206,971,999</u>
<u>\$ 133,099,436</u>	<u>\$ 15,153,172</u>	<u>\$ 270,992</u>	<u>\$ 324,938,053</u>

**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, 2009**

Total net change in fund balances - governmental funds	\$ 117,966,054
Add:	
Governmental funds report the OPEB net asset as expenditures. In the statement of activities the OPEB cost is reduced by the amount of the net asset.	4,661,379
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense.	23,273,190
Revenue for donated capital assets at fair market value.	3,501,702
Gain on disposal of capital assets.	51,049
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. Includes \$2,789,802 premium amortization.	26,868,611
The costs to issue debt are reported as expenditures on the governmental fund statements while on the government-wide net assets they are amortized over the life of the debt as an increase in interest expense; this amount represents the issuance costs related to the 2008A and 2008B certificates of participation.	784,744
Change in deferred property tax revenue - 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.	3,018,980
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.	625,714
Less:	
The costs to issue debt are reported as expenditures on the governmental fund statements while on the government-wide net assets they are amortized over the life of the debt as an increase in interest expense; this amount is the current year amortization.	853,625
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the current year depreciation (total \$26,786,196 less internal service fund \$5,530).	26,780,666
The unamortized deferred losses on refunding of debt are not reported on the governmental fund statements while on the government-wide net assets they are amortized over the life of the debt as an increase in interest expense. Current year Deferred Loss on Refunding less Amortization - Loss on Refunding.	4,637,571
Net change in compensated absences - The change in this liability is not considered in the governmental fund statements but is included as a change in expense in the governmental-wide statement of activities.	1,321,901
Proceeds from sale of bonds - The issuance of debt is recorded in the governmental fund statements as revenue. It is recorded as increased liabilities in the government-wide statement of activities.	152,730,474
Capital appreciation bonds, accretion of premium - has no effect on the governmental fund statements, but is recorded as an expense on the government-wide statement of activities.	2,118,538
Increase in interest payable related to long-term liabilities.	<u>593,468</u>
Governmental activities change in net assets	<u>\$ (8,284,820)</u>

See notes to the basic financial statements.



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

**Statement of Net Assets
Proprietary Funds
June 30, 2009**

	Business-type Activities	Governmental Activities
	Enterprise Fund - Food Services Fund	Internal Service Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,361,417	\$ 10,060,756
Receivables:		
Intergovernmental	4,695,578	
Other	87,314	16,898
Due from other funds	56,984	40,615
Inventory	2,170,978	510,235
Total current assets	<u>8,372,271</u>	<u>10,628,504</u>
Capital assets:		
Equipment	2,526,592	363,193
Less accumulated depreciation	<u>(2,044,380)</u>	<u>(352,272)</u>
Net equipment	<u>482,212</u>	<u>10,921</u>
Total assets	<u>8,854,483</u>	<u>10,639,425</u>
LIABILITIES		
Current liabilities:		
Accounts payable	487,594	181,752
Accrued payroll	474,589	
Accrued claims		2,660,000
Due to other funds	<u>354,690</u>	<u>502,615</u>
Total liabilities	<u>1,316,873</u>	<u>3,344,367</u>
NET ASSETS		
Invested in capital assets	482,212	10,921
Unrestricted	<u>7,055,398</u>	<u>7,284,137</u>
Total net assets	<u>\$ 7,537,610</u>	<u>\$ 7,295,058</u>

See notes to the basic financial statements.

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

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2009**

	Business-type Activities	Governmental Activities
	Enterprise Fund-Food Services Fund	Internal Service Funds
OPERATING REVENUES		
Food sales	\$ 3,818,221	\$
Billings to funds		10,418,624
Other		286,362
Total operating revenues	<u>3,818,221</u>	<u>10,704,986</u>
OPERATING EXPENSES		
Cost of goods:		
Purchased	10,263,526	2,267,961
Donated	139,555	
Salaries and employee benefits	12,290,386	912,041
Purchased professional & technical services		501,725
Purchased property services		2,334
Other purchased services		257,044
Utilities	269,884	
Supplies	2,046,281	153,376
Repairs and maintenance	357,626	
Rent	4,321	
Depreciation	147,771	5,530
Administrative services	391,349	
Other	476,097	3,257
Insurance		1,761,296
Claims		4,214,708
Total operating expenses	<u>26,386,796</u>	<u>10,079,272</u>
Operating income (loss)	<u>(22,568,575)</u>	<u>625,714</u>
NON-OPERATING REVENUES		
Reimbursements from government sponsored programs	20,711,710	
Donated commodities from federal government	1,492,914	
Investment income	28,204	
Other local services	53,321	
Total non-operating revenues	<u>22,286,149</u>	
Net income (loss) before transfers	(282,426)	625,714
Transfers in	<u>6,900</u>	
CHANGE IN NET ASSETS	(275,526)	625,714
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>7,813,136</u>	<u>6,669,344</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 7,537,610</u>	<u>\$ 7,295,058</u>

See notes to the basic financial statements.

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

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2009**

	Business-Type Activities	Governmental Activities
	Enterprise Fund - Food Services Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 3,839,963	\$ 10,414,055
Payments to suppliers	(12,371,585)	(3,574,766)
Payments to employees	(12,323,507)	(919,202)
Internal activity - payments to other funds	101,671	144,642
Internal activity - payments from other funds		(42,601)
Claims and insurance		(5,976,004)
Other receipts		283,105
Net cash provided by (used in) operating activities	<u>(20,753,458)</u>	<u>329,229</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grants/claims received	20,267,754	
Transfer from building fund	<u>6,900</u>	
Net cash provided by non-capital financing activities	<u>20,274,654</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds on disposal of equipment	53,429	
Purchase of equipment	<u>(88,159)</u>	<u>(14,042)</u>
Net cash used in capital & related financing activities	<u>(34,730)</u>	<u>(14,042)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>28,204</u>	
Net cash provided by investing activities	<u>28,204</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(485,330)	315,187
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,846,747</u>	<u>9,745,569</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,361,417</u>	<u>\$ 10,060,756</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities: by operating activities:		
Operating income (loss)	\$ (22,568,575)	\$ 625,714
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	147,771	5,530
Donated commodities from federal government	1,492,914	
Changes in operating assets and liabilities:		
Accounts receivable - Other	21,742	(4,569)
Due from other funds	20,007	(38,431)
Inventory	227,227	62,239
Accounts payable	(143,087)	(454,565)
Accrued payroll	(33,121)	(7,161)
Due to other funds	81,664	140,472
Total adjustments	<u>1,815,117</u>	<u>(296,485)</u>
Net cash provided by (used in) operating activities	<u>\$ (20,753,458)</u>	<u>\$ 329,229</u>
NON-CASH NON-CAPITAL ACTIVITIES		
Donated commodities from federal government	<u>\$ 1,492,914</u>	

See notes to the basic financial statements.

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

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009**

	<u>Private Purpose Trust</u>	<u>Retiree Health Benefit Trust</u>	<u>Retiree Life Insurance Trust</u>	<u>Agency Fund</u>
ASSETS				
Cash and cash equivalents	\$ 4,867,497	\$15,262,008	\$ 6,180,457	\$ 1,870,501
Accounts receivable		622,691		
Interest receivable		1,520		
Total assets	<u>4,867,497</u>	<u>15,886,219</u>	<u>6,180,457</u>	<u>1,870,501</u>
LIABILITIES				
Accounts payable	1,983	578,204		
Due to other funds	3,729,082			
Due to student groups				1,870,501
Total liabilities	<u>3,731,065</u>	<u>578,204</u>		<u>1,870,501</u>
NET ASSETS HELD FOR INSURANCE AND OTHER PURPOSES	<u>\$ 1,136,432</u>	<u>\$15,308,015</u>	<u>\$ 6,180,457</u>	<u>\$</u>

See notes to the basic financial statements.

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

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2009**

	<u>Private Purpose Trust Fund</u>	<u>Retiree Health Benefit Trust</u>	<u>Retiree Life Insurance Trust</u>
ADDITIONS			
Contributions:			
Employer	\$	\$ 6,622,378	\$ 1,672,000
Scholarship donations	98,645		
Interest income	<u>66,826</u>	<u>76,197</u>	<u>623,314</u>
Total additions	<u>165,471</u>	<u>6,698,575</u>	<u>2,295,314</u>
DEDUCTIONS			
Medical and life insurance for retirees	1,983	8,180,614	2,028,930
Student scholarships	96,417		
Education reimbursements	1,500		
Transfers out	<u>3,749,020</u>		
Total deductions	<u>3,848,920</u>	<u>8,180,614</u>	<u>2,028,930</u>
CHANGE IN NET ASSETS HELD FOR:			
COBRA insurance	(61,861)		
Retiree insurance	(3,637,481)	(1,482,039)	266,384
Scholarships	5,092		
Employee education reimbursement	<u>10,801</u>		
Change in net assets	<u>(3,683,449)</u>	<u>(1,482,039)</u>	<u>266,384</u>
NET ASSETS AT BEGINNING OF YEAR	<u>4,819,881</u>	<u>16,790,054</u>	<u>5,914,073</u>
NET ASSETS AT THE END OF YEAR	<u>\$ 1,136,432</u>	<u>\$ 15,308,015</u>	<u>\$ 6,180,457</u>

See notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS



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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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 School District) is presented to assist in understanding the School District's financial statements. The following is a summary of the more significant policies:

A. *Financial Reporting Entity*

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

These financial statements present the School District (primary government) and its component units. The component units consist of discretely presented Charter Schools and the Denver Public Schools Foundation; and the blended Denver School Facilities Leasing Corporation (the DSFLC). The School District's component units are discussed below and are included in the School District's reporting entity because of the significance of their operational or financial relationships with the School District.

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 School District. The School 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 School 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.

Discretely Presented Component Units

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 School District to contract with individuals and organizations for the operation of charter schools within the School District. The charter schools are financed by a portion of the School 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 School District's Board of Education must approve all charter school applications; however, they have their own separate governing boards. Separately issued financial statements are available from the individual charter schools. The charter schools

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

are discretely presented component units (Note 16) because of the significance of their financial relationship with the School District.

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 School District. The Foundation is a discretely presented component unit because of the planned significance of the financial relationship with the School District.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) display the information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds, and the component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on charges for support. 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 segment 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. Major individual governmental funds (General Fund, Special Revenue Fund, Special Revenue ProComp Trust Fund, Bond Redemption Debt Service Fund, and the Capital Projects – Building Fund and Capital Reserve Fund) and the enterprise fund are reported as separate columns in the fund financial statements.

C. 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 (excluding the Agency 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 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the School District's

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IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

governmental and business-type 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 School District considers revenues, such as property taxes and grants, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

The School District's agency funds apply the accrual basis of accounting, but do not have a measurement focus.

The accounts of the School 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.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Fund – The special revenue fund is used to account for the proceeds of specific revenue sources (other than private purpose trusts or major capital projects) that for the most part are legally restricted to expenditures for specified purposes.

Special Revenue ProComp Trust Fund – This special revenue fund is used to account for the proceeds of the voter-approved taxes from the 2005 Mill Levy Override. Its investments and expenditures are for the professional compensation system for teachers.

Bond Redemption Fund (Debt Service Fund) - The bond redemption fund (debt service fund) accounts for the accumulation of resources for, and the payment of, principal and interest on long-term general obligation debt of the School District as a result of the issuance of general obligation bonds.

Capital Projects Building Fund – The capital projects building fund is used to account for financial resources to be used for the acquisition or construction and maintenance of major capital facilities.

Capital Reserve Fund – This fund is used to accumulate resources, primarily general fund support, for the acquisition, renovation and maintenance of capital assets as required by state statute.

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

The other governmental funds of the School District account for other resources whose use is restricted to a particular purpose and include the pupil activity fund and the permanent government fund.

Pupil Activity Fund – The pupil activity fund accounts for the revenue and expenditures of sponsoring athletic events at School District middle and high schools.

Permanent Government Fund – This fund is used to account for money and property given to the School District for which the principal must be preserved intact.

The School District reports its food service fund as its only enterprise fund.

Food Services Fund – The food services fund accounts for the revenue and expenses related to providing breakfasts and lunches to School District students and employees.

Additionally, the School District reports the following other fund categories:

Internal Service Funds – The internal service funds, which include the self-insurance fund, the DoTS service bureau fund, the maintenance fund and the warehouse fund are used to account for goods and services provided to departments and schools primarily within the School District on a cost-reimbursement basis.

Fiduciary Funds – The School District's fiduciary funds include private-purpose trust funds, two other post employment benefit (OPEB) trusts and an agency fund. The private-purpose trust funds of the School District account for student and employee scholarships, and COBRA insurance. The Retiree Health Benefit Trust and the Retiree Life Insurance Trust account for the School District's OPEB. The agency fund of the School District represents the bank accounts maintained at each school to account for monies derived from school sponsored student activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School District has elected not to follow subsequent private-sector guidance.

Proprietary (enterprise and internal service) funds distinguish *operating* revenues and expenses from *non-operating* items. 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 School District's enterprise fund and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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IN THE CITY AND COUNTY OF DENVER AND STATE OF COLORADO

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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

D. 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.

E. Budgets and Budgetary Accounting

The School 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 May or 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 School District cannot expend monies in excess of the amount appropriated for an individual fund unless an amended or supplemental budget is approved by resolution. In addition, any further change in legally allowable transfers between funds requires approval by Board resolution.
4. The School 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) except that encumbrances are recorded as expenditures and certain other accruals, such as changes in accrued payroll are excluded for budgetary purposes in the General Fund, Building Fund, and Capital Reserve Fund. In addition, revenues are on the modified accrual basis except for forward delivery agreement proceeds, interest income, and the General Fund state transportation payment. Budgetary comparisons in this report for the General Fund, Building Fund and Capital Reserve Fund are presented on the non-GAAP budget basis.
8. Total appropriations are as amended.

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NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

9. At the end of a year, unencumbered appropriations lapse into the beginning fund balance for the ensuing year. Encumbered appropriations are carried forward to the subsequent year's budget automatically.

F. Deposits and Investments

The School 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 one week.

Investments are reported at fair value on the balance sheet. Money market instruments that have a remaining maturity at the time of purchase of one year or less are carried at cost or amortized cost.

G. Inventories

Inventories are valued at weighted average cost. Governmental fund type inventories are offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

General fund inventory consists of transportation and building maintenance parts and fuel. Internal service fund - warehouse fund inventory consists primarily of expendable supplies and equipment held at the central warehouse for issuance to schools or other School District locations. Enterprise fund - food services fund 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.

The cost of inventory items issued is included in expenditures in the year of issuance (consumption method). Donated government commodities are recorded as inventory at the estimated fair market value at the time of donation.

Expendable supplies issued to schools or other locations are not included in inventory.

H. 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 assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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 their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. 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. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2009

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

Description	Governmental Activities <u>Estimated Lives</u>	Business-type Activities <u>Estimated Lives</u>
Buildings and improvements	39 years	N/A
Furniture and equipment	7 years	7 years
Computer equipment	3-5 years	3-5 years
Buses	7 years	N/A
Other vehicles	5 years	5 years

I. 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, 2009, represent reimbursements and adjustments due but not transferred as of that date.

J. Accrued Payroll

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

K. Compensated Absences

The compensated absence liability, consisting of accumulated sick and vacation leave which vests and is payable upon retirement, is reported on the government-wide financial statements. Accumulated sick leave vests only at qualified retirement and vests at a rate determined by contract, which is less than the normal rate of pay. A qualified retiree can be paid for up to one work year's worth of accumulated sick leave. Retirees who accumulate vacation leave are compensated at their normal rate of pay for the balance at retirement. The total compensated absence liability has increased from a balance of \$12.1 million as of June 30, 2008, to a balance of \$13.4 million as of June 30, 2009. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses, as appropriate, when paid.

L. 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.

Encumbrances outstanding at year-end are reported as reservations of fund balances in the fund financial statements since they do not constitute expenditures or liabilities.

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

M. 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, business-type activities, or proprietary fund type statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method. The appropriate payables are reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as issuance costs of bonds or certificates of participation.

In accordance with Section 22-45-103, CRS, the School District's bond redemption fund custodian for fiscal year 2008-2009 was Wells Fargo Bank, N.A., third party. The amount held by the custodian at June 30, 2009, was \$48,198,031.

N. Net Assets

In the government-wide statements, net assets consist of assets invested in capital assets (net of related debt), restricted and unrestricted net assets. The restricted net assets are restricted by state statute for capital outlay, debt service, and emergency reserve.

The capital assets net of related debt is calculated by first comparing the total building fund expenditures since 1991 to the capitalized assets from the building fund for the same time frame which is 56.54% as of June 30, 2009. The related outstanding debt is then calculated as follows:

Outstanding bonds payable	\$791,551,951
Less unamortized issuance costs	(4,227,027)
Less building fund balance	<u>(133,099,436)</u>
Adjusted bonds payable	654,225,488
Percent of capitalized assets	<u>56.54%</u>
Bonds payable related to capital assets	<u>\$369,899,091</u>
Related Debt:	
Bonds payable	\$369,899,091
1996 certificates of participation	4,485,000
Capital lease obligations	<u>973,599</u>
Total related debt	<u>\$375,357,690</u>

O. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Fund equity reserves have been established for encumbrances, inventories, principal and interest on bonds payable, Colorado Preschool Program, and the emergency reserve.

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

NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2009

2. CASH AND INVESTMENTS

Investments Authorized by the Colorado Statutes and the School District’s Investment Policy

The table below identifies the investment types that are authorized by the School District’s investment policy (or CRS, where more restrictive). The table also identifies certain provisions of the School 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 School 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 School District’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury and U.S. Agency Obligations or Securities	5 years	At least 20%	
Money Market Funds	13 months	Not more than 25%	5% of the portfolio
Prime Bankers Acceptances	3 years	Not more than 15%	5% of the portfolio
Commercial Paper	13 months	Not more than 20%	5% of the portfolio
World Bank Securities and General or Revenue Obligations of any State in the United States	3 years	Not more than 20%	
Local Government Investment Pool	5 years	At least 10%	
Repurchase Agreements (other than repurchase agreements for the investment of general obligation bond proceeds and certificates of deposit)	5 years	Not more than 20% at the time of purchase	
Certificates of Deposit	5 years	Not more than 15% at the time of purchase	5% of the portfolio

As of August 9, 2006 when HB 1287 was signed, investments held in the ProComp special revenue fund and administered by the ProComp Trust are exempt from the investment restrictions placed on local governments. Consequently the Trust’s Board of Directors adopted an Investment Policy Statement which authorizes domestic and international equity securities, fixed income securities, and alternative investments including hedging strategies.

Investments Authorized by Debt Agreements

The School District has entered into two forward delivery agreements with US Bank with maturity dates of December 2011 and December 2023 and one forward delivery agreement with JP Morgan Chase Bank with a maturity date of December 2018. The provisions of the contracts and not the School District’s investment policy govern the forward delivery investments. Under the terms of the contracts, the School District recorded interest it received in advance as deferred revenue in the General Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The School District’s investment policy addresses interest rate risk by requiring adherence to the Colorado Revised Statutes. The School 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 maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed by operations and debt service requirements.

SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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

<u>Type of Security</u>	<u>Fair Value</u>	<u>Maturity</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>
U.S. Agency Obligations	\$ 48,272,361	\$ 47,586,408	\$ 685,953	
External Investment Pools	255,572,927	255,572,926		
Hedge Fund of Funds – Limited Partnership	6,188,914	6,188,914		
Hedge Equity – Limited Partnership	4,617,126	4,617,126		
Domestic Common Stock – Mutual Funds	7,161,930	7,161,930		
International Common Stock – Mutual Funds	9,844,182	9,844,182		
U.S. Agency Mutual Funds	10,496,953	10,496,953		
Corporate Bonds-Mutual Funds	5,269,626	5,269,626		
Money Market Funds	41,678,887	41,678,887		
Stocks	3,982			3,982
Repurchase Agreement	6,127,000	6,127,000		
U.S. Agency Obligations (forward delivery agreements)	<u>10,825,930</u>	<u>10,825,930</u>		
Total	<u>\$406,059,818</u>	<u>\$405,369,882</u>	<u>\$ 685,953</u>	<u>\$ 3,982</u>

The School District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably 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. As a result of the decline in the market, the ProComp special revenue fund had an unrealized loss of \$7.76 million as of June 30, 2009.

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 School District has no formal policy relating to foreign currency risk, nor are any deposits or investments exposed to foreign currency risk. The ProComp Trust's international stock investments are in the form of international mutual funds and therefore the amount by currency denomination cannot be determined; the hedge equity investments are limited partnerships with minimal foreign investments.

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. State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investments instruments including bank obligations, general obligation bonds and commercial paper are limited to at least one of the highest ratings categories of at least one nationally recognized rating agency.

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 School District's investment policy adds further restrictions requiring money market funds to have a maximum maturity of 13 months, and have an average maturity of 90 days or less.

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NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

As of June 30, 2009, the money market funds that the School District participated in were rated as follows:

<u>Financial Institution</u>	<u>Fund</u>	<u>Rating at June 30, 2009</u>
Wells Fargo	Prime Investment Money Market Fund	AAAm
Wells Fargo	Government Money Market Fund	AAAm
Morgan Stanley Smith Barney	CITI Institutional Liquid (Reserve Class A)	Not Rated
UBS Paine Webber	UBS Select Money Market Fund Institutional Shares	AAAm

The ProComp Trust's mutual funds are not rated.

Standard and Poor's rates all U.S. Agency Obligations as AAA. Certificates of Deposit held by the School District as of June 30, 2009, are not rated but are subject to the Public Deposit Protection Act collateralization requirements.

The School District invests in the Colorado Asset Surplus Fund Trust (CSAFE) and COLOTRUST, local government investment funds. The Colorado Division of Securities regulates these local government investment pools. The School District's position is that these pools are the same as the value of pool shares. Standard and Poor's rates COLOTRUST as AAAm and CSAFE as AAAm; however on February 27, 2009 CSAFE was placed on CreditWatch with negative implications, where it remains, due to uncertainty surrounding the redemption share price or net asset value (NAV) the pool expects to receive from its investments in the Reserve Primary Fund.

For repurchase agreements, the School District's investment policy requires that the agreement be collateralized as required by state law at a minimum of 102% of the purchase price plus accrued interest (on at least a weekly basis) and the collateral is delivered and held in a third party safekeeping account. The School District's policy does not limit the holding of securities by counterparties.

In September 2008, direct investments in equity securities of Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) were placed in conservatorship by the U.S. Treasury. FNMA and FHLMC are explicitly guaranteed and insured by the U.S. Treasury; therefore, have less risk.

Concentration of Credit Risk

The School District places limits on the amount it may invest in any one issuer of money market funds, prime bankers acceptances, commercial paper, and certificates of deposit. The repurchase agreement is not subject to the five percent restriction as it is governed by contractual restrictions and requirements. At June 30, 2009, the School District's investments were concentrated in the following issuers: 1) Federal National Mortgage Association - \$17,206,868 (4.2%), 2) Federal Home Loan Bank - \$17,079,293 (4.2%), 3) Federal Home Loan Mortgage Corporation - \$13,986,200,200 (3.4%), 4) CSAFE - 51,822,765 (16%), and 5) COLOTRUST - \$203,750,162 (50.3%). Investments in money market funds were under 5% in any one issuer.

The investment policy of the School District dictates that at least 20% of the investment portfolio shall be invested in government securities. At June 30, 2009, the School District was out of compliance with this dictate, with approximately 18% of the investment portfolio invested in government securities.

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The repurchase agreement of \$6,127,000 is a “sweep” repurchase agreement with UMB Bank Colorado for the overnight investment of all available funds in the payroll account, for which collateral is delivered in the School District’s name to the Federal Reserve Bank, the third-party custodial bank.

Custodial Credit Risk

Deposits

Colorado statutes require that the School District 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 School District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The School District does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$2,341,235 of the School District’s bank balances of \$6,465,832 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through the Act. The carrying amount related to the School District’s bank balances was \$599,908.

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	\$ 599,908
Investments	<u>406,059,818</u>
	<u>\$406,659,726</u>
Cash and investments per government-wide statement of net assets:	
Cash and cash equivalents	\$131,576,189
Investments	45,489,435
Held by Fiscal Agent	1,127,778
Restricted investments	200,285,861
Cash per the fiduciary net assets:	
Private purpose trust	4,867,497
Retiree Health Benefit Trust	15,262,008
Retiree Life Insurance Trust	6,180,457
Agency	<u>1,870,501</u>
	<u>\$406,659,726</u>

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3. PROPERTY TAXES

Property taxes are levied during December 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 School District in accordance with state laws and finance formulas. The assessments and collections are made by the City and County of Denver and remitted monthly to the School District.

Property taxes levied for the general fund totaled \$340,868,551 in 2009. Included in this figure are taxes of (1) \$12,099,253 which were approved by voters in 1988 and represent the lesser of \$12,099,253 or the prior year 1.475 mills based on the mill levy limitations in the State constitutional amendment approved by voters in November 1992, and (2) \$17,000,000, \$20,000,000, and \$25,000,000 (the \$25,000,000 to be increased by the rate of inflation each year or \$26,443,900 for calendar year 2008), which were approved by voters in 1998, 2003 and 2005, respectively, and for which the mill levies are adjusted as the assessed valuation changes. General fund deferred revenues included \$12,019,950 of property taxes at June 30, 2009. Property taxes levied for the bond redemption fund totaled \$63,082,684 in 2009 and accounted for the entire bond redemption fund deferred revenue balance of \$2,188,771 at June 30, 2009. In accordance with the state statutes, all property tax revenue is recorded in the general fund and bond redemption fund.

Collection fees by the City and County of Denver amount to one-quarter of 1% of property taxes collected for the general fund and no collection fees are charged for the bond redemption fund. Collection fees are recorded as expenditure.

4. FUND DISCLOSURES

Balances of interfund receivables, payables and transfers at June 30, 2009 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 17,889,214	\$ 2,476,791	\$ 4,209,660	\$ 48,600,719
Special Revenue Fund	17,502,548	23,823,505	7,186,511	315,000
ProComp Special Revenue Fund	1,054,052	4,224,545	26,839,486	-
Bond Redemption Fund	-	-	-	460,640
Building Fund	-	2,680,751	-	6,900
Capital Reserve Fund	1,248,912	112	13,007,097	-
Non-major Funds:				
Pupil Activity Fund	-	222	1,882,625	-
Permanent Fund	-	12	-	-
Enterprise - Food Services Fund	56,984	354,690	6,900	-
Internal Service Funds	40,615	502,615	-	-
Fiduciary Fund	-	3,729,082	-	3,749,020
Total	<u>\$ 37,792,325</u>	<u>\$ 37,792,325</u>	<u>\$ 53,132,279</u>	<u>\$ 53,132,279</u>

All interfund receivables and payables are the result of normal business and are expected to be paid in the current fiscal year. The majority of the School District transfers are from the general fund to various other funds as approved by the Board of Education in the approved annual budget to meet statutory requirements and support other School District programs. The \$3.7 million transfer out from the fiduciary fund to the general fund was a one-time transfer to close out a prior, self-funded retiree health plan.

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5. CHANGES IN CAPITAL ASSETS

A summary of changes in governmental and business-type capital assets is as follows:

Governmental assets:	Land	Buildings and Improvements	Equipment	Construction In-Progress	Capital Leases	Total
Balance July 1, 2008	\$ 54,190,873	\$ 744,997,430	\$ 127,800,017	\$ 118,804	\$ 249,180	\$ 927,356,304
Additions	7,436,442	200,000	10,010,759	8,301,184	840,549	26,788,934
Transfers		183,173	249,180	(183,173)	(249,180)	-
Less – Retirements	-	-	3,643,868	-	-	3,643,868
Balance June 30, 2009	61,627,315	745,380,603	134,416,088	8,236,815	840,549	950,501,370
Less – Accumulated						
Depreciation	-	321,778,182	96,847,977	-	55,793	418,681,952
Ending net assets	<u>\$ 61,627,315</u>	<u>\$ 423,602,421</u>	<u>\$ 37,568,111</u>	<u>\$ 8,236,815</u>	<u>\$ 784,756</u>	<u>\$ 531,819,418</u>
Accumulated depreciation –						
July 1, 2008		\$ 305,245,590	\$ 90,128,091		\$ 216,991	\$ 395,590,672
Increases		16,532,592	10,197,812		55,792	26,786,196
Transfer			216,990		(216,990)	-
Decreases		-	3,694,916		-	3,694,916
Accumulated depreciation –						
June 30, 2009		<u>\$ 321,778,182</u>	<u>\$ 96,847,977</u>		<u>\$ 55,793</u>	<u>\$ 418,681,952</u>
Business-type assets:				Equipment		
Balance July 1, 2008				\$2,499,124		
Additions				88,159		
Less – Retirements				<u>60,691</u>		
Balance June 30, 2009				2,526,592		
Less – Accumulated depreciation				<u>2,044,380</u>		
Ending net assets				<u>\$ 482,212</u>		
Accumulated depreciation – July 1, 2008				\$1,903,871		
Increases				147,771		
Decreases				<u>7,262</u>		
Accumulated depreciation – June 30, 2009				<u>\$2,044,380</u>		

A summary of the governmental depreciation by function reported in the government-wide statement of activities is as follows:

Instruction	
Regular	\$15,351,205
Special education	11,930
Vocational	70,650
Supporting services	
Pupil support	87,292
Instructional support	111,868
General administration	17,689
School administration	1,208,715
Business services	57,889
Operation & maintenance	1,046,927
Pupil transportation	2,958,992
Central services	5,367,257
Food services	<u>495,782</u>
Total depreciation	<u>\$26,786,196</u>

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6. LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Accretion of</u> <u>Capital</u> <u>Interest</u>	<u>Refunded/</u> <u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Obligations	\$ 20,765	\$ 1,136,643	\$ -	\$ (183,809)	\$ 973,599	\$ 217,430
Certificates of Participation	797,508,237	-	1,575,099	(1,445,000)	797,638,336	2,595,000
Bonds Payable	649,436,354	149,170,000	543,439	(22,450,000)	776,699,793	22,541,618
	<u>1,446,965,356</u>	<u>150,306,643</u>	<u>2,118,538</u>	<u>(24,078,809)</u>	<u>1,575,311,728</u>	<u>25,354,048</u>
Premium-Bonds Payable	27,493,905	2,423,831	-	(2,789,802)	27,127,934	
Deferred Loss on Refunding:		-	-	-	-	
Certificates of Participation	(36,542,368)	-	-	3,510,210	(33,032,158)	
Bonds Payable	(13,403,137)	-	-	1,127,361	(12,275,776)	
Compensated Absences	12,101,238	2,764,197	-	(1,442,296)	13,423,139	2,010,918
	<u>\$ 1,436,614,994</u>	<u>\$ 155,494,671</u>	<u>\$ 2,118,538</u>	<u>\$ (23,673,336)</u>	<u>\$ 1,570,554,867</u>	<u>\$ 27,364,966</u>

Long-term liabilities at June 30, 2009 are comprised of the following:

Capital lease obligations:

The School District entered into an equipment lease purchase agreement with a term of 51 months and an interest rate of 3.26%. \$ 973,599

Certificates of participation:

1996 certificates of participation, varying interest rates of 5.60% to 5.70% payable in semiannual installments through 2011, principal due in annual installments of \$1,170,000 to \$2,075,000 through December 2011. 4,485,000

1997 taxable certificates of participation, varying interest rates of 6.82% to 7.32% payable in semiannual installments through 2017, principal due in annual installments of \$917,470 to \$5,495,000 through December 2017. 24,252,160

2008A taxable certificates of participation, weekly reset variable interest rates payable in monthly installments through 2037, principal due in annual installments of \$5,170,000 to \$41,010,000 through December 2037. 450,000,000

2008B-1 taxable certificates of participation, weekly reset variable interest rates payable in monthly installments through 2037, principal due in annual installments of \$2,335,000 to \$18,260,000 through December 2037. 200,000,000

2008B-2 taxable certificates of participation, weekly reset variable interest rates payable in monthly installments through 2037, principal due in annual installments of \$1,175,000 to \$9,150,000 through December 2037. 100,000,000

Cumulative accretion of interest on Capital Appreciation Certificates. 18,901,176

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Unamortized deferred loss on refunding	(33,032,158)
Bond issuances:	
1994 General Obligation Refunding Current Interest Bonds, interest rate of 6.50% payable in semiannual installments through 2010, principal due in semiannual installments of \$6,025,000 and \$10,000,000 through December 2010.	16,025,000
1994 General Obligation Refunding Premium Capital Appreciation Bonds, issued to yield 5.45%, principal and interest payable of \$10,525,000 due December 2009. Principal value of the Premium Capital Appreciation Bonds.	2,063,426
Premium portion of the Premium Capital Appreciation Bond proceeds presented as long-term debt in the financial statements, in accordance with generally accepted accounting principles. From a legal standpoint, such premium is not to be construed as additional outstanding principal, but rather as interest.	2,443,063
1999 General Obligation Bonds, varying interest rates of 4.30% to 5.50% payable in semiannual installments through 2023, principal due in annual installments of \$25,000 to \$3,385,000 through December 2023.	26,490,000
2001 General Obligation Qualified Zone Academy Bonds, interest rates of .75% to 1.10% payable in semiannual installments through 2015, principal due in balloon of \$7,998,175 in 2015.	7,998,175
2001C General Obligation Bonds, interest rate of 5.50% payable in semiannual installments through 2011, principal due in annual installments of \$3,805,000 to \$4,765,000 through December 2011.	13,170,000
2004 General Obligation Bonds, varying interest rates of 2.50% to 5.00% payable in semiannual installments through 2028, principal due in annual installments of \$2,150,000 to \$22,665,000 through December 2028.	298,520,000
2004B General Obligation Refunding Bonds, varying interest rates of 4.0% to 5.00% payable in semiannual installments through 2012, principal due in semiannual installments of \$70,000 to \$19,000,000 through December 2012.	41,780,000
2004C General Obligation Refunding Bonds, varying interest rates of 2.75% to 5.00% payable in semiannual installments through 2018, principal due in annual installments of \$50,000 to \$18,440,000 December 2010 through December 2018.	83,670,000
2005A General Obligation Refunding Bonds, varying interest rates of 5.00% to 5.50% payable in semiannual installments through 2023, principal due in annual installments of \$13,895,000 to \$26,735,000 through December 2023.	129,510,000
2009A General Obligation Bonds, varying interest rates of 4.50% to 5.50% payable in semiannual installments through 2029, principal due in annual installments of \$18,200,000 to \$24,690,000 through December 2029.	149,170,000

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Cumulative accretion of interest on Premium Capital Appreciation Bonds at June 30, 2009.	5,860,129
Unamortized bond premium.	27,127,934
Unamortized deferred loss on refunding	(12,275,776)
Compensated absences payable	<u>13,423,139</u>
Total	<u>\$1,570,554,867</u>

The 1996 certificates of participation and all bonds were issued for construction, maintenance, or to refund existing debt. The 1997 and 2008 certificates of participation were issued to pay the pension plan Unfunded Accrued Actuarial Liability (UAAL).

On November 3, 1998, November 4, 2003, and on November 4, 2008 the registered voters of Denver authorized the School District to issue \$305 million, \$310.8 million and \$454 million, respectively, of general obligation bonds. As of June 30, 2004, substantially all authorized 1998 bonds and all authorized 2003 bonds had been issued. As of June 30, 2009, \$149,170,000 of the 2008 bonds had been issued.

Annual debt service requirements to maturity are as follows (amounts in 000s):

<u>Year Ending</u> <u>June 30,</u>	<u>General Obligation</u> <u>Bonds</u>		<u>Certificates of</u> <u>Participation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 22,542	\$ 37,274	\$ 2,595	\$ 12,497
2011	22,645	36,261	3,875	12,290
2012	23,900	35,075	6,060	11,968
2013	22,130	33,792	5,495	11,581
2014	31,790	32,573	5,621	11,390
2015-2019	179,803	139,686	47,497	56,639
2020-2024	238,945	90,802	99,935	51,650
2025-2029	210,255	32,654	153,590	42,121
2030-2034	24,690	617	225,330	27,860
2035-2038	-	-	247,640	7,908
Total	<u>\$776,700</u>	<u>\$438,734</u>	<u>\$797,638</u>	<u>\$245,904</u>

The annual requirements relating to capital leases as of June 30, 2009 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$217,430	\$29,529
2011	224,706	22,252
2012	232,225	14,733
2013	239,986	6,972
2014	<u>59,252</u>	<u>494</u>
Total	<u>\$973,599</u>	<u>\$73,980</u>

The 1996 Certificates of Participation are to be paid from the capital projects fund - capital reserve fund; whereas the 1997 and 2008 taxable certificates of participation are to be paid from the general fund. The capital lease obligations will be paid from the capital reserve fund. The bond obligations will be paid from the bond redemption fund.

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The capital projects building fund balance of \$133,099,436 is from the issuance of Series 2009A general obligation bonds and related interest earnings, as well as interest earnings on the Series 2004 general obligation bonds. At June 30, 2009, the School District had capital expenditure purchase commitments outstanding of \$64,153,119.

Capital Lease Obligations

The capital lease agreement is for equipment. There are no contingent rental payments, escalation clauses or other restrictions. In accordance with generally accepted accounting principles, the lease has been capitalized at the present value of future lease payments, and the equipment is reflected in the Government-wide financial statements. The current lease is an obligation of the capital reserve fund. \$1,136,643 is the gross amount of the capital lease assets.

Defeasance of Certificates of Participation

In prior years, the School District defeased certain certificates of participation by placing the proceeds of the new certificates in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the School District's financial statements. At June 30, 2009, \$140,925,360 of outstanding certificates of participation is considered defeased.

Defeasance of General Obligation Bonds

In 2004 and as described previously the School District defeased certain of the 1999 general obligation bonds by placing the proceeds of the new general obligation bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the School District's financial statements. At June 30, 2009, \$226,210,000 of refunded 1999 bonds is considered defeased.

Demand Bonds

On April 24, 2008, the Board of Education of the School District approved the issuance by the DSFLC of \$450,000,000 of Series 2008A taxable variable rate certificates of participation (the "2008A Certificates"), and \$300,000,000 of Series 2008B taxable variable rate certificates of participation (the "2008B Certificates"). A portion of the 2008 Certificate proceeds were used to advance refund most of the outstanding 1997 PCOPs and to currently refund all of the 2005A Certificates and the 2005B Certificates, and \$397,800,000 was deposited with the Denver Public Schools Retirement System to pay the outstanding UAAL. The 2008A Certificates and 2008B Certificates evidence undivided interests in the right to receive lease revenues payable by the School District, as lessee, to the DSFLC, as lessor, under a Lease Agreement dated as of April 24, 2008 (the "2008A Lease" and the "2008B Lease"). The School District's payment of lease payments under the 2008A Lease and 2008B Lease is subject to annual appropriation by the Board of Education of the School District. The 2008A and 2008B Certificates proceeds used to advance refund the 1997 PCOPs were deposited with an escrow agent and invested in U.S. government securities for the purpose of paying the principal and interest of the Defeased 1997 Certificates when due. The present value of the economic loss resulting from this issue is \$24,967,502. The deferred loss on the refunding is \$35,504,789, which will be amortized over the life of the new PCOPs (through 2038). The future PCOPs cash flow requirements increased by \$326,575,837 as a result of extending the payment terms for an additional 19 years; such increase does not consider the savings from advance funding the pension UAAL at a rate lower than the actuarial 8.5%.

Owners of the 2008 Certificates have the option to tender the Certificates for purchase on any business day at 100% of the principal amount plus accrued interest, if any, to the purchase date.

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Owners must give notice to the Tender Agent and Remarketing Agent(s) no fewer than seven days before the 2008 Certificate Purchase Date. The School District entered into a Standby Purchase Agreement with Dexia Credit Local, under the terms of which the Tender Agent makes a request for purchase by the bank until the Certificates are successfully remarketed. The School District is required to pay an annual commitment fee to Dexia Credit Local equal to 67.5 basis points of the total of the outstanding Certificate principal plus interest calculated based upon 35 days of interest at 18% per annum on a year of 360 days. The School District has two remarketing agents, J.P. Morgan Securities Inc. for the 2008A Certificates, and RBC Capital Markets Corporation for the 2008B Certificates. The School District is required to pay an annual remarketing fee equal 12 basis points of the weighted average principal amount of the 2008A Certificates outstanding. The School District is required to pay an annual remarketing fee equal to six basis points of the weighted average principal amount of the 2008B Certificates outstanding.

Forward Delivery Agreements

In November 2002, the School District entered into a forward delivery agreement whereby it received \$.7 million for the general fund in exchange for the future earnings from the investment of future bond redemption fund property tax collections that will be levied to meet the debt service requirements for the 2001C general obligation bond issue. Of this \$.7 million, \$516,386 has been recognized as revenue, with the remaining amount to be recognized as revenue over the remaining life of the bond issue or through November 2012.

In February 2003, the School District entered into a forward delivery agreement whereby it received \$9.8 million for the general fund in exchange for the future earnings from the investment of future general fund revenues that will be used to meet the debt service requirements for the 1997 taxable pension certificates of participation issue. Of this \$9.8 million, \$3,985,313 has been recognized as revenue, with the remaining amount to be recognized as revenue over the remaining life of the issue or through December 2018.

Compensated Absences Payable

Compensated absences payable consists of accumulated sick leave time which vests and is payable upon retirement and accumulated vacation leave time which vests and is payable upon retirement or termination. On the fund financial statements, compensated absence amounts are reported as expenditures or expenses when paid. The estimated cost for fiscal year 2010 is \$2,010,918 based on recent history. The majority of these expenditures are paid by the general fund.

7. DERIVATIVE INSTRUMENTS

Interest Rate Swap

Certificates of Participation Series 2008A

Swap Objective. The DSFLC entered into a variable-to-fixed interest rate swap agreement (the "2008A Swap Agreement") with JP Morgan Chase Bank, N.A. in connection with the issuance of the Series 2008A taxable variable rate certificates of participation (the "2008A Certificates") on April 24, 2008, as a means of both (a) creating flat to declining annual lease payments in real, inflation-adjusted terms for the School District over the next 30 years when considering together the respective lease agreements dated as of July 1, 1997 and April 24, 2008 made by and between the DSFLC, as lessor, and the School District, as lessee, with respect to the outstanding Series 1997 taxable pension certificates of participation (the "1997 Certificates") and the 2008A and 2008B Certificates, respectively, and (b) providing for significant savings over the 30-year life of the 2008A and 2008B certificates when compared to the cost of the amortization of the

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prior outstanding Denver Public Schools Retirement System (“DPSRS”) unfunded liability, and the prior lease payments under the 1997, 2005A and 2005B leases that were refunded with the proceeds from the 2008A and 2008B Certificates. The intention of entering into the 2008A Swap Agreement was to effectively change the variable interest rate on the variable rate 2008A Certificates to a synthetic fixed interest rate (paid by the DSFLC under the 2008A Swap Agreement) of 4.859%.

Swap terms - The 2008A Certificates mature on, and the 2008A Swap Agreement terminates on, December 15, 2037, and the total notional amount of the swap equals the \$450,000,000 aggregate principal amount of the 2008A Certificates. Starting in fiscal year 2017-2018, the notional value of the swap declines by the same amount of the associated principal amortization of the 2008A Certificates. Under the 2008A Swap Agreement, the DSFLC pays the swap counterparty, JPMorgan Chase Bank, N.A., a fixed payment of 4.859% semi-annually, on each June 15th and December 15th commencing June 15, 2008, and receives the weekly-reset one-month London Interbank Offered Rate (“LIBOR”) on the 9th of every month commencing May 9, 2008.

Fair value - Because of the manner in which interest rates have changed since execution of the 2008A Swap Agreement, the swap had a negative fair value as of June 30, 2009. Because the interest rate on the 2008A Certificates adjust to changing interest rates, the 2008A Certificates do not have a corresponding fair value change. The fair value was determined by market prices quoted by the swap counterparty, and reviewed for reasonableness by the remarketing agent, for the 2008A Certificates as of June 30, 2009. (see table below).

Counterparty credit risk - As of June 30, 2009, the DSFLC was not exposed to credit risk in the amount of the fair value of the 2008A Swap Agreement with respect to the swap counterparty because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the DSFLC would be exposed to credit risk. To mitigate the potential for credit risk, if the swap counterparty’s credit rating from either Standard & Poor’s and Moody’s Investors Service falls to “A-”/“A3”, respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap is required to be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2009

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating;</u>		<u>Swap Fair Value</u>
		<u>Moody’s Outlook:</u> <u>Negative</u>	<u>S&P Outlook:</u> <u>Negative</u>	
JP Morgan Chase Bank	\$450,000,000	Aa1	AA-	(\$48,435,461)

Basis risk - The 2008A Swap Agreement does expose the DSFLC to basis risk (the risk that the variable rate paid at any point in time by the swap counterparty under the 2008A Swap Agreement will be less than the variable rate payable by the DSFLC at such point in time on the 2008A Certificates). From July 1, 2008 through June 30, 2009, the variable rate paid to investors was 324 basis points (3.24%) above the swap rate. A portion of the proceeds from the issuance of the 2008A Certificates included \$1,800,000 for a Rate Stabilization Fund to fund any such basis rate exposure. During the fiscal year the School District utilized the Rate Stabilization Fund to cover the differences in the variable rate paid and the swap rate. The School District intends to replenish the Rate Stabilization Fund in fiscal year 2010.

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Termination risk - The DSFLC may optionally terminate the 2008A Swap Agreement with the prior consent of the certificate insurer for the 2008A Certificates if the DSFLC has sufficient funds to pay any settlement amount due to the swap counterparty if at the time of the termination the 2008A Swap Agreement has a negative fair value. The 2008A Swap Agreement may also terminate if: (a) an event of default by the DSFLC under the 2008A Swap Agreement or a termination event under the 2008A Swap Agreement caused by the DSFLC occurs; and (b) the certificate insurer for the 2008A Certificates fails to pay amounts due to the swap counterparty from the DSFLC or such insurer enters into liquidation or similar proceedings, is downgraded to below A-/A3 or is merged into another entity which does not assume the insurance obligations of such insurer with respect to the 2008A Swap Agreement, or the insurance policy providing for such obligations is declared invalid by a court of competent jurisdiction. If the 2008A Swap Agreement is terminated, the Series 2008A certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate certificates.

Interest Rate Swap

Certificates of Participation Series 2008B-1

Swap Objective. The DSFLC entered into a variable-to-fixed interest rate swap agreement (the "2008B-1 Swap Agreement") with Bank of America, N.A., in connection with the issuance of the Series 2008B-1 taxable variable rate certificates of participation (the "2008B-1 Certificates") on April 24, 2008, as a means of both (a) creating flat to declining annual lease payments in real, inflation-adjusted terms for the School District over the next 30 years when considering together the respective lease agreements dated as of July 1, 1997 and April 24, 2008 made by and between the DSFLC, as lessor, and the School District, as lessee, with respect to the 1997 Certificates and the 2008A and 2008B Certificates, respectively, and (b) providing for significant savings over the 30-year life of the 2008A and 2008B certificates when compared to the cost of the amortization of the prior outstanding DPSRS unfunded liability, and the prior lease payments under the 1997, 2005A and 2005B leases that were refunded with the proceeds from the 2008A and 2008B Certificates. The intention of entering into the 2008B-1 Swap Agreement was to effectively change the variable interest rate on the variable rate 2008B-1 Certificates to a synthetic fixed interest rate (paid by the DSFLC under the 2008B-1 Swap Agreement) of 4.859%.

Swap terms - The 2008B-1 Certificates mature on, and the 2008B-1 Swap Agreement terminates on, December 15, 2037, and the total notional amount of the swap equals the \$200,000,000 aggregate principal amount of the 2008B-1 Certificates. Starting in fiscal year 2017-2018, the notional value of the swap declines by the same amount of the associated principal amortization of the 2008B-1 Certificates. Under the 2008B-1 Swap Agreement, the DSFLC pays the swap counterparty, Bank of America, N.A., a fixed payment of 4.859% semi-annually, on each June 15th and December 15th commencing June 15, 2008, and receives the weekly-reset one-month LIBOR on the 9th of every month commencing May 9, 2008.

Fair value - Because of the manner in which interest rates have changed since execution of the 2008B-1 Swap Agreement, the swap had a negative fair value as of June 30, 2009. Because the interest rate on the 2008B-1 Certificates adjust to changing interest rates, the 2008B-1 Certificates do not have a corresponding fair value change. The fair value was determined by market prices quoted by the swap counterparty, and reviewed for reasonableness by the remarketing agent, for the 2008B-1 Certificates as of June 30, 2009. (see table below).

Counterparty credit risk - As of June 30, 2009, the DSFLC was not exposed to credit risk in the amount of the fair value of the 2008B-1 Swap Agreement with respect to the swap

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counterparty because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the DSFLC would be exposed to credit risk. To mitigate the potential for credit risk, if the swap counterparty's credit rating from either Standard & Poor's and Moody's Investors Service falls to "A-"/"A3", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap is required to be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2009

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating;</u>		<u>Swap Fair Value</u>
		<u>Moody's Outlook:</u> <u>Stable</u>	<u>S&P Outlook:</u> <u>Stable</u>	
Bank of America, N.A.	\$200,000,000	Aa3	A+	(\$22,014,652)

Basis risk - The 2008B-1 Swap Agreement does expose the DSFLC to basis risk (the risk that the variable rate paid at any point in time by the swap counterparty under the 2008B-1 Swap Agreement will be less than the variable rate payable by the DSFLC at such point in time on the 2008B-1 Certificates). From July 1, 2008 through June 30, 2009, the variable rate paid to investors was 324 basis points (3.24%) above the swap rate. A portion of the proceeds from the issuance of the 2008B-1 Certificates included \$800,000 for a Rate Stabilization Fund to fund any such basis rate exposure. During the fiscal year the School District utilized the Rate Stabilization Fund to cover the differences in the variable rate paid and the swap rate. The School District intends to replenish the Rate Stabilization Fund in fiscal year 2010.

Termination risk - The DSFLC may optionally terminate the 2008B-1 Swap Agreement with the prior consent of the certificate insurer for the 2008B-1 Certificates if the DSFLC has sufficient funds to pay any settlement amount due to the swap counterparty if at the time of the termination the 2008B-1 Swap Agreement has a negative fair value. The 2008B-1 Swap Agreement may also terminate if: (a) an event of default by the DSFLC under the 2008B-1 Swap Agreement or a termination event under the 2008B-1 Swap Agreement caused by the DSFLC occurs; and (b) the certificate insurer for the 2008B-1 Certificates fails to pay amounts due to the swap counterparty from the DSFLC or such insurer enters into liquidation or similar proceedings, is downgraded to below A-/A3 or is merged into another entity which does not assume the insurance obligations of such insurer with respect to the 2008B-1 Swap Agreement, or the insurance policy providing for such obligations is declared invalid by a court of competent jurisdiction. If the 2008B-1 Swap Agreement is terminated, the Series 2008B-1 certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate certificates.

Interest Rate Swap

Certificates of Participation Series 2008B-2

Swap Objective. The DSFLC entered into a variable-to-fixed interest rate swap agreement (the "2008B-2 Swap Agreement") with Royal Bank of Canada in connection with the issuance of the Series 2008B-2 taxable variable rate certificates of participation (the "2008B-2 Certificates") on April 24, 2008, as a means of both (a) creating flat to declining annual lease payments in real, inflation-adjusted terms for the School District over the next 30 years when considering together the respective lease agreements dated as of July 1, 1997 and April 24, 2008 made by and between the DSFLC, as lessor, and the School District, as lessee, with respect to the 1997 Certificates and the 2008A and 2008B Certificates, respectively, and (b) providing for significant savings over the 30-year life of the 2008A and 2008B certificates when compared to the cost of

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the amortization of the prior outstanding DPSRS unfunded liability, and the prior lease payments under the 1997, 2005A and 2005B leases that were refunded with the proceeds from the 2008A and 2008B Certificates. The intention of entering into the 2008B-2 Swap Agreement was to effectively change the variable interest rate on the variable rate 2008B-2 Certificates to a synthetic fixed interest rate (paid by the DSFLC under the 2008B-2 Swap Agreement) of 4.859%.

Swap terms - The 2008B-2 Certificates mature on, and the 2008B-2 Swap Agreement terminates on, December 15, 2037, and the total notional amount of the swap equals the \$100,000,000 aggregate principal amount of the 2008B-2 Certificates. Starting in fiscal year 2017-2018, the notional value of the swap declines by the same amount of the associated principal amortization of the 2008B-2 Certificates. Under the 2008B-2 Swap Agreement, the DSFLC pays the swap counterparty, Royal Bank of Canada, a fixed payment of 4.859% semi-annually, on each June 15th and December 15th commencing June 15, 2008, and receives the weekly-reset one-month LIBOR on the 9th of every month commencing May 9, 2008.

Fair value - Because of the manner in which interest rates have changed since execution of the 2008B-2 Swap Agreement, the swap had a negative fair value as of June 30, 2009. Because the interest rate on the 2008B-2 Certificates adjust to changing interest rates, the 2008B-2 Certificates do not have a corresponding fair value change. The fair value was determined by market prices quoted by the swap counterparty, and reviewed for reasonableness by the remarketing agent, for the 2008B-2 Certificates as of June 30, 2008. (see table below).

Counterparty credit risk - As of June 30, 2009, the DSFLC was not exposed to credit risk in the amount of the fair value of the 2008B-2 Swap Agreement with respect to the swap counterparty because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the DSFLC would be exposed to credit risk. To mitigate the potential for credit risk, if the swap counterparty's credit rating from either Standard & Poor's and Moody's Investors Service falls to "A-"/"A3", respectively or lower, and the fair value of the swap reaches certain threshold amounts, the fair value of the swap is required to be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Swap Counterparty Data as of June 30, 2009

<u>Counterparty</u>	<u>Swap Notional Amount</u>	<u>Credit Rating;</u>		<u>Swap Fair Value</u>
		<u>Moody's Outlook:</u> <u>Negative</u>	<u>S&P Outlook:</u> <u>Stable</u>	
Royal Bank of Canada	\$100,000,000	Aaa	AA-	(\$10,836,935)

Basis risk - The 2008B-2 Swap Agreement does expose the DSFLC to basis risk (the risk that the variable rate paid at any point in time by the swap counterparty under the 2008B-2 Swap Agreement will be less than the variable rate payable by the DSFLC at such point in time on the 2008B-2 Certificates). From July 1, 2008 through June 30, 2008, the variable rate paid to investors was 324 basis points (3.24%) above the swap rate. A portion of the proceeds from the issuance of the 2008B-2 Certificates included \$400,000 for a Rate Stabilization Fund to fund any such basis rate exposure. During the fiscal year the School District utilized the Rate Stabilization Fund to cover the differences in the variable rate paid and the swap rate. The School District intends to replenish the Rate Stabilization Fund in fiscal year 2010.

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Termination risk - The DSFLC may optionally terminate the 2008B-2 Swap Agreement with the prior consent of the certificate insurer for the 2008B-2 Certificates if the DSFLC has sufficient funds to pay any settlement amount due to the swap counterparty if at the time of the termination the 2008B-2 Swap Agreement has a negative fair value. The 2008B-2 Swap Agreement may also terminate if: (a) an event of default by the DSFLC under the 2008B-2 Swap Agreement or a termination event under the 2008B-2 Swap Agreement caused by the DSFLC occurs; and (b) the certificate insurer for the 2008B-2 Certificates fails to pay amounts due to the swap counterparty from the DSFLC or such insurer enters into liquidation or similar proceedings, is downgraded to below A-/A3 or is merged into another entity which does not assume the insurance obligations of such insurer with respect to the 2008B-2 Swap Agreement, or the insurance policy providing for such obligations is declared invalid by a court of competent jurisdiction. If the 2008B-2 Swap Agreement is terminated, the Series 2008B-2 certificates would no longer carry a synthetic fixed interest rate, and would be subject to the interest rate risk associated with variable rate certificates.

8. SHORT-TERM DEBT

It was necessary for the School District to participate in the State of Colorado Interest-Free Loan Program by borrowing \$166,000,000 throughout the fiscal year in order to meet operating expenditures since property tax receipt of significant amounts are not received until March, April, May and June. The loan was repaid during the months of March and May.

July 1, 2008			June 30, 2009
<u>Balance</u>	<u>Borrowed</u>	<u>Repayment</u>	<u>Balance</u>
\$0	\$166,000,000	\$166,000,000	\$0

9. PENSION PLAN

Plan Description

The School District contributes to the Denver Public Schools Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan (the Plan), to provide defined retirement, death and disability benefits to plan members and beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained at the System's office at 3700 East Alameda Avenue, Suite 400, Denver, CO 80209. The Plan was established in 1945 through state statute.

Funding Policy

Employer contributions are based on the funding policy required by Plan provisions. The actuary of the System issues an annual report as of January 1 of each year. The School District adopts changes in the employer contribution rates for its fiscal year beginning 18 months after the date of the annual actuarial valuation report. The contribution rate for members during fiscal year 2009 was 8% and for the School District was 7.58% of gross covered salary. The funding policy approved by the Board of Education in January 2006 provides that for employer contributions for fiscal years beginning July 1, 2005, the rate will increase over a four year period so that by July 1, 2008, it is normal cost plus amortization of the UAAL. The School District's contributions for the years ended June 30, 2009, 2008, and 2007 were \$27,760,626, \$42,201,678, and \$34,785,579, respectively.

DPS Retirement System Merger into Colorado PERA

On May 21, 2009, the Governor of Colorado signed a bill that mandates the merger and transfer of the assets, liabilities, and obligations of the Denver Public Schools Retirement System

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(System) into the Colorado Public Employees' Retirement Association (PERA) as of January 1, 2010. The statute establishes two separate DPS divisions within PERA, one for retirement benefits and one for health care benefits. It incorporates certain provisions of the Plan into statute and requires the PERA Board to administer the provisions of the Plan for System members. The statute appoints a non-voting ex officio Board member from the DPS Division to serve on the PERA Board. In addition, it creates a separate health care trust fund for DPS and allows DPS retirees to participate in PERACare, the PERA health care program for retirees and benefit recipients. The statute allows for the portability of benefits between the DPS Division and other divisions with PERA.

Subsequent to the merger with PERA, the Colorado Legislature will determine the employer and employee contribution rates. The statutory employer contribution rate for the DPS Division currently is set at 13.75% from 2010 through 2012 and 14.15% thereafter. The employee contribution rate is currently set at 8%. DPS Division employers are also subject to the Amortization Equalization Disbursement (AED) and the Supplemental Amortization Equalization Disbursement (SAED), as outlined in the statute. The DPS Division required contributions are to be reduced by an amount equal to the DPS obligations related to the PCOPs issued in 1997 and the taxable variable rate certificates of participation issued in 2008, at an assumed interest rate of 8.5%.

10. POST EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits, the School District provides post-retirement health insurance contributions and life insurance benefits, in accordance with the Board of Education Resolutions 1690 and 1643, respectively. Each benefit is administered in a non-revocable trust by an independent trustee and is a single-employer defined benefit OPEB plan. A separate, audited GAAP-basis OPEB plan report is not available for either plan.

Plan Descriptions and Contribution Information

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. Membership in each plan consisted of the following at July 1, 2008, the date of the latest actuarial valuation:

	DPS Retiree Health Benefit Trust	DPS Retiree Life Insurance Trust
Retirees receiving benefits	5,158	4,476
Actives (fully eligible)	745	-
Actives (not fully eligible)	<u>4,403</u>	<u>-</u>
Total	<u>10,306</u>	<u>4,476</u>

Denver Public Schools Retiree Health Benefit Trust (DPSRHBT)

Plan Description-Beginning in fiscal year 2004, in accordance with Board of Education action, the maximum monthly School District contribution for single coverage under the health insurance program is set at \$230 for retirees under age 65 or for retirees that only qualify for Part B Medicare. Retirees that qualify for both Part A and B of Medicare receive \$115 per month. Retirees, based on the above qualifications, receive either \$11.50 or \$5.75 per month per year of service for a maximum of \$230 or \$115, respectively. In June 2005, the School District approved the establishment of a Retiree Health Benefit Trust.

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Contributions-The School District's Board of Education determines the annual contribution through the budgeting process. According to the actuarial report with a valuation date of July 1, 2008, the Annual Required Contribution (ARC) was \$(3,167,000). The School District contributed the projected pay-as-you-go amount of \$6,622,378 for fiscal year 2008-2009 on the recommendation of the actuary. The Plan participants do not make contributions to the plan, but are responsible for the balance of the insurance premium. Retirees have the option between two commercial health insurance providers and may pay for their dependents to be covered by the health insurance program.

Denver Public Schools Retiree Life Insurance Trust (DPSRLIT)

Plan Description- Life insurance benefits are provided to retirees depending on the date they were eligible to retire. Retirees who were eligible to retire prior to September 1, 1997, receive two times their annual earnings, with the amount reduced annually during the five-year period after their retirement date; at the end of the five year period the life insurance benefit remaining is final and paid out upon their death. Retirees who were eligible to retire after September 1, 1997, receive a flat dollar amount of \$10,000 payable at the time of their death. Life insurance benefits are not available to anyone who retires after January 1, 2006. A fund to pre-fund future life insurance for retired employees was established in 1978 and was held by the insurance carrier to be used only for the purpose of providing life insurance benefits. This was transferred to the control of DPSRLIT during the year ended June 30, 2008, in the amount of \$6,080,233. In June 2007, the School District approved the establishment of DPSRLIT.

Contributions-The School District's Board of Education determines the annual contribution through the budgeting process. According to the actuarial report with a valuation date of July 1, 2008, the ARC was \$1,993,000. The School District contributed the projected pay-as-you-go amount of \$1,672,000 for fiscal year 2008-2009 on the recommendation of the actuary. Plan participants do not make contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation

The School District's annual OPEB cost is calculated based on the ARC for each plan. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the School District's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the School District's net OPEB obligation:

	<u>DPSRHB T</u>	<u>DPSRLIT</u>
Normal Cost	\$ 2,000	\$ -
Interest on Normal Cost	-	-
Amortization	(2,934,000)	1,845,000
Interest on Amortization	<u>(235,000)</u>	<u>148,000</u>
Annual Required Contribution	(3,167,000)	1,993,000
Interest on net OBEB obligation	(638,000)	(62,000)
Adjustment to ARC	<u>5,416,000</u>	<u>91,000</u>
Annual OPEB cost	1,611,000	2,022,000
Contributions made	<u>6,622,378</u>	<u>1,672,000</u>
Increase/(Decrease) in net OPEB	(5,011,378)	350,000
Net OPEB obligation - June 30, 2008	<u>(7,972,266)</u>	<u>(771,000)</u>
Net OPEB asset - June 30, 2009	<u>\$ (12,983,644)</u>	<u>\$ (421,000)</u>

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The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2009 and 2008 are as follows:

DPSRHBT:

6/30/2009	\$ 1,611,000	411.07%	\$ 12,983,644
6/30/2008	\$ 4,023,000	298.17%	\$ 7,972,266

DPSRLIT:

6/30/2009	\$ 2,022,000	82.69%	\$ 421,000
6/30/2008	\$ 901,000	185.57%	\$ 771,000

Funded Status and Funding Progress – OPEB Plans

The funded status of each plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
DPSRHBT						
7/1/2008	\$ 16,790,000	\$ 12,471,000	\$ (4,319,000)	134.63%	\$ 360,513,241	-1.20%
DPSRLIT						
7/1/2008	\$ 5,914,000	\$ 21,596,000	\$ 15,682,000	27.38%	\$ 360,513,241	4.35%

The ARC was determined, using the “Projected Unit Credit” attribution method and is as of July 1, 2008. The ARC was calculated on a level dollar basis assuming closed amortization periods of 1.5 years for the health insurance benefit and the average remaining lifetime of qualified retirees (12.9 years) for the life insurance benefit. The significant actuarial assumptions used in the valuation as of July 1, 2008 were: (a) life expectancy of participants obtained from the 1994 Group Annuity Mortality Table applied on a gender-specific basis; (b) retirement age assumption based on annual probability applied on a gender-specific basis over the period of 50 to 70 years; (c) a discount rate of 8% assuming the employer will consistently contribute an amount equal to or greater than the ARC; (d) a plan participation assumption that 100% of all employees who are eligible for retiree benefits actually participate in the retiree benefit plan, assuming a one-time irrevocable election to participate is made at retirement; (e) a salary increase assumption of 3.5% per annum; and (f) the exclusion of the Medicare Part D employer subsidy.

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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11. RISK MANAGEMENT

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

The School District has the normal exposures to loss that are part of any large organization. The School District is a public facility that teaches and supervises approximately 73,000 students, employs approximately 12,000 people to accomplish these functions, and provides these services in over 150 facilities located throughout the City and County of Denver. Exposures to loss include theft of property, tort claims, errors and omissions on the part of School District employees or Board members, on the job injuries, and automobile liability claims.

The School District participates in the Colorado School District's Self-Insurance Pool (the Pool) for liability and property coverage. The Pool provides coverage to its members for accidental losses as well as services to help reduce losses and costs incurred in handling claims. In return for these services the School District pays premiums and assists the Pool in settling losses. Furthermore, the School District's responsibilities include working toward reducing the exposures that cause losses. Property loss claims are handled primarily through School District resources, and claims that allege injury to the public or students are forwarded to the Pool for claims management.

The School District retains a certain level of all liability losses. For the year ended June 30, 2009, the School District retained \$100,000 of each school entity liability loss and \$150,000 for each automobile liability loss. For the same period the retention level for each property claim was \$100,000. These deductible levels were arrived at after reviewing the average historical losses and determining the amount of each loss the School District could pay directly.

The workers' compensation insurance program for the plan year ended June 30, 2009, was a self-financed program with the State of Colorado. This program provided that the School District pay the first \$550,000 of each loss. General Fund money for the workers' compensation program was used to pay expenses and claims costs. The School District uses a third party claims administrator to process claims.

The schedule below represents the claims activity for the fiscal year and the liability for accrued claims (incurred but not reported) at year end. The goal is to retain the highest level of each loss that makes economical sense. The liability for all claims is \$2,660,000 at June 30, 2009.

	Beginning	Current Year	Claims	Year End
	<u>Liability</u>	<u>Claims and Change</u>	<u>Payment</u>	<u>Balance</u>
		<u>In Estimate</u>		
June 30, 2008	\$2,660,000	\$3,896,582	\$3,896,582	\$2,660,000
June 30, 2009	\$2,660,000	\$4,214,708	\$4,214,708	\$2,660,000

12. RELATED PARTIES

The School 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 servers

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(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 348. These students must be residents of one of the five participating school districts. All students at RMSEL are included in the School District's enrollment number that is reported to the Colorado Department of Education for funding purposes. The School 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 \$2,481,983 for fiscal year 2009. RMSEL purchased special education services from the School District for \$136,108 for the same year.

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

13. LITIGATION AND CONTINGENCIES

The School District is a party to numerous pending or threatened lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters. After consulting with counsel, the School District's management has concluded that no significant adverse effect on the June 30, 2009, financial statements should result upon final disposition of these proceedings.

The School 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 at this time to estimate the amount of expenditures, which will be required to comply with the Act. It is expected that these expenditures will not have a significant impact on the financial position of the School 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 School District's management believes disallowances, if any, will be immaterial.

The School District has several computer and copier lease agreements which contain a provision whereby the leases shall terminate if the Board of Education does not appropriate funds for lease payments in any succeeding year. There are no contingent rental payments, escalation clauses or other restrictions. The computer leases contain a provision whereby the title of the property will transfer at the end of the lease if the lease is not terminated, however the value of the computers is below the School District's capitalization threshold. The copiers are an operating lease and title will not be transferred to the School District. The current leases are primarily obligations of the general fund; however several other funds pay for copiers that they are using.

14. STATEWIDE FISCAL MATTERS

At the general election held November 3, 1992, the voters of the State approved an amendment (commonly termed the Taxpayers Bill of Rights, or TABOR) to the Colorado Constitution limiting the ability of the State and local governments such as the School District to increase revenues, debt and spending, and restricting property, income and other taxes. On November 2, 1999, the Denver voters gave the School District approval to exceed the spending limits

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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 Colorado State and local governments combined. The amendment also requires the establishment of an "Emergency Reserve" equal to three percent of fiscal year spending excluding debt service.

Through fiscal years ending June 30, 2004, the School District had set aside cash and investments to satisfy its requirement to fund the Emergency Reserve. On June 17, 2004, the Board of Education of the School District approved a Letter of Credit ("LOC") and Reimbursement Agreement which would fund \$16.1 million of the School District's Emergency Reserve requirement. The Emergency Reserve amount associated with the net payments owed by the School District to contract schools pursuant to contracts with the School District in addition to the School District's Emergency Reserve related to planned spending by the Emily Griffith Opportunity School, will continue in the form of cash and investments. This LOC and Reimbursement Agreement with JPMorgan Chase Bank was for the initial term of the fiscal year beginning July 1, 2004 and was extended on July 1, 2007 starting with an amount of \$21 million renewable for the fiscal years beginning July 1, 2008 and July 1, 2009. The LOC was extended on July 1, 2008. The LOC amount as of June 30, 2009 was \$22 million. Effective July 1, 2009, the School District chose not to renew the LOC as State law allows the School District to secure a portion of the Emergency Reserve with dedicated School District property. The School District has designated real property owned by the School District to satisfy a portion of the Emergency Reserve requirement. If the School District identifies the need to increase the amount of the Emergency Reserve because additional revenues become available after the budget has been adopted, such amount of Emergency Reserve increase will be in the form of cash.

15. SUBSEQUENT EVENTS

Effective July 1, 2009, the School District chose not to renew the LOC as State law allows the School District to secure a portion of the Emergency Reserve with dedicated School District property. The School District has designated real property owned by the School District to satisfy a portion of the Emergency Reserve requirement.

On October 14, 2009, the School District issued \$24.0 million of general obligation qualified school construction bonds. The proceeds of the bonds will be used to finance a portion of the costs of projects including the completion of necessary renovations and improvements district-wide.

16. COMPONENT UNITS

The School District's Foundation is included as a component unit. Separately issued financial statements are available from the Foundation at 900 Grant Street, Room 503, Denver, CO 80203. Certain note disclosures for the Foundation have been excerpted from the Foundations' financial statements:

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Long-Term Investments

Long-term investments are carried at estimated fair value and consist of certificates of deposit held for long-term purposes under the terms of the agreement with Denver Public Schools. At June 30, 2009, long-term investments included one certificate of deposit totaling \$500,000 with a maturity date in September 2009, and an interest rate of 1.95%.

Permanently Restricted Net Assets

In 1999, the Foundation entered into an agreement with Denver Public Schools under which the Foundation received \$1,000,000. The income and unrealized gains earned on the contribution is for unrestricted use in accordance with the purpose of the Foundation. The principal amount of the contribution cannot be spent by the Foundation for any purpose. In the event of bankruptcy or other specified events, the contribution may be required to be returned to Denver Public Schools. Under the terms of this agreement, the Foundation held \$1,000,000 of permanently restricted net assets at June 30, 2009, 2008, 2007 and 2006.

In addition, the School District has nineteen Charter Schools, which are classified as component units. The Charter School addresses from which reports may be requested are:

Academy of Urban Learning, 835 E. 18th Ave, Denver, CO 80218
Big Picture High School (formerly Skyland Community High School), 3532 Franklin Street,
Denver, CO 80205
Colorado High School, 1175 Osage Street, Suite #100, Denver, CO 80204
Community Challenge School, 948 Santa Fe Drive, Denver, CO 80204
Denver Arts and Technology Academy, 3752 Tennyson Street, Denver, CO 80211
Denver School of Science and Technology, 2000 Valentia Street, Denver, CO 80238
Denver Venture High School, 2409 Arapahoe Street, Denver, CO 80205
Highline Academy, 7808 Cherry Creek Drive South, Suite 304, Denver, CO 80231
KIPP Sunshine Peak Academy, 375 South Tejon Street, Denver, CO 80223
Life Skills Center of Denver, 1000 Cherokee Street, Denver, CO 80204
Northeast Academy, 4895 Peoria Street, Denver, CO 80239
Odyssey School, 8750 East 28th Avenue, Denver, CO 80238
Omar D. Blair—an Edison K-8 Charter School, 4905 Cathay Street, Denver, CO 80249
Pioneer Charter School, 3230 E. 38th Avenue, Denver, CO 80205
Ridge View Academy, 28101 A East Quincy Avenue, Watkins, CO 80137
Southwest Early College, 3001 South Federal Boulevard, Box 114, Denver, CO 80236
Urban Learning Communities, 1062 Delaware Street, Denver, CO 80204
West Denver Preparatory, 1825 South Federal Boulevard, Denver, CO 80219
Wyatt Edison, 3620 Franklin Street, Denver, CO 80205

Certain note disclosures for the Charter Schools are as follows (from their separately – issued Charter School reports):

Significant Accounting Policies

The Charter Schools' financial information included with the School District's financial statements represents the government-wide financial statements for the Charter Schools. The government-wide financial statements for each of the Charter Schools are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Other accounting policies are similar to the School District.

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Cash and Investments

Deposits held at June 30, 2009 were as follows:

	Carrying <u>Balance</u>	Bank Balance	
		Covered by FDIC Insurance or <u>Collateralized</u>	Uninsured – <u>Uncollateralized</u>
Academy of Urban Learning	\$18,459	28,924	
Big Picture High School	4,592	17,209	
Colorado High School	30,829	30,829	
Community Challenge School	454,618	454,618	
Denver Arts and Technology Academy	N/A	N/A	
Denver School of Science And Technology	739,559	829,142	
Denver Venture High School	58,856	153,967	
Highline Academy	133,625	175,123	
KIPP Sunshine Peak Academy	867,407	867,407	
Life Skills Center Of Denver	79,960	79,960	
Northeast Academy	76,791	76,791	
Odyssey School	N/A	N/A	
Omar D Blair	322,805	324,767	
Pioneer Charter School	1,261,467	1,208,827	
Ridge View Academy	932,568	692,666	
Southwest Early College	N/A	N/A	
Urban Learning Communities	120,072	163,640	
West Denver Preparatory	(16,256)	(16,256)	
Wyatt-Edison	1,145,537	635,099	662,708

Charter schools are required to comply with State statutes which specify investment instruments meeting defined rating, maturity, custodial and concentration risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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At June 30, 2009, Academy of Urban Learning had invested \$281,026 in the Colorado Government Liquid Asset Trust (COLOTRUST) which has a credit rating of AAA by Standard and Poor's. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00.

At June 30, 2009, Colorado High School had \$247,757 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST).

At June 30, 2009, Denver Arts and Technology Academy had \$959,194 invested in a money market fund which invests exclusively in U.S. Treasury obligations and is rated AAAM by Standard and Poor's.

At June 30, 2009, Highline Academy had \$175,458 in the Colorado Government Liquid Asset Trust (COLOTRUST).

At June 30, 2009, Northeast Academy had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Federated Treasury Obligations Money Market Fund	NA	\$ 35,691
Local Government Investment Pools	NA	340,093
Federal Home Loan Bank Note	12/31/22	<u>369,911</u>
Total		<u>\$745,695</u>

At June 30, 2009, Big Picture High School had \$14,455 invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. The fund operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

At June 30, 2009, West Denver Preparatory had \$178,170 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST).

Capital Assets

Changes in capital assets for the year ended June 30, 2009, are summarized as follows:

	<u>Balances</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2009</u>
Big Picture High School:				
Leasehold improvements	\$ -	\$ 35,514	\$ -	\$ 35,514
Accumulated depreciation	-	<u>(1,776)</u>	-	<u>(1,776)</u>
Net	<u>\$ -</u>	<u>\$ 33,738</u>	<u>\$ -</u>	<u>\$ 33,738</u>

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	Balances July 1, 2008	Additions	Deletions	Balances June 30, 2009
Colorado High School:				
Building improvements	\$ 122,432	\$ 28,201	\$ -	\$ 150,633
Equipment	30,198	-	-	30,198
	152,630	28,201	-	180,831
Accumulated depreciation	(89,373)	(15,603)	-	(104,436)
Net	<u>\$ 63,257</u>	<u>\$ 13,138</u>	<u>\$ -</u>	<u>\$ 76,395</u>
Community Challenge School:				
Building improvements	\$ 150,361	\$ -	\$ -	\$ 150,361
Equipment	45,324	-	-	45,324
	195,685	-	-	195,685
Accumulated depreciation	(195,685)	-	-	(195,685)
Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Denver Arts and Technology Academy:				
Land	\$ 701,851	\$ -	\$ -	\$ 701,851
Total not depreciated	700,851	-	-	701,851
Building	5,845,283	-	-	5,845,283
Equipment	30,150	-	-	30,150
	5,875,433	-	-	5,875,433
Accumulated depreciation	(797,594)	(199,150)	-	(996,744)
Net depreciated assets	5,077,839	(199,150)	-	4,878,689
Total capital assets, net	<u>\$5,779,690</u>	<u>\$ (199,150)</u>	<u>\$ -</u>	<u>\$ 5,580,540</u>
Denver School of Science and Technology:				
Land	\$ 980,000	\$ -	\$ -	\$ 980,000
Construction in Progress	4,455,557	-	4,455,557	-
Total not depreciated	5,435,557	-	4,455,557	980,000
Buildings	2,413,003	7,839,684	-	10,252,687
Vehicles	74,977	-	-	74,977
Equipment	79,725	-	-	79,725
	2,567,705	7,839,684	-	10,407,389
Accumulated depreciation	(277,840)	(157,597)	-	(435,437)
Net depreciated assets	2,289,865	7,682,087	-	9,971,952
Total capital assets, net	<u>\$7,725,422</u>	<u>\$7,682,087</u>	<u>\$4,455,557</u>	<u>\$10,951,952</u>
Highline Academy:				
Leasehold Improvements	\$ 811,204	\$ -	\$ -	811,204
Accumulated depreciation	(392,412)	(135,200)	-	(527,612)
Net	<u>\$ 418,792</u>	<u>\$ (135,200)</u>	<u>\$ -</u>	<u>\$ 283,592</u>

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	Balances July 1, 2008	Additions	Deletions	Balances June 30, 2009
KIPP Sunshine Peak Academy:				
Equipment	\$ 61,795	\$ -	\$ -	\$ 61,795
Building	819,767	-	-	819,767
	881,562	-	-	881,562
Accumulated depreciation	(144,731)	(41,748)	-	(186,479)
Net	<u>\$ 736,831</u>	<u>\$ (41,748)</u>	<u>\$ -</u>	<u>\$ 695,083</u>
Northeast Academy:				
Equipment	\$ 120,021	\$ -	\$ -	\$ 120,021
Land	1,080,000	-	-	1,080,000
Buildings	3,536,774	-	-	3,536,774
	4,736,795	-	-	4,736,795
Accumulated depreciation	(123,892)	(105,376)	-	(229,268)
Net	<u>\$4,612,903</u>	<u>\$ (105,376)</u>	<u>\$ -</u>	<u>\$ 4,507,527</u>
Odyssey School:				
Vehicles	\$ 173,267	\$ 54,826	\$(50,982)	\$ 177,111
Accumulated depreciation	(69,383)	(26,615)	40,041	(55,957)
Net	<u>\$ 103,884</u>	<u>\$ 28,211</u>	<u>\$(10,941)</u>	<u>\$ 121,154</u>
Omar D. Blair:				
Equipment	\$ 109,586	\$ 79,093	\$ -	\$ 188,679
Curriculum	91,092	36,179	-	127,271
	200,678	115,272	-	315,950
Accumulated depreciation	(69,449)	(51,615)	-	(121,064)
Net	<u>\$ 131,229</u>	<u>\$ 63,657</u>	<u>\$ -</u>	<u>\$ 194,886</u>
Pioneer Charter School:				
Leasehold Improvements	\$ -	\$ 67,562	\$ -	\$ 67,562
Accumulated depreciation	-	(6,756)	-	(6,756)
Net	<u>\$ -</u>	<u>\$ 60,806</u>	<u>\$ -</u>	<u>\$ 60,806</u>
Ridge View Academy:				
Equipment	\$ 806,772	\$ 12,524	\$ -	\$ 819,296
Building Improvements	623,715	-	-	623,715
	1,430,487	12,524	-	1,443,011
Accumulated depreciation	(908,910)	(268,686)	-	(1,177,596)
Net	<u>\$ 521,577</u>	<u>\$(256,162)</u>	<u>\$ -</u>	<u>\$ 265,415</u>
Southwest Early College:				
Leasehold Improvements	\$ 85,043	\$ -	\$ -	\$ 85,043
Equipment	22,257	-	-	22,257
	107,300	-	-	107,300
Accumulated depreciation	(81,140)	(20,059)	-	(101,199)
Net	<u>\$ 26,160</u>	<u>\$ (20,059)</u>	<u>\$ -</u>	<u>\$ 6,101</u>

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	Balances July 1, 2008	Additions	Deletions	Balances June 30, 2009
Urban Learning Communities:				
Leasehold Improvements	\$1,810,898	\$ -	\$ -	\$ 1,810,898
Accumulated depreciation	<u>(1,810,898)</u>	<u>-</u>	<u>-</u>	<u>(1,810,898)</u>
Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
West Denver Preparatory:				
Construction in Progress- Not Depreciated	<u>\$1,126,891</u>	<u>\$ -</u>	<u>\$1,126,891</u>	<u>\$ -</u>
Building Improvements	2,477,722	1,862,678	-	4,340,400
Accumulated depreciation	<u>(247,188)</u>	<u>(217,020)</u>	<u>-</u>	<u>(464,208)</u>
Net depreciated assets	2,230,534	1,645,658	-	3,876,192
Total capital assets, net	<u>\$3,357,425</u>	<u>\$1,645,658</u>	<u>\$1,126,891</u>	<u>\$ 3,876,192</u>
Wyatt-Edison:				
Equipment	\$ 829,671	\$ 113,730	\$ 332,763	\$ 610,638
Furniture & fixtures	298,103	13,335	-	311,438
Facilities improvements	360,893	-	-	360,893
Books & materials	724,546	136,519	-	861,065
Building	<u>2,100,156</u>	<u>4,138</u>	<u>-</u>	<u>2,104,294</u>
	4,313,369	267,722	332,763	4,248,328
Accumulated depreciation	<u>(2,409,201)</u>	<u>(164,496)</u>	<u>331,605</u>	<u>(2,242,092)</u>
Net	<u>\$1,904,168</u>	<u>\$ 103,226</u>	<u>\$ 1,158</u>	<u>\$ 2,006,236</u>

Long-term Liabilities and Operating Leases

Academy of Urban Learning:

The Academy entered into an operating lease for their building. Monthly lease payments ranging from \$7,393 to \$11,308 are due through July 31, 2011.

<u>Year ended June 30,</u>	
2010	\$124,386
2011	134,824
2012	<u>11,308</u>
Total	<u>\$270,518</u>

Total rent expense for the year ended June 30, 2009 for this lease \$113,513.

Big Picture High School:

The school entered into an operating lease for their building. Monthly lease payments of \$7,148 were due through June 30, 2009. The School exercised the option to renew the lease. Monthly lease payments of \$7,362 on the new lease are due through June 30, 2010.

Future minimum lease payments are as follows:

<u>Year ended June 30,</u>	
Total	<u>\$ 88,344</u>

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Total rent expense for the year ended June 30, 2009 for this lease was \$85,776.

Colorado High School:

The school entered into an operating lease for classrooms and office space with a company partially owned by related parties. Lease payments ranging from \$8,000 to \$8,500 were due monthly through August 31, 2007. On September 1, 2007, the School renewed the lease through August 31, 2010, including monthly payments of \$10,000 plus “add-ons” such as utilities.

Future lease commitments for the existing lease are as follows:

<u>Year ended June 30,</u>	
2010	\$120,000
2011	<u>20,000</u>
Total	<u>\$140,000</u>

Community Challenge School:

The School has entered into an operating lease with an individual for building space. The lease payments, of \$5,400, are due monthly through June 30, 2010. Future lease commitments on the existing lease as of June 30, 2009, are as follows:

<u>Year ended June 30,</u>	
2010	<u>64,800</u>

Denver Arts and Technology Academy:

Changes in long-term liabilities for the year-ended June 30, 2009, are as follows:

	Balance July 1, 2008	Additions	Payments	Balance June 30, 2009	Due within one year
Building Lease	\$8,165,000	\$ -	\$ 95,000	\$8,070,000	\$ 100,000
Note Payable	<u>67,881</u>	<u>-</u>	<u>-</u>	<u>67,881</u>	<u>-</u>
Total	<u>\$8,232,881</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$8,137,881</u>	<u>\$ 100,000</u>

Future minimum payments are as follows:

<u>Year ended June 30,</u>	<u>Building Lease</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	100,000	643,500	743,500
2011	110,000	636,500	746,500
2012	115,000	628,800	743,800
2013	125,000	619,600	744,600
2014	135,000	609,600	744,600
2015-2019	860,000	2,867,200	3,727,200
2020-2024	1,265,000	2,463,200	3,728,200
2025-2029	1,865,000	1,869,200	3,734,200
2030-2034	<u>3,495,000</u>	<u>992,000</u>	<u>4,487,000</u>
Total	<u>\$8,070,000</u>	<u>\$11,329,600</u>	<u>\$19,399,600</u>

In December, 2003, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$8,320,000 Charter School Revenue Bonds, Series 2003A and \$95,000 Taxable Charter School Revenue Bonds, Series 2003B. Proceeds from the bonds were loaned to the Foundation under a lease agreement to construct the School’s building. The School is obligated under a lease

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agreement to make monthly lease payments to the Foundation for use of the building. The Foundation is required to make equal lease payments to the Trustee, for payment of the bonds. Monthly principal and interest payments are due under the lease agreements, with interest accruing at rates ranging from 7% to 8%.

The school has a note payable of \$67,881 with the management company, Mosaica Education, Inc. Proceeds were used for operations and building improvements.

Denver School of Science and Technology:

The following is a summary of the School's long-term debt transactions for the year ended June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due within</u> <u>one year</u>
Building Lease	\$1,500,000	\$ -	\$220,000	\$1,280,000	\$ 230,000
Note Payable	-	700,000	9,950	690,050	12,642
Total	<u>\$1,500,000</u>	<u>\$ 700,000</u>	<u>\$229,950</u>	<u>\$1,970,050</u>	<u>\$ 242,642</u>

In October, 2004, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$1,500,000 Charter School Revenue Bonds, Series 2004. Proceeds from the bonds were loaned to the Building Corporation under a lease agreement to construct a student union, landscaping, and athletic fields at the school site. The school is obligated to make monthly lease payments to the Building Corporation for use of the building and fields. The Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at 5%. The lease matures in December 2013.

In September, 2008, the Building Corporation entered into a \$700,000 promissory note with Raza Development Fund ("Raza") to finance a portion of the new building. Principle in and interest at 6.25% are due monthly on the note. The Note matures in September 2015.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 242,642	\$ 106,770	\$ 349,412
2011	258,455	94,457	352,912
2012	269,321	81,342	350,663
2013	285,242	67,670	352,912
2014	296,222	53,190	349,412
2015	618,168	38,146	656,314
Total	<u>\$1,970,050</u>	<u>\$ 441,575</u>	<u>\$2,411,625</u>

Denver Venture School:

The school entered into a facility use agreement with the School District for their building. Monthly payments of \$21,585 are due through June 30, 2010.

Future minimum payments are as follows:

<u>Year Ended June 30,</u> 2010	<u>\$259,022</u>
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Total related expenses for the year ended June 30, 2009 was \$113,327.

Highline Academy:

Following is a summary of the Academy's long-term debt transactions for the year ended June 30, 2009:

	Balances <u>6/30/08</u>	Additions	Payments	Balances <u>6/30/09</u>	Due Within <u>One year</u>
Loan Payable Series A	\$ 51,670	\$ -	\$ 51,670	\$ -	\$ -
Loan Payable Series B	<u>349,615</u>	-	<u>81,577</u>	<u>268,038</u>	<u>142,316</u>
Total	<u>\$401,285</u>	<u>\$ -</u>	<u>\$133,247</u>	<u>\$268,038</u>	<u>\$142,316</u>

In March, 2005, the Building Corporation entered into two \$350,000 promissory notes with Tatonka Capital Corporation ("Tatonka") to finance leasehold improvements for the Academy's facilities. Principal and interest at 12.45% are due monthly on the Series A Loan and principal and interest at 6.61% is due monthly on the Series B Loan. The Series A and B Loans mature in November 2008 and April 2011, respectively. Under the loan agreement, the Charter Schools Development Corporation provided Tatonka with the credit enhancement in the form of a \$350,000 stand-by letter of credit which expired in March 2009.

Future debt service requirements for the loans are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$142,316	\$12,184	\$154,500
2011	<u>125,722</u>	<u>3,471</u>	<u>129,193</u>
Total	<u>\$268,038</u>	<u>\$15,655</u>	<u>\$283,693</u>

KIPP Sunshine Peak Academy:

Following is a summary of the Academy's long-term debt transactions for the year ended June 30, 2009:

	Balance <u>6/30/08</u>	Additions	Payments	Balance <u>6/30/09</u>	Due Within <u>One Year</u>
Modular Loan	\$397,195	\$ -	\$41,969	\$355,226	\$ 44,854
Vehicle Loans	<u>5,650</u>	-	<u>4,237</u>	<u>1,413</u>	<u>1,413</u>
Total	<u>\$402,845</u>	<u>\$ -</u>	<u>\$46,206</u>	<u>\$356,639</u>	<u>\$ 46,267</u>

In May 2005, the School entered into a loan agreement in the amount of \$500,000 to finance a portion of the construction of a modular building to be used for an education facility. The loan accrues interest at the rate of 6.875% per annum and is due in monthly payments of \$5,773, through July, 2015.

Future payments for the loans are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 46,267	\$24,443	\$ 70,710
2011	47,938	21,338	69,276
2012	51,234	18,042	69,276
2013	54,756	14,520	69,276
2014	58,520	10,756	69,276
2015	62,544	6,732	69,276
2016	<u>35,380</u>	<u>2,432</u>	<u>37,812</u>
Total	<u>\$356,639</u>	<u>\$98,263</u>	<u>\$454,902</u>

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Northeast Academy:

Following is a summary of long-term debt transactions for the year ended June 30, 2009.

	Balances 6/30/08	Additions	Payments	Balances 6/30/09	Due Within One year
Loans Payable	<u>\$5,155,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$5,080,000</u>	<u>\$ 75,000</u>

In July 2007, the Colorado Educational and Cultural Facilities Authority issued \$5,210,000 Charter School Revenue Bonds. Proceeds of the bonds were loaned to the Corporation to purchase the educational facilities currently used by the School. The School is obligated under a lease agreement to make monthly lease payments to the Corporation for the use of educational facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. The bonds accrue interest at 5.75% per annum. Interest payments are due semi-annually on November 15 and May 15. Principal payments are due annually on May 15, through 2037.

Future debt service requirements for the bonds are as follows:

Year ended June 30,	Principal	Interest	Total
2010	\$ 75,000	\$ 292,100	\$ 367,100
2011	80,000	287,788	367,788
2012	85,000	283,187	368,187
2013	90,000	278,300	368,300
2014	95,000	273,125	368,125
2015-2019	575,000	1,276,213	1,851,213
2020-2024	760,000	1,090,488	1,850,488
2025-2029	1,005,000	845,250	1,850,250
2030-2034	1,325,000	521,812	1,846,812
2035-2037	<u>990,000</u>	<u>116,150</u>	<u>1,106,150</u>
Total	<u>\$5,080,000</u>	<u>\$5,264,413</u>	<u>\$10,344,413</u>

Odyssey School:

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2009.

	Balances 6/30/08	Additions	Payments	Balances 6/30/09	Due Within One Year
Capital Lease	\$ -	\$35,067	\$12,804	\$22,263	\$10,578
Compensated Absences	<u>3,462</u>	-	<u>3,462</u>	-	-
Total	<u>\$3,462</u>	<u>\$ 35,067</u>	<u>\$16,266</u>	<u>\$ 22,263</u>	<u>\$10,578</u>

In July 2008, the School entered into a capital lease agreement with Apple, Inc., in the amount of \$35,067, to purchase computer equipment. The agreement requires annual annual lease payments of \$12,804, including interest accruing at 9.57% per annum, through July, 2010. Future debt service requirements are as follows:

Year ended June 30,	Principal	Interest	Total
2010	\$10,578	\$2,226	\$12,804
2011	<u>11,685</u>	<u>1,119</u>	<u>12,804</u>
Total	<u>\$22,263</u>	<u>\$3,345</u>	<u>\$25,608</u>

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Pioneer Charter School:

In June 2008, the School entered into a one year facility use agreement with the School District for their building. Under this agreement, the School is required to pay an annual use fee of \$173,992 payable in bi-annual installments. The agreement expired on June 30, 2009.

In June 2009, the School renewed its facility use agreement with the School District. Under the terms of the new agreement, the School is required to pay an annual use fee of \$200,311, payable in monthly installments of \$16,693. The agreement expires on June 30, 2010.

Ridge View Academy:

Following is a summary of long-term debt transactions for the year ended June 30, 2009:

	Balance <u>6/30/08</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/09</u>	Due Within <u>One Year</u>
Compensated Absences	<u>\$37,774</u>	<u>\$11,294</u>	<u>\$37,774</u>	<u>\$11,294</u>	<u>\$11,294</u>

Big Picture High School:

The school entered into an operating lease for their building. Monthly lease payments of \$7,148 were due through June 30, 2009. The School exercised the option to renew the lease. Monthly lease payments of \$7,362 on the new lease are due through June 30, 2010.

Future minimum lease payments are as follows:

<u>Year ended June 30,</u>	
Total	<u>\$ 88,344</u>

Total rent expense for the year ended June 30, 2009 for this lease was \$85,776.

Southwest Early College:

Long-term debt transactions for the year ended June 30, 2009 are summarized below:

	Balances <u>6/30/08</u>	<u>Additions</u>	<u>Payments</u>	Balances <u>6/30/09</u>	Due Within <u>One Year</u>
Loan Payable-Landlord	\$18,747	\$ -	\$18,747	\$ -	\$ -
Line of Credit	<u>-</u>	<u>32,500</u>	<u>-</u>	<u>32,500</u>	<u>32,500</u>
Total	<u>\$18,747</u>	<u>\$32,500</u>	<u>\$18,747</u>	<u>\$32,500</u>	<u>\$32,500</u>

In April 2009, the School obtained a \$150,000 line of credit from Steele Street Bank and Trust. The School has access to \$73,000 of the line of credit and the landlord has access to the remaining \$77,000 as a security deposit. At June 30, 2009, the School had borrowed \$32,500 from the line of credit to finance operating costs. The outstanding balance of the line of credit accrues interest at the Wall Street Journal Prime Rate, currently 3.25% per annum. The line of credit matured and was paid in full on July 31, 2009.

In November, 2003, the School entered into an operating lease for school facilities through July, 2009. In accordance with the lease, the School has provided a security deposit of \$77,000 in the form of a line of credit with a bank, accessible to the landlord. Future minimum payments under the lease are as follows:

<u>Year Ended June 30,</u>	
2010	<u>\$49,431</u>

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Subsequent to June 30, 2009, the School extended this agreement to July, 2010, with monthly lease payments of \$43,524.

Urban Learning Communities:

Changes in long-term liabilities for the year-ended June 30, 2009, are as follows:

	Balance <u>6/30/08</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/09</u>	Due in <u>One Year</u>
Note Payable	\$72,173	\$ -	\$50,000	\$22,173	\$ -

Urban Learning Communities has a note payable with a bank that is due November 2009. The note bears interest at 3.4%. The future debt service requirements are as follows:

Year ended June 30, 2010	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$22,173	\$754	\$22,927

West Denver Preparatory:

Changes in long-term debt for the year ended June 30, 2009, were as follows:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2009</u>	Due Within <u>One Year</u>
Loans Payable	\$2,708,194	\$ -	\$267,575	\$2,440,619	\$82,908

On March 31, 2006, the School obtained a loan from Raza Development Fund, Inc., in the total amount of \$2,094,000, to purchase and remodel the existing educational facility. Loan principal of \$1,888,000 accrues interest at 7.07% per annum, and loan principal of \$206,000 accrues interest at 6.5% per annum. Principal and interest payments of \$14,717 and \$1,536, respectively, are due monthly, beginning November 1, 2006, with balloon payments due in 2014.

On August 6, 2007, the School obtained a loan from Raza Development Fund, Inc., in the amount of \$300,000, to expand and remodel the existing educational facility. Interest accrues on the loan at 7.35%. Principal and interest payments of \$2,756 are due monthly beginning September 1, 2007 with a balloon payment due in 2014.

On April 28, 2008, the School obtained a second loan from Raza Development Fund, Inc. in the amount of \$411,272, to continue the expansion and remodeling of the existing educational facility. Interest accrues on the loan balance at the rate of 6%. Interest payments were due monthly beginning April 28, 2008. On November 2008, the School paid \$200,000 on the loan and converted the remaining balance of \$411,272 to monthly payments of \$1,603, with a balloon payment of \$159,900 due in November, 2014.

Loan payments to maturity are as follows:

Year ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 82,908	\$164,123	\$ 247,031
2011	88,707	158,625	247,332
2012	94,917	152,415	247,332
2013	87,954	131,822	219,776
2014	<u>2,086,133</u>	<u>41,690</u>	<u>2,127,823</u>
Total	<u>\$2,440,619</u>	<u>\$648,675</u>	<u>\$3,089,294</u>

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Wyatt-Edison:

The School entered into a loan agreement with Edison Learning, Inc. in August 2008 for \$1,409,947 to re-finance prior debt. The note is secured by a perfected first lien leasehold deed of trust for the land and improvements located at 1620 East 36th Avenue, Denver, CO. The interest rate is 9% with yearly payments of \$172,213 and a balloon payment due on July 31, 2011. Total interest paid in fiscal 2009 was \$99,296.

Changes in long-term debt are as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Current</u>
Note Payable	<u>\$ 1,403,482</u>	<u>\$ 1,409,947</u>	<u>\$ 1,575,695</u>	<u>\$ 1,237,734</u>	<u>\$ 70,100</u>

Future principal and interest payments are due as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 70,100	\$102,113	\$ 172,213
2011	67,126	105,087	172,213
2012	<u>1,100,508</u>	<u>90,792</u>	<u>1,191,300</u>
Total	<u>\$1,237,734</u>	<u>\$297,992</u>	<u>\$1,535,726</u>

Pension Plan

All Charter School employees participate in the Denver Public Schools Retirement System, which provides defined retirement, death, and disability benefits to participating employees.

Subsequent Event

On December 19, 2008, Denver Arts and Technology Academy’s Board of Directors voted to discontinue operating the school effective June 30, 2009. On July 1, 2009, the school and the Denver Arts and Technology Academy Foundation entered into an assignment and assumption agreement with CCA Denver Building Corporation and Cesar Chavez Academy Denver (collectively, “CCA Denver”) whereby CCA Denver agreed to acquire the Foundation’s property, which includes land and a building, and assume all of the Foundation’s rights and obligations under its loan agreement with CECFA arising after the effective date of the agreement. In addition, the school and the Foundation were released from any amounts due under the related loan and lease agreements.

Component units note continues on page II.74

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YEAR ENDED JUNE 30, 2009**

Component Units Net Asset Information	Denver Public Schools Foundation	Academy of Urban Learning	Big Picture High School	Colorado High School	Community Challenge School
ASSETS					
Assets:					
Cash and investments	\$ 2,269,916	\$ 299,485	\$ 19,047	\$ 276,586	\$ 454,618
Deposit held by Denver Public Schools		17,542	21,454	32,944	39,767
Restricted cash					
Receivables:					
Accounts			3,083	41,384	8,361
Grants					
Other	2,600,652	7,394		5,000	
Prepaid Expenses		3,948			
Restricted investments	1,498,838				
Other current assets			7,148		
Capital assets, net of accumulated depreciation:					
Not subject to depreciation					
Depreciable	6,708		33,738	76,395	
TOTAL ASSETS	<u>6,376,114</u>	<u>328,369</u>	<u>84,470</u>	<u>432,309</u>	<u>502,746</u>
LIABILITIES					
Liabilities:					
Accounts payable	23,097	2,503	15,237	7,845	
Grants payable					
Accrued payroll		41,122	22,274	61,702	678
Accrued liabilities					6,311
Deferred revenue		1,096			
Due to Denver Public Schools					417
Lease Deposit					
Noncurrent liabilities:					
Due within one year					
Due in more than one year					
TOTAL LIABILITIES	<u>23,097</u>	<u>44,721</u>	<u>37,511</u>	<u>69,547</u>	<u>7,406</u>
NET ASSETS					
Net Assets:					
Invested in capital assets, net of related debt			33,738	76,395	
Debt service					
Restricted for emergencies		32,000	25,000	32,944	42,597
Restricted for capital outlays					
Restricted by donors for subsequent year	5,198,520				
Unrestricted (deficit)	1,154,497	251,648	(11,779)	253,423	452,743
TOTAL NET ASSETS (LIABILITIES)	<u>\$ 6,353,017</u>	<u>\$ 283,648</u>	<u>\$ 46,959</u>	<u>\$ 362,762</u>	<u>\$ 495,340</u>

Denver Arts & Technology Academy	Denver School of Science & Technology	Denver Venture School	Highline Academy	KIPP Sunshine Peak Academy	Subtotal
\$ 34,736 62,146	\$ 2,264,246 115,418	\$ 58,856 15,838	\$ 309,083 91,847	\$ 867,407 72,386	\$ 6,853,980 469,342
1,200	260,067	144,466	7,757	132,529	598,847
2,505	136,505			16,409	2,613,046 159,367
959,194					2,458,032
193,620	47,871		80,329		328,968
701,851	980,000				1,681,851
<u>4,878,689</u>	<u>9,971,952</u>		<u>283,592</u>	<u>695,083</u>	<u>15,946,157</u>
<u>6,833,941</u>	<u>13,776,059</u>	<u>219,160</u>	<u>772,608</u>	<u>1,783,814</u>	<u>31,109,590</u>
547,945	140,894	10,073	8,116	45,925	801,635
				241,272	367,048
108,600	11,424				126,335
45,571		16,500		331,595	394,762
					417
			17,500		17,500
100,000	242,642		142,316	46,267	531,225
<u>8,037,881</u>	<u>1,727,408</u>		<u>125,722</u>	<u>310,372</u>	<u>10,201,383</u>
<u>8,839,997</u>	<u>2,122,368</u>	<u>26,573</u>	<u>293,654</u>	<u>975,431</u>	<u>12,440,305</u>
(2,363,721) 771,537	9,224,544		15,554	338,444	7,324,954 771,537
80,407	136,000	35,000	108,000	105,178	516,719 80,407
(494,279)	2,293,147	157,587	355,400	364,761	5,198,520 4,777,148
<u>\$ (2,006,056)</u>	<u>\$ 11,653,691</u>	<u>\$ 192,587</u>	<u>\$ 478,954</u>	<u>\$ 808,383</u>	<u>\$ 18,669,285</u>

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Component Units Net Asset Information	Life Skills Center of Denver	Northeast Academy	Odyssey School	Omar D Blair An Edison K-8 Charter School	Pioneer Charter School
ASSETS					
Assets:					
Cash and investments	\$ 67,482	\$ 339,638	\$ 315,089	\$ 172,878	\$ 1,261,467
Deposit held by Denver Public Schools	52,948	92,234	42,235	149,927	53,610
Restricted cash	12,479				
Receivables:					
Accounts	29,972	6,702	19,180		
Grants		24,140			
Other		1,027			
Prepaid Expenses		12,305	6,715		16,729
Restricted investments		482,848			
Other current assets		145,713	11,217		
Capital assets, net of accumulated depreciation:					
Not subject to depreciation		1,080,000			
Depreciable		3,427,527	121,154	194,886	60,806
TOTAL ASSETS	<u>162,881</u>	<u>5,612,134</u>	<u>515,590</u>	<u>517,691</u>	<u>1,392,612</u>
LIABILITIES					
Liabilities:					
Accounts payable	55,236	37,608	36,463	132,713	2,996
Grants payable					
Accrued payroll		92,380			107,125
Accrued liabilities		36,513	498		19,843
Deferred revenue			13,001		
Due to Denver Public Schools					
Lease Deposit					
Noncurrent liabilities:					
Due within one year		75,000	10,578		
Due in more than one year		5,005,000	11,685		
TOTAL LIABILITIES	<u>55,236</u>	<u>5,246,501</u>	<u>72,225</u>	<u>132,713</u>	<u>129,964</u>
NET ASSETS					
Net Assets:					
Invested in capital assets, net of related debt		(426,760)	121,154	194,886	60,806
Debt service		407,362			
Restricted for emergencies	65,427	107,000	42,235	177,095	63,000
Restricted for capital outlays		40,000			
Restricted by donors for subsequent year					
Unrestricted (deficit)	42,218	238,031	279,976	12,997	1,138,842
TOTAL NET ASSETS (LIABILITIES)	<u>\$ 107,645</u>	<u>\$ 365,633</u>	<u>\$ 443,365</u>	<u>\$ 384,978</u>	<u>\$ 1,262,648</u>

<u>Ridge View Academy</u>	<u>Southwest Early College</u>	<u>Urban Learning Communities P.S.I</u>	<u>West Denver Preparatory</u>	<u>Wyatt-Edison</u>	<u>Total</u>
\$ 932,568	\$ 7,293	\$ 120,072	\$ 161,914	\$ 1,145,537	\$ 11,377,918
88,884	73,869	52,628	62,947	140,622	1,279,246
					12,479
281,253	2,411	1,587		82,631	1,022,583
			44,967		69,107
				5,547	2,619,620
		8,174	42,729		246,019
					2,940,880
		1,214			487,112
					2,761,851
<u>265,415</u>	<u>6,101</u>		<u>3,876,192</u>	<u>2,006,236</u>	<u>25,904,474</u>
<u>1,568,120</u>	<u>89,674</u>	<u>183,675</u>	<u>4,188,749</u>	<u>3,380,573</u>	<u>48,721,289</u>
377,375	189,173	26,057	8,430	167,837	1,835,523
	76,306	76,321			719,180
	488	822		124,044	308,543
			22,352		430,115
					417
					17,500
11,294	32,500	22,173	82,908	70,100	835,778
			<u>2,357,711</u>	<u>1,167,634</u>	<u>18,743,413</u>
<u>388,669</u>	<u>298,467</u>	<u>125,373</u>	<u>2,471,401</u>	<u>1,529,615</u>	<u>22,890,469</u>
265,415	6,101	(22,173)	1,435,573	768,474	9,728,430
88,884	73,869	62,000	96,800	158,000	1,178,899
53,252					1,451,029
					173,659
					5,198,520
<u>771,900</u>	<u>(288,763)</u>	<u>18,475</u>	<u>184,975</u>	<u>924,484</u>	<u>8,100,283</u>
<u>\$ 1,179,451</u>	<u>\$ (208,793)</u>	<u>\$ 58,302</u>	<u>\$ 1,717,348</u>	<u>\$ 1,850,958</u>	<u>\$ 25,830,820</u>

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Component Units Activities Information	Denver Public Schools Foundation	Academy of Urban Learning	Big Picture High School	Colorado High School	Community Challenge School
Expenses:					
Instruction	\$	\$ 509,854	\$ 479,948	\$ 699,446	\$ 798,091
Supporting services		532,515	398,398	692,708	921,881
Depreciation					
Interest					
Program services	7,967,167				
Fundraising	289,008				
Management and general	419,268				
TOTAL EXPENSES	<u>8,675,443</u>	<u>1,042,369</u>	<u>878,346</u>	<u>1,392,154</u>	<u>1,719,972</u>
Program revenues:					
Charges for services			450	5,971	
Operating/Capital grants and contributions		497,855	48,774	133,661	375,275
TOTAL PROGRAM REVENUES		<u>497,855</u>	<u>49,224</u>	<u>139,632</u>	<u>375,275</u>
NET PROGRAM EXPENSES	<u>(8,675,443)</u>	<u>(544,514)</u>	<u>(829,122)</u>	<u>(1,252,522)</u>	<u>(1,344,697)</u>
General revenues:					
Per pupil revenue		630,977	766,828	1,183,105	1,431,412
Capital construction funding				17,410	21,064
Property tax mill levy override		8,114	14,423	16,498	17,499
Investment earnings	(20,326)	2,953	1,889	5,292	4,886
Special Events	706,564				
Unrestricted grants and contributions	5,757,870				
Other	192,000		7,082	352	145
TOTAL GENERAL REVENUES	<u>6,636,108</u>	<u>642,044</u>	<u>790,222</u>	<u>1,222,657</u>	<u>1,475,006</u>
CHANGE IN NET ASSETS	<u>(2,039,335)</u>	<u>97,530</u>	<u>(38,900)</u>	<u>(29,865)</u>	<u>130,309</u>
BEGINNING NET ASSETS (LIABILITIES)	<u>8,392,352</u>	<u>186,118</u>	<u>85,859</u>	<u>392,627</u>	<u>365,031</u>
ENDING NET ASSETS (LIABILITIES)	<u>\$ 6,353,017</u>	<u>\$ 283,648</u>	<u>\$ 46,959</u>	<u>\$ 362,762</u>	<u>\$ 495,340</u>

<u>Denver Arts & Technology Academy</u>	<u>Denver School of Science & Technology</u>	<u>Denver Venture School</u>	<u>Highline Academy</u>	<u>KIPP Sunshine Peak Academy</u>	<u>Subtotal</u>
\$ 1,329,309	\$ 3,467,759	\$ 642,054	\$ 1,847,418	\$ 2,077,519	\$ 11,851,398
1,322,327	1,876,296	629,446	1,713,469	1,654,032	9,741,072
649,292	68,675		21,373	27,613	766,953
73,774					8,040,941
					289,008
					419,268
<u>3,374,702</u>	<u>5,412,730</u>	<u>1,271,500</u>	<u>3,582,260</u>	<u>3,759,164</u>	<u>31,108,640</u>
47,473	208,212	5,981	127,022	64,857	459,966
305,157	3,302,347	796,742	136,814	282,584	5,879,209
<u>352,630</u>	<u>3,510,559</u>	<u>802,723</u>	<u>263,836</u>	<u>347,441</u>	<u>6,339,175</u>
<u>(3,022,072)</u>	<u>(1,902,171)</u>	<u>(468,777)</u>	<u>(3,318,424)</u>	<u>(3,411,723)</u>	<u>(24,769,465)</u>
2,027,346	4,166,430	568,675	3,152,757	2,636,426	16,563,956
29,822				38,688	106,984
210,285	55,918	10,754	175,175	32,490	541,156
7,688	81,994		9,364	19,236	112,976
					706,564
				758,500	6,516,370
<u>61,549</u>	<u>167</u>		<u>40,597</u>	<u>180</u>	<u>302,072</u>
<u>2,336,690</u>	<u>4,304,509</u>	<u>579,429</u>	<u>3,377,893</u>	<u>3,485,520</u>	<u>24,850,078</u>
(685,382)	2,402,338	110,652	59,469	73,797	80,613
<u>(1,320,674)</u>	<u>9,251,353</u>	<u>81,935</u>	<u>419,485</u>	<u>734,586</u>	<u>18,588,672</u>
<u>\$ (2,006,056)</u>	<u>\$ 11,653,691</u>	<u>\$ 192,587</u>	<u>\$ 478,954</u>	<u>\$ 808,383</u>	<u>\$ 18,669,285</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

Component Units Activities Information	Life Skills Center of Denver	Northeast Academy	Odyssey School	Omar D Blair An Edison K-8 Charter School	Pioneer Charter School
Expenses:					
Instruction	\$ 922,884	\$ 1,990,312	\$ 1,280,701	\$ 2,987,663	\$ 1,153,207
Supporting services	1,249,793	1,165,243	656,752	3,024,497	1,043,986
Depreciation				51,615	
Interest					
Program services					
Fundraising					
Management and general		412,124			
TOTAL EXPENSES	<u>2,172,677</u>	<u>3,567,679</u>	<u>1,937,453</u>	<u>6,063,775</u>	<u>2,197,193</u>
Program revenues:					
Charges for services		66,686	96,521		4,537
Operating/Capital grants and contributions	35,409	247,287	106,106	51,315	324,075
TOTAL PROGRAM REVENUES	<u>35,409</u>	<u>313,973</u>	<u>202,627</u>	<u>51,315</u>	<u>328,612</u>
NET PROGRAM EXPENSES	<u>(2,137,268)</u>	<u>(3,253,706)</u>	<u>(1,734,826)</u>	<u>(6,012,460)</u>	<u>(1,868,581)</u>
General revenues:					
Per pupil revenue	2,126,009	3,154,948	1,537,307	5,496,875	1,893,498
Capital construction funding		46,426	11,311	40,440	
Property tax mill levy override	18,183	184,662	121,112	367,756	168,663
Investment earnings	1,314	38,763	9,083		2,731
Special Events					
Unrestricted grants and contributions			56,252		
Other		44,360	12,996	104,597	21,383
TOTAL GENERAL REVENUES	<u>2,145,506</u>	<u>3,469,159</u>	<u>1,748,061</u>	<u>6,009,668</u>	<u>2,086,275</u>
CHANGE IN NET ASSETS	8,238	215,453	13,235	(2,792)	217,694
BEGINNING NET ASSETS (LIABILITIES)	<u>99,407</u>	<u>150,180</u>	<u>430,130</u>	<u>387,770</u>	<u>1,044,954</u>
ENDING NET ASSETS (LIABILITIES)	<u>\$ 107,645</u>	<u>\$ 365,633</u>	<u>\$ 443,365</u>	<u>\$ 384,978</u>	<u>\$ 1,262,648</u>

<u>Ridge View Academy</u>	<u>Southwest Early College</u>	<u>Urban Learning Communities P.S.1</u>	<u>West Denver Preparatory</u>	<u>Wyatt-Edison</u>	<u>Total</u>
\$ 2,747,702	\$ 2,002,637	\$ 1,010,847	\$ 1,601,052	\$ 3,394,567	\$ 30,942,970
1,851,678	874,761	901,312	1,139,619	2,334,474	23,983,187
	508	2,327		164,496	216,111
					769,788
					8,040,941
					289,008
					831,392
<u>4,599,380</u>	<u>2,877,906</u>	<u>1,914,486</u>	<u>2,740,671</u>	<u>5,893,537</u>	<u>65,073,397</u>
		1,235		82,473	711,418
<u>1,259,440</u>	<u>27,564</u>	<u>147,549</u>	<u>126,630</u>	<u>1,355,851</u>	<u>9,560,435</u>
<u>1,259,440</u>	<u>27,564</u>	<u>148,784</u>	<u>126,630</u>	<u>1,438,324</u>	<u>10,271,853</u>
<u>(3,339,940)</u>	<u>(2,850,342)</u>	<u>(1,765,702)</u>	<u>(2,614,041)</u>	<u>(4,455,213)</u>	<u>(54,801,544)</u>
3,122,084	2,532,030	1,869,599	2,323,706	4,591,472	45,211,484
	39,011		33,422		277,594
42,023	40,466	25,320	30,091	343,060	1,882,492
14,341	8,706	5,641	1,721		195,276
					706,564
10,463	57,579		1,150,579	28,093	7,819,336
71,028	6,200	18,777		55,300	636,713
<u>3,259,939</u>	<u>2,683,992</u>	<u>1,919,337</u>	<u>3,539,519</u>	<u>5,017,925</u>	<u>56,729,459</u>
(80,001)	(166,350)	153,635	925,478	562,712	1,927,915
<u>1,259,452</u>	<u>(42,443)</u>	<u>(95,333)</u>	<u>791,870</u>	<u>1,288,246</u>	<u>23,902,905</u>
<u>\$ 1,179,451</u>	<u>\$ (208,793)</u>	<u>\$ 58,302</u>	<u>\$ 1,717,348</u>	<u>\$ 1,850,958</u>	<u>\$ 25,830,820</u>



REQUIRED SUPPLEMENTARY INFORMATION

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

**Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budget Basis)**

General Fund

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual</u>
REVENUES				
Taxes:				
Property taxes	\$ 334,592,903	\$ 339,274,345	\$ 334,307,042	\$(4,967,303)
Interest on delinquent taxes			609,640	609,640
Specific ownership taxes	<u>31,161,402</u>	<u>26,911,606</u>	<u>27,169,809</u>	<u>258,203</u>
Total taxes	<u>365,754,305</u>	<u>366,185,951</u>	<u>362,086,491</u>	<u>(4,099,460)</u>
Intergovernmental:				
State sources:				
Unrestricted grants-in-aid:				
State equalization	222,856,728	229,871,567	225,756,709	(4,114,858)
Restricted grants-in-aid:				
Special education	13,616,935	13,616,935	14,190,222	573,287
Transportation	4,333,870	4,053,097	3,986,663	(66,434)
Vocational education	621,006	736,597	626,841	(109,756)
Other state	<u>1,155,076</u>	<u>1,155,076</u>	<u>3,329,900</u>	<u>2,174,824</u>
Total state sources	<u>242,583,615</u>	<u>249,433,272</u>	<u>247,890,335</u>	<u>(1,542,937)</u>
Federal sources:	675,178	853,961	912,634	58,673
Charges for services - tuition	198,889	198,889	99,329	(99,560)
Investment income	500,000	500,000	471,358	(28,642)
Other local sources	<u>10,072,335</u>	<u>10,851,975</u>	<u>13,361,925</u>	<u>2,509,950</u>
TOTAL REVENUES	<u>619,784,322</u>	<u>628,024,048</u>	<u>624,822,072</u>	<u>(3,201,976)</u>

(Continued)

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

**Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budget Basis)**

General Fund

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual</u>
EXPENDITURES AND ENCUMBRANCES				
Instruction:				
Regular	\$ 268,253,197	\$ 281,670,812	\$ 275,521,418	\$ 6,149,394
Special education	47,016,712	50,421,642	48,673,909	1,747,733
Vocational	3,505,017	3,541,411	3,335,546	205,865
Other	<u>3,164,356</u>	<u>2,753,988</u>	<u>2,527,421</u>	<u>226,567</u>
Total instruction	<u>321,939,282</u>	<u>338,387,853</u>	<u>330,058,294</u>	<u>8,329,559</u>
Support services:				
Pupil support	22,626,925	23,888,169	22,396,454	1,491,715
Instructional support	32,741,073	36,668,193	28,587,030	8,081,163
General administration	3,979,278	4,359,176	4,097,278	261,898
School administration	36,145,546	42,806,027	38,055,747	4,750,280
Business services	4,219,115	4,317,773	4,012,544	305,229
Operations & maintenance	50,504,537	47,752,194	46,512,854	1,239,340
Pupil transportation	19,908,529	19,935,148	17,931,568	2,003,580
Central services	32,019,381	35,283,047	33,097,689	2,185,358
Other services	<u>585,470</u>	<u>827,981</u>	<u>674,673</u>	<u>153,308</u>
Total support services	<u>202,729,854</u>	<u>215,837,708</u>	<u>195,365,837</u>	<u>20,471,871</u>
Community services	115,393	394,878	385,684	9,194
Contingency reserve	34,133,919	36,400,038		36,400,038
Compensation increase reserve	13,781,052			
Emergency reserve	1,841,917	1,841,917		1,841,917
Capital outlay	91,727	279,037	328,417	(49,380)
Debt service:				
Principal retirements	25,555,878	25,182,130	317,130	24,865,000
Interest and fiscal charges	<u>15,321,059</u>	<u>42,236,572</u>	<u>65,397,537</u>	<u>(23,160,965)</u>
Total debt service	<u>40,876,937</u>	<u>67,418,702</u>	<u>65,714,667</u>	<u>1,704,035</u>
Total expenditures and encumbrances	<u>615,510,081</u>	<u>660,560,133</u>	<u>591,852,899</u>	<u>68,707,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES				
	<u>4,274,241</u>	<u>(32,536,085)</u>	<u>32,969,173</u>	<u>65,505,258</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,103,137	5,053,478	4,209,660	(843,818)
Transfers out	<u>(51,644,171)</u>	<u>(51,767,297)</u>	<u>(48,600,719)</u>	<u>3,166,578</u>
Total other financing sources (uses)	<u>(50,541,034)</u>	<u>(46,713,819)</u>	<u>(44,391,059)</u>	<u>2,322,760</u>
NET CHANGE IN FUND BALANCE	<u>\$ (46,266,793)</u>	<u>\$ (79,249,904)</u>	(11,421,886)	<u>\$ 67,828,348</u>
FUND BALANCE AT BEGINNING OF YEAR			79,250,234	
FUND BALANCE AT END OF YEAR			<u>\$ 67,828,348</u>	

See notes to required supplementary budget information.

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (GAAP Basis)
Special Revenue Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual</u>
REVENUES				
Intergovernmental:				
State sources	\$ 9,823,179	\$ 11,835,178	\$ 12,046,020	\$ 210,842
Federal sources	71,542,382	79,794,517	67,207,830	(12,586,687)
Charges for services	18,058,949	18,099,375	20,204,799	2,105,424
Investment income	12,000	12,000	2,690	(9,310)
Other local sources	<u>28,652,095</u>	<u>26,457,064</u>	<u>22,618,503</u>	<u>(3,838,561)</u>
Total revenues	<u>128,088,605</u>	<u>136,198,134</u>	<u>122,079,842</u>	<u>(14,118,292)</u>
EXPENDITURES				
Instruction:				
Regular	36,664,257	40,827,075	37,711,926	3,115,149
Special education	9,917,573	9,977,000	8,281,412	1,695,588
Vocational	981,537	920,209	923,670	(3,461)
Other	<u>23,507,681</u>	<u>16,427,551</u>	<u>9,153,456</u>	<u>7,274,095</u>
Total instruction	<u>71,071,048</u>	<u>68,151,835</u>	<u>56,070,464</u>	<u>12,081,371</u>
Support services:				
Pupil support	3,202,415	5,128,474	3,400,581	1,727,893
Instructional support	30,908,602	42,230,277	30,108,344	12,121,933
General administration	105,218	518,831	430,215	88,616
School administration	4,714,639	4,482,521	4,793,643	(311,122)
Business services	994,683	1,006,245	1,149,397	(143,152)
Operations & maintenance	243,129	305,443	117,412	188,031
Pupil transportaion	880,000	1,258,806	709,016	549,790
Central services	3,920,000	5,234,077	3,597,495	1,636,582
Other support services	<u>3,209,652</u>	<u>3,587,333</u>	<u>3,052,709</u>	<u>534,624</u>
Total support services	<u>48,178,338</u>	<u>63,752,007</u>	<u>47,358,812</u>	<u>16,393,195</u>
Community services	7,639,887	8,851,282	4,351,065	4,500,217
Education for adults	15,403,251	15,284,875	14,881,683	403,192
Capital outlay	<u>1,972,760</u>	<u>4,155,686</u>	<u>425,130</u>	<u>3,730,556</u>
Total expenditures	<u>144,265,284</u>	<u>160,195,685</u>	<u>123,087,154</u>	<u>37,108,531</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(16,176,679)</u>	<u>(23,997,551)</u>	<u>(1,007,312)</u>	<u>22,990,239</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,470,463	7,470,463	7,186,511	(283,952)
Transfers out	<u>(565,000)</u>	<u>(565,000)</u>	<u>(315,000)</u>	<u>250,000</u>
Total other financing sources	<u>6,905,463</u>	<u>6,905,463</u>	<u>6,871,511</u>	<u>(33,952)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,271,216)</u>	<u>\$ (17,092,088)</u>	5,864,199	<u>\$ 22,956,287</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>17,092,088</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 22,956,287</u>	

See notes to required supplementary budget information

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (GAAP Basis)
ProComp Special Revenue Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES				
Investment income	\$ 4,328,207	\$ 3,886,313	\$ (5,650,152)	\$ (9,536,465)
Other local sources	<u>775,366</u>	<u>837,344</u>		<u>(837,344)</u>
Total revenues	<u>5,103,573</u>	<u>4,723,657</u>	<u>(5,650,152)</u>	<u>(10,373,809)</u>
EXPENDITURES				
Regular instruction	11,232,261	34,974,050	22,164,034	12,810,016
Support services:				
General administration	457,230	457,230	208,445	248,785
Central services	425,000	390,621	150,833	239,788
Reserves	<u>83,805,220</u>	<u>59,948,068</u>		<u>59,948,068</u>
Total expenditures	<u>95,919,711</u>	<u>95,769,969</u>	<u>22,523,312</u>	<u>73,246,657</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(90,816,138)	(91,046,312)	(28,173,464)	62,872,848
OTHER FINANCING SOURCES				
Transfers in	<u>26,238,841</u>	<u>26,361,967</u>	<u>26,839,486</u>	<u>477,519</u>
NET CHANGE IN FUND BALANCE	<u>\$(64,577,297)</u>	<u>\$(64,684,345)</u>	<u>(1,333,978)</u>	<u>\$ 63,350,367</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>64,684,345</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 63,350,367</u>	

See notes to required supplementary budget information

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

**Schedules of OPEB Funding Progress
June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
Denver Public Schools Retiree Health Benefit Trust						
7/1/2008	\$ 16,790,000	\$ 12,471,000	\$ (4,319,000)	134.63%	\$ 360,513,241	-1.20%
7/1/2007	\$ 11,810,000	\$ 51,392,000	\$ 39,582,000	22.98%	\$ 324,438,776	12.20%
Denver Public Schools Retiree Life Insurance Trust						
7/1/2008	\$ 5,914,000	\$ 21,596,000	\$ 15,682,000	27.38%	\$ 360,513,241	4.35%
7/1/2007	\$ 5,618,000	\$ 13,380,000	\$ 7,762,000	41.99%	\$ 324,438,776	2.39%

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

**Schedules of OPEB Employer Contributions
June 30, 2009**

<u>Year Ended</u>	<u>Denver Public Schools Retiree Health Benefit Trust</u>		<u>Denver Public Schools Retiree Life Insurance Trust</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2009	\$ (3,167,000)	100.00%	\$ 1,993,000	83.89%
6/30/2008	\$ 4,023,000	298.17%	\$ 901,000	185.57%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2009

1. BUDGET BASIS OF ACCOUNTING

The schedule of revenue, expenditures, encumbrances and changes in fund balances - budget and actual has been prepared on the prescribed budget basis of accounting for the School District. For the general fund, this basis differs from generally accepted accounting principles (GAAP) because of the inclusion of encumbrances and commitments with reported expenditures and the exclusion of salaries earned but unpaid and related indirect cost receivable. In addition, the budget basis makes use of the cash basis of accounting for the general fund state transportation revenue and forward delivery agreement revenues.

A reconciliation of fund balance reported on the basis of GAAP and fund balance reported on the budget basis for the general fund is as follows:

	General Fund
GAAP basis	\$ 28,625,407
Add:	
Accrued payroll, exclusive of taxes payable	40,344,360
Deferred revenue for GAAP	6,023,301
Less:	
Encumbrances, net of inventory	4,293,617
Interest receivable	14,492
Investment market value adjustment	5,534
Transportation receivable	<u>2,851,077</u>
Non-GAAP budget basis	<u>\$67,828,348</u>

The Special Revenue and ProComp Special Revenue funds are budgeted on a GAAP basis; therefore, the fund balances are the same.

Colorado statutes require that fixed budgets be legally adopted for all funds. For budgeting and appropriation purposes, operating transfers are reported as revenue and expenditures. Budgets for all funds have been prepared on the budget basis of accounting. The most significant budgeted fund is the general fund.

Differences between the original budget and final budget for the general fund totaled an increase of \$45.2 million and can briefly be summarized as follows:

- \$4.5 million in re-appropriations of June 30, 2008, balances for school programs
- \$0.2 million in restricted Colorado Preschool Program carry-over from 2007-2008
- \$6.8 million in additional salary turnover/hiring lag savings in 2007-2008
- \$1.4 million in utility savings in 2007-2008
- \$8.7 million in Pension Certificates of Participation carry-over from 2007-2008
- \$11.4 million in other beginning balance increases
- \$4.7 million increase in other receipts primarily due to the close-out of the previously self-funded retiree health plan
- \$7.0 million increase in property tax revenue and school finance act state funding due to enrollment growth
- \$4.2 million decrease in specific ownership taxes
- \$4.7 million increase in Colorado Preschool Program slots

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2009

2. OPEB

As of June 30, 2009, the only two actuarial valuations for these plans are dated July 1, 2008, and July 1, 2007. The funded status of each plan as of these actuarial valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
DPSRHBT						
7/1/2008	\$ 16,790,000	\$ 12,471,000	\$ (4,319,000)	134.63%	\$ 360,513,241	-1.20%
7/1/2007	\$ 11,810,000	\$ 51,392,000	\$ 39,582,000	22.98%	\$ 324,438,776	12.20%
DPSRLIT						
7/1/2008	\$ 5,914,000	\$ 21,596,000	\$ 15,682,000	27.38%	\$ 360,513,241	4.35%
7/1/2007	\$ 5,618,000	\$ 13,380,000	\$ 7,762,000	41.99%	\$ 324,438,776	2.39%

The ARC was determined, using the “Projected Unit Credit” attribution method and is as of July 1, 2008. The ARC was calculated on a level dollar basis assuming an amortization period of 1.5 years for the health insurance benefit and the average remaining lifetime of qualified retirees (12.9 years) for the life insurance benefit. The significant actuarial assumptions used in the valuation as of July 1, 2008 were: (a) life expectancy of participants obtained from the 1994 Group Annuity Mortality Table applied on a gender-specific basis; (b) retirement age assumption based on annual probability applied on a gender-specific basis over the period of 50 to 70 years; (c) a discount rate of 8% assuming the employer will consistently contributed an amount equal to or greater than the ARC; (d) a plan participation assumption that 100% of all employees who are eligible for retiree benefits actually participate in the retiree benefit plan, assuming a one-time irrevocable election to participate is made at retirement; (e) a salary increase assumption of 3.5% per annum; and (f) the exclusion of the Medicare Part D employer subsidy.

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

OTHER SUPPLEMENTARY INFORMATION

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

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Pupil Activity Fund	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 159,308	\$ 117,948	\$ 277,256
Investments	<u> </u>	<u>3,982</u>	<u>3,982</u>
Total assets	<u>\$ 159,308</u>	<u>\$ 121,930</u>	<u>\$ 281,238</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 8,462	\$ 1,550	\$ 10,012
Due to other funds	<u>222</u>	<u>12</u>	<u>234</u>
Total liabilities	<u>8,684</u>	<u>1,562</u>	<u>10,246</u>
Fund balances:			
Unreserved	<u>150,624</u>	<u>120,368</u>	<u>270,992</u>
Total fund balances	<u>150,624</u>	<u>120,368</u>	<u>270,992</u>
Total liabilities and fund balances	<u>\$ 159,308</u>	<u>\$ 121,930</u>	<u>\$ 281,238</u>

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2009**

	<u>Pupil Activity Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Charges for services	\$ 444,152	\$	\$ 444,152
Investment income		2,744	2,744
Other local sources		<u>76,058</u>	<u>76,058</u>
Total revenues	<u>444,152</u>	<u>78,802</u>	<u>522,954</u>
EXPENDITURES			
Current:			
Instruction:			
Regular		362	362
Other	<u>2,159,886</u>		<u>2,159,886</u>
Total expenditures	<u>2,159,886</u>	<u>362</u>	<u>2,160,248</u>
Support services:			
Business services		<u>1,550</u>	<u>1,550</u>
Total supporting services		<u>1,550</u>	<u>1,550</u>
Total expenditures	<u>2,159,886</u>	<u>1,912</u>	<u>2,161,798</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	(1,715,734)	76,890	(1,638,844)
OTHER FINANCING SOURCES			
Transfers in	<u>1,882,625</u>		<u>1,882,625</u>
NET CHANGE IN FUND BALANCES	166,891	76,890	243,781
FUND BALANCES AT BEGINNING OF YEAR	<u>(16,267)</u>	<u>43,478</u>	<u>27,211</u>
FUND BALANCES AT END OF YEAR	<u>\$ 150,624</u>	<u>\$120,368</u>	<u>\$ 270,992</u>

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

**Schedule of Revenues, Expenditures, Encumbrances and
Changes in Fund Balance - Budget and Actual (Non-GAAP budget basis)
Building Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES				
Investment income	\$ 440,003	\$ 440,003	\$ 728,134	\$ 288,131
Total revenues	<u>440,003</u>	<u>440,003</u>	<u>728,134</u>	<u>288,131</u>
EXPENDITURES AND ENCUMBRANCES:				
Regular instruction			743,995	(743,995)
Support services:				
Operations & maintenance		15,400,652	12,750,391	2,650,261
Central services		2,442	4,036,308	(4,033,866)
Other support service			<u>15,273</u>	<u>(15,273)</u>
Total support services		<u>15,403,094</u>	<u>16,801,972</u>	<u>(1,398,878)</u>
Capital outlay	<u>27,141,764</u>	<u>150,695,534</u>	<u>80,917,899</u>	<u>69,777,635</u>
Issuance costs of bonds		<u>716,265</u>	<u>784,744</u>	<u>(68,479)</u>
Total expenditures and encumbrances	<u>27,141,764</u>	<u>166,814,893</u>	<u>99,248,610</u>	<u>67,566,283</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND ENCUMBRANCES	\$ (26,701,761)	\$ (166,374,890)	(98,520,476)	\$ 67,854,414
OTHER FINANCING SOURCES (USES)				
Transfers out			(6,900)	(6,900)
Proceeds from sale of bonds		<u>150,922,566</u>	<u>151,593,831</u>	<u>671,265</u>
Total other financing sources (uses)		<u>150,922,566</u>	<u>151,586,931</u>	<u>664,365</u>
NET CHANGE IN FUND BALANCE	<u>\$ (26,701,761)</u>	<u>\$ (15,452,324)</u>	<u>53,066,455</u>	<u>\$ 68,518,779</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>15,452,324</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 68,518,779</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures, Encumbrances and
Changes in Fund Balance - Budget and Actual (Non-GAAP budget basis)
Capital Reserve Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES				
Investment income	\$ 50,000	\$ 50,000	\$ 20,041	\$ (29,959)
Other local sources	<u>2,231,300</u>	<u>286,300</u>	<u>3,848,296</u>	<u>3,561,996</u>
Total revenues	<u>2,281,300</u>	<u>336,300</u>	<u>3,868,337</u>	<u>3,532,037</u>
EXPENDITURES AND ENCUMBRANCES:				
Support services:				
Instructional				
Business services	50,000	50,000	50,000	
Operations & maintenance	12,269,032	10,972,582	10,906,287	66,295
Pupil transportation	560,639	560,639	320,704	239,935
Central services	<u>1,696,766</u>	<u>1,596,766</u>	<u>3,156,365</u>	<u>(1,559,599)</u>
Total support services	<u>14,576,437</u>	<u>13,179,987</u>	<u>14,433,356</u>	<u>(1,253,369)</u>
Contingency reserve	10,123,165	10,854,936		10,854,936
Capital outlay	3,994,250	4,720,700	3,047,092	1,673,608
Debt service:				
Principal retirements	1,478,122	1,303,122	1,293,808	9,314
Interest and fiscal charges	<u>284,380</u>	<u>284,380</u>	<u>306,555</u>	<u>(22,175)</u>
Total debt service	<u>1,762,502</u>	<u>1,587,502</u>	<u>1,600,363</u>	<u>(12,861)</u>
Total expenditures and encumbrances	<u>30,456,354</u>	<u>30,343,125</u>	<u>19,080,811</u>	<u>11,262,314</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND ENCUMBRANCES	(28,175,054)	(30,006,825)	(15,212,474)	14,794,351
OTHER FINANCING SOURCES				
Transfers in	<u>16,617,242</u>	<u>16,617,242</u>	<u>14,143,740</u>	<u>(2,473,502)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,557,812)</u>	<u>\$ (13,389,583)</u>	(1,068,734)	<u>\$ 12,320,849</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>13,389,583</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 12,320,849</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (GAAP Basis)
Pupil Activity Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES				
Charges for services	\$ 520,000	\$ 520,000	\$ 444,152	\$ (75,848)
Total revenues	<u>520,000</u>	<u>520,000</u>	<u>444,152</u>	<u>(75,848)</u>
EXPENDITURES				
Instruction	<u>2,452,625</u>	<u>2,386,358</u>	<u>2,159,886</u>	<u>226,472</u>
Total expenditures	<u>2,452,625</u>	<u>2,386,358</u>	<u>2,159,886</u>	<u>226,472</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,932,625)	(1,866,358)	(1,715,734)	150,624
OTHER FINANCING SOURCES				
Transfers in	<u>1,882,625</u>	<u>1,882,625</u>	<u>1,882,625</u>	<u> </u>
NET CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>\$ 16,267</u>	166,891	<u>\$ 150,624</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>(16,267)</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 150,624</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (GAAP Basis)
Bond Redemption Fund
Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual</u>
REVENUES				
Taxes	\$ 54,247,639	\$ 54,247,639	\$ 61,824,776	\$ 7,577,137
Investment income	1,103,137	1,103,137	440,494	(662,643)
Other local sources	<u> </u>	<u> </u>	<u>41,326</u>	<u>41,326</u>
Total revenues	<u>55,350,776</u>	<u>55,350,776</u>	<u>62,306,596</u>	<u>6,955,820</u>
EXPENDITURES				
Contingency reserve	56,926,820	55,128,711		55,128,711
Debt service:				
Principal on bonds	14,099,445	14,099,445	22,450,000	(8,350,555)
Interest & fiscal charges on bonds	38,487,864	38,487,864	31,381,945	7,105,919
Total debt service	<u>52,587,309</u>	<u>52,587,309</u>	<u>53,831,945</u>	<u>(1,244,636)</u>
Total expenditures	<u>109,514,129</u>	<u>107,716,020</u>	<u>53,831,945</u>	<u>53,884,075</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(54,163,353)</u>	<u>(52,365,244)</u>	<u>8,474,651</u>	<u>60,839,895</u>
OTHER FINANCING USES				
Transfers out	<u>(1,103,137)</u>	<u>(1,103,137)</u>	<u>(460,640)</u>	<u>(642,497)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (55,266,490)</u>	<u>\$ (53,468,381)</u>	8,014,011	<u>\$ 61,482,392</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>53,468,381</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 61,482,392</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual (GAAP Basis)
Private Purpose Trust Fund
Year ended June 30, 2009**

	Original Budget	Final Budget	Actual	Variance Final Budget to Actual
REVENUES				
Contributions	\$ 250,000	\$ 250,000	\$	\$ (250,000)
Scholarship donations	75,000	75,000	98,645	23,645
Investment income	74,400	74,400	66,826	(7,574)
Miscellaneous income	<u>400,000</u>	<u>400,000</u>	<u></u>	<u>(400,000)</u>
Total revenues	<u>799,400</u>	<u>799,400</u>	<u>165,471</u>	<u>(633,929)</u>
EXPENDITURES				
COBRA insurance	311,000		1,983	(1,983)
Scholarships	192,616	192,616	96,417	96,199
Educational reimbursements	259,000	291,516	1,500	290,016
Reserve	4,369,359	784,807	-	784,807
Other	400,000	400,000	-	400,000
Transfers out	<u></u>	<u>3,950,340</u>	<u>3,749,020</u>	<u>201,320</u>
Total expenditures	<u>5,531,975</u>	<u>5,619,279</u>	<u>3,848,920</u>	<u>1,770,359</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,732,575)</u>	<u>\$ (4,819,879)</u>	(3,683,449)	<u>\$ 1,136,430</u>
FUND BALANCE				
AT BEGINNING OF YEAR			<u>4,819,881</u>	
FUND BALANCE				
AT END OF YEAR			<u><u>\$ 1,136,432</u></u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual (GAAP Basis)**

Retiree Health Benefit Trust

Year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final Budget to Actual
REVENUES				
Contributions	\$ 6,819,000	\$ 6,819,000	\$ 6,622,378	\$ (196,622)
Investment income	<u>500,000</u>	<u>500,000</u>	<u>76,197</u>	<u>(423,803)</u>
Total revenues	<u>7,319,000</u>	<u>7,319,000</u>	<u>6,698,575</u>	<u>(620,425)</u>
EXPENDITURES				
Medical and life insurance				
for retirees	7,800,000	8,090,054	8,180,614	(90,560)
Reserve	<u>16,019,000</u>	<u>16,019,000</u>	<u>-</u>	<u>16,019,000</u>
Total expenditures	<u>23,819,000</u>	<u>24,109,054</u>	<u>8,180,614</u>	<u>15,928,440</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (16,500,000)</u></u>	<u><u>\$ (16,790,054)</u></u>	(1,482,039)	<u><u>\$ 15,308,015</u></u>
FUND BALANCE				
AT BEGINNING OF YEAR			<u>16,790,054</u>	
FUND BALANCE				
AT END OF YEAR			<u><u>\$ 15,308,015</u></u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual (GAAP Basis)**

Retiree Life Insurance Trust

Year ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final Budget to Actual
REVENUES				
Contributions	\$	\$	\$ 1,672,000	\$ 1,672,000
Investment income	<u> </u>	<u> </u>	<u>623,314</u>	<u>623,314</u>
Total revenues	<u> </u>	<u> </u>	<u>2,295,314</u>	<u>2,295,314</u>
EXPENDITURES				
Medical and life insurance for retirees		2,500,000	2,028,930	471,070
Reserve	<u> </u>	<u>3,414,073</u>	<u> </u>	<u>3,414,073</u>
Total expenditures	<u> </u>	<u>5,914,073</u>	<u>2,028,930</u>	<u>3,885,143</u>
 NET CHANGE IN FUND BALANCE	 <u>\$</u>	 <u>\$(5,914,073)</u>	 266,384	 <u>\$ 6,180,457</u>
 FUND BALANCE				
AT BEGINNING OF YEAR			<u>5,914,073</u>	
 FUND BALANCE				
AT END OF YEAR			<u>\$ 6,180,457</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (GAAP Basis)
Permanent Government Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES				
Investment income	\$ 2,345	\$ 2,345	\$ 2,744	\$ 399
Miscellaneous income			<u>76,058</u>	<u>76,058</u>
Total revenues	<u>2,345</u>	<u>2,345</u>	<u>78,802</u>	<u>76,457</u>
EXPENDITURES				
Regular instruction	23,264	26,875	362	26,513
Pupil services	18,653	18,948		18,948
Business services			<u>1,550</u>	<u>(1,550)</u>
Total expenditures	<u>41,917</u>	<u>45,823</u>	<u>1,912</u>	<u>43,911</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,572)</u>	<u>\$ (43,478)</u>	76,890	<u>\$ 120,368</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>43,478</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 120,368</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenses, and Changes in Fund Net Assets-
Budget and Actual (GAAP Basis)
Food Service Fund
Year ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
OPERATING REVENUE:				
Food sales	\$ 3,742,476	\$ 3,742,476	\$ 3,818,221	\$ 75,745
Total operating revenues	<u>3,742,476</u>	<u>3,742,476</u>	<u>3,818,221</u>	<u>75,745</u>
OPERATING EXPENSES				
Cost of goods:				
Purchased	9,170,615	9,170,615	10,263,526	(1,092,911)
Donated	286,000	286,000	139,555	146,445
Salaries and employee benefits	11,097,709	11,097,709	12,290,386	(1,192,677)
Utilities	246,000	246,000	269,884	(23,884)
Supplies	1,838,545	1,838,545	2,046,281	(207,736)
Repairs and maintenance	275,000	275,000	357,626	(82,626)
Rent	10,000	10,000	4,321	5,679
Depreciation	182,645	182,645	147,771	34,874
Loss on disposal of equipment			31,642	(31,642)
Administrative services	376,460	376,460	391,349	(14,889)
Other	5,993,130	5,638,791	444,455	5,194,336
Total operating expenses	<u>29,476,104</u>	<u>29,121,765</u>	<u>26,386,796</u>	<u>2,734,969</u>
Operating loss	<u>(25,733,628)</u>	<u>(25,379,289)</u>	<u>(22,568,575)</u>	<u>2,810,714</u>
NON-OPERATING REVENUES				
Reimbursements from government sponsored programs	16,037,867	16,037,867	20,711,710	4,673,843
Donated commodities from federal government	1,324,875	1,324,875	1,492,914	168,039
Investment income	168,411	168,411	28,204	(140,207)
Other local services	35,000	35,000	53,321	18,321
Total non-operating revenues	<u>17,566,153</u>	<u>17,566,153</u>	<u>22,286,149</u>	<u>4,719,996</u>
Net loss before transfers	<u>(8,167,475)</u>	<u>(7,813,136)</u>	<u>(282,426)</u>	<u>7,530,710</u>
Transfers in			6,900	6,900
CHANGE IN NET ASSETS	<u>\$ (8,167,475)</u>	<u>\$ (7,813,136)</u>	<u>(275,526)</u>	<u>\$ 7,537,610</u>
TOTAL NET ASSETS - BEGINNING OF YEAR			<u>7,813,136</u>	
TOTAL NET ASSETS - END OF YEAR			<u>\$ 7,537,610</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (GAAP Basis)
Internal Service Self Insurance Fund
Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
OPERATING REVENUE				
Billings to funds	\$ 7,469,973	\$ 7,469,973	\$ 7,472,590	\$ 2,617
Other			244,041	244,041
Total operating revenues	<u>7,469,973</u>	<u>7,469,973</u>	<u>7,716,631</u>	<u>246,658</u>
OPERATING EXPENSES				
Salaries and employee benefits	545,779	545,779	496,360	49,419
Purchased professional & technical services	500,000	500,000	501,725	(1,725)
Purchased property services			310	(310)
Other purchased services	66,750	66,750	32,350	34,400
Supplies	65,000	65,000	124,274	(59,274)
Other	3,783,457	5,571,690	3,257	5,568,433
Insurance	2,360,000	2,360,000	1,761,296	598,704
Claims	<u>4,778,000</u>	<u>4,778,000</u>	<u>4,214,708</u>	<u>563,292</u>
Total operating expenses	<u>12,098,986</u>	<u>13,887,219</u>	<u>7,134,280</u>	<u>6,752,939</u>
Operating income (loss)	<u>(4,629,013)</u>	<u>(6,417,246)</u>	<u>582,351</u>	<u>6,999,597</u>
NON-OPERATING REVENUES:				
Insurance claims				
Investment income				
Total non-operating revenues				
CHANGE IN NET ASSETS	<u>\$ (4,629,013)</u>	<u>\$ (6,417,246)</u>	582,351	<u>\$ 6,999,597</u>
NET ASSETS AT BEGINNING OF YEAR			<u>6,417,246</u>	
NET ASSETS AT END OF YEAR			<u>\$ 6,999,597</u>	

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

**Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (GAAP Basis)
Internal Service DOTs Fund
Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
OPERATING REVENUE				
Billings to funds	\$ 160,000	\$ 160,000	\$ 44,912	\$ (115,088)
Other			827	827
Total operating revenues	<u>160,000</u>	<u>160,000</u>	<u>45,739</u>	<u>(114,261)</u>
OPERATING EXPENSES				
Supplies	160,000	194,056	10,918	183,138
Depreciation			4,365	(4,365)
Total operating expenses	<u>160,000</u>	<u>194,056</u>	<u>15,283</u>	<u>178,773</u>
Operating income (loss)		<u>(34,056)</u>	<u>30,456</u>	<u>64,512</u>
Net income (loss) before transfers		<u>(34,056)</u>	<u>30,456</u>	<u>64,512</u>
CHANGE IN NET ASSETS	<u>\$</u>	<u>\$ (34,056)</u>	30,456	<u>\$ 64,512</u>
NET ASSETS AT BEGINNING OF YEAR			<u>34,056</u>	
NET ASSETS AT END OF YEAR			<u>\$ 64,512</u>	

See notes to supplementary budget information

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

**Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (GAAP Basis)
Internal Service Warehouse Fund
Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
OPERATING REVENUE				
Billings to funds	\$ 2,006,913	\$ 2,756,913	\$ 2,901,122	\$ 144,209
Other			41,494	41,494
Total operating revenues	<u>2,006,913</u>	<u>2,756,913</u>	<u>2,942,616</u>	<u>185,703</u>
OPERATING EXPENSES				
Cost of goods sold	1,712,649	1,342,609	2,267,961	(925,352)
Salaries and employee benefits	421,931	421,931	415,681	6,250
Purchased professional & technical services	10,000	10,000		10,000
Purchased property services			2,024	(2,024)
Other purchased services	8,500	8,500	224,694	(216,194)
Supplies	(271,339)	1,191,915	18,184	1,173,731
Depreciation			1,165	(1,165)
Total operating expenses	<u>1,881,741</u>	<u>2,974,955</u>	<u>2,929,709</u>	<u>45,246</u>
Operating income	<u>125,172</u>	<u>(218,042)</u>	<u>12,907</u>	<u>230,949</u>
CHANGE IN NET ASSETS	<u>\$ 125,172</u>	<u>\$ (218,042)</u>	12,907	<u>\$ 230,949</u>
NET ASSETS AT BEGINNING OF YEAR			<u>218,042</u>	
NET ASSETS AT END OF YEAR			<u>\$ 230,949</u>	

See notes to supplementary budget information

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

NOTES TO SUPPLEMENTARY BUDGET INFORMATION
 YEAR ENDED JUNE 30, 2009

BUDGET BASIS OF ACCOUNTING

The schedule of revenue, expenditures, encumbrances and changes in fund balances - budget and actual for the Building Fund and Capital Reserve Fund, has been prepared on the prescribed budget basis of accounting for the School District. This basis differs from generally accepted accounting principles (GAAP) because of the inclusion of encumbrances and commitments with reported expenditures and the exclusion of salaries earned but unpaid.

A reconciliation of fund balances reported on the basis of GAAP and fund balances reported on the budget basis is as follows:

	Building Fund	Capital Reserve Fund
GAAP basis	\$133,099,436	\$15,153,172
Less:		
Encumbrances, net	<u>64,580,657</u>	<u>2,832,323</u>
Non-GAAP budget basis	<u>\$ 68,518,779</u>	<u>\$12,320,849</u>

Fund balances for the Pupil Activity fund, Bond Redemption fund, the Private Purpose fund, the Permanent Government fund, and the Proprietary funds are the same on the GAAP and Budget basis.

Colorado statutes require that fixed budgets be legally adopted for all funds. For budgeting and appropriation purposes, operating transfers are reported as revenue and expenditures. The original budget for each of these funds was equal to the prior year final budget. As better information became available, the budgets were adjusted.

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

**Combining Statement of Net Assets
Internal Service Funds
June 30, 2009**

	<u>Self Insurance</u>	<u>DoTs Service Bureau</u>	<u>Warehouse</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 10,036,204	\$ 24,552	\$	\$ 10,060,756
Receivables	2,364		14,534	16,898
Due from other funds		29,039	11,576	40,615
Inventory			510,235	510,235
Total current assets	<u>10,038,568</u>	<u>53,591</u>	<u>536,345</u>	<u>10,628,504</u>
Capital assets:				
Equipment		324,786	38,406	363,192
Less accumulated depreciation		<u>(313,865)</u>	<u>(38,406)</u>	<u>(352,271)</u>
Net equipment		<u>10,921</u>		<u>10,921</u>
Total assets	<u>10,038,568</u>	<u>64,512</u>	<u>536,345</u>	<u>10,639,425</u>
LIABILITIES				
Current liabilities:				
Accounts payable	123,532		58,220	181,752
Accrued claims	2,660,000			2,660,000
Due to other funds	<u>255,439</u>		<u>247,176</u>	<u>502,615</u>
Total current liabilities	<u>3,038,971</u>		<u>305,396</u>	<u>3,344,367</u>
Total liabilities	<u>3,038,971</u>		<u>305,396</u>	<u>3,344,367</u>
NET ASSETS				
Invested in capital assets, net of related debt		10,921		10,921
Unrestricted	<u>6,999,597</u>	<u>53,591</u>	<u>230,949</u>	<u>7,284,137</u>
Total net assets	<u>\$ 6,999,597</u>	<u>\$ 64,512</u>	<u>\$ 230,949</u>	<u>\$ 7,295,058</u>

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

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

Year Ended June 30, 2009

	Self Insurance	DoTs Service Bureau	Warehouse	Total
OPERATING REVENUES				
Billings to funds	\$ 7,472,590	\$ 44,912	\$ 2,901,122	\$ 10,418,624
Other	244,041	827	41,494	286,362
Total operating revenues	<u>7,716,631</u>	<u>45,739</u>	<u>2,942,616</u>	<u>10,704,986</u>
OPERATING EXPENSES				
Cost of goods sold			2,267,961	2,267,961
Salaries and employee benefits	496,360		415,681	912,041
Purchased professional & technical services	501,725			501,725
Purchased property services	310		2,024	2,334
Other purchased services	32,350		224,694	257,044
Supplies	124,274	10,918	18,184	153,376
Depreciation		4,365	1,165	5,530
Other	3,257			3,257
Insurance	1,761,296			1,761,296
Claims	4,214,708			4,214,708
Total operating expenses	<u>7,134,280</u>	<u>15,283</u>	<u>2,929,709</u>	<u>10,079,272</u>
Operating Income	<u>582,351</u>	<u>30,456</u>	<u>12,907</u>	<u>625,714</u>
CHANGE IN NET ASSETS	582,351	30,456	12,907	625,714
NET ASSETS				
AT BEGINNING OF YEAR	<u>6,417,246</u>	<u>34,056</u>	<u>218,042</u>	<u>6,669,344</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,999,597</u>	<u>\$ 64,512</u>	<u>\$ 230,949</u>	<u>\$ 7,295,058</u>

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

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2009**

	Self Insurance	DoTs Service Bureau	Warehouse	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 7,471,406	\$ 44,912	\$ 2,897,737	\$ 10,414,055
Payments to suppliers	(904,797)	(10,918)	(2,659,051)	(3,574,766)
Payments to employees	(502,300)		(416,902)	(919,202)
Internal Activity - payments to other funds			144,642	144,642
Internal Activity - payments from other funds	(4,170)	(26,854)	(11,577)	(42,601)
Claims and insurance	(5,976,004)			(5,976,004)
Other receipts	240,784	827	41,494	283,105
Net cash provided by (used in) operating activities	<u>324,919</u>	<u>7,967</u>	<u>(3,657)</u>	<u>329,229</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of equipment		(14,042)		(14,042)
Net cash used in capital and related financing activities		<u>(14,042)</u>		<u>(14,042)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	324,919	(6,075)	(3,657)	315,187
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>9,711,285</u>	<u>30,627</u>	<u>3,657</u>	<u>9,745,569</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 10,036,204</u>	<u>\$ 24,552</u>	<u>\$ -</u>	<u>\$ 10,060,756</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ 582,351	\$ 30,456	\$ 12,907	\$ 625,714
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation		4,365	1,165	5,530
Changes in operating assets and liabilities:				
Accounts receivable	(1,184)		(3,385)	(4,569)
Due from other funds		(26,854)	(11,577)	(38,431)
Inventory			62,239	62,239
Accounts payable	(246,138)		(208,427)	(454,565)
Accrued payroll	(5,940)		(1,221)	(7,161)
Due to other funds	(4,170)		144,642	140,472
Total adjustments	<u>(257,432)</u>	<u>(22,489)</u>	<u>(16,564)</u>	<u>(296,485)</u>
Net cash provided by (used in) operating activities	<u>\$ 324,919</u>	<u>\$ 7,967</u>	<u>\$ (3,657)</u>	<u>\$ 329,229</u>

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

Statement of Changes in Assets and Liabilities

Agency Fund

Year ended June 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
ASSETS - Cash	<u>\$ 1,780,244</u>	<u>\$ 4,810,377</u>	<u>\$ 4,720,120</u>	<u>\$ 1,870,501</u>
LIABILITIES - Due to student groups	<u>\$ 1,780,244</u>	<u>\$ 4,810,377</u>	<u>\$ 4,720,120</u>	<u>\$ 1,870,501</u>

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

**Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2009**

Governmental funds capital assets:	
Land	\$ 61,627,315
Buildings	745,380,603
Equipment & capital leases	135,256,637
Construction in progress	8,236,815
Total governmental funds capital assets	<u>\$ 950,501,370</u>

Investments in governmental funds capital assets by source:	
Donations	\$ 65,403,846
General Fund	25,570,842
Special Revenue Fund	5,614,349
Pupil Activity Fund	150,576
Building Fund	753,833,453
Capital Reserve Fund	99,590,338
Internal Service Fund	337,966
Total governmental funds capital assets	<u>\$ 950,501,370</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the assets reported in internal service funds are included in the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

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

**Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended June 30, 2009**

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Capital Leases</u>	<u>Total</u>
Instruction:						
Regular	\$	\$ 607,385,000	\$ 12,334,782	\$	\$	\$ 619,719,782
Special education			99,814			99,814
Vocational			687,888			687,888
Total instruction		<u>607,385,000</u>	<u>13,122,484</u>			<u>620,507,484</u>
Supporting sources:						
Pupil support		429,314	83,445			512,759
Instructional support		3,593,679	661,687			4,255,366
General administration		429,314	610,423			1,039,737
School administration		48,344,062	957,482			49,301,544
Business services		858,629	12,155,806		840,549	13,854,984
Operations & maintenance		8,852,475	19,618,497			28,470,972
Pupil transportation		24,077,592	30,416,434			54,494,026
Central services		1,578,157	56,755,323			58,333,480
Food services		49,662,790				49,662,790
Other support services	<u>61,627,315</u>	<u>169,591</u>	<u>34,507</u>	<u>8,236,815</u>		<u>70,068,228</u>
Total supporting services	<u>61,627,315</u>	<u>137,995,603</u>	<u>121,293,604</u>	<u>8,236,815</u>	<u>840,549</u>	<u>329,993,886</u>
Capital assets	<u>\$ 61,627,315</u>	<u>\$ 745,380,603</u>	<u>\$ 134,416,088</u>	<u>\$ 8,236,815</u>	<u>\$ 840,549</u>	<u>\$ 950,501,370</u>

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

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended June 30, 2009**

	Capital Assets July 1, 2008	Additions	Deductions	Capital Assets June 30, 2009
Instruction:				
Regular	\$ 619,765,667	\$ 83,863	\$ 129,748	\$ 619,719,782
Special education	84,919	14,895		99,814
Vocational	<u>638,560</u>	<u>49,328</u>		<u>687,888</u>
Total instruction	<u>620,489,146</u>	<u>148,086</u>	<u>129,748</u>	<u>620,507,484</u>
Supporting sources:				
Pupil support	512,759			512,759
Instructional support	4,255,208	6,258	6,100	4,255,366
General administration	1,052,654		12,917	1,039,737
School administration	49,137,332	205,871	41,659	49,301,544
Business services	13,316,854	840,549	302,419	13,854,984
Operations & maintenance	26,027,920	2,805,941	362,889	28,470,972
Pupil transportation	55,248,621	2,158,038	2,912,633	54,494,026
Central services	53,153,286	5,304,877	124,683	58,333,480
Food services	49,662,790			49,662,790
Other support services	<u>54,499,734</u>	<u>15,751,667</u>	<u>183,173</u>	<u>70,068,228</u>
Total supporting services	<u>306,867,158</u>	<u>27,073,201</u>	<u>3,946,473</u>	<u>329,993,886</u>
Capital assets	<u>\$ 927,356,304</u>	<u>\$27,221,287</u>	<u>\$ 4,076,221</u>	<u>\$ 950,501,370</u>

III.
STATISTICAL
SECTION

III.
STATISTICAL
SECTION

III. STATISTICAL SECTION

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Net Assets by Component	III.2
Changes in Net Assets	III.3
Fund Balances, Governmental Funds	III.4
Changes in Fund Balances, Government Funds	III.5
Summary of Expenditures by Function and other Financing Uses - General fund	III.6
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Summary of Revenues by Source and other Financing Sources - General Fund	III.7
Assessed Value and Estimated Actual Value of Taxable Property	III.8
Property Tax Rates per \$1,000 of Assessed Valuation - Direct and All Overlapping Governments	III.9
Principal Property Tax Payers	III.10
Property Tax Levies and Collections	III.11
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Legal Debt Margin Information	III.12
Ratios of Outstanding Debt	III.14
Direct and Overlapping Debt	III.16
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Demographic and Economic Statistics	III.17
Principal Employers	III.18
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
Nutrition Services - Facts and Figures	III.19
Full-time Equivalent (FTE) Employees	III.20
Capital Asset Information - by schools	III.21

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2001; therefore, schedules presenting government-wide information includes information beginning with June 30, 2002.

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

**NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 156,461,727	\$ 156,815,186	\$ 173,129,371	\$ 173,526,159	\$ 159,694,323	\$ 164,043,119	\$ 133,424,313	\$ 145,767,639
Restricted	75,749,943	69,420,889	61,730,781	65,855,743	69,097,185	84,774,106	84,328,015	77,423,143
Unrestricted	<u>(894,565,007)</u>	<u>(880,304,592)</u>	<u>(536,694,044)</u>	<u>(580,519,084)</u>	<u>(551,275,390)</u>	<u>(553,832,699)</u>	<u>(558,213,314)</u>	<u>(523,976,920)</u>
Total governmental activities net assets (liabilities)	<u>\$(662,353,337)</u>	<u>\$(654,068,517)</u>	<u>\$(301,833,892)</u>	<u>\$(341,137,182)</u>	<u>\$(322,483,882)</u>	<u>\$(305,015,474)</u>	<u>\$(340,460,986)</u>	<u>\$(300,786,138)</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 482,212	\$ 595,253	\$ 679,532	\$ 439,918	\$ 567,175	\$ 731,087	\$ 782,001	\$ 541,735
Restricted	-	-	-	-	-	-	-	-
Unrestricted	<u>7,055,398</u>	<u>7,217,883</u>	<u>7,469,652</u>	<u>8,936,165</u>	<u>9,433,817</u>	<u>9,578,590</u>	<u>9,964,868</u>	<u>10,749,950</u>
Total business-type activities net assets	<u>\$ 7,537,610</u>	<u>\$ 7,813,136</u>	<u>\$ 8,149,184</u>	<u>\$ 9,376,083</u>	<u>\$ 10,000,992</u>	<u>\$ 10,309,677</u>	<u>\$ 10,746,869</u>	<u>\$ 11,291,685</u>
Primary government								
Invested in capital assets, net of related debt	\$ 156,943,939	\$ 157,410,439	\$ 173,808,903	\$ 173,966,077	\$ 160,261,498	\$ 164,774,206	\$ 134,206,314	\$ 146,309,374
Restricted	75,749,943	69,420,889	61,730,781	65,855,743	69,097,185	84,774,106	84,328,015	77,423,143
Unrestricted	<u>(887,509,609)</u>	<u>(873,086,709)</u>	<u>(529,224,392)</u>	<u>(571,582,919)</u>	<u>(541,841,573)</u>	<u>(544,254,109)</u>	<u>(548,248,446)</u>	<u>(513,226,970)</u>
Total primary government net assets (liabilities)	<u>\$(654,815,727)</u>	<u>\$(646,255,381)</u>	<u>\$(293,684,708)</u>	<u>\$(331,761,099)</u>	<u>\$(312,482,890)</u>	<u>\$(294,705,797)</u>	<u>\$(329,714,117)</u>	<u>\$(289,494,453)</u>

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

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

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS (Unaudited)**

	2009	2008	2007	2006	2005	2004	2003	2002
Expenses:								
Government activities:								
Instructional services	\$ 422,627,498	\$ 397,666,096	\$ 381,864,932	\$ 371,166,191	\$ 345,648,417	\$ 325,584,123	\$ 337,301,342	\$ 314,388,315
Supporting services:								
Pupil support	25,824,063	25,687,424	24,203,198	26,557,633	22,984,177	22,743,888	25,538,948	23,492,982
Instructional support	58,473,132	57,657,139	51,530,878	49,672,365	48,912,898	48,647,683	47,823,281	32,841,251
General administration	4,733,562	4,469,043	3,899,230	3,732,940	3,243,316	4,166,223	4,060,113	3,031,940
School administration	41,162,161	42,525,715	37,986,274	37,835,304	36,895,352	36,940,767	37,520,099	33,149,771
Business services	5,268,181	7,625,659	4,805,738	7,651,665	11,275,332	11,198,515	10,854,484	10,738,548
Operation and maintenance	73,688,352	68,357,795	83,837,328	105,354,973	98,111,896	66,060,183	59,944,709	75,356,574
Pupil transportation	21,204,172	23,103,680	21,934,799	22,387,623	22,277,867	23,038,733	21,986,087	19,136,980
Central services	48,720,535	39,546,533	37,158,630	35,764,332	27,254,228	28,647,325	24,155,108	22,143,904
Other support services	3,741,000	3,718,449	3,988,945	7,757,463	2,652,614	2,939,086	3,818,870	3,141,362
Community services	4,740,667	4,187,161	2,976,624	2,582,231	2,663,752	3,222,596	3,410,601	3,945,162
Education for adults	14,881,683	14,016,390	13,065,090	13,125,670	12,109,998	9,573,321	9,829,728	8,663,912
Food services	495,782	489,196	472,309	416,656	414,678	405,163	394,057	599,801
Interest on long-term debt	102,499,436	57,492,219	59,186,288	60,969,279	59,299,461	57,637,906	52,035,988	47,200,184
Total governmental activities expenses	828,060,224	746,542,499	726,909,963	744,974,325	693,743,986	640,805,512	638,673,415	598,830,686
Business-type activities:								
Food services	26,386,796	24,531,466	23,801,447	21,909,939	21,408,865	21,003,190	20,631,426	19,333,522
Total business-type activities expenses	26,386,796	24,531,466	23,801,447	21,909,939	21,408,865	21,003,190	20,631,426	19,333,522
Total primary government expenses	854,447,020	771,073,965	750,711,410	766,884,264	715,152,851	661,808,702	659,304,841	618,164,208
Program revenues:								
Government activities:								
Charges for services - Instructional	18,074,035	12,298,121	11,675,557	9,446,817	7,543,621	3,175,534	3,627,939	2,069,124
Charges for services - Other	14,659,811	11,692,362	6,148,497	7,793,876	7,675,321	6,433,271	6,819,888	7,895,674
Operating grants and contributions	120,326,610	126,252,998	131,592,570	105,016,637	95,575,843	108,826,795	110,135,499	92,604,408
Total governmental activities program revenues	153,060,456	150,243,481	149,416,624	122,257,330	110,794,785	118,435,600	120,583,326	102,569,206
Business-type activities:								
Food services	3,871,542	3,973,383	3,856,110	3,986,679	4,260,398	4,602,023	4,871,738	5,307,626
Operating grants and contributions	22,204,624	20,042,125	18,184,582	17,147,755	16,670,677	15,580,610	14,827,993	13,850,915
Total business-type activities program revenues	26,076,166	24,015,508	22,040,692	21,134,434	20,931,075	20,182,633	19,699,731	19,158,541
Total primary government program revenues	179,136,622	174,258,989	171,457,316	143,391,764	131,725,860	138,618,233	140,283,057	121,727,747
Net Expenses								
Government activities	(674,999,768)	(596,299,018)	(577,493,339)	(622,716,995)	(582,949,201)	(522,369,912)	(518,090,089)	(496,261,480)
Business-type activities	(310,630)	(515,958)	(1,760,755)	(775,505)	(477,790)	(820,557)	(931,695)	(174,981)
Total primary government net expense	(675,310,398)	(596,814,976)	(579,254,094)	(623,492,500)	(583,426,991)	(523,190,469)	(519,021,784)	(496,436,461)
General revenues and other changes in net assets:								
Government activities:								
Property taxes	399,760,438	389,744,515	341,943,644	346,282,500	310,826,597	306,835,379	280,574,996	287,703,242
Specific ownership taxes	27,169,809	29,568,688	29,482,711	28,590,025	27,705,700	28,063,502	29,191,216	30,218,797
Payment in lieu of taxes	2,113,706	1,953,008	278,280	67,052	100,126	129,496	3,912,132	123,524
State equalization	225,756,709	208,706,454	224,424,366	212,479,580	204,402,130	196,138,305	188,862,276	167,496,256
Interest and investment income	(3,413,079)	7,661,878	10,129,977	8,896,046	7,442,139	4,411,234	4,250,005	7,268,665
Other	15,334,265	4,229,850	10,792,728	7,748,492	15,133,477	6,868,999	2,952,008	-
Payments to fiduciary fund	-	-	-	-	-	-	-	(249,999)
Transfers	(6,900)	-	(255,077)	-	(129,376)	(97,288)	(284,213)	(171,938)
Special items	-	(397,800,000)	-	-	-	-	-	-
Total governmental activities	666,714,948	244,064,393	616,796,629	604,063,695	565,480,793	542,349,627	509,458,420	492,388,547
Business-type activities:								
Interest and investment income	28,204	179,910	278,779	150,596	39,729	63,673	102,666	190,111
Transfers	6,900	-	255,077	-	129,376	97,288	284,213	171,938
Total business-type activities	35,104	179,910	533,856	150,596	169,105	160,961	386,879	362,049
Total primary government	666,750,052	244,244,303	617,330,485	604,214,291	565,649,898	542,510,588	509,845,299	492,750,596
Change in Net Assets								
Governmental activities	(8,284,820)	(352,234,625)	39,303,290	(18,653,300)	(17,468,408)	19,979,715	(8,631,669)	(3,872,933)
Business-type activities	(275,526)	(336,048)	(1,226,899)	(624,909)	(308,685)	(659,596)	(544,816)	187,068
Total primary government	\$ (8,560,346)	\$ (352,570,673)	\$ 38,076,391	\$ (19,278,209)	\$ (17,777,093)	\$ 19,320,119	\$ (9,176,485)	\$ (3,685,865)

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

Note: The School District recorded prior period adjustments in fiscal year 2003 and 2004 of \$(31,043,179) and \$15,688,201, respectively. Both were related to the implementation of GASB Statement No. 34.

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

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund								
Reserved for:								
Encumbrances	\$ 4,293,617	\$ 4,479,066	\$ 4,434,970	\$ 5,838,094	\$ 3,532,625	\$ 5,311,646	\$ 3,822,425	\$ 4,861,601
Inventory	611,668	796,503	663,619	854,013	851,854	777,183	820,748	738,043
Preschool	2,001,187	228,043	-	-	-	-	-	-
Emergency reserve	1,841,917	1,664,770	1,898,467	1,898,467	1,419,204	14,986,398	14,078,612	13,178,199
Unreserved, reported in:								
General fund	19,877,018	27,715,334	88,420,718	76,418,795	75,744,921	(11,776,353)	(20,769,596)	(5,487,704)
Total general fund	<u>28,625,407</u>	<u>34,883,716</u>	<u>95,417,774</u>	<u>85,009,369</u>	<u>81,548,604</u>	<u>9,298,874</u>	<u>(2,047,811)</u>	<u>13,290,139</u>
All other governmental funds								
Reserved for:								
Encumbrances	69,226,124	8,278,095	8,516,606	33,767,732	66,503,506	24,869,329	13,148,084	46,470,330
Principal and interest on bonds payable	61,482,392	53,468,381	49,788,511	54,350,384	61,073,443	67,787,708	68,249,403	62,244,944
Emergency reserve	-	-	-	-	-	2,000,000	2,000,000	2,000,000
Unreserved, reported in:								
Building fund	68,518,779	15,554,003	24,972,789	48,578,748	126,422,958	263,302,970	15,014,306	38,889,789
Capital reserve fund	12,320,849	13,389,583	11,303,109	11,592,161	8,857,285	7,506,650	18,267,281	-
Special revenue funds	84,644,134	81,354,742	55,551,161	29,320,861	7,985,567	5,994,286	6,308,872	6,178,300
Permanent fund	120,368	43,478	40,482	38,130	36,010	34,478	34,841	67,147
Total all other governmental funds	<u>296,312,646</u>	<u>172,088,282</u>	<u>150,172,658</u>	<u>177,648,016</u>	<u>270,878,769</u>	<u>371,495,421</u>	<u>123,022,787</u>	<u>155,850,510</u>
Total fund balances	<u>\$ 324,938,053</u>	<u>\$ 206,971,998</u>	<u>\$ 245,590,432</u>	<u>\$ 262,657,385</u>	<u>\$ 352,427,373</u>	<u>\$ 380,794,295</u>	<u>\$ 120,974,976</u>	<u>\$ 169,140,649</u>

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues:								
Property taxes	\$ 423,911,267	\$ 417,248,845	\$ 373,754,814	\$ 374,860,994	\$ 338,067,096	\$ 336,415,871	\$ 309,682,577	\$ 312,438,343
Intergovernmental:								
State sources	260,199,560	239,161,536	253,829,964	239,755,811	230,159,054	223,296,200	221,985,439	198,054,310
Federal sources	68,120,464	76,218,495	72,500,062	66,480,760	63,586,906	52,372,199	53,402,408	45,427,698
Charges for services	25,424,643	16,030,824	10,385,097	10,216,769	9,668,067	9,608,805	8,286,336	8,482,625
Investment income	(3,413,079)	7,661,878	10,129,977	8,896,046	7,442,139	4,411,234	3,903,720	7,268,665
Other local sources	35,269,745	33,721,938	28,576,631	26,099,114	21,088,850	22,970,388	22,264,907	18,224,353
Total revenue	<u>809,512,600</u>	<u>790,043,516</u>	<u>749,176,545</u>	<u>726,309,494</u>	<u>670,012,112</u>	<u>649,074,697</u>	<u>619,525,387</u>	<u>589,895,994</u>
Expenditures:								
Current:								
Instructional services	409,265,755	387,178,009	366,977,923	357,388,885	331,440,814	314,458,982	314,690,027	307,593,169
Supporting services:								
Pupil support	25,923,928	26,114,755	24,150,531	26,416,691	22,781,120	22,718,449	24,493,935	23,480,473
Instructional support	58,571,811	57,793,209	51,358,900	49,431,994	48,653,343	48,540,790	46,169,172	32,746,177
General administration	4,735,766	4,502,612	3,871,916	3,696,353	3,203,542	4,112,735	3,841,862	3,928,854
School administration	40,227,803	41,931,790	36,639,655	36,449,151	35,383,734	35,772,382	34,912,395	32,586,753
Business services	5,239,973	7,233,550	4,348,624	4,907,646	9,474,908	9,293,186	8,931,759	8,950,360
Operation and maintenance	72,884,805	67,930,237	82,687,109	104,310,018	93,655,374	65,191,554	55,647,978	72,889,658
Pupil transportation	18,426,871	20,203,228	18,619,149	18,202,008	19,192,389	19,975,744	18,874,005	17,113,834
Central services	44,156,298	36,431,317	33,037,859	32,026,925	22,298,650	24,403,883	21,747,787	20,410,043
Other support services	3,741,000	3,718,449	3,988,945	7,757,463	2,652,614	2,939,086	3,818,870	3,141,362
Total support services	<u>273,908,255</u>	<u>265,859,147</u>	<u>258,702,688</u>	<u>283,198,249</u>	<u>257,295,674</u>	<u>232,947,809</u>	<u>218,437,763</u>	<u>215,247,514</u>
Community services	4,740,667	4,187,161	2,976,324	2,582,231	2,663,752	3,222,596	3,383,030	3,945,162
Education for adults	14,881,683	14,016,390	13,065,090	13,125,670	12,109,998	9,573,321	9,655,113	8,663,912
Capital outlay	23,273,190	5,495,299	27,065,637	61,463,183	66,145,531	34,750,946	71,255,697	76,194,253
Debt service:								
Principal	24,078,809	111,526,792	44,069,976	44,254,446	37,245,050	35,077,584	27,352,501	18,594,372
Interest and fiscal charges	97,086,037	61,452,258	53,379,963	54,286,741	53,459,231	47,815,019	44,640,839	44,582,269
Total debt service	<u>121,164,846</u>	<u>172,979,050</u>	<u>97,449,939</u>	<u>98,541,187</u>	<u>90,704,281</u>	<u>82,892,603</u>	<u>71,993,340</u>	<u>63,176,641</u>
Issuance costs of debt	784,744	17,590,452	-	884,075	2,424,828	2,567,124	182,797	(545,824)
Total expenditures	<u>848,019,140</u>	<u>867,305,508</u>	<u>766,237,601</u>	<u>817,183,480</u>	<u>762,784,878</u>	<u>680,413,381</u>	<u>689,597,767</u>	<u>674,274,827</u>
Deficiency of revenues (under) expenditures	(38,506,540)	(77,261,992)	(17,061,056)	(90,873,986)	(92,772,766)	(31,338,684)	(70,072,380)	(84,378,833)
Other financing sources (uses):								
Transfers in	53,125,379	51,483,476	51,064,125	45,561,192	21,075,769	20,917,207	24,030,634	24,318,014
Transfers out	(49,383,259)	(51,082,816)	(51,319,202)	(45,341,292)	(21,205,145)	(21,014,495)	(24,314,847)	(24,739,951)
Proceeds from capital leases	-	750,000,000	249,180	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	86,045,000	4,700,000	20,500,000	370,106
Issuance of bonds	151,593,831	-	-	130,290,000	140,097,603	313,586,170	1,690,920	55,153,519
Premium on issuance of debt	-	-	-	21,460,437	-	-	-	-
Payment to refunded debt	1,136,643	(313,957,102)	-	(150,866,339)	(161,607,383)	(27,030,879)	-	-
Total other financing sources	<u>156,472,594</u>	<u>436,443,558</u>	<u>(5,897)</u>	<u>1,103,998</u>	<u>64,405,844</u>	<u>291,158,003</u>	<u>21,906,707</u>	<u>55,101,688</u>
Special Items	-	(397,800,000)	-	-	-	-	-	-
Change in fund balances	\$ <u>117,966,054</u>	\$ <u>(38,618,434)</u>	\$ <u>(17,066,953)</u>	\$ <u>(89,769,988)</u>	\$ <u>(28,366,922)</u>	\$ <u>259,819,319</u>	\$ <u>(48,165,673)</u>	\$ <u>(29,277,145)</u>
Debt service as a percentage of noncapital expenditures	14.69%	20.07%	13.18%	13.04%	13.02%	12.84%	11.64%	10.56%

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

**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 EIGHT FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures								
Instructional services	\$ 328,394,419	\$ 326,964,441	\$ 308,016,937	\$ 300,321,073	\$ 283,890,101	\$ 269,426,915	\$ 271,451,095	\$ 258,094,529
Supporting services:								
Pupil support	22,523,347	20,681,987	17,233,674	22,065,938	19,411,172	19,438,879	18,763,924	16,342,793
Instructional support	28,463,467	26,196,402	23,365,552	22,992,657	22,418,685	24,244,285	24,287,949	23,294,877
General administration	4,097,106	4,114,368	3,663,578	3,471,600	3,162,562	4,050,608	3,742,936	3,706,673
School administration	35,434,160	37,471,491	34,551,884	34,624,478	34,061,222	33,606,983	33,066,138	30,454,809
Business services	4,089,026	4,143,169	3,646,158	5,446,822	9,201,491	8,620,150	8,422,593	8,190,007
Operation and maintenance	46,564,264	48,315,698	46,390,165	48,254,304	44,748,030	44,231,342	39,599,261	37,657,047
Pupil transportation	17,397,151	18,773,302	17,205,514	17,085,080	18,602,405	19,331,826	18,713,377	17,077,467
Central services	33,411,995	33,613,741	30,412,125	25,806,952	20,268,194	20,849,283	19,994,336	16,239,692
Other support services	674,673	500,834	900,736	5,079,475	132,797	421,508	267,870	267,951
Total support services	<u>192,655,189</u>	<u>193,810,992</u>	<u>177,369,386</u>	<u>184,827,306</u>	<u>172,006,558</u>	<u>174,794,864</u>	<u>166,858,384</u>	<u>153,231,316</u>
Community services	389,602	130,453	103,777	105,348	43,753	62,758	75,709	46,239
Capital outlay	454,071	367,976	242,771	842,493	2,286,534	2,461,820	6,630,171	1,242,482
Debt service:								
Principal	335,000	89,324,877	21,682,762	20,132,817	16,709,789	13,778,313	11,188,456	9,039,372
Interest and fiscal charges	65,397,537	30,161,462	21,215,810	21,896,963	20,407,629	21,443,173	21,895,101	22,514,414
Issuance costs of debt	-	17,590,452	-	-	1,436,061	-	-	-
Total expenditures	<u>587,625,818</u>	<u>658,350,653</u>	<u>528,631,443</u>	<u>528,126,000</u>	<u>496,780,425</u>	<u>481,967,843</u>	<u>478,098,916</u>	<u>444,168,352</u>
Other financing uses:								
Transfers out	48,600,719	49,935,469	49,447,961	43,891,689	19,741,993	19,906,307	23,441,886	23,676,389
Payment to refunded debt	-	313,957,102	-	-	22,665,028	1,959,397	-	-
Total other financing uses	<u>48,600,719</u>	<u>363,892,571</u>	<u>49,447,961</u>	<u>43,891,689</u>	<u>42,407,021</u>	<u>21,865,704</u>	<u>23,441,886</u>	<u>23,676,389</u>
Total expenditures and other financing uses	<u>\$ 636,226,537</u>	<u>\$ 1,022,243,224</u>	<u>\$ 578,079,404</u>	<u>\$ 572,017,689</u>	<u>\$ 539,187,446</u>	<u>\$ 503,833,547</u>	<u>\$ 501,540,802</u>	<u>\$ 467,844,741</u>

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

**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 EIGHT FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues:								
Property taxes	\$ 362,086,491	\$ 361,921,378	\$ 325,958,252	\$ 326,677,250	\$ 292,737,595	\$ 291,277,032	\$ 266,924,626	\$ 269,831,936
Intergovernmental:								
State sources	248,153,540	227,827,943	243,942,772	231,296,626	220,690,587	212,021,757	210,490,241	189,244,984
Federal sources	912,634	853,961	746,727	758,733	745,604	694,187	654,826	574,854
Charges for services	4,775,692	5,954,728	1,011,407	890,625	710,619	678,360	178,793	880,475
Investment income	1,144,649	3,857,555	5,525,117	4,343,383	1,576,432	945,886	937,600	1,131,659
Other local sources	<u>8,685,562</u>	<u>7,946,254</u>	<u>9,937,370</u>	<u>10,411,982</u>	<u>7,837,563</u>	<u>4,100,024</u>	<u>4,335,827</u>	<u>3,623,896</u>
Total revenue	<u>625,758,568</u>	<u>608,361,819</u>	<u>587,121,645</u>	<u>574,378,599</u>	<u>524,298,400</u>	<u>509,717,246</u>	<u>483,521,913</u>	<u>465,287,804</u>
Other financing sources:								
Transfers in	4,209,660	1,147,347	1,366,164	1,099,855	1,093,776	762,986	588,748	891,625
Issuance of certificates of participation	-	<u>750,000,000</u>	-	-	<u>86,045,000</u>	<u>4,700,000</u>	<u>2,092,191</u>	<u>370,106</u>
Total other financing sources	<u>4,209,660</u>	<u>751,147,347</u>	<u>1,366,164</u>	<u>1,099,855</u>	<u>87,138,776</u>	<u>5,462,986</u>	<u>2,680,939</u>	<u>1,261,731</u>
Total revenue and other financing sources	<u>\$ 629,968,228</u>	<u>\$ 1,359,509,166</u>	<u>\$ 588,487,809</u>	<u>\$ 575,478,454</u>	<u>\$ 611,437,176</u>	<u>\$ 515,180,232</u>	<u>\$ 486,202,852</u>	<u>\$ 466,549,535</u>

Source: School District annual financial reports for the respective years

Data presented is from fiscal year 2002, the first year of GASB Statement No.34 implementation.

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

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS (Unaudited)
(amounts expressed in thousands)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Vacant property	\$ 210,633	\$ 198,284	\$ 172,889	\$ 185,080	\$ 141,131
Residential property	4,510,588	4,394,658	3,933,051	3,840,654	3,669,393
Commercial property	4,383,397	4,372,532	3,340,741	3,304,533	3,134,198
Industrial property	125,108	130,130	120,660	122,717	116,022
Agricultural property	56	113	49	288	40
Oil and Gas property	3,286	1,279	1,043	929	761
Personal property	792,393	779,600	715,287	728,843	728,422
State assessed property	<u>837,783</u>	<u>784,031</u>	<u>750,830</u>	<u>760,124</u>	<u>743,202</u>
Total taxable assessed value	\$ 10,863,244	\$ 10,660,627	\$ 9,034,550	\$ 8,943,168	\$ 8,533,169
Total direct tax rate	66.783	66.897	66.948	66.202	64.402
Estimated actual taxable value	\$ 78,563,808	\$ 76,813,114	\$ 66,999,158	\$ 65,842,159	\$ 62,867,794
Assessed value as a percentage of estimated actual value	13.8%	13.9%	13.49%	13.58%	13.57%

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Vacant property	\$ 157,090	\$ 98,117	\$ 107,816	\$ 95,301	\$ 104,289
Residential property	3,583,839	3,432,857	3,359,931	2,645,155	2,575,404
Commercial property	3,107,218	2,868,476	2,830,244	2,284,608	2,252,828
Industrial property	121,464	109,900	110,394	102,015	102,992
Agricultural property	77	35	39	332	325
Oil and Gas property	898	935	1,828	21	-
Personal property	726,988	705,114	760,173	743,538	703,529
State assessed property	<u>734,170</u>	<u>785,876</u>	<u>715,041</u>	<u>620,867</u>	<u>559,155</u>
Total taxable assessed value	\$ 8,431,744	\$ 8,001,310	\$ 7,885,466	\$ 6,491,837	\$ 6,298,522
Total direct tax rate	64.162	59.855	58.745	67.321	67.299
Estimated actual taxable value	\$ 61,738,950	\$ 53,268,701	\$ 52,321,631	\$ 40,422,071	\$ 39,279,855
Assessed value as a percentage of estimated actual value	13.66%	15.02%	15.07%	16.06%	16.03%

Source: December 31, 2008 - City and County of Denver CAFR
(The most current information available)

Note: The TABOR amendment, which was approved by Colorado voters in 1992, requires all assessors to use only the market approach in valuing residential property. For commercial real property, the income approach is generally the appropriate method to use in estimating value. Under Colorado law, all assessors must reappraise real property every two years; this occurs in every odd-numbered year (2003, 2005, 2007, etc). If home sales have been very active, and home prices have been increasing then the property value and assessment for many types and styles of homes typically will increase during these reappraisals. Property tax is determined by the mill levy, which is set in December of each year by the taxing authorities in Denver (the school district, city council, special districts, etc).

**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	Total	Denver County	Police and Firemens Pension	Improvement and Services Districts	Total
2008	33.464	6.193	39.657	17.667	3.007	58.579	118.910
2007	33.611	5.599	39.210	18.369	2.952	58.556	119.087
2006	34.734	5.599	40.333	21.748	3.247	58.596	123.924
2005	34.761	5.599	40.360	21.125	3.120	58.585	123.190
2004	32.728	5.599	38.327	21.311	3.160	58.592	121.390
2003	32.687	5.599	38.286	21.156	3.122	70.737	133.301
2002	31.106	5.599	36.705	19.263	3.159	85.874	145.001
2001	31.368	5.599	36.967	18.106	3.082	85.762	143.917
2000	36.028	5.599	41.627	21.343	3.527	89.955	156.452
1999	36.018	5.599	41.617	21.500	3.527	77.026	143.670

Source: December 31, 2008 - City and County of Denver CAFR
(The most current information available)

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

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (Unaudited)**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value(1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Qwest Corp.	\$ 198,396	1	1.83%	\$ -	-	-
Public Service Company - Xcel Energy	164,862	2	1.52%	133,732	2	2.12%
United Airlines, Inc.	125,728	3	1.16%	116,032	2	1.84%
Callahan Capital Partners	96,813	4	0.89%	-	-	-
Frontier Airlines	78,783	5	0.73%	-	-	-
Columbia - Healthone, LLC	74,173	6	0.68%	63,171	5	1.00%
Temple Hoyne Buell Foundation	73,060	7	0.67%	51,691	8	0.82%
Republica Plaza Properties	71,261	8	0.66%	52,232	7	0.83%
Maguire Properties- Denver Center, LLC	63,074	9	0.58%	-	-	-
Skywest Airlines	56,395	10	0.52%	-	-	-
U.S. West	-	-	-	164,752	1	2.62%
Equity Office Properties	-	-	-	79,707	4	1.27%
Crescent Real Estate Funding	-	-	-	61,195	6	0.97%
Cornerstone Denver, LLC	-	-	-	31,388	9	0.50%
Denver Plaza Associates, Ltd	-	-	-	29,753	10	0.47%
Totals	<u>\$ 1,002,545</u>		9.24%	<u>\$ 783,653</u>		12.44%

Source: December 31, 2008 - City and County of Denver CAFR
(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>
2000	257,610,887	255,220,161	99.07%	(748,642)	254,471,519	98.78%
2001	263,991,270	262,026,212	99.26%	369,721	262,395,933	99.40%
2002	284,512,427	281,845,665	99.06%	902,803	282,748,468	99.38%
2003	285,657,455	277,933,828	97.30%	846,891	278,780,719	97.59%
2004	311,799,504	308,457,640	98.93%	733,010	309,190,650	99.16%
2005	314,377,713	311,162,279	98.98%	(185,433)	310,976,846	98.92%
2006	344,822,808	340,539,148	98.76%	841,482	341,380,630	99.00%
2007	345,308,239	343,082,111	99.36%	(658,199)	342,423,913	99.16%
2008	393,081,263	390,172,333	99.26%	(982,194)	389,190,139	99.01%
2009 *	403,951,235	389,989,450	96.54%	(1,855,203)	388,134,247	96.08%

Source: School District Financial Services office for the respective years.

* Property taxes are levied on a calendar year basis. Tax collections for 2009 represent collections for January through August.

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

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed value (prior year)	\$ 10,863,244,130	\$ 10,660,627,490	\$ 8,561,431,954	\$ 8,543,677,100
Actual value (prior year)	\$ 78,563,808,200	\$ 76,813,114,100	\$ 66,999,157,200	\$ 65,842,157,200
Debt limit is greater of:				
20% of assessed value	\$ 2,172,648,826	\$ 2,132,125,498	\$ 1,712,286,391	\$ 1,708,735,420
or 6% of actual value*	\$ 4,713,828,492	\$ 4,608,786,846	\$ 4,019,949,432	\$ 3,950,529,432
Debt limit	\$ 4,713,828,492	\$ 4,608,786,846	\$ 4,019,949,432	\$ 3,950,529,432
Amount of debt applicable to debt limits	791,551,952	663,527,122	685,232,154	646,833,509
Less: amount reserved for long-term debt	<u>(61,482,392)</u>	<u>(53,468,381)</u>	<u>(49,788,511)</u>	<u>(54,350,384)</u>
Net chargeable to bond limit	<u>730,069,560</u>	<u>610,058,741</u>	<u>635,443,643</u>	<u>592,483,125</u>
Legal debt margin	<u>\$ 3,983,758,932</u>	<u>\$ 3,998,728,105</u>	<u>\$ 3,384,505,789</u>	<u>\$ 3,358,046,307</u>
Total net debt applicable to the limit as a percentage of debt limit	15.49%	13.24%	15.81%	15.00%

Sources: The Certification of Assessed Valuation is from the City and County of Denver Assessor's Office in early December 2008, prior to the District's certification of the mill levies which can be no later than December 15th. The assessed valuation figure is exclusive 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 the taxable property in such district, as certified 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.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 8,202,512,932	\$ 8,146,218,588	\$ 7,782,521,607	\$ 7,696,389,419	\$ 6,341,827,900	\$ 6,190,039,801
\$ 62,906,845,400	\$ 61,986,426,300	\$ 53,459,272,370	\$ 52,432,084,300	\$ 40,422,070,900	\$ 32,072,035,600
\$ 1,640,502,586	\$ 1,629,243,718	\$ 1,556,504,321	\$ 1,539,277,844	\$ 1,268,365,580	\$ 1,238,007,960
\$ 3,774,410,724	\$ 3,719,185,578	\$ 3,207,556,342	\$ 3,145,925,058	\$ 2,425,324,254	\$ 1,924,322,136
\$ 3,774,410,724	\$ 3,719,185,578	\$ 3,207,556,342	\$ 3,145,925,058	\$ 2,425,324,254	\$ 1,924,322,136
702,117,009	715,687,909	377,814,734	387,929,734	396,559,734	404,954,734
(61,073,443)	(67,787,708)	(68,249,403)	(62,244,944)	(49,403,477)	(43,071,435)
<u>641,043,566</u>	<u>647,900,201</u>	<u>309,565,331</u>	<u>325,684,790</u>	<u>347,156,257</u>	<u>361,883,299</u>
<u>\$ 3,133,367,158</u>	<u>\$ 3,071,285,377</u>	<u>\$ 2,897,991,011</u>	<u>\$ 2,820,240,268</u>	<u>\$ 2,078,167,997</u>	<u>\$ 1,562,438,837</u>
16.98%	17.42%	9.65%	10.35%	14.31%	18.81%

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

**RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS (Unaudited)**

<u>Year</u>	<u>District Population</u>	<u>Assessed Valuation</u>	<u>Gross Bonded Debt</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>
2009	598,707	\$ 10,863,244,130	\$ 791,551,951	\$ 764,606,178	\$ 973,599	\$1,557,131,728
2008	598,707	\$ 10,660,627,490	\$ 663,527,122	\$ 760,965,869	\$ 20,765	\$1,424,513,756
2007	592,052	\$ 8,561,431,954	\$ 685,232,154	\$ 418,275,005	\$ 2,667,556	\$1,106,174,715
2006	582,474	\$ 8,543,677,100	\$ 706,970,901	\$ 434,489,416	\$ 3,088,353	\$1,144,548,670
2005	579,744	\$ 8,202,512,932	\$ 728,733,545	\$ 447,288,866	\$ 5,462,800	\$1,181,485,211
2004	572,862	\$ 8,146,218,588	\$ 746,762,237	\$ 393,297,972	\$ 7,447,850	\$1,147,508,059
2003	567,526	\$ 7,782,521,607	\$ 449,034,447	\$ 426,929,337	\$ 4,535,434	\$ 880,499,218
2002	562,657	\$ 7,696,389,419	\$ 463,022,163	\$ 380,002,521	\$ 4,242,015	\$ 847,266,699
2001	564,606	\$ 6,341,827,900	\$ 414,590,657	\$ 388,557,521	\$ 5,281,251	\$ 808,429,429
2000	554,636	\$ 6,190,039,801	\$ 421,914,815	\$ 390,227,521	\$ 8,623,534	\$ 820,765,870

Source: School District Financials

Source: December 31, 2008 - City and County of Denver CAFR
(The most current information available)

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

Less Debt Service Funds Available	Net Debt	Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Personal Income (expressed in thousands)	Percentage of Personal Income to O/S Debt
\$ 61,482,392	\$ 1,495,649,336	13.77%	2,498	n/a	n/a
\$ 53,468,381	\$ 1,371,045,375	12.86%	2,290	n/a	n/a
\$ 49,788,511	\$ 1,056,386,204	12.34%	1,784	30,949,000	3.41%
\$ 54,350,384	\$ 1,090,198,286	12.76%	1,872	28,902,000	3.77%
\$ 61,073,443	\$ 1,120,411,768	13.66%	1,933	26,622,000	4.21%
\$ 67,787,708	\$ 1,079,720,351	13.25%	1,885	25,551,000	4.23%
\$ 68,249,403	\$ 812,249,815	10.44%	1,431	24,239,000	3.35%
\$ 62,244,944	\$ 785,021,755	10.20%	1,395	23,729,000	3.31%
\$ 49,403,477	\$ 759,025,952	11.97%	1,344	23,535,000	3.23%
\$ 43,071,435	\$ 777,694,435	12.56%	1,402	21,746,000	3.58%

**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>Net Debt Outstanding</u>	<u>Outstanding As of</u>	<u>Percent Overlapping</u>	<u>Share of Debt</u>
Overlapping Debt City and County of Denver	529,928,000	12/31/08	100%	529,928,000
School District No. 1 Denver	<u>730,069,560</u>	06/30/09	100%	<u>730,069,560</u>
	<u>\$ 1,259,997,560</u>			<u>\$1,259,997,560</u>

Source: December 31, 2008 - City and County of Denver CAFR
and School District Financials.

**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
2009	598,707	N/A	N/A	35.7	75,269	6.1%
2008	598,707	N/A	N/A	35.6	73,865	3.9%
2007	592,052	30,949,000	53,908	35.3	73,399	4.3%
2006	582,474	28,902,008	50,193	34.5	73,018	5.5%
2005	579,744	26,621,618	47,652	34.3	72,901	5.5%
2004	572,862	25,551,402	45,957	34.3	72,489	5.6%
2003	567,526	24,238,902	43,117	34.0	72,617	6.0%
2002	562,657	23,728,624	40,448	33.7	72,437	5.9%
2001	564,606	23,535,037	40,343	33.5	70,955	3.5%
2000	554,636	21,746,211	39,153	33.2	69,776	3.0%

Source: December 31, 2008 - City and County of Denver CAFR
(The most current information available)

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 SEVEN YEARS PRIOR (Unaudited)**

<u>Employer</u>	<u>2008</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
City and County of Denver	10,598	1	2.9%	11,418	1	3.0%
U.S.D.A. National Finance Center	9,942	2	2.7%	5,782	6	1.5%
Denver Public School District # 1	9,672	3	2.6%	9,523	2	2.5%
State of Colorado Central Payroll	9,082	4	2.5%	9,061	4	2.3%
United Airlines, Inc	5,473	5	1.5%	9,136	3	2.4%
University Of Colorado	5,087	6	1.4%	6,495	5	1.7%
Denver Health and Hospital Authority	4,305	7	1.2%	-	-	-
Qwest Corporation	4,050	8	1.1%	4,117	8	1.1%
Accounting Service Center (Postal Service)	3,750	9	1.0%	4,870	7	1.3%
Frontier Airlines	3,433	10	0.9%	-	-	-
Total	<u>65,392</u>		<u>17.8%</u>	<u>60,402</u>		<u>15.8%</u>

Source: December 31, 2008 - City and County of Denver CAFR
(The most current information available)

Based on 2008 and 2000 Occupational Privilege Tax Remitters.

**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)**

	Year Ending June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Number of schools participating in:										
Lunch - regular schedule	134	139	139	135	140	132	130	128	124	121
Breakfast program	130	126	126	118	111	111	107	107	103	105
Student lunches served:										
Free	5,457,415	4,875,615	4,846,309	4,881,002	4,891,761	4,650,780	4,484,719	4,253,142	4,087,099	4,189,787
Reduced	621,699	572,848	542,660	513,434	462,204	461,093	564,865	647,556	769,799	701,646
Fully paid	<u>1,081,385</u>	<u>1,048,951</u>	<u>1,091,840</u>	<u>1,012,984</u>	<u>955,121</u>	<u>1,030,542</u>	<u>1,082,004</u>	<u>1,194,409</u>	<u>1,186,556</u>	<u>1,287,110</u>
Total	<u>7,160,499</u>	<u>6,497,414</u>	<u>6,480,809</u>	<u>6,407,420</u>	<u>6,309,086</u>	<u>6,142,415</u>	<u>6,131,588</u>	<u>6,095,107</u>	<u>6,043,454</u>	<u>6,178,543</u>
Adult lunches served	69,207	66,637	79,649	74,080	81,404	86,017	95,244	108,053	116,430	147,148
Student breakfasts served:										
Free	2,058,576	1,839,276	1,656,573	1,631,785	1,653,165	1,646,130	1,421,925	1,356,527	1,251,805	1,308,984
Reduced	216,230	207,167	170,783	112,988	95,936	107,002	108,957	128,385	192,496	176,212
Fully paid	<u>398,992</u>	<u>411,300</u>	<u>358,356</u>	<u>153,102</u>	<u>137,848</u>	<u>179,562</u>	<u>160,823</u>	<u>174,255</u>	<u>148,795</u>	<u>169,419</u>
Total	<u>2,673,798</u>	<u>2,457,743</u>	<u>2,185,712</u>	<u>1,897,875</u>	<u>1,886,949</u>	<u>1,932,694</u>	<u>1,691,705</u>	<u>1,659,167</u>	<u>1,593,096</u>	<u>1,654,615</u>
Number of serving days:										
Regular schedule	172	172	173	173	173	174	172	176	174	176
Average daily participation:										
Student lunch	41,630.81	37,776	37,461	37,037	36,469	35,301	35,649	34,631	34,732	35,105
Adult lunch	402	387	460	428	471	494	554	614	669	836
Student breakfast	15,545	14,289	12,634	10,970	10,907	11,107	9,835	9,427	9,156	9,401
October 1 pupil count	75,269	73,873	73,399	73,018	72,482	72,489	72,617	72,437	70,955	69,776
Percentage of students daily eating school lunch	55.31%	51.14%	51.04%	50.72%	50.31%	48.70%	49.09%	47.81%	48.95%	50.31%
October 1 count of benefits										
Students on free lunch	40,976	40,956	40,828	41,221	38,980	39,462	37,821	36,646	34,641	35,671
Student on reduced lunch	5,653	5,806	5,357	5,026	4,645	5,156	6,370	7,552	7,587	6,226
Percentage of students on:										
Free lunch	54.44%	55.44%	55.62%	56.45%	53.78%	54.44%	52.08%	50.59%	48.82%	51.12%
Reduced lunch	<u>7.51%</u>	<u>7.86%</u>	<u>7.30%</u>	<u>6.88%</u>	<u>6.41%</u>	<u>7.11%</u>	<u>8.77%</u>	<u>10.43%</u>	<u>10.69%</u>	<u>8.92%</u>
Total	61.95%	63.30%	62.92%	63.34%	60.19%	61.55%	60.85%	61.02%	59.51%	60.05%

Source: School District Research & Planning Department

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

**FULL-TIME EQUIVALENTS (FTE) EMPLOYEES
LAST EIGHT FISCAL YEARS (Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>All Funds</u>								
Instruction	4,178	4,043	3,899	3,935	3,972	4,076	4,369	4,384
Pupil support	383	353	362	364	362	383	400	379
Instructional support	556	548	541	544	540	559	579	404
General administration	31	33	26	23	20	28	27	27
School administration	556	549	550	546	546	560	581	572
Business services	73	73	72	91	86	95	97	99
Operation & maintenance	673	629	640	694	706	703	730	706
Pupil transportation	195	193	192	191	193	201	209	211
Central services	293	241	216	217	214	225	237	237
Community services	146	25	23	15	13	13	16	18
Education for adults	33	60	60	69	64	69	72	79
Food services	<u>57</u>	<u>147</u>	<u>145</u>	<u>147</u>	<u>142</u>	<u>140</u>	<u>139</u>	<u>130</u>
	7,174	6,894	6,726	6,837	6,858	7,052	7,457	7,246

Source: School District financial reports for the respective years

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

**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Elementary & K-8 Schools:								
Academia A M Sandoval (2001)								
Square Feet	63,436	63,436	63,436	63,436	63,436	63,436	63,436	63,436
Capacity (students)	446	446	446	446	446	446	446	446
Enrollment	382	415	383	383	311	264	215	-
Amesse (1973)								
Square Feet	68,755	68,755	68,755	68,755	68,755	68,755	68,755	68,755
Capacity (students)	722	722	722	722	722	722	722	722
Enrollment	552	507	528	604	670	658	648	-
Archuleta (2002)								
Square Feet	65,494	65,494	65,494	65,494	61,857	61,857	61,857	61,857
Capacity (students)	659	659	659	659	659	659	659	659
Enrollment	630	590	563	544	495	494	485	485
Asbury (1925)								
Square Feet	40,499	40,499	40,499	40,499	40,499	40,499	40,499	40,499
Capacity (students)	397	397	397	397	397	397	397	397
Enrollment	336	316	292	273	206	198	251	251
Ashley (1929)								
Square Feet	51,328	51,328	51,328	51,328	51,328	51,328	51,328	51,328
Capacity (students)	469	469	469	469	469	469	469	469
Enrollment	345	353	345	354	373	430	433	433
Barnum (1921)								
Square Feet	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700
Capacity (students)	612	612	612	612	612	612	612	612
Enrollment	501	489	470	522	539	579	571	571
Barrett (1960)								
Square Feet	41,709	41,709	41,709	41,709	41,709	41,709	41,709	41,709
Capacity (students)	283	283	283	283	283	283	283	283
Enrollment	285	250	224	522	539	579	571	571
Beach Court (1929)								
Square Feet	48,914	48,914	48,914	48,914	48,914	48,914	48,914	48,914
Capacity (students)	443	443	443	443	443	443	443	443
Enrollment	354	307	333	364	360	375	398	398
Bradley (1953)								
Square Feet	70,488	70,488	70,488	70,488	70,488	70,488	70,488	70,488
Capacity (students)	636	636	636	636	636	636	636	636
Enrollment	456	377	336	323	261	264	270	270
Bromwell (1975)								
Square Feet	39,622	39,622	39,622	39,622	39,622	39,622	39,622	39,622
Capacity (students)	379	379	379	379	379	379	379	379
Enrollment	331	323	300	324	326	336	306	306
Brown (1951)								
Square Feet	66,876	66,876	66,876	66,876	66,876	66,876	66,876	66,876
Capacity (students)	540	540	540	540	540	540	540	540
Enrollment	385	358	358	366	372	385	442	442
Bryant-Webster (1930)								
Square Feet	58,070	58,070	58,070	58,070	58,070	58,070	58,070	58,070
Capacity (students)	570	570	570	570	570	570	570	570
Enrollment	466	490	526	497	472	379	398	398

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

**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Carson (1950)								
Square Feet	49,287	49,287	49,287	49,287	49,287	49,287	49,287	49,287
Capacity (students)	380	380	380	380	380	380	380	380
Enrollment	380	338	320	308	298	285	242	242
Castro (1993)								
Square Feet	70,695	70,695	70,695	70,695	70,695	70,695	70,695	70,695
Capacity (students)	696	696	696	696	696	696	696	696
Enrollment	701	689	715	668	636	615	630	630
Centennial (1975)								
Square Feet	81,168	81,168	81,168	81,168	81,168	81,168	81,168	81,168
Capacity (students)	787	787	787	787	787	787	787	787
Enrollment	582	559	574	566	573	522	530	530
Cheltenham (1970)								
Square Feet	75,797	75,797	75,797	75,797	75,797	75,797	75,797	75,797
Capacity (students)	759	759	759	759	759	759	759	759
Enrollment	461	459	480	487	459	492	493	493
Colfax (1920)								
Square Feet	39,065	39,065	39,065	39,065	39,065	39,065	39,065	39,065
Capacity (students)	420	420	420	420	420	420	420	420
Enrollment	364	345	325	305	317	350	354	354
College View (1995)								
Square Feet	49,963	49,963	49,963	49,963	49,963	49,963	49,963	49,963
Capacity (students)	489	489	489	489	489	489	489	489
Enrollment	412	432	403	425	436	432	458	458
Columbian (1984)								
Square Feet	46,130	46,130	46,130	46,130	46,130	46,130	46,130	46,130
Capacity (students)	399	399	399	399	399	399	399	399
Enrollment	320	283	299	287	273	294	321	321
Columbine (1959)								
Square Feet	53,894	53,894	53,894	53,894	53,894	53,894	53,894	53,894
Capacity (students)	520	520	520	520	520	520	520	520
Enrollment	300	297	312	343	333	336	390	390
Cory (1950)								
Square Feet	46,139	46,139	46,139	46,139	46,139	46,139	46,139	46,139
Capacity (students)	436	436	436	436	436	436	436	436
Enrollment	417	392	384	291	350	358	366	366
Cowell (1954)								
Square Feet	55,767	55,767	55,767	55,767	55,767	55,767	55,767	55,767
Capacity (students)	680	680	680	680	680	680	680	680
Enrollment	563	570	482	464	476	558	594	594
Del Pueblo (1973)								
Square Feet	40,907	40,907	40,907	40,907	40,907	40,907	40,907	40,907
Capacity (students)	341	341	341	341	341	341	341	341
Enrollment	Vacant	Vacant	154	213	217	214	247	247
Denison-Montessori (1959)								
Square Feet	52,719	52,719	52,719	52,719	52,719	52,719	52,719	52,719
Capacity (students)	468	468	468	468	468	468	468	468
Enrollment	445	429	436	446	465	517	509	509

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

**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Doull (1955)								
Square Feet	69,494	69,494	69,494	69,494	69,494	69,494	69,494	69,494
Capacity (students)	708	708	708	708	708	708	708	708
Enrollment	499	459	467	513	540	543	512	512
Eagleton (1973)								
Square Feet	45,787	45,787	45,787	45,787	45,787	45,787	45,787	45,787
Capacity (students)	547	547	547	547	547	547	547	547
Enrollment	410	416	423	445	456	484	522	522
Ebert (1924)								
Square Feet	52,320	52,320	52,320	52,320	52,320	52,320	52,320	52,320
Capacity (students)	485	485	485	485	485	485	485	485
Enrollment	340	339	336	309	295	313	395	395
Edison (1925)								
Square Feet	53,208	53,208	53,208	53,208	53,208	53,208	53,208	53,208
Capacity (students)	657	657	657	657	657	657	657	657
Enrollment	567	518	503	516	461	513	495	495
Ellis (1956)								
Square Feet	68,902	68,902	68,902	68,902	68,902	68,902	68,902	68,902
Capacity (students)	634	634	634	634	634	634	634	634
Enrollment	601	543	545	532	519	487	538	538
Fairmont (1924)								
Square Feet	63,679	63,679	63,679	63,679	63,679	63,679	63,679	63,679
Capacity (students)	683	683	683	683	683	683	683	683
Enrollment	422	462	431	345	375	372	388	388
Fairview (1924)								
Square Feet	54,511	54,511	54,511	54,511	54,511	54,511	54,511	54,511
Capacity (students)	532	532	532	532	532	532	532	532
Enrollment	235	245	252	250	265	273	292	292
Fallis (1960)								
Square Feet	43,505	43,505	43,505	43,505	43,505	43,505	43,505	43,505
Capacity (students)	416	416	416	416	416	416	416	416
Enrollment	Vacant	352	331	346	358	345	361	361
Force (1955)								
Square Feet	69,741	69,741	69,741	69,741	69,741	69,741	69,741	69,741
Capacity (students)	680	680	680	680	680	680	680	680
Enrollment	514	548	538	580	585	594	628	628
Ford (1973)								
Square Feet	68,597	68,597	68,597	68,597	68,597	68,597	68,597	68,597
Capacity (students)	694	694	694	694	694	694	694	694
Enrollment	666	637	645	556	542	577	598	598
Garden Place (1905)								
Square Feet	67,546	67,546	67,546	67,546	67,546	67,546	67,546	67,546
Capacity (students)	644	644	644	644	644	644	644	644
Enrollment	343	339	386	444	434	468	478	478
Gilpin (1951)								
Square Feet	78,134	78,134	78,134	78,134	78,134	78,134	78,134	78,134
Capacity (students)	676	676	676	676	676	676	676	676
Enrollment	313	401	384	358	372	372	440	440

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

**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Godsman (1958)								
Square Feet	71,586	71,586	71,586	71,586	71,586	71,586	71,586	71,586
Capacity (students)	625	625	625	625	625	625	625	625
Enrollment	492	502	517	535	546	546	561	561
Goldrick (1952)								
Square Feet	59,612	59,612	59,612	59,612	59,612	59,612	59,612	59,612
Capacity (students)	680	680	680	680	680	680	680	680
Enrollment	616	605	617	639	611	651	621	621
Grant Ranch (2000)								
Square Feet	95,184	95,184	95,184	95,184	95,184	95,184	95,184	95,184
Capacity (students)	838	838	838	838	838	838	838	838
Enrollment	665	684	698	685	711	717	725	725
Green Valley (2000)								
Square Feet	72,664	72,664	72,664	72,664	72,664	72,664	72,664	72,664
Capacity (students)	757	757	757	757	757	757	757	757
Enrollment	607	710	681	859	794	814	664	664
Greenlee (1950)								
Square Feet	66,546	66,546	66,546	66,546	66,546	66,546	66,546	66,546
Capacity (students)	672	672	672	672	672	672	672	672
Enrollment	550	550	421	407	390	416	433	433
Greenwood (2001)								
Square Feet	71,264	71,264	71,264	71,264	71,264	71,264	71,264	71,264
Capacity (students)	667	667	667	667	667	667	667	667
Enrollment	782	716	642	585	529	549	470	470
Gust (1955)								
Square Feet	69,575	69,575	69,575	69,575	69,575	69,575	69,575	69,575
Capacity (students)	721	721	721	721	721	721	721	721
Enrollment	471	458	485	504	492	454	478	478
Hallett (1951)								
Square Feet	57,741	57,741	57,741	57,741	57,741	57,741	57,741	57,741
Capacity (students)	494	494	494	494	494	494	494	494
Enrollment	Vacant	186	212	186	250	219	256	256
Harrington (1993)								
Square Feet	64,273	64,273	64,273	64,273	64,273	64,273	64,273	64,273
Capacity (students)	630	630	630	630	630	630	630	630
Enrollment	471	499	487	501	453	473	526	526
Holm (1973)								
Square Feet	58,096	58,096	58,096	58,096	58,096	58,096	58,096	58,096
Capacity (students)	669	669	669	669	669	669	669	669
Enrollment	501	515	464	501	539	519	517	517
Johnson (1952)								
Square Feet	51,214	51,214	51,214	51,214	51,214	51,214	51,214	51,214
Capacity (students)	514	514	514	514	514	514	514	514
Enrollment	411	415	426	435	435	451	441	441
Kaiser (1973)								
Square Feet	67,962	67,962	67,962	67,962	67,962	67,962	67,962	67,962
Capacity (students)	586	586	586	586	586	586	586	586
Enrollment	353	389	367	308	321	339	345	345

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

**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Knapp (1956)								
Square Feet	84,110	84,110	84,110	84,110	84,110	84,110	84,110	84,110
Capacity (students)	854	854	854	854	854	854	854	854
Enrollment	681	629	650	654	672	708	661	661
Knight Academy (1951)								
Square Feet	56,850	56,850	56,850	56,850	56,850	56,850	56,850	56,850
Capacity (students)	488	488	488	488	488	488	488	488
Enrollment	230	218	290	301	338	422	389	389
Lincoln (1904)								
Square Feet	53,252	53,252	53,252	53,252	53,252	53,252	53,252	53,252
Capacity (students)	298	298	298	298	298	298	298	298
Enrollment	301	263	228	171	172	152	124	124
Lowry (2001)								
Square Feet	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395
Capacity (students)	584	584	584	584	584	584	584	584
Enrollment	474	458	440	405	412	321	206	206
Marrama (1984)								
Square Feet	75,610	75,610	75,610	75,610	75,610	75,610	75,610	75,610
Capacity (students)	812	812	812	812	812	812	812	812
Enrollment	544	506	566	629	566	690	645	645
Maxwell (1998)								
Square Feet	63,138	63,138	63,138	63,138	63,138	63,138	63,138	63,138
Capacity (students)	612	612	612	612	612	612	612	612
Enrollment	556	562	606	635	623	623	604	604
Mc Glone (1978)								
Square Feet	63,980	63,980	63,980	63,980	63,980	63,980	63,980	63,980
Capacity (students)	666	666	666	666	666	666	666	666
Enrollment	575	565	608	657	660	607	657	657
McKinley Thatcher (1978)								
Square Feet	39,340	39,340	39,340	39,340	39,340	39,340	39,340	39,340
Capacity (students)	278	278	278	278	278	278	278	278
Enrollment	229	227	206	186	172	181	177	177
McMeen (1958)								
Square Feet	73,775	73,775	73,775	73,775	73,775	73,775	73,775	73,775
Capacity (students)	628	628	628	628	628	628	628	628
Enrollment	602	549	527	558	563	566	532	532
Mitchell (1958)								
Square Feet	64,530	64,530	64,530	64,530	64,530	64,530	64,530	64,530
Capacity (students)	462	462	462	462	462	462	462	462
Enrollment	Vacant	365	327	354	326	385	464	464
Montclair (1943)								
Square Feet	43,753	43,753	43,753	43,753	43,753	43,753	43,753	43,753
Capacity (students)	381	381	381	381	381	381	381	381
Enrollment	404	363	309	294	238	251	240	240
Moore (1899)								
Square Feet	82,902	82,902	82,902	82,902	82,902	82,902	82,902	82,902
Capacity (students)	602	602	602	602	602	602	602	602
Enrollment	409	360	366	407	406	399	399	399

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**CAPITAL ASSET INFORMATION
LAST EIGHT FISCAL YEARS - SCHOOLS (Unaudited)**

Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Munroe (1961)								
Square Feet	65,083	65,083	65,083	65,083	65,083	65,083	65,083	65,083
Capacity (students)	676	676	676	676	676	676	676	676
Enrollment	564	574	564	536	551	605	609	609
Newlon (1951)								
Square Feet	76,374	76,374	76,374	76,374	76,374	76,374	76,374	76,374
Capacity (students)	767	767	767	767	767	767	767	767
Enrollment	510	518	524	527	609	638	657	657
Oakland (1984)								
Square Feet	75,628	75,628	75,628	75,628	75,628	75,628	75,628	75,628
Capacity (students)	692	692	692	692	692	692	692	692
Enrollment	503	471	509	574	571	626	621	621
Omar D. Blair K - 8 Charter School (2004)								
District owned facility								
Square Feet	75,262	75,262	75,262	75,262	75,262	-	-	-
Capacity (students)	940	940	940	940	940	-	-	-
Enrollment	782	782	763	795	806	-	-	-
Palmer (1950)								
Square Feet	54,598	54,598	54,598	54,598	54,598	54,598	54,598	54,598
Capacity (students)	422	422	422	422	422	422	422	422
Enrollment	330	276	301	301	309	295	296	296
Park Hill (1901)								
Square Feet	74,434	74,434	74,434	74,434	74,434	74,434	74,434	74,434
Capacity (students)	755	755	755	755	755	755	755	755
Enrollment	543	631	652	686	660	609	513	513
Philips (1951)								
Square Feet	38,096	38,096	38,096	38,096	38,096	38,096	38,096	38,096
Capacity (students)	341	341	341	341	341	341	341	341
Enrollment	210	210	215	187	169	192	263	263
Pioneer Charter School (1926)								
District owned facility								
Square Feet	41,463	41,463	41,463	41,463	41,463	41,463	41,463	41,463
Capacity (students)	439	439	439	439	439	439	439	439
Enrollment	306	285	294	292	256	254	267	267
Remington (1954)								
Square Feet	48,664	48,664	48,664	48,664	48,664	48,664	48,664	48,664
Capacity (students)	458	458	458	458	458	458	458	458
Enrollment	Vacant	327	316	318	350	331	349	349
Rosedale (1924)								
Square Feet	41,103	41,103	41,103	41,103	41,103	41,103	41,103	41,103
Capacity (students)	-	-	-	-	309	309	309	309
Enrollment	-	-	-	-	134	161	146	146
Sabin (1958)								
Square Feet	88,654	88,654	88,654	88,654	88,654	88,654	88,654	88,654
Capacity (students)	828	828	828	828	828	828	828	828
Enrollment	611	565	573	599	634	660	660	660

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Enrollment is as of October 1 of prior year.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Samuels (1973)								
Square Feet	58,145	58,145	58,145	58,145	58,145	58,145	58,145	58,145
Capacity (students)	679	679	679	679	679	679	679	679
Enrollment	525	458	459	434	423	501	512	512
Schenck (1958)								
Square Feet	75,947	75,947	75,947	75,947	75,947	75,947	75,947	75,947
Capacity (students)	712	712	712	712	712	712	712	712
Enrollment	616	618	594	543	480	505	513	513
Schmitt (1955)								
Square Feet	53,273	53,273	53,273	53,273	53,273	53,273	53,273	53,273
Capacity (students)	498	498	498	498	498	498	498	498
Enrollment	403	414	426	437	440	431	478	478
Slavens (1956)								
Square Feet	60,071	60,071	60,071	60,071	60,071	60,071	60,071	60,071
Capacity (students)	504	504	504	504	504	504	504	504
Enrollment	470	466	471	462	456	478	469	469
Smedley (1902)								
Square Feet	66,279	66,279	66,279	66,279	66,279	66,279	66,279	66,279
Capacity (students)	546	546	546	546	546	546	546	546
Enrollment	Vacant	360	338	371	409	410	482	482
Smith (1954)								
Square Feet	68,077	68,077	68,077	68,077	68,077	68,077	68,077	68,077
Capacity (students)	680	680	680	680	680	680	680	680
Enrollment	483	374	386	377	392	438	446	446
Southmoor (1974)								
Square Feet	42,993	42,993	42,993	42,993	42,993	42,993	42,993	42,993
Capacity (students)	471	471	471	471	471	471	471	471
Enrollment	451	446	428	426	422	403	361	361
Steck (1930)								
Square Feet	40,281	40,281	40,281	40,281	40,281	40,281	40,281	40,281
Capacity (students)	365	365	365	365	365	365	365	365
Enrollment	386	357	341	295	292	308	311	311
Stedman (1923)								
Square Feet	49,036	49,036	49,036	49,036	49,036	49,036	49,036	49,036
Capacity (students)	443	443	443	443	443	443	443	443
Enrollment	341	267	257	229	241	272	292	292
Steele (1913)								
Square Feet	58,519	58,519	58,519	58,519	58,519	58,519	58,519	58,519
Capacity (students)	471	471	471	471	471	471	471	471
Enrollment	438	417	395	351	290	311	302	302
Swansea (1976)								
Square Feet	62,240	62,240	62,240	62,240	62,240	62,240	62,240	62,240
Capacity (students)	748	748	748	748	748	748	748	748
Enrollment	566	547	562	653	615	669	704	704
Teller (1920)								
Square Feet	64,479	64,479	64,479	64,479	64,479	64,479	64,479	64,479
Capacity (students)	527	527	527	527	527	527	527	527
Enrollment	354	288	240	242	229	237	218	218

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	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Traylor (1968)								
Square Feet	62,875	62,875	62,875	62,875	62,875	62,875	62,875	62,875
Capacity (students)	602	602	602	602	602	602	602	602
Enrollment	586	581	565	538	560	542	516	516
University Park (1924)								
Square Feet	61,511	61,511	61,511	61,511	61,511	61,511	61,511	61,511
Capacity (students)	540	540	540	540	540	540	540	540
Enrollment	449	417	341	345	349	342	346	346
Valdez (1974)								
Square Feet	73,819	73,819	73,819	73,819	73,819	73,819	73,819	73,819
Capacity (students)	715	715	715	715	715	715	715	715
Enrollment	396	385	394	399	434	462	508	508
Valverde (1923)								
Square Feet	50,375	50,375	50,375	50,375	50,375	50,375	50,375	50,375
Capacity (students)	514	514	514	514	514	514	514	514
Enrollment	407	449	427	407	408	450	465	465
Westerly Creek (2003)								
Square Feet	77,351	77,351	77,351	77,351	77,351	77,351	77,351	77,351
Capacity (students)	531	531	531	531	531	531	531	531
Enrollment	270	189	399	310	185	123		
Whiteman (1954)								
Square Feet	53,817	53,817	53,817	53,817	53,817	53,817	53,817	53,817
Capacity (students)	387	387	387	387	387	387	387	387
Enrollment	Vacant	276	250	269	250	229	278	278
Whittier (1930)								
Square Feet	47,676	47,676	47,676	47,676	47,676	47,676	47,676	47,676
Capacity (students)	303	303	303	303	303	303	303	303
Enrollment	297	250	225	246	210	204	224	224
Wyman (1975)								
Square Feet	44,442	44,442	44,442	44,442	44,442	44,442	44,442	44,442
Capacity (students)	394	394	394	394	394	394	394	394
Enrollment	Vacant	210	193	213	195	209	209	209

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	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Middle Schools:								
Baker (1957)								
Square Feet	142,861	142,861	142,861	142,861	142,861	142,861	142,861	142,861
Capacity (students)	825	825	825	825	825	825	825	825
Enrollment	Vacant	Vacant	Vacant	Vacant	272	368	438	438
Byers (1921)								
Square Feet	83,807	83,807	83,807	83,807	83,807	83,807	83,807	83,807
Capacity (students)	850	850	850	850	850	850	850	850
Enrollment	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Cole (1925)								
District owned facility (converted to Charter School 2006)								
Square Feet	157,720	157,720	157,720	157,720	157,720	157,720	157,720	157,720
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	Vacant	Vacant	48	115	315	366	424	424
Gove (1975)								
Square Feet	110,996	110,996	110,996	110,996	110,996	110,996	110,996	110,996
Capacity (students)	775	775	775	775	775	775	775	775
Enrollment	Vacant	Vacant	Vacant	Vacant	241	379	390	390
Grant (1953)								
Square Feet	78,835	78,835	78,835	78,835	78,835	78,835	78,835	78,835
Capacity (students)	586	586	586	586	586	586	586	586
Enrollment	318	341	360	423	426	424	438	438
Hamilton (1967)								
Square Feet	178,096	178,096	178,096	178,096	178,096	178,096	178,096	178,096
Capacity (students)	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	966	987	968	968	931	1,023	1,035	1,035
Hill (1955)								
Square Feet	150,753	150,753	150,753	150,753	150,753	150,753	150,753	150,753
Capacity (students)	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	747	651	585	619	606	690	724	724
Kepner (1951)								
Square Feet	147,255	147,255	147,255	147,255	147,255	147,255	147,255	147,255
Capacity (students)	1,316	1,316	1,316	1,316	1,316	1,316	1,316	1,316
Enrollment	934	934	999	1,046	1,043	1,117	1,128	1,128
Kunsmiller (1957)								
Square Feet	153,948	153,948	153,948	153,948	153,948	153,948	153,948	153,948
Capacity (students)	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433
Enrollment	297	608	700	801	853	883	876	876
Lake (1926)								
Square Feet	156,320	156,320	156,320	156,320	156,320	156,320	156,320	156,320
Capacity (students)	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	595	603	598	675	697	769	841	841
Henry (1975)								
Square Feet	129,395	129,395	129,395	129,395	129,395	129,395	129,395	129,395
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	935	853	882	846	827	811	790	790

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	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Horace Mann (1931)								
Square Feet	136,615	136,615	136,615	136,615	136,615	136,615	136,615	136,615
Capacity (students)	870	870	870	870	870	870	870	870
Enrollment	Vacant	210	292	431	448	555	612	612
ML King (1984)								
Square Feet	200,204	200,204	200,204	200,204	200,204	200,204	200,204	200,204
Capacity (students)	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995
Enrollment	790	934	1,038	1,178	1,120	1,180	1,125	1,125
Merrill (1953)								
Square Feet	123,006	123,006	123,006	123,006	123,006	123,006	123,006	123,006
Capacity (students)	1,127	1,127	1,127	1,127	1,127	1,127	1,127	1,127
Enrollment	537	548	618	605	677	692	625	625
Morey (1921)								
Square Feet	126,657	126,657	126,657	126,657	126,657	126,657	126,657	126,657
Capacity (students)	900	900	900	900	900	900	900	900
Enrollment	841	712	773	746	669	615	549	549
Noel (2002)								
Square Feet	140,065	140,065	140,065	140,065	140,065	140,065	140,065	140,065
Capacity (students)	961	961	961	961	961	961	961	961
Enrollment	638	749	827	868	866	861	865	865
Place (1971)								
Square Feet	164,057	164,057	164,057	164,057	164,057	164,057	164,057	164,057
Capacity (students)	925	925	925	925	925	925	925	925
Enrollment	Vacant	307	387	475	592	592	671	671
Randolph (2002)								
Square Feet	147,192	147,192	147,192	147,192	147,192	147,192	147,192	147,192
Capacity (students)	963	963	963	963	963	963	963	963
Enrollment	415	457	656	477	654	654	727	727
Rishel (1957)								
Square Feet	142,768	142,768	142,768	142,768	142,768	142,768	142,768	142,768
Capacity (students)	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	476	532	650	707	793	870	883	883
Skinner (1922)								
Square Feet	140,463	140,463	140,463	140,463	140,463	140,463	140,463	140,463
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	338	357	485	537	633	700	725	725
Smiley (1928)								
Square Feet	165,366	165,366	165,366	165,366	165,366	165,366	165,366	165,366
Capacity (students)	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148
Enrollment	386	362	375	596	508	548	493	493

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High Schools and Alternative Schools:								
Abraham Lincoln (1960)								
Square Feet	307,987	307,987	307,987	307,987	307,987	307,987	307,987	307,987
Capacity (students)	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Enrollment	1,728	1,602	1,445	1,445	1,307	1,439	1,471	1,471
East (1925)								
Square Feet	299,627	299,627	299,627	299,627	299,627	299,627	299,627	299,627
Capacity (students)	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025
Enrollment	2,076	2,050	2,085	2,092	1,916	1,853	1,915	1,915
G Washington (1960)								
Square Feet	329,518	329,518	329,518	329,518	329,518	329,518	329,518	329,518
Capacity (students)	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304
Enrollment	1,522	1,614	1,717	-	1,634	1,621	1,718	1,718
JF Kennedy (1964)								
Square Feet	291,406	291,406	291,406	291,406	291,406	291,406	291,406	291,406
Capacity (students)	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975
Enrollment	1,250	1,367	1,462	1,508	1,557	1,564	1,607	1,607
Manual (1953)								
Square Feet	261,626	261,626	261,626	261,626	261,626	261,626	261,626	261,626
Capacity (students)	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172
Enrollment	294	163	Vacant	804	909	1,053	1,091	1,091
North (1911)								
Square Feet	342,046	342,046	342,046	342,046	342,046	342,046	342,046	342,046
Capacity (students)	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175
Enrollment	961	1,079	1,224	1,230	1,349	1,472	1,540	1,540
South (1926)								
Square Feet	305,828	305,828	305,828	305,828	305,828	305,828	305,828	305,828
Capacity (students)	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675
Enrollment	1,377	1,407	1,527	1,374	1,334	1,379	1,363	1,363
Thomas Jefferson (1960)								
Square Feet	261,282	261,282	261,282	261,282	261,282	261,282	261,282	261,282
Capacity (students)	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Enrollment	1,152	1,173	1,138	1,104	1,113	1,110	1,112	1,112
West (1925)								
Square Feet	279,539	279,539	279,539	279,539	279,539	279,539	279,539	279,539
Capacity (students)	2,175	2,175	2,175	2,175	2,175	2,175	2,175	2,175
Enrollment	890	964	1,087	1,378	1,460	1,689	1,653	1,653
Montbello (1980)								
Square Feet	271,300	271,300	271,300	271,300	271,300	271,300	271,300	271,300
Capacity (students)	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975
Enrollment	1,686	1,574	1,550	1,410	1,455	1,394	1,254	1,254
Denver School of Arts (2003)								
Square Feet	204,710	204,710	204,710	204,710	204,710	204,710	204,710	204,710
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	507	501	882	901	881	777	662	662
Emily Griffith Opportunity School (1916)								
Square Feet	208,744	208,744	208,744	208,744	208,744	208,744	208,744	208,744
Capacity (students)	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Enrollment	560	543	556	606	521	589	522	522
CEC (1976)								
Square Feet	131,431	131,431	131,431	131,431	131,431	131,431	131,431	131,431
Capacity (students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	396	371	376	347	277	271	220	220
Emerson Street School (1978)								
Square Feet	12,197	12,197	12,197	12,197	12,197	12,197	12,197	12,197
Capacity (students)	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment	53	42	51	73	68	63	73	73
CLA HS (1952)								
Square Feet	44,655	44,655	44,655	44,655	44,655	44,655	44,655	44,655
Capacity (students)	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment	219	251	254	225	170	188	186	186

IV.
CDE REPORT

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	34,655,673	519,967,856	527,999,309	26,624,220
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	228,044	16,188,167	14,415,024	2,001,187
Subtotal	34,883,717	536,156,024	542,414,334	28,625,407
11 Charter School Fund	9,295,169	61,531,469	61,196,198	9,630,440
20,26-29 Special Revenue Fund	64,684,345	21,189,334	22,523,312	63,350,367
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	17,092,089	128,951,348	123,087,149	22,956,288
23 Pupil Activity Special Revenue Fund	-16,267	2,326,777	2,159,885	150,624
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	53,468,380	61,845,956	53,831,945	61,482,392
41 Building Fund	18,621,305	152,213,385	37,735,254	133,099,436
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	18,194,953	18,012,077	21,053,858	15,153,172
TOTALS	216,223,691	982,226,370	864,001,934	334,448,126
Proprietary				
51 Food Service Fund	7,945,742	25,599,192	25,853,950	7,690,985
50 Other Enterprise Funds	-132,606	512,078	532,849	-153,378
64 (63) Risk-Related Activity Fund	6,417,245	244,041	-338,311	6,999,597
60,65-69 Other Internal Service Funds	252,098	42,321	-1,041	295,461
TOTALS	14,482,479	26,397,632	26,047,447	14,832,665
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	27,524,007	5,410,340	10,309,443	22,624,904
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	1,780,244	4,810,377	4,720,120	1,870,501
79 GASB 34:Permanent Fund	43,478	78,802	1,912	120,368
85 Foundations	8,392,352	6,648,864	8,688,199	6,353,017
TOTALS	37,740,081	16,948,383	23,719,674	30,968,790

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