

2019

City and County of
Denver, Colorado

Comprehensive Annual Financial Report

Year Ended
December 31, 2019



Comprehensive Annual Financial Report

City and County of Denver, Colorado | Year Ended December 31, 2019

prepared by

Department of Finance

Controller's Office

Brendan Hanlon, Chief Financial Officer

Beth Machann, CGFM, Controller

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Introduction



June 30, 2020

Citizens of the City and County of Denver,
Honorable Mayor,
Honorable Auditor,
Honorable Clerk and Recorder,
Honorable Members of City Council, and
Audit Committee



Brendan Hanlon
Chief Financial Officer

State law requires the City and County of Denver (City) to publish within seven months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is prepared by the Controller's Office under the Department of Finance according to Article 2, Part 5 of the City's Charter. Pursuant to the requirements, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended December 31, 2019.

This report consists of management's representations concerning the finances of the City. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making those representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

BKD, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019, are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the City's basic financial statements as of and for the year ended December 31, 2019. The independent Auditors' report is presented as the first component of the financial section of this report.

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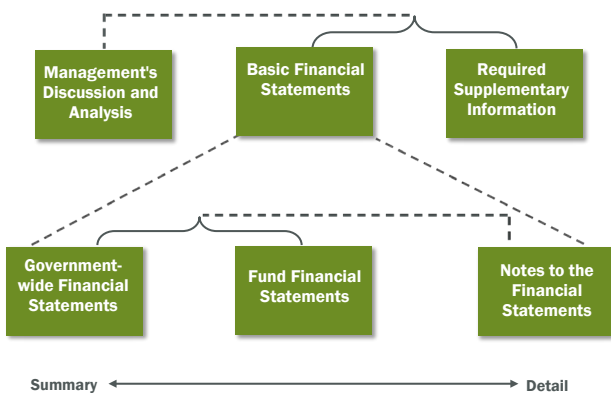
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The Report

The CAFR is presented in three sections:

- The **Introduction section** includes this letter of transmittal, Mayor, Auditor, District Attorney, Clerk and Recorder, and City Council introductions, the City’s organization chart, and certificates of achievement.
- The **Financial section** includes the report of the independent auditors, Management’s Discussion and Analysis (MD&A), the basic financial statements, including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements including the governmental funds financial statements, the proprietary funds financial statements, the fiduciary funds financial statements, the component units financial statements, and the combining individual funds financial statements for the nonmajor governmental funds and the internal service funds. Required supplementary information other than the MD&A is also included in the financial section.
- The **Statistical section** includes selected financial and demographic information, on a multi-year basis.

This transmittal letter is designed to complement the MD&A and should be read in conjunction with the MD&A.



This CAFR includes all funds of the City. The City provides a full range of services including: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The CAFR also includes the City’s component units, which are legally separate organizations and for which the City is financially accountable or whose relationship with the City is of a nature and significance that would cause the City’s financial statements to be incomplete were they not included.

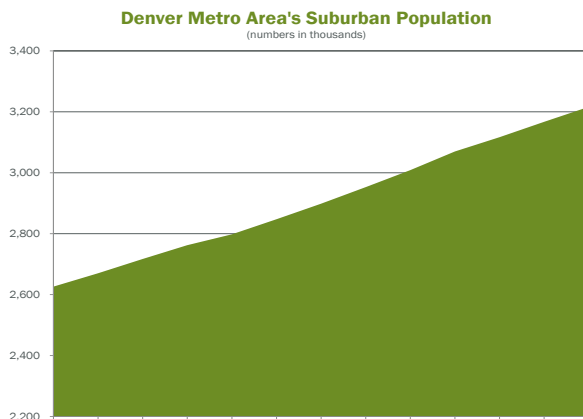
The City maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget submitted by the Mayor and adopted by the City Council. All activities of the General Fund and Human Services special revenue fund are included in the annual appropriated budget except for capital outlay. Project-length budgets are adopted for the remaining special revenue funds and capital project funds. Budgetary control (the level at which expenditures and encumbrances cannot legally exceed the appropriated amount) is established at the department level within individual funds, except for special revenue and capital project funds, which are at the funded project level. Disbursements that would result in an overrun of funded project balances (budgets) are not released until additional appropriations are made available. At year-end, if additional monies have not been appropriated where needed, expenditures are properly reflected in the current period causing an over budget condition to exist.

In addition to the financial audit, the City undertakes a single audit in conformance with the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits. The results of this single audit, including a schedule of expenditures of federal awards, and the independent auditor’s reports on the City’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards, are available in the City’s separately issued single audit report.



City Profile

The City is located at the eastern base of the Rocky Mountains in the north-central part of Colorado, encompassing 154.63 square miles. The City is the capital of the state, and it is also the cultural, distribution, entertainment, financial, service and transportation hub of the Rocky Mountain region. With an elevation of 5,280 feet the “Mile High City” has a cool, dry, sunny climate that makes it a magnet for health seekers and those enjoying outdoor recreation all year round. In 2019, Denver had an estimated population of 727,211 for the core City and County. It is estimated that over 3 million people reside in the Denver metro area, which includes the suburban counties of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson. Denver was founded November 22, 1858, after a gold discovery at the confluence of Cherry Creek and the South Platte River. Town founder William H. Larimer, Jr. named the city for James W. Denver, Governor of Kansas Territory, of which east central Colorado was then a part.



Numerous gold discoveries sparked a mass migration of some 100,000 in 1859-1861, leading the federal government to establish Colorado Territory in 1861. The City was incorporated on November 7, 1861, by a special act of the first session of the Legislative Assembly of Colorado Territory. In 1867 the City became the Capital of Colorado Territory and remained the capital after Colorado became a state on August 1, 1876. Denver became a City and County with home rule when Article XX was added to the Colorado Constitution in 1902. The City’s charter was enacted on March 29, 1904 establishing a strong mayor/city council form of government and an independent, elected city auditor.

The mayor and 13-member council, elected in non-partisan elections govern the City. The Mayor is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The legislative powers of the City are vested in the City Council. The City has an elected Auditor and an elected Clerk and Recorder. All elected officials’ terms are concurrent and last four years, and each position is subject to term limits of 12 years.

The Charter establishes an audit committee consisting of seven members; two members appointed by the Mayor, two members appointed by the City Council and two members appointed by the Auditor, with the Auditor as the Chair. The audit committee, among other things, is responsible for the selection and management of the external auditor. During the course of the annual city-wide audit the audit committee monitors the progress of the audit and discusses with the external auditor any matters related to the audit. The audit committee also accepts the results of the audit.

Regional Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The City is the center of economic activity of the region, serving as a business, recreational, higher educational and cultural hub. Major features of the economy include the central business district, state capitol building, Denver International Airport, extensive library facilities, several professional sports teams, institutions of higher learning, and numerous museums and other cultural facilities.

The economy of the metropolitan area generally mirrors that of the state. The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic is having impacts across Colorado's economy. Recovery from this downturn is expected to be slow. Evidence suggests a gradual recovery depending on several key factors, including public health and medical considerations and the public's confidence in the safety of resuming normal activities.

Labor Market

The Colorado labor market has experienced an unprecedented downturn since mid-March, with the unemployment rate reaching 11.30% in April, as businesses across the state and country were forced to close. More than 16.00% of the state's workers have filed for unemployment claims since mid-March, predominantly in low-wage industries. Federal legislation expanded unemployment benefits to help the low- and medium-income workers through July.

Tourism

Colorado's tourism has been significantly affected by the crisis. Leisure and recreation industries account for approximately 5.00% of the state's GDP, higher than most states. After the Great Recession, the industry took four to five years to fully recover. Denver expects a similar path with recovery in three to four years.

Consumer Spending

With the closure of non-essential, in-person business activity, retail spending has been significantly curtailed. Overall, state March 2020 retail sales were down 8.70% from February, with the expectation

that April retail sales will be even lower. Denver's sales and use tax revenue, which makes up half of the General Fund revenue stream, increased by 4.90% in 2019. The City anticipates that due to the effects of the pandemic, core sales and use tax revenue will decrease approximately 18.40% year-over-year in 2020. While this is not an official revision, the City will likely make one as part of the 2021 budget in September 2020.

City Financial Policies and Planning

The City's economy, as with the rest of the nation and most of the world, is experiencing a significant financial downturn due to the current pandemic, causing the largest decline in revenues in its history. Formal financial policies, as well as operating practices, are enabling the City to maintain core services and minimize the impact to citizens and employees wherever possible. Formal policies exist in areas such as balanced budgets, revenue diversification and use of one-time and unpredictable revenues, operating expenditures, reserves, investments, and debt.

Revenue Administration

The City's main source of revenue for operating expenditures is sales and use tax, which makes up 50.00% of total General Fund revenues, including transfers in. This is less than the 70.00% average for most local governments in the region. In addition, the City reviews all fees, fines, and charges for services on a rotating basis to ensure they are meeting cost recovery goals. One-time and unpredictable revenues are spent on one-time costs, such as equipment replacement, or transferred to capital improvement funds for repair and rehabilitation projects.

Expenditure Administration

Expenditure budgets are carefully reviewed by both the implementing departments and the Budget and Management Office. Careful attention is paid to ensure departments are meeting projected vacancy

savings and that excess budget is not transferred to non-personnel line items. For 2019, there was \$29,400,000 in additional savings beyond the revised budget by year-end. The primary contributors to this unspent appropriation were significant position vacancies that resulted from a very competitive job market and unspent contingency. Additionally, because 2018 revenue came in under the City's projections, the Budget and Management Office worked with agencies to curb spending – particularly in filling vacant positions.

Reserves

The City has multiple reserves in its General Fund to address budgetary shortfalls. A Contingency Reserve of no less than 2.00% of total estimated expenditures, an Emergency Reserve mandated by the State Constitution equal to 3.00% of covered funds, and an unassigned Fund Balance target of 15.00% of total budgeted expenditures. The City's budget policy concerning the use of reserves varies depending on the reserve type but generally limits the use of reserves to respond to revenue shortfalls, unanticipated expenditures, or severe economic downturn.

Debt Administration

The City's debt policy establishes guidelines and parameters for the issuance and management of debt. The primary objectives of the policy are to ensure that debt is issued prudently and affordable. The Taxpayer's Bill of Rights (TABOR) under the State Constitution requires the City to obtain voter approval prior to issuing any multi-year fiscal debt or obligations. Certain exceptions apply for refunding of outstanding bonds and debt issued by enterprises of the City. The City's Charter further restricts general obligation bonded debt to 3.0% of the actual value of the taxable property within the City. General obligation water bonds issued by Denver Water are excluded from this limitation. At December 31, 2019, the City's general obligation bonded debt of \$842,856,000, net amounts reserved for debt service and subject to this restriction, was 16.38% of the \$5,143,485,000 three-percent limitation

amount, not including compound interest of the general obligation mini-bonds.

According to standard measures used by the primary credit rating agencies to assess debt (e.g. fund balance as a percent of operating expenses, debt-to-assessed ratios, debt per capital, etc.), the City's level of direct debt obligations are considered moderate but manageable in comparison with similarly sized cities. Rating agencies cite the City's strong financial management and prudent fiscal policies as credit strengths. As of December 31, 2019, the City is rated triple-A (AAA) by all three of the major rating agencies: Standard & Poor's, Fitch, and Moody's Investors Service.

Cash Management

The City's Charter regulates the securities in which the City may invest its funds. Permissible investments under the Charter are obligations of the United States Government, its agencies, and sponsored corporations, prime bankers' acceptances, prime commercial paper, certificates of deposit issued by banks and savings and loan institutions, local government investment pools, repurchase agreements, forward purchase agreements, security lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The City Council has adopted an ordinance authorizing the investment of City moneys in Resolution Funding Corporation (REFCORP) Securities, Forward Purchase Agreements, and Debt Service Reserve Fund Put Agreements, all of which are either issued by a U.S. Government Corporation or are collateralized by surety types already authorized by the Charter. The City is not permitted to leverage its investment portfolio.

The objectives of the City's investment policy, in order of priority are to maintain principal, to ensure the availability of funds to meet obligations promptly, and to maximize yield on the investment portfolio. Bank deposits are either insured by federal deposit insurance or collateralized according to state law. Investments are held at a third-party bank in a safekeeping account in the City's name.

Long-Term Financial Planning

The City has a six-year long-range capital planning process and document that is updated each year and helps drive annual capital funding decisions as well as periodic general obligation bond issues for larger investments. For operations, expenditures and revenues are forecasted out for five years to account for planned changes to existing revenues, such as sunseting revenues, and to project any future deficits between revenues and expenditures.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the year ended December 31, 2018. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP and applicable legal requirements. This was the thirty-ninth consecutive year that the city has received this award. A Certificate of Achievement is valid for one year only. We believe this 2019 CAFR continues to conform to the Certificate of Achievement program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Furthermore, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City for its Popular Annual Financial

Report (PAFR) for the fiscal year ending on December 31, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. To receive this award a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal. This is the seventh year that the city has received this award. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

Additionally, GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the fiscal year beginning January 1, 2019. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our 2020 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another year.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated service of a highly qualified staff in the Controller's Office. The Cash, Risk, and Capital Funding Division and the Budget and Management Office were also instrumental in the CAFR's completion. Their cooperation and continued assistance is necessary and appreciated. I would like to thank all personnel who helped and contributed to the preparation of this report. I also want to acknowledge the thorough and professional way our independent auditors, BKD, LLP, conducted their audit.

Respectfully submitted,



Brendan Hanlon
Chief Financial Officer

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Honorable
Michael B. Hancock
Mayor

Dear Denver residents:

As we close out 2019, the City and County of Denver ends a decade of tremendous growth in a position of considerable financial strength and stability. Looking at our city today, it can be hard to imagine that just ten years ago in 2009, the Great Recession dealt us the worst revenue losses and budget gaps ever experienced. We turned to our reserves to cushion us during the challenging economic times and as we committed to rebuild together, we placed considerable emphasis on rebuilding and maintaining cash reserves sufficient to sustain our core services during economic downturns. While this Consolidated Annual Financial Report (CAFR) officially closes the books on 2019, I am writing this letter at the close of our books in March 2020. The COVID-19 pandemic is threatening to dwarf any of the losses experienced during the Great Recession.

Now, and always, it is important to provide residents with a clear view of how their tax dollars were invested. In 2019, Denver committed to increasing housing affordability, the foundation upon which the economic stability of all residents is built. We also did important work to bolster rapid housing solutions for people experiencing homelessness, and increased emergency shelter space where residents without homes can connect with vital services. We committed to rise to the challenge of climate change and to undoing decades of devastation wrought on our communities of color by the war on drugs, and bias-driven incarceration. We continued efforts to pull back the curtain on the stigma of mental illness and got more behavioral health resources out into the community, by meeting residents right where they are, and reminding them that together, we've got this.

As we enter this next decade and next chapter for our city, to remain strong, our legacy must be a city that works for and with everyone and we must resolve to rebuild better, more inclusive and more equitable than before. Our public investments will be vehicles by which we drive public good. Our projects must be rooted in the equity platform to create local jobs and help people build new livelihoods, and access the tools needed for economic mobility.

The story the CAFRs tell over these next years will help us monitor whether we are living up to our ideals to grow from this challenge with grace, equity, and justice. The deployment of city resources is a story in and of itself; and the act of making a city is never truly finished.

Mayor's Cabinet and Chief of Staff

Don Mares Deputy Mayor and Executive Director of Human Services	Brendan Hanlon Executive Director of Finance
Alan Salazar Chief of Staff	Brandon Gainey Deputy Director of General Services, acting Executive Director
Kristin Bronson City Attorney	Happy Haynes Executive Director of Parks and Recreation
Kim Day Executive Director of Aviation	Bob McDonald Executive Director of Public Health and Environment
Laura Aldrete Executive Director of Community Planning and Development	Eulois Cleckley Executive Director of Public Works
Ashley Kilroy Executive Director of Excise and Licenses	Murphy Robinson Executive Director of Public Safety

Timothy M. O'Brien is the Auditor for the City and County of Denver. Mr. O'Brien was elected Auditor in May 2019. Mr. O'Brien's term will expire on the third Monday in July 2023.



Honorable Timothy M. O'Brien, CPA
Auditor



Honorable Beth McCann
District Attorney

Beth McCann is the District Attorney for the Second Judicial District. The District Attorney is a state official. She is the chief law enforcement officer in the district and is responsible for prosecuting all felonies, misdemeanors, and serious traffic offenses arising in the district. Ms. McCann became District Attorney in January 2017; her current term will end January 8, 2021.

Paul D. López was elected Clerk and Recorder in July 2019. Mr. López also serves as Public Trustee, City Clerk, and Ex-Officio Clerk of the City and County of Denver. Mr. López's term will expire on the third Monday in July 2023.



Honorable Paul D. López
Clerk and Recorder

There are 13 city council members - 11 from equally-populated districts and two elected at-large. Council members, who must be 25 years of age, US citizens, and two-year Denver residents, are all elected at the same time every four years. All terms expire on the third Monday in July 2019.



Honorable President
Jolon Clark
Council District 7



Honorable
Robin Kniech
Council At-Large



Honorable
Deborah Ortega
Council At-Large



Honorable
Amanda Sandoval
Council District 1



Honorable
Kevin Flynn
Council District 2



Honorable
Jamie Torres
Council District 3



Honorable
Kendra Black
Council District 4



Honorable
Amanda Sawyer
Council District 5



Honorable
Paul Kashmann
Council District 6



Honorable
Christopher Herndon
Council District 8



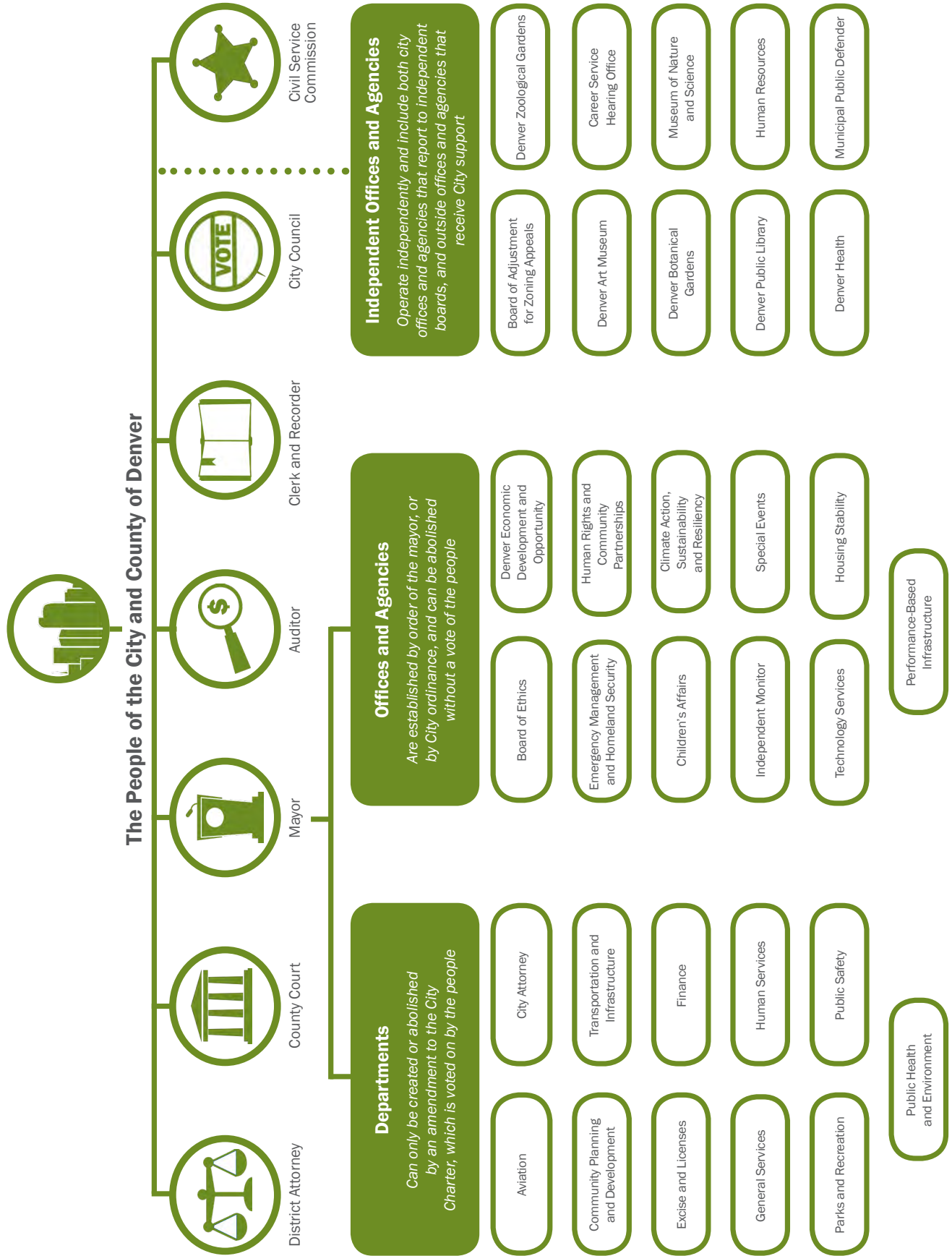
Honorable
Candi CdeBaca
Council District 9



Honorable
Chris Hinds
Council District 10

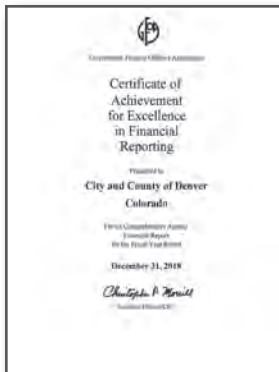


Honorable
Stacie Gilmore
Council District 11



The City and County of Denver is proud to have been recognized with an award for Outstanding Achievement for Excellence in Financial Reporting, Outstanding Achievement in Popular Annual Financial Reporting and the Distinguished Budget Presentation Award offered by the Government Finance Officers Association of the United States and Canada (GFOA)

Outstanding Achievement for Excellence in Financial Reporting



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and County of Denver for its Annual Report for the fiscal year ended December 31, 2018.

The Certificate of Achievement is the highest form of recognition for excellence in state or local government financial reporting. The Certification of Achievement Program was established to encourage municipal governments to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Certification of Achievement, a government unit must publish an easily-readable and efficiently-organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs. A Certificate of Achievement is valid for a period of one year only.

Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City and County of Denver for its Popular Annual Financial Report for the fiscal year ended December 31, 2018. The Award for Outstanding Achievement in popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding in Popular Annual Financial Reporting is valid for a period of one year only.

Distinguished Budget Presentation Award

The GFOA presented a Distinguished Budget Presentation Award to the City and County of Denver for its annual budget for the fiscal year beginning January 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only.

The Distinguished Budget Presentation Awards Program is specifically designed to encourage state and local governments to prepare and issue budget documents of the highest quality. Top-quality documents are essential if citizens and others with an interest in a government's finances are to be fully informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

The Distinguished Budget Presentation Awards Program allows the public finance profession a welcome opportunity to recognize those governments that have, in fact, succeeded in preparing a high-quality budget document.

Financial



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Independent Auditor's Report

Audit Committee
City and County of Denver, Colorado
Denver, Colorado

Report on the Financial Statements

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 the City and County of Denver (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Downtown Denver Business Improvement District (BID), Cherry Creek North BID No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, or the Colfax BID, all of which are included as discretely presented component units, which represent 49.30 percent of total assets, 46.74 percent of total revenues, and 21.25 percent of net position (deficit) of the aggregate discretely presented component units as of and for the year ended December 31, 2019. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for the Downtown Denver BID, Cherry Creek North BID No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, or the Colfax BID, is based solely on the reports of the other auditors. Additionally, we did not audit the financial statements of the Denver 14th Street General Improvement District (GID), Gateway Village GID, or RiNo GID which are included as blended component units, Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan Trust Fund, a fiduciary fund of the City, which represent 48.75 percent of total assets, 38.52 percent of total revenues and 65.60 percent of net position/or fund balance of the aggregate remaining fund information as of and for the year ended December 31, 2019. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the

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amounts included for the Denver 14th Street GID, Gateway Village GID, RiNo GID, Denver Employee Retirement Plan and the Deferred Compensation Plan Trust Fund, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Wastewater Management Enterprise Fund, which is a major enterprise fund of the City, and represents 12.34 percent, 12.90 percent and 36.34 percent, respectively, of the assets, revenues and net position of the business-type activities as of and for the year ended December 31, 2019. Those financial statements were audited by another auditor, whose report has been furnished to us, and our opinions on the Wastewater major fund and the business-type activities, insofar as it relates to the amounts included for the Wastewater Management Enterprise Fund, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Downtown Denver BID, Cherry Creek North BID No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, Caring for Denver Foundation, and the Colfax BID, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*. Additionally, the financial statements of the Denver 14th Street GID, Gateway Village GID, or RiNo GID which are included as blended component units, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of 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 City and County of Denver, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note IF to the financial statements, the 2018 financial statements of the governmental activities have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introduction section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended December 31, 2018, which are not presented with the accompanying financial statements. In our report dated June 18, 2019, we expressed unmodified opinions on the respective 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. In our opinion, the general fund balance sheet as of December 31, 2018 and related statement of revenues, expenditures, and changes in fund balance for the year then ended shown as supplementary information are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2018, taken as a whole.

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The introduction section and statistical section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
June 30, 2020

Management's Discussion and Analysis

Management of the City and County of Denver (City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal. The focus of the information herein is on the primary government.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,130,610,000 (net position). Of this amount, \$583,720,000 represents a deficit of unrestricted net position.
- The City's total net position increased by \$306,736,000, or 8.02%, over the prior year restated amount.
- As of close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,016,177,000, an increase of \$195,834,000 in comparison with the prior year. Approximately 9.85% or \$198,626,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$198,626,000, which represents 13.71%, of total General Fund expenditures, including transfers out.
- The City's total bonded debt decreased by \$168,729,000 during the year. General obligation bonds increased by \$104,865,000 and revenue bonds decreased by \$273,594,000.
- In 2019, the City implemented provisions of GASB Statement No. 89 (Statement No. 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 was implemented prospectively therefore any existing capitalized interest costs as of December 31, 2018 will remain capitalized.
- For the year ended December 31, 2019, changes have been made to certain capital asset balances included in the governmental activities portion of the Statement of Net Position to correct prior period accounting errors that resulted in the restatement of the beginning balance. The City identified several capital asset categories that required a consolidated correction of \$47,998,000 to the Statement of Net Position as of January 1, 2019.

Overview of the Financial Statements

This discussion and analysis is intended as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities reports how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 earned but unused vacation and sick leave).

The governmental activities reflect the City's basic services, including police, fire, public works, sanitation, economic development, culture, and recreation. Sales and property taxes finance the majority of these services.

The business-type activities reflect private sector-type operations, such as Wastewater Management; the Denver Airport System, including Denver International Airport (DEN); and Golf Courses, where fees for services typically cover all or most of the cost of operations, including depreciation.

The government-wide financial statements include not only the City itself (referred to as the primary government), but also other legally separate entities for which the City is financially accountable. Financial information for most of these component units are reported separately from the financial information presented for the primary government itself. A few component units, although legally separate, function essentially as an agency of the City and, therefore, are included as an integral part of the City.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Human Services special revenue fund, each of which is considered to be a major fund. Data from the other 20 governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund and Human Services special revenue fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets for the General Fund and Human Services fund in accordance with U.S. GAAP.

The City maintains two different types of **proprietary funds**: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Wastewater Management, Denver Airport System, Environmental Services, and Golf Course funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for workers' compensation self-insurance and asphalt plant operations. The internal service funds provide services which predominantly benefit governmental rather than business-type functions. They have been included within governmental activities with an adjustment to reflect the consolidation for internal service fund activities related to the enterprise funds 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 proprietary fund financial statements provide separate information for Wastewater Management and the Denver Airport System, both of which are considered to be major funds of the City. Data for the other two enterprise funds and all of the internal service funds are combined into their respective single aggregated presentations. Individual fund data for the nonmajor enterprise funds and all of the internal service funds are provided in the form of combining statements elsewhere in this report.

The City uses **fiduciary funds** to account for assets held on behalf of outside parties, including other governments. When these assets are held under the terms of a formal trust agreement, a private-purpose trust fund is used.

Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. Pension trust funds account for the assets of the City's employee retirement plans.

Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The **notes to basic financial statements** 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 is presented in the form of certain required supplementary information concerning the City's budgetary comparison schedules the net pension liability, the net OPEB liability, and the implicit rate subsidy on other postemployment benefits.

The combining statements supplementary information referred to earlier in connection with nonmajor funds, internal service funds, and nonmajor component units are presented immediately following the budgetary comparison required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$4,130,610,000 at the close of the most recent fiscal year. Net position of \$2,472,295,000 (59.85%) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net positions of the City also include \$2,242,035,000 (54.28%) of restricted net position. These are resources subject to external restrictions as to how they may be used by the City.

Table 1 reflects the City's net position (dollars in thousands) as of December 31, 2019 and 2018:

Table 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	As restated				As restated	
	2019	2018	2019	2018	2019	2018
Other assets	\$ 2,848,629	2,660,511	\$ 4,005,054	\$ 4,483,278	\$ 6,853,683	\$ 7,143,789
Capital assets	3,360,227	3,181,457	5,136,803	4,640,685	8,497,030	7,822,142
Total assets	6,208,856	5,841,968	9,141,857	9,123,963	15,350,713	14,965,931
Deferred outflows	545,152	290,896	149,888	126,497	695,040	417,393
Noncurrent liabilities	3,889,421	3,262,649	6,834,923	6,739,369	10,724,344	10,002,018
Other liabilities	288,776	451,367	368,317	549,878	657,093	1,001,245
Total liabilities	4,178,197	3,714,016	7,203,240	7,289,247	11,381,437	11,003,263
Deferred inflows	524,081	536,312	9,625	19,875	533,706	556,187
Net position						
Net investment in capital assets	1,955,118	1,732,075	517,177	604,246	2,472,295	2,336,321
Restricted	1,745,453	1,580,026	496,582	512,691	2,242,035	2,092,717
Unrestricted	(1,648,841)	(1,429,565)	1,065,121	824,401	(583,720)	(605,164)
Total net position	\$ 2,051,730	1,882,536	\$ 2,078,880	\$ 1,941,338	\$ 4,130,610	\$ 3,823,874

Table 2 reflects the City's changes in net position (dollars in thousands) for the years ended December 31, 2019 and 2018.

Table 2

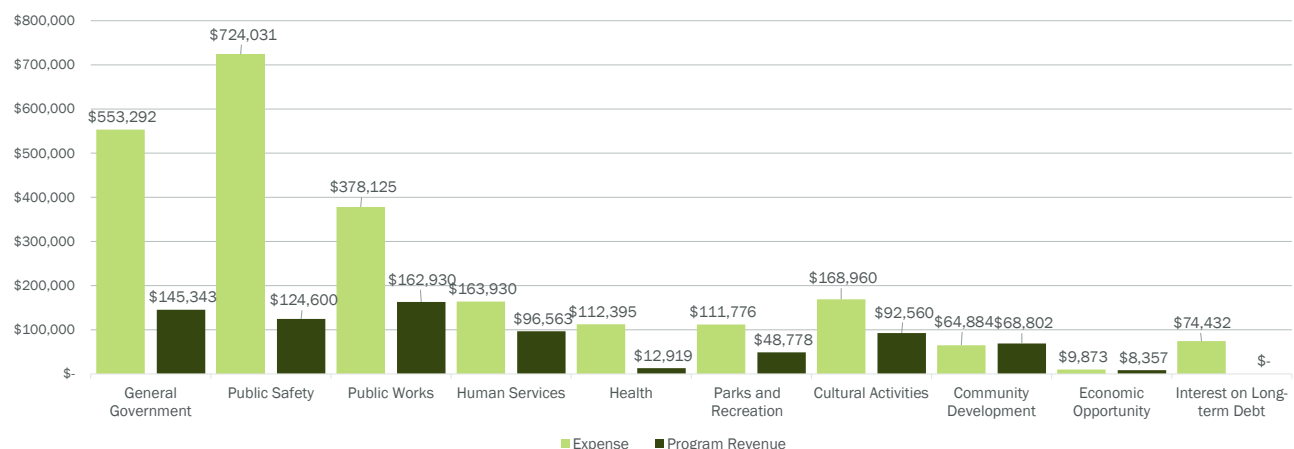
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
	Revenues					
Program revenues:						
Charges for services	\$ 438,336	420,378	\$ 1,151,174	\$ 1,134,343	\$ 1,589,510	\$ 1,554,721
Operating grants and contributions	214,280	300,163	-	-	214,280	300,163
Capital grants and contributions	108,236	102,574	26,053	38,145	134,289	140,719
General revenues:						
Facilities development admissions tax	15,859	16,846	-	-	15,859	16,846
Lodgers tax	134,047	120,056	-	-	134,047	120,056
Motor vehicle ownership fee	32,020	30,654	-	-	32,020	30,654
Occupational privilege tax	54,940	53,093	-	-	54,940	53,093
Property tax	479,346	472,995	-	-	479,346	472,995
Sales and use tax	896,924	762,201	-	-	896,924	762,201
Specific ownership tax	88	62	-	-	88	62
Telephone tax	13,208	9,014	-	-	13,208	9,014
Investment income	83,806	37,996	181,626	79,751	265,432	117,747
Other revenues	57,196	21,000	70,781	6,235	127,977	27,235
Total revenues	2,528,286	2,347,032	1,429,634	1,258,474	3,957,920	3,605,506
Expenses						
General government	553,292	475,490	-	-	553,292	475,490
Public safety	724,031	670,774	-	-	724,031	670,774
Public works	378,125	280,174	-	-	378,125	280,174
Human services	163,930	177,184	-	-	163,930	177,184
Health	112,395	61,458	-	-	112,395	61,458
Parks and recreation	111,776	117,823	-	-	111,776	117,823
Cultural activities	168,960	156,897	-	-	168,960	156,897
Community development	64,884	71,778	-	-	64,884	71,778
Economic opportunity	9,873	1,228	-	-	9,873	1,228
Interest on long-term debt	74,432	62,524	-	-	74,432	62,524
Wastewater management	-	-	138,617	129,459	138,617	129,459
Denver airport system	-	-	1,059,258	889,251	1,059,258	889,251
Other enterprise funds	-	-	25,818	24,601	25,818	24,601
Total expenses	2,361,698	2,075,330	1,223,693	1,043,311	3,585,391	3,118,641
Change in net position before transfers and special item	166,588	271,702	205,941	215,163	372,529	486,865
Transfers	1,324	444	(1,324)	(444)	-	-
Transfers of Capital Assets	1,282	(2,500)	(1,282)	2,500	-	-
Special item	-	-	(65,793)	-	(65,793)	-
Change in net position	169,194	269,646	137,542	217,219	306,736	486,865
Net position (deficit) - January 1 - as previously reported	1,882,536	1,816,508	1,941,338	1,748,604	3,823,874	3,565,112
Correction of an error	-	(47,998)	-	-	-	(47,998)
Adoption of accounting principle GASB 75	-	(155,620)	-	(24,485)	-	(180,105)
Net position (deficit) - January 1 - as restated	1,882,536	1,612,890	1,941,338	1,724,119	3,823,874	3,337,009
Net position - December 31	\$ 2,051,730	\$ 1,882,536	\$ 2,078,880	\$ 1,941,338	\$ 4,130,610	\$ 3,823,874

Governmental activities increased the City’s net position by \$169,194,000 for the year ended December 31, 2019. Key elements of the increase are as follows:

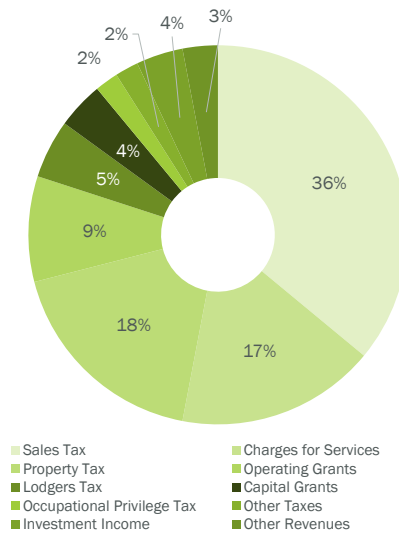
- Property tax and sales and use taxes totaled 84.62% of all tax revenues and 54.43% of all governmental activities’ revenues. Property tax recorded in the governmental funds totaled \$479,346,000 for an increase of \$6,351,000 (1.34%) while sales and use tax revenues of \$896,924,000 were up \$134,723,000 (17.68%) compared to 2018, reflecting an increase in sales tax rate and stable growth in the 2019 economy. Lodgers tax increased \$13,991,000 (11.65%) due to the City imposing a new 10.75% lodgers fee to short-term rentals, and an increasing hotel inventory.
- Total governmental activities expenses increased by \$286,368,000 (13.80%) primarily due to an increase in costs for goods and expanded services offered by agencies, (such as investments in programs and services connected to children and youth, jobs and the economy, and public safety). General government expense increased \$77,802,000 (16.36%), mainly due to increasing costs for services and increasing personnel costs. Public Safety expenses increased \$53,257,000 (7.94%), in part due to hiring additional deputies and enhanced staffing, technology, training, equipment, and facilities. Public Works expense increased \$97,951,000 (34.96%), mainly due to an increase in personnel costs and capital project activity that costs related to the construction of the National Western Center that were not capitalized. Human Services expense decreased \$13,254,000 (7.48%) in part, due to a reorganization in the City that resulted in the formation of a new agency. Monies were transferred to that agency when they took over Denver’s Road Home program and other related activities. Pension and other post-employment benefits (OPEB) also contributed to the increase in expense in each functional area.

General government expenses in 2019 were \$553,292,000 (23.43%) of total expenses. Public safety expenses \$724,031,000 (30.66%) of total expenses. Public works’ expenses were \$378,125,000 (16.01%) of total expenses. Cultural activities were \$168,960,000 (7.15%) of total expenses. Human services’ expenses were \$163,930,000 (6.94%) of total expenses. The remainder of the governmental activities expenses is comprised of health with \$112,395,000 (4.76%), parks and recreation with \$111,776,000 (4.73%) community development with \$64,884,000 (2.75%), economic opportunity with \$9,873,000 (0.42%), and interest on long-term debt of \$74,432,000 (3.15%).

Expenses and Program Revenues - Governmental Activities
(dollars in thousands)



Revenues by Source - Governmental Activities



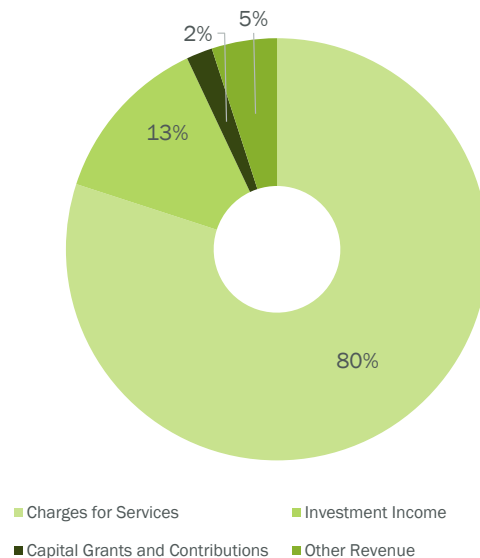
Business-type activities increased the City’s net position by \$137,542,000. Key elements of this increase are as follows:

- Total revenues of \$1,429,634,000 were \$171,160,000 (13.60%) higher compared to prior year amounts. For the Denver Airport System, the change was primarily due to facility rental revenue increases of 7.50% and landing fee revenue increases of 8.40% as well as increased parking revenue of 7.20%. For Wastewater Management, the change was mainly due to a 4% rate increase for the sanitary fees and an 10.0% rate increase in storm fees at Wastewater Management that took effect January 1, 2019.
- Total expenses of \$1,223,693,000 increased by \$180,382,000 (17.29%) when compared to the prior year. For the Denver Airport System, personnel costs increased \$120,300,000 (11.70%), contractual services increased \$13,300,000 (5.90%) and project repair and maintenance increased by \$12,900,000 (66.30%). For Wastewater Management, the main source of the increase in expense was primarily due to an increase in personnel costs due to salary increases and pension and OPEB expense.

Expenses and Program Revenues - Business-Type Activities
(dollars in thousands)



Revenues by Source - Business-Type Activities



Financial Analysis of the Government’s Funds

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

Governmental Funds

The focus of the City’s governmental funds is to provide information on current year revenues, expenditures, and balances of spendable resources. Such information is useful in assessing the City’s near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the City’s governmental funds reported combined ending fund balances of \$2,016,177,000, an increase of \$195,834,000 in comparison with the prior year. Approximately 9.85% or \$198,626,000 of the total fund balance amount constitutes unassigned fund balance, which is available for spending at the City’s discretion.

The General Fund is the chief operating fund of the City. As of December 31, 2019, unassigned fund balance of the General Fund was \$198,626,000 while total fund balance was \$370,081,000. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.71% of total General Fund expenditures, including transfers out, of \$1,448,640,000 while total fund balance represents 25.55% of the same amount.

The total fund balance of the City’s General Fund decreased by \$14,699,000 (3.82%) during the year ended December 31, 2019. This is partly a result of an increase in Public Safety spending in 2019 to invest in public safety-related programs to increase safety staff and equipment as well as add two new floors to the county jail

Almost every revenue source increased slightly in 2019 due to an increase in economic activity. General Fund revenues including transfers in, totaled \$1,428,065,000, an increase of \$81,677,000 or 6.07%. Certain revenues in the General Fund that increased from 2018 to 2019 include:

- Sales and use taxes earned were higher by \$29,543,000. This increase is primarily attributable to the continuing expansion of the retail marijuana sales tax collections related to the implementation of Amendment 64 and increased economic and social programs implemented by the City.
- Property taxes were higher by \$1,995,000 due in part to an increase in the assessed value of property taxed during 2019.
- Investment and interest income was higher by \$10,979,000 due in part to growth in the financial markets from a slower market in 2018.

Fine and forfeitures revenue in the General Fund decreased by \$5,400,000 largely due to a decrease in parking fine revenue and lower revenue for photo radar fines.

Total General Fund expenditures, including transfers out, increased by \$88,312,000 or (6.49%). The primary drivers of this increase are personnel cost increases, an increase in costs for goods and services, and the increases attributed to social and economic programs being implemented.

The Human Services special revenue fund had a total fund balance of \$85,500,000. This amounts to a net increase in fund balance of \$3,249,000 during the current year. The underlying reasons for the change include decreased liabilities at year-end and monies that were transferred to another agency that took over Denver's Road Home program and other related activities.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of Wastewater Management was \$776,009,000 and for the Denver Airport System net position was \$1,251,645,000. Net position for all enterprise funds was \$2,079,000,000. Other significant factors concerning the finances of the enterprise funds can be found in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final amended budget include a revision to both the projected revenues and expenditures.

Original revenue estimates for 2019, prepared in the summer of 2018, assumed moderate growth in the local and national economies. Sales and use tax revenue was originally projected to grow by 5.5% over the 2018 revised forecast and total General Fund revenue was projected to increase by 4.2% over 2018 revised figures. In the summer of 2019, the original General Fund revenue forecast, including transfers in, was revised downward by \$17,737,000 or 1.3%.

Capital Assets and Bonded Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2019, were \$8,497,030,000 (net of accumulated depreciation). This investment in capital assets includes land and land rights, collections, buildings and improvements, equipment and other, park facilities, and, for governmental activities, infrastructure (including streets, alleys, traffic signals, bridges, fiber optic cable, and trails). Infrastructure-type assets of business-type activities are reported as buildings and improvements. The City's capital assets by type at December 31, 2019 and 2018 are shown in **Table 3** (dollars in thousands)

Table 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	As restated				As restated	
	2019	2018	2019	2018	2019	2018
Land and construction in progress	\$ 861,940	\$ 719,664	\$ 1,327,706	\$ 857,920	\$ 2,189,646	\$ 1,577,584
Buildings and Improvements	2,462,462	2,420,934	6,709,916	6,563,741	9,172,378	8,984,675
Equipment and other	357,375	343,492	1,000,708	929,059	1,358,083	1,272,551
Collections	48,712	49,771	21	21	48,733	49,792
Intangibles	59,193	58,391	38,807	34,499	98,000	92,890
Infrastructure	1,833,295	1,744,758	-	-	1,833,295	1,744,758
Less accumulated depreciation	(2,262,750)	(2,155,553)	(3,940,355)	(3,744,555)	(6,203,105)	(5,900,108)
Total	\$ 3,360,227	\$ 3,181,457	\$ 5,136,803	\$ 4,640,685	\$ 8,497,030	\$ 7,822,142

Major capital asset activity for the year ended December 31, 2019, included the following:

- Governmental Activities - Work on the National Western Center (NWC) commenced and includes costs related to land acquisition within the NWC campus boundaries, preparation for rail consolidation, environmental analysis, preliminary design, engineering and construction.
- Business-type Activities - Wastewater's net capital assets increased approximately \$78,008,000 primarily due to the completion of bond-funded projects. The Denver Airport System had a 10.40% increase in capital assets due to additional capital assets entering service and additions to construction in progress related to the 2019-2022 capital program.

Additional information on the City's capital asset activity for the year can be found in **Note III-D** in the notes to basic financial statements.

Bonded Debt

At December 31, 2019, the City had total bonded indebtedness of \$7,448,412,000. Of this amount, \$842,856,000 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt, \$6,605,556,000 represents bonds and commercial paper notes secured by specified revenue sources (i.e., revenue bonds of the Denver Airport System, Wastewater Management, and excise tax revenue bonds). The City has no outstanding commercial paper notes as of December 31, 2019.

As of December 31, 2019, the City's general obligation debt is rated AAA by Standard & Poor's rating agency, Fitch Ratings, and Moody's Investors Service. Outstanding bonded debt at December 31, 2019, and 2018, is reflected in **Table 4** (dollars in thousands).

Table 4

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 842,856	737,991	\$ -	\$ -	\$ 842,856	\$ 737,991
Revenue bonds	611,596	629,385	5,993,960	6,249,765	6,605,556	6,879,150
Total	\$ 1,454,452	\$ 1,367,376	\$ 5,993,960	\$ 6,249,765	\$ 7,448,412	\$ 7,617,141

Additional information on the City's bonded debt for the year can be found in **Note III-G** in the notes to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Controller's Office
201 W Colfax Avenue, Dept 1109
Denver, CO 80202

This report is available online at www.denvergov.org/finance.

Basic Financial

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Statement of Net Position

December 31, 2019 (dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash on hand	\$ 6,601	\$ -	\$ 6,601	\$ -
Cash and cash equivalents	1,734,002	63,452	1,797,454	82,509
Investments	-	1,171,660	1,171,660	197
Receivables (net of allowances):				
Taxes	620,948	-	620,948	171,060
Notes	64,118	-	64,118	-
Accounts	23,347	88,073	111,420	4,738
Accrued interest	9,264	7,503	16,767	398
Other	-	-	-	15,508
Due from other governments	63,477	-	63,477	-
Internal balances	34,131	(34,131)	-	-
Inventories	200	10,775	10,975	-
Prepaid items and other assets	13,337	17,748	31,085	2,349
Restricted assets:				
Cash and cash equivalents	232,501	93,796	326,297	37,027
Investments	-	2,522,351	2,522,351	260,187
Accounts receivable	-	15,786	15,786	-
Accrued interest receivable	-	12,571	12,571	-
Long-term receivables (net of allowances)	36,948	30,552	67,500	-
Prepaid expense	-	329	329	-
Interest rate swaps	-	4,589	4,589	-
Assets held for disposition	9,755	-	9,755	-
Capital assets:				
Land and construction in progress	861,940	1,327,706	2,189,646	42,613
Buildings, improvements, infrastructure, collections, and equipment, net of accumulated depreciation	2,498,287	3,809,097	6,307,384	157,986
Total Assets	6,208,856	9,141,857	15,350,713	774,572
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	24,617	4,106	28,723	-
Deferred loss on refundings	13,546	75,338	88,884	18,241
Items related to OPEB and pension plans	506,989	70,444	577,433	-
Total Deferred Outflows of Resources	545,152	149,888	695,040	18,241

See accompanying notes to basic financial statements.

Statement of Net Position, continued

December 31, 2019 (dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Vouchers payable	167,055	184,956	352,011	9,720
Accrued liabilities	60,964	24,072	85,036	32,431
Unearned revenue	28,109	16,469	44,578	7,170
Interest rate swaps	27,271	36,097	63,368	-
Advances and advance rent	4,863	40,001	44,864	2,575
Due to taxing unit	514	-	514	-
Due to other governments	-	2,960	2,960	207
Liabilities payable from restricted assets	-	63,762	63,762	-
Noncurrent liabilities:				
Due within one year	185,115	273,095	458,210	33,697
Due in more than one year	3,704,306	6,561,828	10,266,134	686,290
Total Liabilities	4,178,197	7,203,240	11,381,437	772,090
Deferred Inflows of Resources				
Property taxes	510,920	-	510,920	165,384
Deferred gain on refunding	4,011	4,072	8,083	-
Items related to pension and OPEB plans	9,150	5,553	14,703	-
Total Deferred Inflows of Resources	524,081	9,625	533,706	165,384
Net Position				
Net investment in capital assets	1,955,118	517,177	2,472,295	(78,112)
Restricted for:				
Capital projects and grants	1,440,819	19,694	1,460,513	128,908
Emergency use	61,675	-	61,675	83,409
Debt service	216,885	476,888	693,773	35,653
Donor and other restrictions:				
Expendable	-	-	-	17,418
Nonexpendable	3,000	-	3,000	-
Other purposes	23,074	-	23,074	-
Unrestricted (deficit)	(1,648,841)	1,065,121	(583,720)	(331,937)
Total Net Position (Deficit)	\$ 2,051,730	\$ 2,078,880	\$ 4,130,610	\$ (144,661)

See accompanying notes to basic financial statements

Statement of Activities

For the Year Ended December 31, 2019 (dollars in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 553,292	\$ 101,603	\$ 28,415	\$ 15,325
Public safety	724,031	99,548	25,012	40
Public works	378,125	78,883	24,616	59,431
Human services	163,930	470	96,093	-
Health	112,395	2,315	10,604	-
Parks and recreation	111,776	16,491	1,771	30,516
Cultural activities	168,960	87,319	2,317	2,924
Community development	64,884	51,039	17,763	-
Economic opportunity	9,873	668	7,689	-
Interest on long-term debt	74,432	-	-	-
Total Governmental Activities	2,361,698	438,336	214,280	108,236
Business-type Activities:				
Wastewater management	138,617	107,829	-	10,752
Denver airport system	1,059,258	1,021,802	-	15,301
Environmental services	12,997	11,406	-	-
Golf course	12,821	10,137	-	-
Total Business-type Activities	1,223,693	1,151,174	-	26,053
Total Primary Government	\$ 3,585,391	\$ 1,589,510	\$ 214,280	\$ 134,289
Component Units	\$ 265,521	\$ 103,295	\$ 13,636	\$ -

General Revenues, Special Item and Transfers

Taxes

Facilities development admissions

Lodgers

Motor vehicle ownership fee

Occupational privilege

Property

Sales and use

Specific ownership

Telephone

Investment and interest income

Other revenues

Special item

Transfers

Capital asset transfer

Total General Revenues, Special Item and Transfers

Change in net position

Net position (deficit) - January 1, as previously reported

Correction of an error

Net Position (deficit) - January 1, as restated

Net Position (deficit) - December 31

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (407,949)	\$ -	\$ (407,949)	
(599,431)	-	(599,431)	
(215,195)	-	(215,195)	
(67,367)	-	(67,367)	
(99,476)	-	(99,476)	
(62,998)	-	(62,998)	
(76,400)	-	(76,400)	
3,918	-	3,918	
(1,516)	-	(1,516)	
(74,432)	-	(74,432)	
(1,600,846)	-	(1,600,846)	
-	(20,036)	(20,036)	
-	(22,155)	(22,155)	
-	(1,591)	(1,591)	
-	(2,684)	(2,684)	
(1,600,846)	(46,466)	(1,647,312)	
			\$ (148,590)
15,859	-	15,859	-
134,047	-	134,047	120,988
32,020	-	32,020	-
54,940	-	54,940	-
479,346	-	479,346	37,595
896,924	-	896,924	-
88	-	88	5,883
13,208	-	13,208	-
83,806	181,626	265,432	4,128
57,196	70,781	127,977	76,341
-	(65,793)	(65,793)	-
1,324	(1,324)	-	-
1,282	(1,282)	-	-
1,770,040	184,008	1,954,048	244,935
169,194	137,542	306,736	96,345
1,930,534	1,941,338	3,871,872	(241,006)
(47,998)	-	(47,998)	-
1,882,536	1,941,338	3,823,874	(241,006)
\$ 2,051,730	\$ 2,078,880	\$ 4,130,610	\$ (144,661)

Balance Sheet - Governmental Funds

December 31, 2019 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Assets				
Cash on hand	\$ 171	\$ 40	\$ 6,390	\$ 6,601
Cash and cash equivalents	221,393	88,534	1,376,711	1,686,638
Receivables (net of allowances of \$158,458):				
Taxes	238,457	72,906	309,585	620,948
Notes	2,735	-	61,383	64,118
Accounts	30,128	209	28,822	59,159
Accrued interest	2,495	1	6,465	8,961
Interfund receivable	37,758	15	238	38,011
Due from other governments	5	9,977	53,495	63,477
Prepaid items and other assets	11,651	-	1,686	13,337
Restricted assets:				
Cash and cash equivalents	84,654	-	147,847	232,501
Assets held for disposition	-	-	9,755	9,755
Total Assets	\$ 629,447	\$ 171,682	\$ 2,002,377	\$ 2,803,506
Liabilities and Fund Balances				
Liabilities:				
Vouchers payable	\$ 52,785	\$ 8,771	\$ 104,419	\$ 165,975
Accrued liabilities	30,987	2,211	3,013	36,211
Due to taxing units	483	-	31	514
Interfund payable	16	1,436	2,617	4,069
Unearned revenue	454	-	27,751	28,205
Advances	97	306	4,460	4,863
Compensated absences	-	-	33	33
Total Liabilities	84,822	12,724	142,324	239,870
Deferred Inflows of Resources:				
Unavailable revenues - property taxes levied in advance	155,651	73,458	281,402	510,511
Unavailable revenues - long-term receivables	18,893	-	18,055	36,948
Total Deferred Inflows of Resources	174,544	73,458	299,457	547,459
Fund Balances:				
Nonspendable	11,651	-	4,686	16,337
Restricted	85,127	85,500	1,550,650	1,721,277
Committed	74,677	-	4,203	78,880
Assigned	-	-	1,057	1,057
Unassigned	198,626	-	-	198,626
Total Fund Balances	370,081	85,500	1,560,596	2,016,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 629,447	\$ 171,682	\$ 2,002,377	\$ 2,803,506

See accompanying notes to basic financial statements.

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

December 31, 2019 (dollars in thousands)

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance-governmental funds.	\$ 2,016,177
Capital assets used in governmental activities, excluding internal service funds of \$2,414 are not financial resources, and therefore, are not reported in the funds.	3,357,813
Accrued interest payable not included in the funds.	(24,426)
Deferred inflow of resources related are not available to pay for current period expenditures and therefore, are not recorded in the funds.	
Pensions	(7,342)
Gain on refunding	(4,011)
OPEB	(1,808)
Long term receivables	36,948
Property tax	(409)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:	
Accumulated decrease in fair value of hedging derivatives	24,617
Pensions	476,006
Loss on refunding	13,546
OPEB	30,983
Interest rate swap liability.	(27,271)
Internal service funds are used by management to charge the cost of these funds to their primary users-governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	20,831
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds (this excludes internal service liabilities of \$29,497).	(3,859,924)
Net position of governmental activities	<u>\$ 2,051,730</u>

See accompanying notes to basic financial statements

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Facilities development admission	\$ -	\$ -	\$ 15,859	\$ 15,859
Lodgers	34,968	-	99,079	134,047
Motor vehicle ownership fee	32,020	-	-	32,020
Occupational privilege	54,940	-	-	54,940
Property	131,294	73,949	274,103	479,346
Sales and use	720,416	-	176,508	896,924
Specific ownership	-	-	88	88
Telephone	1,486	-	11,722	13,208
Special assessments	-	-	1,818	1,818
Licenses and permits	67,754	-	1,568	69,322
Intergovernmental revenues	40,509	95,484	144,428	280,421
Charges for services	216,736	552	95,720	313,008
Investment and interest income	26,915	2	56,454	83,371
Fines and forfeitures	39,182	-	397	39,579
Contributions	61	609	6,477	7,147
Other revenue	11,379	138	55,676	67,193
Total Revenues	1,377,660	170,734	939,897	2,488,291
Expenditures				
Current:				
General government	318,230	-	148,293	466,523
Public safety	631,274	-	87,650	718,924
Public works	162,932	-	201,166	364,098
Health	57,764	-	49,459	107,223
Human services	1,910	162,364	-	164,274
Parks and recreation	80,846	-	18,331	99,177
Cultural activities	54,135	-	88,671	142,806
Community development	33,598	-	41,453	75,051
Economic opportunity	1,692	-	7,949	9,641
Debt service:				
Principal retirement	18,674	1,690	125,748	146,112
Interest	7,521	137	67,439	75,097
Capital outlay	-	-	170,325	170,325
Total Expenditures	1,368,576	164,191	1,006,484	2,539,251
Excess (deficiency) of revenues over (under) expenditures	9,084	6,543	(66,587)	(50,960)
Other Financing Sources (Uses)				
Sale of capital assets	755	-	13,674	14,429
Issuance of capital leases	4,888	-	-	4,888
Bond premium	-	-	25,821	25,821
Bond premium - refunding	-	-	6,273	6,273
Payment to escrow	-	-	(56,221)	(56,221)
Issuance of bonds	-	-	199,175	199,175
Issuance of bonds - refunding	-	-	50,140	50,140
Insurance recoveries	233	-	732	965
Transfers in	50,405	5,400	164,065	219,870
Transfers out	(80,064)	(8,694)	(129,788)	(218,546)
Total Other Financing Sources (Uses)	(23,783)	(3,294)	273,871	246,794
Net change in fund balances	(14,699)	3,249	207,284	195,834
Fund balances - January 1	384,780	82,251	1,353,312	1,820,343
Fund Balances - December 31	\$ 370,081	\$ 85,500	\$ 1,560,596	\$ 2,016,177

See accompanying notes to basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019 (dollars in thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 195,834
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Governmental funds report capital outlays as expenditures. However, 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 amount by which capital outlay and capital related expenditures exceeded depreciation expense in the current period:

Capital expenditures excluding capital transfer	304,157
Depreciation expense (excluding internal service)	(159,549)
Loss on disposal of assets	(3,497)

Certain revenues are recorded in the funds under modified accrual but not considered revenue in the statement of activities.

Donation of capital assets from enterprise funds	1,282
Donation of capital assets from others	34,948

The issuance of long-term debt and other obligations (e.g., bonds, certificates of participation, and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on change in net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

These differences in the treatment of long-term debt and related items consist of:

General obligation bonds	(249,315)
Capital lease obligations	(4,888)
Premium on debt issued in current year	(32,094)
Principal retirement on bonds	167,405
Amortization of premium, discounts, and deferred gain (loss) on refunding	(1,978)
Capital lease principal payments	32,942
Principal payments on GID revenue note	87
Principal payments on intergovernmental agreement	616

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences (excluding internal service)	(7,090)
Accrued interest payable	665
Legal liability	(1,700)
Amortization of imputed debt-swap	435
Portion of pension expense that do not require current financial resources	(397,535)
Pension amortization	294,104
Portion of OPEB and OPEB implicit expense that do not require current financial resources	(20,560)
OPEB and OPEB implicit amortization	17,297

Internal service funds are used by management to charge their cost to individual funds. The net expense of certain activities of internal service funds is reported within governmental activities.

(2,372)

Change in net position of governmental activities

\$ 169,194

See accompanying notes to basic financial statements

Statement of Net Position - Proprietary Funds

December 31, 2019 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,327	\$ 28,948
Investments	30,777	169,964
Receivables (net of allowance for uncollectibles of \$2,599):		
Accounts	25,526	59,674
Accrued interest	1,145	6,220
Inventories	-	10,613
Interfund receivable	453	-
Prepaid items and other assets	182	17,564
Restricted assets:		
Cash and cash equivalents	-	87,543
Investments	9,620	417,532
Accounts receivable	-	15,786
Accrued interest receivable	-	12,541
Total Current Assets	75,030	826,385
Noncurrent assets:		
Investments - restricted	42,269	2,052,930
Investments - unrestricted	135,237	835,682
Capital assets:		
Land and construction in progress	138,154	1,185,025
Buildings and improvements	17,975	4,299,531
Improvements other than buildings	1,046,032	1,306,005
Machinery and equipment	15,195	974,696
Collections		
Intangibles	6,375	32,432
Accumulated depreciation	(347,863)	(3,572,991)
Net capital assets	875,868	4,224,698
Long-term receivables (net of allowances)	-	30,548
Prepaid expense and other	-	329
Interest rate swaps	-	4,589
Total Noncurrent Assets	1,053,374	7,148,776
Total Assets	1,128,404	7,975,161
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging activities	-	4,106
Deferred loss on refundings	236	75,102
Items related to pension and OPEB plans	13,560	52,164
Total Deferred Outflows of Resources	13,796	131,372

See accompanying notes to basic financial statements

	Other Enterprise Funds		Total Enterprise Funds		Governmental Activities Internal Service Funds
	\$ 27,177		\$ 63,452		\$ 47,364
	-		200,741		-
	2,873		88,073		1,136
	138		7,503		303
	162		10,775		200
	1,723		2,176		20
	2		17,748		-
	6,253		93,796		-
	-		427,152		-
	-		15,786		-
	30		12,571		-
	38,358		939,773		49,023
	-		2,095,199		-
	-		970,919		-
	4,527		1,327,706		-
	40,373		4,357,879		5,046
	-		2,352,037		-
	10,817		1,000,708		2,769
	21		21		-
	-		38,807		-
	(19,501)		(3,940,355)		(5,401)
	36,237		5,136,803		2,414
	4		30,552		-
	-		329		-
	-		4,589		-
	36,241		8,238,391		2,414
	74,599		9,178,164		51,437
	-		4,106		-
	-		75,338		-
	4,720		70,444		-
	4,720		149,888		-

continued

Statement of Net Position - Proprietary Funds, continued

December 31, 2019 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Liabilities		
Current liabilities:		
Vouchers payable	\$ 2,249	\$ 158,477
Revenue bonds payable	7,395	-
Revenue credit payable	-	40,000
Accrued Liabilities	2,302	21,473
Unearned revenue	15,970	-
Interfund payable	2,966	31,467
Advance rent	-	40,001
Capital lease obligations	758	-
Compensated absences	780	2,579
Claims reserve	-	-
Construction payable	23,317	-
Due to other governments	2,960	-
OPEB implicit rate subsidy	173	662
Current liabilities (payable from restricted assets):		
Vouchers payable	-	2,329
Retainages payable	-	26,832
Notes payable	-	2,192
Accrued interest and other liabilities	-	29,114
Other accrued liabilities	-	5,063
Revenue bonds payable	-	216,290
Total Current Liabilities	58,870	576,479
Noncurrent liabilities:		
Interest rate swaps	-	36,097
Notes payable	-	2,235
Revenue bonds payable, net	249,853	5,955,004
Net pension and OPEB liability	50,102	212,643
Capital lease obligations	3,580	-
Compensated absences	2,865	7,579
Legal and claims reserve	-	56,500
Total Noncurrent Liabilities	306,400	6,270,058
Total Liabilities	365,270	6,846,537
Deferred Inflows of Resources		
Deferred gain on refunding of debt	-	4,072
Items related to pension and OPEB plans	921	4,279
Total Deferred Inflows of Resources	921	8,351
Net Position		
Net investment in capital assets	643,089	(157,375)
Restricted for:		
Capital projects	-	13,835
Debt service	-	476,888
Unrestricted	132,920	918,297
Total Net Position	\$ 776,009	\$ 1,251,645

Adjustment to reflect consolidation of internal service fund activities
related to enterprise funds

Net position of business-type activities

See accompanying notes to basic financial statements

				Governmental Activities	
				Internal Service Funds	
Other Enterprise Funds		Total Enterprise Funds			
\$	913	\$	161,639	\$	983
	655		8,050		-
	-		40,000		-
	297		24,072		65
	499		16,469		-
	1,644		36,077		61
	-		40,001		-
	986		1,744		-
	562		3,921		119
	-		-		9,566
	-		23,317		-
	-		2,960		-
	63		898		-
	424		2,753		-
	-		26,832		-
	-		2,192		-
	-		29,114		-
	-		5,063		-
	-		216,290		-
	6,043		641,392		10,794
	-		36,097		-
	-		2,235		-
	-		6,204,857		-
	17,491		280,236		-
	3,133		6,713		-
	843		11,287		237
	-		56,500		19,575
	21,467		6,597,925		19,812
	27,510		7,239,317		30,606
	-		4,072		-
	353		5,553		-
	353		9,625		-
	31,463		517,177		2,414
	5,859		19,694		-
	-		476,888		-
	14,134		1,065,351		18,417
\$	51,456		2,079,110	\$	20,831
			(230)		
		\$	2,078,880		

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	<u>Business-type Activities - Enterprise Funds</u>	
	Wastewater Management	Denver Airport System
Operating Revenues		
Charges for services	\$ 107,829	\$ 867,793
Other revenue	64,121	-
Total Operating Revenues	<u>171,950</u>	<u>867,793</u>
Operating Expenses		
Personnel services	31,629	194,317
Contractual services	20,111	241,264
Supplies and materials	1,440	28,649
Depreciation and amortization	23,479	203,321
District water treatment charges	52,209	-
Other operating expenses	334	63,742
Legal and claims reserve	-	56,500
Total Operating Expenses	<u>129,202</u>	<u>787,793</u>
Operating income	42,748	80,000
Nonoperating Revenues (Expenses)		
Investment and interest income	9,211	171,096
Passenger facility charges	-	132,484
Customer facility fee	-	21,525
Intergovernmental revenue	2,952	-
Disposition of assets	270	-
Interest expense	(8,849)	(270,394)
Other revenue (expense)	(1,845)	(1,054)
Net Nonoperating Revenues (Expenses)	<u>1,739</u>	<u>53,657</u>
Income before capital grants, contributions, and transfers	44,487	133,657
Capital grants and contributions	10,752	15,301
Transfers out	(13)	-
Capital asset transfer	(14,371)	(485)
Special item	-	(65,793)
Change in net position	40,855	82,680
Net position - January 1	735,154	1,168,965
Net Position - December 31	<u>\$ 776,009</u>	<u>\$ 1,251,645</u>

Change in net position of enterprise funds
 Adjustment to reflect consolidation of internal service fund activities
 related to enterprise funds

Change in net position of business-type activities

See accompanying notes to basic financial statements.

	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	\$ 21,543	\$ 997,165	\$ 19,057
	3,374	67,495	681
	24,917	1,064,660	19,738
	14,197	240,143	2,703
	6,032	267,407	2,277
	1,238	31,327	7,659
	1,962	228,762	74
	-	52,209	9,380
	2,334	66,410	1,094
	-	56,500	1,885
	25,763	942,758	25,072
	(846)	121,902	(5,334)
	1,319	181,626	2,548
	-	132,484	-
	-	21,525	-
	90	3,042	-
	(26)	244	-
	(52)	(279,295)	-
	-	(2,899)	-
	1,331	56,727	2,548
	485	178,629	(2,786)
		26,053	-
	(1,311)	(1,324)	-
	14,856	-	-
	-	(65,793)	-
	14,030	137,565	(2,786)
	37,426	1,941,545	23,617
	\$ 51,456	\$ 2,079,110	\$ 20,831
		\$ 137,565	
		(23)	
		\$ 137,542	

Statement of Cash Flows - Proprietary Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Cash Flows From Operating Activities		
Receipts from customers	\$ 174,203	\$ 887,667
Payments to suppliers	(66,527)	(304,109)
Payments to employees	(27,030)	(177,250)
Other receipts	-	-
Interfund activity	(9,554)	(21,318)
Claims paid	-	-
Net Cash Provided by (Used in) Operating Activities	71,092	384,990
Cash Flows From Noncapital Financing Activities		
Operating grants received	-	-
Transfers (out)	(13)	-
Net Cash (Used In) Noncapital Financing Activities	(13)	-
Cash Flows From Capital and Related Financing Activities		
Proceeds from issuance of debt	-	412,325
Bond issue costs	-	(897)
Principal payments	(7,791)	(191,633)
Interest payments	(9,756)	(290,683)
Passenger facility charges	-	131,189
Car rental customer facility charges	-	22,596
Payments on capital assets acquired through construction payables	(24,029)	-
Acquisition and construction of capital assets	(86,650)	(597,314)
Payments to escrow for current refunding of debt	-	(431,950)
Proceeds from sale of assets	270	511
Contributions and advances	3,016	17,306
Intergovernmental revenues	2,952	-
Net Cash Provided by (Used In) Capital and Related Financing Activities	(121,988)	(928,550)
Cash Flows From Investing Activities		
Purchases of investments	(547,733)	(2,134,790)
Proceeds from sale of investments	587,983	2,605,017
Sale of assets held for disposition	-	183
Payments to maintain assets held for disposition	-	(29)
Payments from swap termination	-	(32,061)
Interest received	9,080	95,566
Net Cash Provided by (Used In) Investing Activities	49,330	533,886
Net increase (decrease) in cash and cash equivalents	(1,579)	(9,674)
Cash and cash equivalents - January 1	8,906	126,165
Cash and Cash Equivalents - December 31	\$ 7,327	\$ 116,491

See accompanying notes to basic financial statements

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 21,779	\$ 1,083,649	\$ 19,484
(9,228)	(379,864)	(11,176)
(12,395)	(216,675)	(2,699)
3,378	3,378	681
-	(30,872)	-
-	-	(9,380)
3,534	459,616	(3,090)
90	90	-
(1,311)	(1,324)	-
(1,221)	(1,234)	-
-	412,325	-
-	(897)	-
(620)	(200,044)	-
(52)	(300,491)	-
-	131,189	-
-	22,596	-
-	(24,029)	-
(3,039)	(687,003)	(1,502)
-	(431,950)	-
-	781	-
-	20,322	-
-	2,952	-
(3,711)	(1,054,249)	(1,502)
-	(2,682,523)	-
-	3,193,000	-
-	183	-
-	(29)	-
-	(32,061)	-
1,275	105,921	2,540
1,275	584,491	2,540
(123)	(11,376)	(2,052)
33,553	168,624	49,416
\$ 33,430	\$ 157,248	\$ 47,364

continued

Statement of Cash Flows - Proprietary Funds, continued

For the Year Ended December 31, 2019 (dollars in thousands)

	Business-type Activities - Enterprise Funds	
	Wastewater Management	Denver Airport System
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$ 42,748	\$ 80,000
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	23,479	203,321
Loss on disposal of assets	-	-
Changes in Assets and Liabilities		
Accounts receivable, net of allowance	1,186	16,495
Due to/from other City departments/agencies	(395)	7,108
Interfund receivable	-	-
Inventories	-	925
Prepaid items and other assets	16	(1,267)
Vouchers payable	648	516
Unearned revenue	1,462	5,026
Accrued and other liabilities	219	17
Interfund payable	24	-
Due to Metro Wastewater Reclamation District	(2,675)	-
Legal and claims reserved	-	56,500
Deferred outflows of resources pension and OPEB related	-	(29,276)
Deferred inflows of resources pension and OPEB related	-	(8,457)
Net pension and OPEB liability	4,380	54,082
Net Cash Provided by (Used in) Operating Activities	\$ 71,092	\$ 384,990
Noncash Activities		
Assets acquired through capital contributions	\$ 7,736	\$ -
Assets acquired through city capital contributions, net	-	-
Unrealized gain on investments	-	73,074
Unrealized gain on derivatives	-	396
Capital assets acquired through accounts payable	23,317	152,495
Amortization of bond premiums and deferred losses and gains on bond refundings	849	18,737
Net gain (loss) on disposal of capital assets	-	(3,209)
Capital assets transferred to other City departments/agencies	(15,653)	(485)

See accompanying notes to basic financial statements

Other Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ (846)	\$ 121,902	\$ (5,334)
1,962	228,762	74
26	26	-
250	17,931	415
-	6,713	-
91	91	12
(4)	921	(85)
-	(1,251)	-
21	1,185	(67)
(106)	6,382	-
151	387	4
336	360	6
-	(2,675)	-
-	56,500	1,885
(2,919)	(32,195)	-
(543)	(9,000)	-
5,115	63,577	-
\$ 3,534	\$ 459,616	\$ (3,090)
\$ 14,856	\$ 22,592	\$ -
-	-	-
-	396	-
-	175,812	-
-	19,586	-
-	(3,209)	-
14,856	(1,282)	-

Statement of Fiduciary Net Position - Fiduciary Funds

December 31, 2019 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 21,341	\$ 1,584	\$ 44,109
Securities lending collateral	81,272	-	-
Receivables (net of allowance for uncollectibles of \$5,084):			
Taxes	-	-	1,197,263
Accounts	199	-	17
Accrued interest	1,849	-	-
Investments:			
U.S. Government obligations	111,787	-	-
Domestic stocks and bonds	891,497	-	-
International stocks	401,302	-	-
Mutual funds	552,095	-	-
Alternative investments	524,465	-	-
Real estate	175,521	-	-
Other	436,272	-	-
Total Investments	3,092,939	-	-
Prepaid and other assets	36	-	-
Capital assets, net of accumulated depreciation	3,168	-	-
Total Assets	3,200,804	1,584	\$ 1,241,389
Liabilities			
Vouchers payable	8,855	838	16,488
Securities lending obligation	81,762	-	-
Other accrued liabilities	-	53	10,502
Due to taxing units	-	326	1,214,399
Total Liabilities	90,617	1,217	\$ 1,241,389
Net Position			
Net position restricted for pensions	2,258,481	-	
Net position held in trust for OPEB benefits	71,690	-	
Net position held in trust for deferred compensation benefits	780,016	-	
Net position held in trust for other purposes	-	367	
Net Position Restricted for Pensions OPEB and Other Purposes	\$ 3,110,187	\$ 367	

See accompanying notes to basic financial statements.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Pension, Health, and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds
Additions		
Contributions:		
City and County of Denver	\$ 87,997	\$ -
Denver Health and Hospital Authority	4,553	-
Plan members	110,822	-
Total Contributions	203,372	-
Investment earnings:		
Net appreciation in fair value of investments	382,237	-
Interest and dividends	45,768	21
Total Investment Earnings	428,005	21
Less investment expense	(15,006)	-
Net Investment Earnings	412,999	21
Securities lending income (expense):		
Securities lending income	3,379	-
Borrower rebates	(2,753)	-
Agent fees	(157)	-
Net Earnings from Securities Lending	469	-
Total Net Investment Earnings	413,468	21
Total Additions	616,840	21
Deductions		
Benefits	303,203	-
Refunds of contributions	5,481	-
Administrative expenses	4,935	-
Total Deductions	313,619	-
Change in net position	303,221	21
Net position - January 1	2,806,966	346
Net Position -December 31	\$ 3,110,187	\$ 367

See accompanying notes to basic financial statements

Statement of Net Position - Component Units

December 31, 2019 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	National Western Center Authority	Other Component Units	Total
Assets						
Cash and cash equivalents	\$ 3,448	\$ 8,200	\$ 8,396	\$ 1,903	\$ 60,562	\$ 82,509
Investments	-	-	-	-	197	197
Receivables (net of allowances):						
Taxes	-	115,118	39,961	-	15,981	171,060
Accounts	3,227	476	-	-	1,035	4,738
Accrued interest	-	398	-	-	-	398
Other	-	6,041	-	-	9,467	15,508
Prepaid items and other assets	2,023	104	-	9	213	2,349
Restricted Assets:						
Cash and cash equivalents	-	36,504	-	-	523	37,027
Investments	117,229	142,958	-	-	-	260,187
Capital Assets:						
Land and construction in progress	24,321	-	-	-	18,292	42,613
Buildings and improvements	242,342	-	-	32	339	242,713
Machinery and equipment	34,622	286	-	47	7,639	42,594
Accumulated depreciation	(116,679)	(168)	-	(8)	(10,466)	(127,321)
Net Capital Assets	184,606	118	-	71	15,804	200,599
Total Assets	310,533	309,917	48,357	1,983	103,782	774,572
Deferred Outflows of Resources						
Deferred amount on refundings	4,834	12,139	-	-	1,268	18,241
Total Deferred Outflows of Resources	4,834	12,139	-	-	1,268	18,241
Liabilities						
Vouchers payable	3,418	11	-	15	6,276	9,720
Accrued liabilities	10,800	21,249	-	63	319	32,431
Unearned revenue	7,141	-	-	-	29	7,170
Advances	2,261	314	-	-	-	2,575
Due to other governments	-	205	-	-	2	207
Noncurrent liabilities:						
Due within one year	2,545	20,955	9,293	-	904	33,697
Due in more than one year	295,468	231,330	146,715	-	12,777	686,290
Total Liabilities	321,633	274,064	156,008	78	20,307	772,090
Deferred Inflows of Resources						
Property taxes	-	109,442	39,961	-	15,981	165,384
Total Deferred Inflows of Resources	-	109,442	39,961	-	15,981	165,384
Net Position						
Net investment in capital assets	(81,877)	118	-	71	3,576	(78,112)
Restricted for:						
Capital projects	33,925	94,942	-	-	41	128,908
Emergency use	43,750	-	-	-	39,659	83,409
Debt service	1,316	33,943	-	-	394	35,653
Donor and other restrictions:						
Expendable	11,541	5,830	-	47	-	17,418
Unrestricted (deficit)	(14,921)	(196,283)	(147,612)	1,787	25,092	(331,937)
Total Net Position (Deficit)	\$ (6,266)	\$ (61,450)	\$ (147,612)	\$ 1,905	\$ 68,762	\$ (144,661)

See accompanying notes to basic financial statements

Statement of Activities - Component Units

For the Year Ended December 31, 2019 (dollars in thousands)

	Denver Convention Center Hotel Authority	Denver Urban Renewal Authority	Downtown Denver Development Authority	National Western Center Authority	Other Component Units	Total
Expenses	\$ 107,651	\$ 102,455	\$ 5,969	\$ 2,202	\$ 47,244	\$ 265,521
Program Revenues						
Charges for services	102,912	-	-	-	383	103,295
Operating grants and contributions	-	2,995	-	1,560	9,081	13,636
Total Program Revenues	102,912	2,995	-	1,560	9,464	116,931
Net expenses	(4,739)	(99,460)	(5,969)	(642)	(37,780)	(148,590)
General Revenues						
Taxes:						
Lodgers	-	120,988	-	-	-	120,988
Property	-	-	24,054	-	13,541	37,595
Specific ownership	-	5,384	-	-	499	5,883
Investment and interest income	2,412	1,316	114	9	277	4,128
Other revenues	11,503	-	-	1,698	63,140	76,341
Net General Revenues	13,915	127,688	24,168	1,707	77,457	244,935
Change in net position	9,176	28,228	18,199	1,065	39,677	96,345
Net position: January 1	(15,442)	(89,678)	(165,811)	840	29,085	(241,006)
Net Position (Deficit) - December 31	\$ (6,266)	\$ (61,450)	\$ (147,612)	\$ 1,905	\$ 68,762	\$ (144,661)

See accompanying notes to basic financial statements.

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I. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. A summary of the City and County of Denver's significant accounting policies applied in the preparation of these financial statements follows.

Note A – Reporting Entity

The City and County of Denver (City) was incorporated in 1861 and became a Colorado Home Rule City on March 29, 1904, under the provisions of Article XX of the Constitution of Colorado, as amended, when the people of the City ratified a Charter providing for a Mayor-Council form of government. The City is operated by authority of the powers granted by its Charter. The City provides typical municipal services except for education, public housing, and sewage treatment that are administered by other governmental entities.

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 80, Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14. Certain amounts reported in the individual component unit financial statements have been reclassified to conform to the City's accounting policies. Each component unit has a December 31 year-end. Each component unit has a December 31 year-end, with the exception of Denver College Success Corporation who has a September 30 year-end.

1. Blended Component Units

Gateway Village, Denver 14th Street, and RiNo General Improvement District (GID) – The districts were created by the City as separate legal entities pursuant to state statute. Per statute, the City Council serves as ex officio Board of Directors for the districts. District Advisory Boards, appointed by the City Council, conduct and manage all affairs of the districts, which provide capital improvement and maintenance services entirely to the City, subject to overall approval and supervision of the ex officio Board of Directors. The districts are reported herein in the City's special revenue and debt service funds.

2. Discretely Presented Component Units

Cherry Creek North, Cherry Creek Subarea, Colfax, Downtown Denver, Old South Gaylord, West Colfax, Federal Boulevard, Bluebird, Colfax-Mayfair, Five Points, Santa Fe, and RiNo Business Improvement Districts (BID) – Each BID was created by the City as a separate legal entity pursuant to state statute for the purpose of maintaining public improvements and planning development activities within each BID's geographic boundaries. The City appoints the governing boards of the BIDs and is able to impose its will through the approval of the BID's operating budgets.

Caring for Denver Foundtion (CDF) - The CDF was organized as a nonprofit corporation resulting from a City ordinance, which also provides for an increase of sales tax of .25 percentage points to supplement mental health programs. CDF utilizes a portion of this tax to address Denver's mental health and substance misuse needs by growing community informed solution, dismantling stigma, and turning the community's desire to help into action. Of CDF's thirteen-member Board of Directors six are appointed by the Mayor, two are appointed by the Denver District Attorney, and the remaining five are appointed by City Council.

Denver College Success Corporation (DCSC) - The DCSC was organized as a nonprofit corporation resulting from a City ordinance, which also provides for an increase of sales and use tax of .08 percentage points. This tax is utilized by DCSCs to increase post-secondary institution enrollment and completion for City residents by expanding the capacity of scholarship-granting nonprofit organizations to support scholarship recipients. By City ordinance, DCSC is obligated to have a seven-member Board of Directors, which six members are appointed by the Mayor and confirmed by City Council. The remaining Board member is a member of City Council and appointed by City Council.

Denver Convention Center Hotel Authority (DCCHA) – The DCCHA was organized by the City as a nonprofit corporation in accordance with State law for the purpose of owning, acquiring, constructing, equipping, operating and financing a hotel adjacent to the City’s convention center. The Mayor appoints the Board of Directors of the DCCHA, subject to City Council confirmation, and a financial benefit/burden relationship exists as a result of an economic development agreement between the City and DCCHA. According to the agreement DCCHA distributes certain excess revenues to the City, makes payments in lieu of taxes to the City, and has entered into a room block agreement which coordinates the reservation of hotel room blocks with events scheduled at the City’s convention center. The City makes semi-annual economic development payments to the DCCHA, which totaled \$11,000,000 in 2019. The City also has the right to purchase the hotel at the purchase option price per the agreement.

Denver Downtown Development Authority (DDDA) – The DDDA was created for the purpose of promoting public health, safety, prosperity, security, and general welfare in order to halt or prevent deterioration of property values or structures within the central business district and to assist in the development and redevelopment of the central business district, especially to benefit the property within the boundaries of the Authority. The City entered into a cooperation agreement with DDDA in 2009 authorizing the Authority to collect and disburse property and sales tax increment revenues. Historically the DDDA collected property and sales tax increment revenue from the City and disbursed it to the Denver Union Station Project Authority (DUSPA) and the DUS Metropolitan Districts. In 2017, all of the outstanding debt of DUSPA was refinanced, a portion was assumed by the DDDA, and DUSPA was dissolved. Post-refinancing, the DDDA generates revenue from property tax increment, sales tax increment, and pledged revenues from the DUS Metropolitan Districts, Urban Drainage and Flood Control District (d/b/a Mile High Flood District), and School District No. 1 in the City and County of Denver and the State of Colorado. The Central Platte Valley Metropolitan District, Cherry Creek Subarea Business Improvement District, and Market Station Metropolitan Districts also exist within the boundaries of the DDDA and receive property tax revenue from the DDDA. The Board of Directors is appointed by the Mayor and confirmed by City Council, and City Council may remove any director at will. These appointments and the ability of the City to impose its will on the Authority make the City financially accountable for the Authority.

Denver Preschool Program, Inc. (DPP) – DPP is a nonprofit corporation organized to administer the Denver Preschool Program that provides tuition credits for children of Denver families the year before the child is eligible for kindergarten. The City is legally obligated to provide financial support to DPP, as the program is funded by a sales and use tax increase of fifteen one-hundredths of one percent (0.15%) that was voter-approved through December 2026. The Mayor appoints 10 of the 11 DPP board members and City Council appoints a council member as the other board member. The City appointments to the governing body and its financial obligations to DPP make the City financially accountable for the DPP.

Denver Urban Renewal Authority (DURA) – DURA was created as a separate legal entity by the City pursuant to the state Urban Renewal Law to acquire, clear, rehabilitate, conserve, develop or redevelop identified slum or blighted areas existing within the City and to prevent future blight from developing. In addition, for health and safety purposes, DURA provides housing rehabilitation assistance in the form of low-interest loans to low-income Denver homeowners through two City housing rehabilitation programs.

The Mayor appoints the DURA board of directors subject to City Council approval. Any urban renewal project undertaken by DURA must receive prior approval by the City. A significant amount of DURA's financing comes from incremental property and sales tax revenue from the City. In 2009, DURA established Denver Neighborhood Revitalization, Inc. (DNRI), a registered State of Colorado not-for-profit organization and component unit of DURA, to address the needs in the Denver community related to foreclosed and/or abandoned homes through the administration of the Neighborhood Stabilization Program (NSP) funds awarded by the City and County of Denver. DNRI administered this program under contract with the City. The contract ended in March 2019 and management of DNRI are evaluating further operations for additional ways DNRI can continue its mission of neighborhood revitalization. In 2019, DURA implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. For presentation purposes, DURA and DNRI financial activity is combined.

National Western Center Authority – The National Western Center Authority is a Colorado nonprofit corporation that partners with the City to program, operate, and maintain the year-round campus for agricultural education, innovation, and entertainment. The actions of the Authority are guided by a 13-person board, made up of 11 voting directors and two non-voting directors. The voting directors include six appointments by the Denver mayor: two Colorado State University appointees, two Western Stock Show Association appointees, and one Globeville, Elyria, or Swansea resident mayoral appointee. A second Globeville, Elyria, or Swansea resident will be appointed by the mayor as a non-voting director. The City Chief Financial Officer will also serve as a non-voting director and Treasurer of the Board. The funding for the Authority's work comes from the partners as defined in the Framework agreement between the City and County of Denver, Western Stock Show Association, and Colorado State University.

Complete financial statements, as applicable, for the following individual component units can be obtained from their respective administrative offices:

Bluebird BID

8005 South Chester Street, Suite 150
Centennial, Colorado 80112

Cherry Creek North BID

299 Milwaukee Street, Suite 201
Denver, Colorado 80206

Colfax BID

P. O. Box 18853
Denver, Colorado 80218

Downtown Denver BID

511 16th Street, Suite 200
Denver, Colorado 80202

Denver College Success Corporation

789 Sherman Street, Suite 610
Denver, Colorado 80203

Denver Downtown Development Authority

201 West Colfax Avenue, Department 1109
Denver, Colorado 80202

Caring for Denver Foundation

Kaleidoscope Collaborative Center
1035 Osage Street, 8th Floor
Denver, Colorado 80204

Cherry Creek Subarea BID

1573 South Jamaica Street
Denver, Colorado 80012

Colfax-Mayfair BID

P. O. Box 202161
Denver, Colorado 80220

Denver 14th Street GID

1515 Arapahoe Street, Tower 3, Suite 100
Denver, Colorado 80202

Denver Convention Center Hotel Authority

1225 17th Street, Suite 3050
Denver, Colorado 80202

Denver Preschool Program, Inc.

305 Park Avenue West, Suite B
Denver, Colorado 80205

Denver Urban Renewal Authority

1555 California Street, Suite 200
Denver, Colorado 80202

Five Points BID

1127 Sherman Street, Suite 100
Denver, Colorado 80205

National Western Center Authority

1705 17th Street, Suite 200
Denver, Colorado 80202

RiNO BID/GID

3525 Walnut Street
Denver, Colorado 80205

West Colfax BID

3275 West 14th Avenue, Suite 202
Denver, Colorado 80207

Federal Boulevard BID

P. O. Box 11817
Denver, Colorado 80211

Gateway Village GID

8390 E. Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

Old South Gaylord BID

1076 South Gaylord Street
Denver, Colorado 80209

Santa Fe BID

725 Santa Fe Drive
Denver, Colorado 80204

3. Fiduciary Component Unit.

Denver Employees Retirement Plan (DERP) – The DERP is a separate legal entity established by City ordinance to provide pension benefits for substantially all City employees, except police officers and fire fighters. The Mayor appoints the members of the DERP governing board. The DERP is presented herein in the City's fiduciary funds as Pension and Health Benefits Trust Funds. The net position of the DERP is held for the sole benefit of the participants and is not available for appropriation by the City.

4. Related Organizations.

The City appoints members to the boards of the following organizations. The City's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

Denver Health and Hospital Authority (Authority) – The Authority is a political subdivision and body corporate of the State of Colorado. The Authority is governed by a nine-member board, all appointed by the Mayor. The Authority entered into contractual agreements with the City to obtain and operate the City's existing hospital system. In accordance with the contractual agreements between the Authority and the City, the City paid the Authority \$123,277,000 for providing various health related services to the City and its residents during 2019. In addition, the Authority made payments in the amount of \$1,215,000 to the City for human services, fleet, sheriff, and various human resources services.

Denver Housing Authority (DHA) – The DHA was created by ordinance in accordance with U.S. Department of Housing and Urban Development (HUD) regulations. Its five-member board, appointed by the Mayor, controls the daily administration and operations of the DHA. The DHA is dependent on Federal funds from HUD and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control over the DHA.

Denver Public Library Trust (DPL Trust) – The DPL Trust is a charitable entity formed by the Library Commission and the DPL Friends Foundation to accept inherited interests through a bequest. All assets of the DPL Trust derive from a percentage of an interest in two real estate partnerships. The Library

Commission appoints the trustees of the DPL Trust. All funds received by the DPL Trust are deposited into a bank account managed by the DPL Trust and quarterly transferred to the DPL Friends Foundation. The monies may be requested during the Denver Public Library's annual budget request from the DPL Friends Foundation.

Denver Water Board – The Denver Water Board was created pursuant to the City Charter as a separate legal entity to oversee the City's water system. The Denver Water Board's five-member governing body is appointed by the Mayor, but the City is not financially accountable for the Denver Water Board because the Denver Water Board has the power to levy property taxes to support general obligation bonds issued by the Denver Water Board and the Denver Water Boards' determination of the necessity for the mill levy would be subject to approval or modification by the City. The Denver Water Board had no general obligation bonds outstanding as of December 31, 2019, and no longer has authority to issue general obligation bonds.

Lowry Economic Redevelopment Authority (Lowry) – Lowry was created as a public entity by contract between the City and another local government under the Colorado Governmental Immunity Act, CRS Section 24-10-01. Lowry is a separate legal entity intended to maintain, manage, promote, and implement economic redevelopment of the former Lowry Air Force Base. The City is not fiscally accountable for Lowry. Lowry is governed by a nine-member board of directors of which the Mayor appoints seven.

Stapleton Development Corporation (SDC) – The City and DURA created a nonprofit corporation whose objectives would include, but not be limited to, planning an orderly public purpose assessment and redevelopment program for the former Stapleton International Airport property and implementing the redevelopment plan for the property. The SDC board of directors is composed of 11 voting members; the Mayor appoints 9 and 2 are appointed by DURA. All 11 members are confirmed by the City Council. Neither the City nor DURA is financially accountable for SDC, as the City and DURA cannot impose their will on SDC, nor does a financial benefit or burden exist between the entities.

Note B – Government-Wide and Fund Financial Statements

The government-wide financial statements, which include the statement of net position and statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely generally on fees and charges to external parties. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position reports all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference being presented as net position.

The statement of activities demonstrates the extent to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services provided by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, fiduciary funds (even though fiduciary funds are excluded from the government-wide financial statements), and component units. The

emphasis of fund financial statements is on major governmental funds, enterprise funds, and component units, each reported as a separate column. All remaining governmental funds, enterprise funds, and component units, are aggregated and reported as nonmajor funds.

Note C – Measurement Focus, Basis of Accounting, and 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 and fiduciary funds, and discretely presented component unit financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. On an accrual basis, property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The City considers all revenue as available, if collected within 60 days after year end. Property taxes, sales and use taxes, franchise taxes, occupational privilege taxes, interest revenue, fines, and charges for services are susceptible to accrual. Other receipts, licenses, permits, and parking meter revenues become measurable and available when cash is received by the City and are recognized as revenue at that time. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and certain compensated absences and claims and judgments, which are recognized when the payment is due.

The City reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund. This fund is financed primarily by sales tax, property tax, and charges for services.
- The **Human Services special revenue fund** is used to account for proceeds of restricted revenue to be used for public assistance and welfare activities. This fund is financed primarily by intergovernmental revenue and property taxes.

The City reports the following major proprietary funds:

- The **Wastewater Management fund** accounts for the City's storm and sewer operations. This fund is financed primarily by sanitary sewer and storm drainage charges.
- The **Denver Airport System fund** accounts for the operation of the City's airport system which includes Denver International Airport. This fund is financed primarily by facility rentals, parking revenues, and landing fees.

The City reports the Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, Denver Downtown Development Authority, and the National Western Center Authority component units as major component units.

Additionally, the City reports the following fund-types:

- **Internal service funds** account for asphalt plant and workers' compensation services provided to the various departments and agencies of the City on a cost reimbursement basis.
- **Pension trust funds** account for the Denver Employees Retirement Plan, which accumulate resources for pension and health benefit payments to qualified City retirees.

- **Other employee benefits trust fund** accounts for the Deferred Compensation Fund, which holds and administers resources to qualified city employees who participate in the plan. Assets are reserved solely for deferred compensation benefits.
- The **private-purpose trust funds** are used to account for resources legally held in trust by the City for use by various organizations for various purposes, such as COBRA payments and unclaimed warrants. All resources of the funds, including any earnings on invested resources, may be used to support the various activities of the organizations. There is no requirement to preserve the resources as capital.
- **Agency funds** account for clearing funds for payroll and benefit provider payments, and collected receipts being temporarily held for allocation to other entities. The agency funds are custodial in nature and do not involve measurement of results of operations. The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, the City uses the restricted resources first, then unrestricted resources as needed. If no other restrictions exist, the order of spending of resources will be committed, assigned, and lastly unassigned.

Note D – Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances

1. **Cash and Investments.** For the primary government, except when prohibited by trust agreements, the operating cash in each fund is maintained in one consolidated pool by the City. Cash in excess of operating requirements is invested by the City. The City Charter, Section 2.5.3(C) and the Denver Revised Municipal Code, Section 20-21, authorize that investments may be made in U.S. Government obligations, its agencies and sponsored corporations, prime commercial paper, prime bankers' acceptances, certificates of deposit issued by eligible banks and savings and loan associations, local government investment pools, repurchase agreements, forward purchase agreements, securities lending agreements, highly rated municipal securities, high grade corporate bonds, asset-backed securities, supranational debt obligations, federal agency collateralized mortgage obligations (CMO), federal agency mortgage pass through securities (MBS), money market funds that purchase only the types of securities specified herein, and other similar securities as may be authorized by ordinance. The pension trust funds and component units maintain deposits and investments outside of the City's investment pools. These are primarily in demand deposits and equities, and U.S. Government obligations.

Investments, unless otherwise noted, are stated at fair value, which is primarily determined based upon quoted market prices or other significant, observable inputs, at year end. Fair values of real estate and other investments are determined by independent periodic appraisals. Investments in repurchase agreements and the guaranteed investment contract are stated at cost, while investments in the local government investment pools and certain investments in the Fiduciary Funds are stated at net asset value (NAV).

- 2. Cash Equivalents.** The City's investments held in the consolidated pool with original maturities of three months or less from the purchase date are classified as cash equivalents. For investments owned by wastewater, the airport system, the pension trust funds, and the component units, investments with original maturities of three months or less from the date of purchase are considered cash equivalents.
- 3. Property Taxes Receivable.** Property taxes are reported as a receivable and as deferred inflows of resources when the levy is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes receivable is reduced by an allowance for uncollectible taxes. Included in property taxes receivable is an amount of assessed property tax that is expected to be reimbursed to the City by the State for the State's Senior Veteran Property Tax Exemption program rather than being paid by the taxpayer themselves. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Tax rate levy authority for the 2019 fiscal year was approved when Resolution 1070, Series of 2019, was adopted by the City Council and approved by the Mayor.
- 4. Water and Wastewater Service Accounts.** Sanitary sewer accounts are maintained, billed, and collected by the Water Board in connection with its water accounts. The Wastewater Management enterprise fund is responsible for billing and collecting storm drainage charges using a cycle billing system. Flat rate accounts and certain cycle billings are billed in advance on a monthly basis and revenues relating to future years are classified as unearned revenue. Metered accounts are billed in arrears and have been accrued.
- 5. Interfund Receivables/Payables.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The balances from these transactions are classified as "interfund receivable" or "interfund payable" on the balance sheet/statement of net position. Other interfund receivables/payables between individual funds have occurred because some funds have overdrawn their equity share of pooled cash.
- 6. Due from Other Governments.** Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are unearned. In the governmental funds, revenue recognition also depends on the timing of cash collections (availability).
- 7. Inventories and Prepaid Items.** The City values inventories at cost, which approximates market, and accounts for them using either the weighted average method or the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items in the governmental funds are recorded as an expense when consumed.
- 8. Restricted Assets.** Certain assets of the General Fund, General Government special revenue fund and certain component units are classified as restricted assets because their use is completely restricted by State statute (see **Note IV-D-8**).

In the General Fund, certain monies related to COPs and capital leases (see **Note III-E-1**) are classified as restricted in accordance with lease requirements.

Certain resources of the governmental activities and the Denver Airport System enterprise fund are classified as restricted assets because their use is limited by applicable bond covenants. These covenants require the accumulation of resources for current principal and interest on both bonds and subordinate bonds, principal and redemption price on term bonds subject to mandatory redemption, principal and interest emergency reserve, and operating and maintenance emergency reserve.

Certain assets of the Environmental Services enterprise fund have been restricted by external parties to be used for future plant and equipment expenditures and payment of certain liabilities.

- 9. Capital Assets.** Land, collections, construction in progress, buildings, equipment, infrastructure, and intangible assets are reported in the applicable governmental or business-type activities, or component unit columns of the government-wide financial statements. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The capitalization threshold of the City is \$5,000 except for internally-generated software, which has a threshold of \$50,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Assets under capital leases are recorded at the present value of future minimum lease payments and are amortized over the shorter of the lease term or the estimated useful life of the asset.

Capital assets of the City and certain component units are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 50 years
Motor vehicles and motorized equipment	5 to 20 years
Furniture, machinery, and equipment	3 to 20 years
Collections, excluding library books	15 years
Library books	4 years
Infrastructure	6 to 50 years
Intangibles	3 to 5 years

Library books are depreciated over a four-year life using the composite method. The Western History artwork collection is not capitalized because these assets are held for public exhibition rather than financial gain and the value cannot be determined. They are protected and preserved and proceeds from any sales must be used to acquire other items for collection. In addition, artwork acquired through the Estate of Clyfford Still is not capitalized because the collection must be held for public exhibition and sale of the collection, or any piece of the collection, is prohibited, under the terms of the will and the donation agreement. A value has not been assigned to the Clyfford Still collection and due to the rarity of the collection combined with restrictions within the will for its ownership and exhibition, its ultimate value may be impossible to establish with any certainty.

Assets held for disposition in governmental funds consist of foreclosed property and land pending future sale. No depreciation is recorded for assets held for disposition.

- 10. Long-term Obligations.** The City records long-term debt and other long-term obligations as liabilities in the government-wide and proprietary fund financial statements. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method or the straight-line method, which is not materially different than the effective-interest method, over the term of the debt. Bond premiums and discounts are presented as an addition or reduction (net) of the face amount of the bond payable. With few exceptions, bonds issued by the City are tax-exempt and subject to federal arbitrage regulations.

In the fund financial statements for governmental fund-types, bond issuance costs, other than prepaid insurance, are recognized as expenditures during the current period even if withheld from actual net proceeds. Bond proceeds and bond premiums are reported as an other financing source. Bond discounts are reported as an other financing use.

11. Compensated Absences. The City has vacation, sick, and paid time off leave policies covering substantially all its employees, as follows:

- Career Service Authority
- Fire and Police Departments' Classified Service
- Undersheriff
- District Attorney and Judges

Employees may accumulate earned but unused benefits up to a specified maximum. The City has recorded an accrued liability for compensated absences in the government-wide and proprietary fund financial statements that was calculated using the vesting method.

12. Unearned Revenues. Unearned revenues reflect amounts that have been received before the City has a legal claim to the funds. In subsequent periods, when the City has a legal claim to the resources, the unearned revenue is removed from the statement of net position/balance sheet and revenue is recognized.

13. Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP) the Statewide Defined Benefit Plan and Old Hire Fire and Police Pension Plans, administered by the Fire and Police Pension Association of Colorado (FPPA) and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various pension plan's fiduciary net position have been determined on the same basis as they are reported by DERP, FPPA, and PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Post-Employment Benefits (OPEB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Denver Employees Retirement Plan (DERP), and the Public Employees' Retirement Association of Colorado Pension Plans (PERA), and additions to/deductions from the various OPEB plan's fiduciary net position have been determined on the same basis as they are reported by DERP, and PERA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Deferred Outflows of Resources and Deferred Inflows of Resources. A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate. The City reports deferred outflows of resources for pension and OPEB related amounts for the City's share of the difference between projected and actual earnings for the City's share of the difference between contributions to the individual plans and the proportionate share of the contributions, for changes of assumptions or other inputs, the difference between expected and actual

experience, and contributions subsequent to the measurement date. Deferred outflows of resources of the City also consist of the accumulated decrease in fair value of hedging derivatives and the deferred loss on refunding.

The City reports deferred inflows of resources for pension and OPEB related amounts in the government wide financial statements or the City's share of the difference between expected and actual experience and for the City's share of the difference between contributions to the individual plans proportionate share of the contributions and the difference between projected and actual earnings. The City also reports deferred inflows of resources for property tax receivables that are levied for the next fiscal year, and deferred gain on refunding.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

- 16. Net Position.** In the government-wide and fund financial statements, net position is the difference between assets, liabilities, deferred inflows of resources, and deferred outflows of resources. Net investment in capital assets, represents capital assets; less accumulated depreciation; and less any outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for capital projects, emergency use, debt service, and by donor restrictions.
- 17. Fund Balance.** In the governmental fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balance classifications based on the nature and extent of the constraints placed on the fund balances.
- 18. Encumbrances.** Encumbrances for contracts and purchase orders are unencumbered at year end and reappropriated against the subsequent year's budget. As of December 31, 2019, the encumbrances reflected in **Table 1** (dollars in thousands) were reappropriated against the 2020 budget for remaining prior year encumbrances.

Table 1

Governmental Activities:

General Fund	\$ 74,677
Human Services Fund	14,059
Other Governmental Funds	341,701
Internal Service Funds	2,618
Total Governmental Activities	\$ 433,055

Business-type Activities:

Wastewater Management	\$ 80,095
Denver Airport System	674,019
Other Enterprise Funds	2,492
Total Business-type Activities	\$ 756,606

- 19. Special Item.** GASB issued pronouncement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments* (GASB 34). GASB 34 defines Special Item as transactions or other events within the control of management that are significant and either unusual in nature or infrequent in occurrence. On August 12, 2019, the City, for and on behalf of the Airport, exercised its right to terminate the Great Hall Agreement for convenience, with an effective termination date of

November 12, 2019. A portion of the cost associated with the termination payments were determined to not be capitalizable and have been recorded as a Special Item on the Statement of Revenues, Expenses, and Changes in Net Position.

Note E – Implementation of New Accounting Principles

Governmental Accounting Standards Board Statement No. 89. In 2019, the City implemented provisions of GASB Statement No. 89 (Statement No. 89), Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 was implemented prospectively therefore any existing capitalized interest costs as of December 31, 2018 will remain capitalized.

Note F - Restatement

Prior Period Adjustment. The financial statements for the year ended December 31, 2018 have been restated as a result of incorrect capitalization related to capital assets and calculation of depreciation expense which resulted in a restatement of beginning net position at January 1, 2019 for the governmental activities. The adjustment reduced governmental activities depreciation expense for 2018 by \$12,447, thereby increasing change in net position of governmental activities for 2018 by \$12,447. The restatement decreased beginning net position by \$47,998,000 for the governmental activities, and the effect of the restatement on beginning balances is reflected in **Table 2** (in thousands):

Table 2

	As Originally Stated	Adjustment	As Restated
Capital assets not being depreciated:			
Land and land rights	\$ 583,127	\$ (325)	\$ 582,802
Construction in progress	214,698	(77,836)	136,862
Total capital assets not being depreciated	797,825	(78,161)	719,664
Capital assets being depreciated:			
Buildings and improvements	2,420,934	-	2,420,934
Equipment and other	337,319	6,173	343,492
Collections	49,771	-	49,771
Intangibles	58,391	-	58,391
Infrastructure	1,733,215	11,543	1,744,758
Total capital assets being depreciated	4,599,630	17,716	4,617,346
Less accumulated depreciation for:			
Buildings and improvements	(937,559)	-	(937,559)
Equipment and other	(247,344)	(1,375)	(248,719)
Collections	(26,100)	(718)	(26,818)
Intangibles	(53,646)	-	(53,646)
Infrastructure	(903,351)	14,540	(888,811)
Total accumulated depreciation	(2,168,000)	12,447	(2,155,553)
Governmental Activities capital assets, net	\$ 3,229,455	\$ (47,998)	\$ 3,181,457

II. Stewardship, Compliance, and Accountability

Note A – Deficit Fund Equity

At December 31, 2019, the Cherry Creek North BID, Denver Convention Center Hotel Authority (DCCHA), the Denver Urban Renewal Authority (DURA), and the Downtown Denver Development Authority component units had deficit net position in the amounts of \$90,000, \$6,266,000, \$61,450,000 and \$147,612,000, respectively.

The DCCHA component unit will use revenue from its hotel facility to fund its deficit net position. DDDA receives sales and property tax revenue to fund its deficit net position. The DURA component unit uses Tax Increment Financing (TIF), which is additional incremental property and sales taxes generated by redevelopment projects, to fund its deficit net position. Cherry Creek North BID receives property tax revenue to fund its deficit net position.

Note B – Excess Expenditures Over Authorizations

There were no budget basis expenditures that exceeded authorization as of December 31, 2019.

III. Detailed Notes for All Funds

Note A – Deposits and Investments

- 1. Deposits.** The City Charter, Section 2.5.3(c), requires all banking or savings and loan institutions to pledge sufficient collateral as required by law (Public Deposit Protection Act (CRS, 11-10.5-101)) before any public funds are deposited. In addition, the City's Investment Policy requires that certificates of deposit be purchased from institutions that are certified as Eligible Public Depositories by the appropriate state regulatory agency. Under the Colorado Public Deposit Protection Act (PDPA), all deposits exceeding the amount insured by the FDIC are to be fully collateralized at 102.00% of the deposits with specific approved securities identified in the act. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held must be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. Deposits collateralized under the PDPA are considered collateralized with securities held by the pledging financial institutions' trust department or agent in the "City's name."

Custodial credit risk is the risk that, in the event of a failure of a financial institution or counterparty, the City would not be able to recover its deposits, investments or collateral securities. At December 31, 2019, the bank balance and carrying amounts of accounts managed by the Manager of Finance (the Manager) were \$9,356,000 and \$16,513,000 respectively. The City's deposits, except for the pension trust fund and certain component units' deposits are subject to, and in accordance with PDPA.

All deposits for DURA, DDDA, and DCCHA were not subject to custodial credit risk at December 31, 2019, since they were covered by FDIC or PDPA. The National Western Center Authority maintains a bank account at one institution, which is insured by the FDIC up to \$250,000. The funds in this account may, at times, exceed the amounts insured by the FDIC. The Authority has never experienced any losses related to these amounts.

- 2. Investments.** It is the policy of the City to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands. The City's Investment Policy applies to all investment activity of the City under the control of the Manager, including investments of certain monies related to all governmental and business-type activities, and trust and agency funds. The City's Investment Policy does not apply to the investments of the deferred compensation plan, the Denver Employee Retirement Plan or component units. The City's investment Policy does not apply to the investments of the deferred compensation plan, the Denver Employee Retirement Plan, or component units. Other monies that may from time to time be deposited with the Manager for investment shall also be administered in accordance with the Investment Policy.

The City Charter, Section 2.5.3(c), and Revised Municipal Code, Section 20-21, authorize the investments that the City can hold. The Investment Policy requires that investments shall be managed in accordance with portfolio theory management principles to compensate for actual or anticipated changes in market interest rates. To the extent possible, investment maturity will be matched with anticipated cash flow requirements of each investment portfolio. Additionally, to the extent possible, investments will be diversified by security type, market sector, and institution. This diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolios. Deviations from expectations shall be reported in a timely fashion and appropriate action taken to control adverse developments.

At December 31, 2019, the City's investment balances, including fiduciary funds were as shown in **Table 3**.

Table 3

City Investment Balances

December 31, 2019 (dollars in thousands)

	Fair Value
Money market funds	\$ 1,000
Local government investment pool	144,927
Common stock	308,387
Commercial paper	124,721
Mutual funds	1,106,914
Municipal bonds	229,614
U.S. Treasury securities	1,267,383
U.S. agency securities	2,017,485
Corporate bonds	1,066,983
Structured products ¹	518,010
Multinational fixed income ²	606,984
Annuity contracts	209,830
Real estate	175,521
Other	1,145,195
Total Investments	\$ 8,922,954

¹Includes asset backed securities, collateralized mortgage obligations, and mortgage backed securities.

²Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

The DERP pension trust fund had securities lending collateral of \$81,272,000 at December 31, 2019; see **Note 7** of the DERP comprehensive annual financial report (available at <https://www.derp.org>) for additional discussion related to this balance.

At December 31, 2019, the investment balances of the discretely presented component units were as shown in **Table 4**.

Table 4**Component Units Investment Balances**

December 31, 2019 (dollars in thousands)

	Fair Value
Money market funds	\$ 158,641
Local government investment pool	937
Certificates of deposit	9,801
Municipal bonds	4,253
Commercial paper	5,934
U.S. Treasury securities	53,125
U.S. agency securities	14,371
Corporate bonds	7,970
Multinational fixed income ¹	5,352
Total Investments	\$ 260,384

¹ Includes supranational securities. Supranationals are U.S. dollar denominated bonds of international organizations such as the World Bank and International Monetary Fund.

A reconciliation of cash and investments as shown in the basic financial statements as of December 31, 2019, is shown in **Table 5**.

Table 5**Reconciliation of Cash and Investments**

December 31, 2019 (dollars in thousands)

Governmental and Business-type Activities	Primary Government	Component Units	Total
Cash on hand	\$ 6,601	\$ -	\$ 6,601
Cash and cash equivalents	1,797,454	82,509	1,879,963
Investments	1,171,660	197	1,171,857
Restricted cash and cash equivalents	326,297	37,027	363,324
Restricted investments	2,522,351	260,187	2,782,538
Total Governmental and Business-type Activities	\$ 5,824,363	\$ 379,920	\$ 6,204,283
Fiduciary			
Cash on hand	\$ -	\$ -	\$ -
Cash and cash equivalents	67,034	-	67,034
Investments	3,092,939	-	3,092,939
Total Fiduciary	\$ 3,159,973	\$ -	\$ 3,159,973
Total	\$ 8,984,336	\$ 379,920	\$ 9,364,256
Less deposit balance ¹	(61,382)	(119,536)	(180,918)
Total	\$ 8,922,954	\$ 260,384	\$ 9,183,338

¹ The carrying amount of the City's deposits of \$30,231,000, less outstanding checks of \$10,052,000, plus petty cash of \$107,000, plus fiduciary cash of \$21,342,000, plus General Improvement District cash of \$1,281,000 and cash

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Equities within all asset classes that are classified in Level 1 are valued using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. The City currently does not maintain equity securities classified as Level 3. Fixed income securities and derivatives within all asset classes that are classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing issued to value securities based on the securities' relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate and agency bonds, bank loans, and structured products. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. The City currently does not maintain fixed income securities classified as Level 3.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a proxy are not classified in the fair value hierarchy. See **Table 7** for further detail. Short-term securities generally include investments in money market-type securities reported at amortized cost, which approximates market or fair value.

Investment derivative instruments determination of fair value consists of a two-step process. First settlement prices are determined by utilizing the income approach under GASB 72 from "mid-market" pricing data available from public and subscription source. The second step is to determine the credit valuation adjustment for the derivative instrument. The purpose of the credit valuation adjustment is to quantify the nonperformance risk of the reporting entity as well as the nonperformance risk of the counterparty. Fair value is then determined as the settlement price of the derivative instrument adjusted by the credit valuation adjust of both the reporting entity's payment obligation and the counterparty's payment obligations.

The City has the following recurring fair value measurements as of December 31, 2019 as shown in **Table 6**:

Table 6

Fair Value Measurements

December 31, 2019 (dollars in thousands)

Governmental and Business-type Activities	Fair Value	Level 1	Level 2	Level 3
Municipal bonds	\$ 227,940	\$ -	\$ 227,940	\$ -
Mutual funds	53	53	-	-
Commercial paper	123,664	-	123,664	-
U.S. Treasury securities	1,227,645	-	1,227,645	-
U.S. agency securities	1,921,601	-	1,921,601	-
Corporate bonds	843,932	-	843,932	-
Structured products	514,175	-	514,175	-
Multinational fixed income	602,396	-	602,396	-
Governmental and Business-type Activities	\$ 5,461,406	\$ 53	\$ 5,461,353	\$ -
Total investments measured at the NAV ¹	143,701	-	-	-
Total other investments not valued at fair value	182,272	-	-	-
Total Governmental and Business-type Activities	\$ 5,787,379	\$ -	\$ -	\$ -

Fiduciary	Fair Value	Level 1	Level 2	Level 3
Municipal Bonds	\$ 1,674	\$ -	\$ 1,674	\$ -
Common stock	308,387	308,387	-	-
Commercial paper	1,057	-	1,057	-
U.S. Treasury securities	39,738	30,145	9,593	-
U.S. agency securities	95,883	-	95,883	-
Corporate bonds	223,051	-	223,051	-
Structured products	3,835	-	3,835	-
Multinational fixed income	4,588	-	4,588	-
Mutual funds	1,106,862	1,106,862	-	-
Other (self directed brokerage)	147,073	147,073	-	-
Total Fiduciary	\$ 1,932,148	\$ 1,592,467	\$ 339,681	\$ -
Total investments measured at the NAV ²	\$ 886,833	\$ -	\$ -	\$ -
Total other investments not valued at fair value ³	316,594	-	-	-
Total Fiduciary	\$ 3,135,575	\$ -	\$ -	\$ -
Total Investments	\$ 8,922,954	\$ -	\$ -	\$ -

Major Component Units	Fair Value	Level 1	Level 2	Level 3
Municipal bonds	4,253	-	4,253	-
Commercial paper	5,934	-	5,934	-
U.S. Treasury securities	53,125	53,125	-	-
U.S. agency securities	14,371	-	14,371	-
Corporate bonds	7,970	7,970	-	-
Multinational fixed income	5,352	-	5,352	-
Major Component Units	\$ 91,005	\$ 61,095	\$ 29,910	\$ -
Total investments measured at the NAV ⁴	739	-	-	-
Total other investments not valued at fair value ⁵	168,443	-	-	-
Total Major Component Units	\$ 260,187	\$ -	\$ -	\$ -

Police Retiree Health Fund	Fair Value	Level 1	Level 2	Level 3
Stocks, Options, and ETFs	\$ 4,308	\$ 4,308	\$ -	\$ -
Mutual Funds	1,187	1,187	-	-
Total Police Retiree Fund	\$ 5,495	\$ 5,495	\$ -	\$ -

Governmental and Business-type Activities				
Investment derivative instruments:				
Interest rate swaps ⁶	\$ 58,779	\$ -	\$ -	\$ -
Total Governmental and Business-Type Activities	\$ 58,779	\$ -	\$ -	\$ -

¹ Balance held at Colotrust \$109,312,000, balance held at CSAFE of \$34,389,000.

² Balance held at Colotrust \$931,000, balance held at CSAFE \$294,000. See **Table 7** for detail of \$885,608,000 measured at the NAV.

³ Includes Deferred Compensation Plan amounts of \$209,830,000 of synthetic guaranteed investment contracts and \$11,686,000 of loans to participants. Includes \$95,078,000 of money market funds.

⁴ December 31, 2019 balance held at Colotrust of \$739,000.

⁵ Includes \$158,642,000 of money market funds and \$9,801,000 of Certificates of Deposit.

⁶ Net of \$4,589,000 of interest rate swaps at an asset position and \$63,368,000 in a liability position, which \$36,097,000 is for business type activities and \$27,271,000 is governmental interest rate swaps at a liability positions. Refer to **Tables 37** and **41**.

Synthetic Guaranteed Investment Contracts – An option in the City’s deferred compensation plan includes a custom stable value fund that includes synthetic guaranteed investment contracts (SGICs). The contracts provide a stable rate of return to the participants. The value of the underlying investments is \$209,830,000 as of December 31, 2019

Table 7

Investments Measured at the NAV
December 31, 2019 (dollars in thousands)

	December 31	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income Investments				
Private debt	\$ 153,257	\$ 19,900	Not eligible	n/a
Emerging market debt	59,750	-	Monthly	3 days
Total Fixed Income Investments	\$ 213,007	\$ 19,900		
Real Estate Investments				
Real estate - open-end	\$ 145,515	\$ -	Quarterly	20-90 days
Real estate - closed-end	30,005	27,734	Not eligible	n/a
Total real estate investments	\$ 175,520	\$ 27,734		
Alternative Investments				
Private equity	\$ 241,022	\$ 82,723	Not eligible	n/a
Energy investments	106,723	35,691	Not eligible	n/a
Timber	36,053	-	Not eligible	n/a
Total alternative investments	\$ 383,798	\$ 118,414		
Absolute Return				
Hedge Fund	\$ 113,283	\$ -	Quarterly	65 days
Total Absolute Return	\$ 113,283	\$ -		
Total Investments Measured at the NAV	\$ 885,608	\$ 166,048		

Fixed Income Investments

- Private debt investments are intended to generate returns by lending money to various businesses and enterprises, or by purchasing loans originated by other lenders. There are six commingled investment pools, each taking the form of a partnership or similar structure. The debt may be secured or unsecured, and various yield enhancing techniques may be used, such as royalty sharing, equity options, or the application of leverage. Liquidity of these closed-end funds is determined by the monetization of underlying investments, and subject to reinvestment terms.
- Investments in emerging market debt seek to purchase the publicly traded sovereign or corporate debt obligations of developing nations.

Real Estate Investments

- Real Estate Investments - Open end real estate investments are pooled investments that own and operate commercial property. Returns are generated from income and price appreciation. These funds have perpetual life, and periodically accept contributions or honor redemptions.
- Closed end real estate investments consist of pooled funds to own and operate commercial property. These funds have a finite life, and funds are returned as investments are liquidated.

Alternative Investments

- Private equity utilizes a fund of funds approach to make investments in venture capital, buyouts, and other corporate finance transactions.
- Energy investments are a diversified portfolio of energy assets, including interests in oil, natural gas, power generation, and renewables

- Timber investments are made in both domestic and international timberland. Returns are generated through the acquisition, management, harvesting and sale of timber.

Absolute Return Investments

- Absolute Return Investments - A hedge fund of funds is used to generate returns that are higher than core fixed income, with significantly lower risk than public equities. A multi strategy approach is used to improve consistency of returns while limiting downside risk.

Interest Rate Risk. Interest rate risk is the risk that changes in financial market interest rates will adversely affect the value of an investment. The City's Investment Policy limits interest rate risk for investments under the control of the Manager by limiting the maximum maturity of investments. Investments in commercial paper have a maximum maturity of 270 days. Corporate debt obligations have a maximum maturity of five years. U.S. Treasury, agency, and supranational, municipal, and asset-backed securities can have a maximum maturity of 10 years. Agency mortgage-backed securities have a maximum maturity of 31 years with an average life limitation of 20 years. Agency collateralized mortgage obligations have a maximum maturity of 31 years with an average life limitation of 10 years. To further mitigate interest rate risk, the investment policy limits investments in asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations to a combined maximum of 20.00% of the City's overall investments. The City also minimizes interest rate risk by maintaining a concentration of its portfolio invested in short-term and extremely liquid investments. The Manager is authorized to waive certain portfolio constraints when such action is deemed to be in the best interest of the City. The Manager has waived the maximum maturity for certain investments in U.S. agency securities that are part of the Denver Airport System structured pool created to facilitate an economic defeasance of a portion of the future debt service payments due on certain airport system bonds, and also the investments held for the Cable Land Trust and Workman's Compensation. Maturities of the underlying investments in the local government investment pool are limited by the pool's investment policies to less than one year.

At December 31, 2019, the City's investment balances and maturities for those investments subject to interest rate risk are shown in **Table 8** and **Table 9** (dollars in thousands):

Table 8

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For the City					
Local government investment pool	\$ 144,612	\$ 144,612	\$ -	\$ -	\$ -
Money market funds	1,000	1,000	-	-	-
Municipal bonds	229,614	32,315	179,913	13,652	3,734
U.S. Treasury securities	1,237,238	285,305	764,315	187,618	-
U.S. agency securities	1,935,844	287,873	1,400,126	245,520	2,325
Corporate bonds	850,344	161,903	688,441	-	-
Multinational fixed income	606,984	54,401	453,265	99,318	-
Structured products	518,010	10,420	437,921	64,445	5,224
Commercial paper	124,721	124,721	-	-	-
Total	\$ 5,648,367	\$ 1,102,550	\$ 3,923,981	\$ 610,553	\$ 11,283

Table 9

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For DERP					
U.S. Treasury securities	\$ 30,145	\$ 5,042	\$ 15,009	\$ 10,094	\$ -
U.S. agency securities	81,642	7,294	27,019	32,014	15,315
Asset backed	59	-	-	-	59
Corporate	36	29	-	-	7
Non-U.S. Government bonds	-	-	-	-	-
Mortgage backed	-	-	-	-	-
For Deferred Compensation Plan					
Mutual funds	\$ 48,456	\$ -	\$ -	\$ 48,456	\$ -
Total	\$ 160,338	\$ 12,365	\$ 42,028	\$ 90,564	\$ 15,381
Investments with undetermined or without maturity dates:	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	Greater than 10
For Police Retiree Health Fund					
Stocks, Options, and ETFs	\$ 4,308	\$ -	\$ -	\$ -	\$ -
Mutual Funds	1,187	-	-	-	-
Total	\$ 5,495	\$ -	\$ -	\$ -	\$ -

The City's portfolio of U.S. agency securities and corporate bonds includes callable securities. As of December 31, 2019, the City owned agency, corporate bond, and municipal bond callable securities with a fair value of \$34,787,000, 28,406,000, and \$1,009,000 respectively.

Credit Quality Risk. Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the City. Moody's, Standard & Poor's, and Fitch Ratings are the three primary Nationally Recognized Securities Rating Organizations (NRSRO) that assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are assigned credit quality ratings of AAA by Fitch and Aaa by Moody's, both with stable outlooks as of December 31, 2019. Standard and Poor's rate securities of the U.S. Government AA+ also with a stable outlook. Of the City's investments at December 31, 2019, commercial paper, municipal bonds, corporate debt obligations, structured products, local government investment pools, and supranational securities were subject to credit quality risk

The City's Investment Policy requires that commercial paper be rated by at least two NRSRO with a minimum short-term rating of A-1, P-1, or F-1 at the time of purchase. The Investment Policy requires that the municipal bonds have a minimum underlying issuer rating from at least two of the three rating agencies of A+ or its equivalent. The Investment Policy requires that corporate debt obligations have a minimum underlying issuer rating from at least two of the NRSRO or A- or its equivalent. The Investment Policy requires that asset-backed securities have a minimum underlying issuer rating from at least two of the NRSRO of AA- or its equivalent. The Investment Policy requires that mortgage-backed securities and collateralized mortgage obligations that had ratings of at least Aaa by Moody's, AAA by Fitch and AA+ by Standard & Poor's. The Investment Policy also requires local government investment pools to be in compliance with Title 24 Part 7 of Article 24 of the Colorado Revised Statutes. The Investment Policy also requires supranational securities by issued by institutions with debt obligations rated AAA, or the equivalent, by at least two NRSROs.

Information on the credit ratings associated with the City's investments (excluding DERP) as of December 31, 2019, is shown in **Table 10** (dollars in thousands).

Table 10

S&P	Commercial Paper	Municipal Bonds	Corporate Debt Obligations	Asset Backed Securities	Collateralized Mortgage Obligations	Local Government Investment Pools	Money Market Funds	Multinational Fixed Income	Total
AAA	\$ -	\$ 45,794	\$ 104,338	\$ 228,930	\$ 12,104	\$ 144,612	\$ 1,000	\$ 546,930	\$ 1,083,708
AA+ to AA-	-	164,051	383,046	-	10,102	-	-	-	557,199
A+ to A-	-	3,542	362,960	-	-	-	-	-	366,502
A-1+ to A-1	124,721	-	-	-	-	-	-	-	124,721
NR	-	16,227	-	92,135	174,739	-	-	60,054	343,155
Total	\$ 124,721	\$ 229,614	\$ 850,344	\$ 321,065	\$ 196,945	\$ 144,612	\$ 1,000	\$ 606,984	\$ 2,475,285
Moody's									
Aaa	\$ -	\$ 46,881	\$ 104,338	\$ 235,899	\$ 33,255	\$ -	\$ 1,000	\$ 601,981	\$ 1,023,354
Aa1 to Aa2	-	161,487	157,685	-	-	-	-	-	319,172
Aa3 to A1	-	15,267	306,268	-	-	-	-	-	321,535
A2 to A3	-	-	282,053	-	-	-	-	-	282,053
P-1	124,721	-	-	-	-	-	-	-	124,721
NR	-	5,979	-	85,166	163,690	144,612	-	5,003	404,450
Total	\$ 124,721	\$ 229,614	\$ 850,344	\$ 321,065	\$ 196,945	\$ 144,612	\$ 1,000	\$ 606,984	\$ 2,475,285
U.S. Treasury securities									\$ 1,237,238
U.S. Agency securities									1,935,844
Total									\$ 5,648,367

The DERP manages credit risk through the constraints on investments specified in each manager's investment guidelines included in the Plan's Investment Policy. Securities implicitly governed by the U.S. Government are included.

Information on the credit ratings associated with the DERP investments in debt securities at December 31, 2019, is shown in **Table 11** (dollars in thousands).

Table 11

Credit Ratings for DERP

December 31, 2019 (dollars in thousands)

S&P	Moody's	Asset Backed	Corporate Bonds	Implicit U.S. Government Bonds	Total
AA+ to AA-	Aa3 to A1	\$ -	\$ -	\$ 81,642	\$ 81,642
CC+ to CC-	Ca	59	-	-	59
NR	NR	-	36	-	36
Total		\$ 59	\$ 36	\$ 81,642	\$ 81,737
U.S. Government					30,145
Non-rated funds					429,550
Total					\$ 541,432

NR - no rating available

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the City's name. None of the City's investments owned at December 31, 2019, were subject to custodial credit risk.

In accordance with the City's Investment Policy, all of the City's repurchase agreements are collateralized at 102.00% of the market value of the portfolio by U.S. agency securities at the time of purchase. Collateral valuation is calculated and adjusted at least once per week and adjusted on an as needed basis. Collateral for all investments, including repurchase agreements, are held in the City's name by the City's custodian, Principal Financial Group.

DERP has no formal policy for custodial credit risk. At December 31, 2019, there were no investments, repurchase agreements, or collateral securities subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's Investment Policy states that a maximum of 5.00% of the portfolio may be invested in commercial paper, municipal securities, corporate debt obligations, certificates of deposit, asset-backed securities, or mortgage-backed securities issued by any one obligor. The City's Investment Policy states that a maximum of 10.00% of the portfolio may be invested in an individual supranational obligor, local government investment pool, money market mutual fund, or collateralized mortgage obligation. The City's Investment Policy also limits investments in U.S. agency securities to 80.00% of total investments and no more than 25.00% in a single issue. The City's Investment Policy also limits investments in U.S. agency securities to 25.00% of total investments. The City's Investment Policy limits concentrations even further with a combined maximum of 50.00% of the portfolio that can be invested in corporate debt obligations, commercial paper, and certificates of deposit as well as a combined maximum of 20.00% of the portfolio that can be invested in structured products. As of December 31, 2019, all investments were in compliance with this policy. More than 5.00% of the City's investments are in individual issuers: Federal Home Loan Bank (15.30%), Federal National Mortgage Association (11.96%), and International Bank for Reconstruction and Development (6.01%).

The DERP Investment Policy mandates that no managed account may invest more than 5.00% of managed assets in the securities of a single issuer. As of December 31, 2019, all DERP investments were in compliance with this policy.

Foreign Currency Risk. Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The City's Investment Policy, excluding the DERP pension trust fund, does not allow for investments in foreign currency. The DERP pension trust fund Investment Policy allows 16.00% to 26.0% of total investments to be invested in international equities and 1.00% to 4.00% of total investments to be invested in international fixed income. The DERP pension trust fund exposure to foreign currency risk as of December 31, 2019, is reflected in **Table 12** (dollars in thousands).

Table 12

Foreign Currency	Equities	Fixed Income	Total
Australian Dollar	\$ 9,819	\$ -	\$ 9,819
Brazilian Real	12,439	5,754	18,193
British Pound Sterling	34,928	-	34,928
Canadian Dollar	14,662	-	14,662
Chilean Peso	1,066	1,697	2,763
Chinese Yuan	34,916	-	34,916
Czech Koruna	-	1,040	1,040
Columbian Peso	1,599	6,160	7,759
Danish Krone	2,559	-	2,559
Euro	65,881	-	65,881
Hong Kong Dollar	30,143	-	30,143
Hungarian Forint	2,132	705	2,837
Indian Rupee	13,327	-	13,327
Indonesian Rupiah	2,665	7,301	9,966
Japanese Yen	51,140	-	51,140
Malaysian Ringgit	2,843	6,913	9,756
Mexican Peso	3,732	9,894	13,626
New Israeli Shekel	916	-	916
Norwegian Krone	3,315	-	3,315
Peru Sole	-	30	30
Philippine Peso	-	167	167
Polish Zloty	3,199	3,430	6,629
Qatari Riyal	533	-	533
Romanian Leu	-	1,828	1,828
Russian Ruble	9,951	4,792	14,743
Singapore Dollar	3,663	-	3,663
South Korean Won	27,594	2,420	30,014
South African Rand	9,240	5,252	14,492
Swedish Krona	4,108	-	4,108
Swiss Franc	10,502	-	10,502
Taiwan Dollar	25,320	-	25,320
Thai Baht	4,975	789	5,764
Turkish Lira	2,665	1,482	4,147
United Arab Emirati Dirham	1,777	-	1,777
Other	2,931	-	2,931
Total Foreign Deposits and Investments	\$ 394,540	\$ 59,654	\$ 454,194

3. **Denver Convention Center Hotel Authority (DCCHA).** DCCHA's investments were not subject to custodial credit risk at December 31, 2019, since they consisted solely of money market funds that are not evidenced by securities and are in DCCHA's name.
4. **Denver Urban Renewal Authority (DURA).** DURA'S investment policy limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates. At December 31, 2019, DURA's investment balances and maturities are shown **Table 13** (dollars in thousands).

Table 13

Investment Type	Investment Maturities in Years		
	Fair Value	Less than 1	1 - 5
U.S. Treasury securities	\$ 53,125	\$ 17,323	\$ 35,802
Structured products	1,269	-	1,269
U.S. agency securities	13,102	3,176	9,926
Corporate bonds	7,970	1,004	6,966
Multinational fixed income	5,352	1,924	3,428
Municipal bonds	4,253	376	3,877
Commercial paper	5,934	5,934	-
Total	\$ 91,005	\$ 29,737	\$ 61,268

Securities Lending. Although the City is authorized to enter into securities lending programs with certain qualified dealers, it had no security lending transactions in 2019. Under this program, investment securities owned by the City are loaned to the dealer up to a maximum of one year in exchange for a predetermined fee. The City continues to receive interest earnings on the loaned securities. The securities are collateralized by the dealer. The collateral is held in the City's name by Principal Financial Group, the City's custodian. Collateral for these transactions is limited to permissible investments included in the City's Investment Policy with maturities not exceeding one year from the date of settlement. The initial market value of the collateral for each investment position maintained with a dealer shall be 102.00% of the market value of the securities being collateralized. Market value includes investment principal plus accrued interest. Collateral valuation levels with each dealer must be determined on at least a weekly basis, and deficiencies from the required 102.00% level must be cured no later than the following business day. The City had no securities on loan as of December 31, 2019.

The DERP pension trust fund participates in a securities lending program to augment income. The program is administered by the DERP custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. Government securities, defined letters of credit or other collateral approved by the DERP. Loans of domestic securities are initially collateralized at 102.00% of the fair value of securities lent. Loans of international securities are initially collateralized at 105.00% of the fair value of securities lent. The DERP continues to receive interest and dividends during the loan period as well as a fee from the borrower. There are no restrictions on the amount of securities that can be lent at one time. The duration of securities lending loans generally matches the maturation of the investments made with cash collateral. At December 31, 2019, the fair value of underlying securities lent was \$124,891,000. The fair value of associated collateral was \$130,022,000 of this amount, \$81,272,000 represents the fair value of cash collateral and \$48,750,000 is the fair value of non-cash collateral not reported on the financial statements. The DERP pension trust fund does not have the ability to pledge or sell non-cash collateral unless the borrower defaults, therefore it is not reported on the financial statements.

Note B – Receivables

- 1. Accounts Receivables and Allowances.** The City reviews its accounts receivables periodically and allowances for doubtful accounts are established based upon management's assessment of collection.

Table 14 represents the accounts receivables and allowances for doubtful accounts at December 31, 2019.

Table 14

Accounts Receivables and Allowances Summary

December 31, 2019 (dollars in thousands)

Receivable	Governmental Activities				Total
	General	Human Services	Other Governmental Funds	Internal Service Funds	
Property taxes	\$ 154,167	\$ 73,313	\$ 283,281	\$ -	\$ 510,761
Other taxes	85,057	-	27,736	-	112,793
Notes	16,154	-	145,290	-	161,444
Accounts	11,235	209	10,808	1,136	23,388
Long-term accounts	73,834	-	21,599	-	95,433
Accrued interest	2,495	1	6,465	303	9,264
Gross Receivable	342,942	73,523	495,179	1,439	913,083
Allowances	(69,127)	(407)	(88,924)	-	(158,458)
Net Receivable	\$ 273,815	\$ 73,116	\$ 406,255	\$ 1,439	\$ 754,625
Receivable	Business-type Activities				Fiduciary Funds
	Wastewater Management	Denver Airport System	Nonmajor Business-type	Total	
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,199,222
Other taxes	-	-	-	-	3,125
Accounts	25,526	78,059	2,873	106,458	216
Long-term accounts	-	30,548	7	30,555	-
Accrued interest	1,145	18,761	168	20,074	1,849
Gross Receivable	26,671	127,368	3,048	157,087	1,204,412
Allowances	-	(2,599)	(3)	(2,602)	(5,084)
Net Receivable	\$ 26,671	\$ 124,769	\$ 3,045	\$ 154,485	\$ 1,199,328

- 2. Notes Receivable.** The special revenue funds', General Fund, related organizations, and component unit notes receivable balance at December 31, 2019, is shown in **Table 15** (dollars in thousands).

Table 15

	December 31	Percent of Total Related Notes Receivable
Neighborhood Development Loans	\$ 11,140	n/a
Economic Development Loans	20,801	n/a
Housing Development Loans	129,503	n/a
Total Office of Economic Development	161,444	
Less allowances for delinquent loans	10,497	n/a
Less allowances for forgivable loans	86,829	n/a
Notes Receivable, Net	\$ 64,118	
Denver Health and Hospital Park Hill Health Clinic	\$ 1,765	1.09%
Denver Housing Authority	9,680	6.00%
Total Related Organizations Notes Receivable	\$ 11,445 ¹	
Denver Urban Renewal Authority	\$ 4,676	2.90%
Denver Building Housing	\$ 3,238	2.01%

¹Amounts included in the notes receivable balance above.

Allowance for uncollectables for notes receivable of \$97,326,000 is included in the accounts receivable allowance of \$158,458,000 in **Table 14**. The Neighborhood, Economic and Housing Development loans are funded from both federal U.S. Housing and Urban Development grants and City monies designated for affordable housing. Recipients of affordable housing loans target low- and moderate-income households, special needs and the homeless. Rental and occupancy covenants are recorded on these properties for affordability periods of 20 years or more. Housing loans may be fully forgivable at the end of the affordability period, due and payable in full, or due and payable based on occupancy rates or other conditions. The Economic Development loans are made to qualified program recipients under the Community Development Block Grant to provide business owners with funds to promote job creation and growth in targeted areas. Loans are collateralized by the underlying properties.

3. **Long-Term Receivables Allowance.** Included in long-term receivables are amounts related to reimbursement for construction costs, parking fines and court fines. The City recorded an allowance for uncollectible accounts for governmental activities of \$58,485,000. The DURA component recorded an allowance of \$589,000.
4. **Operating Leases.** The Denver Airport System leases portions of its Denver International Airport buildings and improvements to concession tenants under non-cancelable operating leases. Lease terms vary from 1 to 30 years. The operating leases require retail concessions to pay a minimum guarantee or percentage of gross receipts, whichever is greater. Revenue from these operating leases of \$91,700,000, was recognized in the Denver Airport System enterprise fund during the year ended December 31, 2019. Minimum future rentals due from concessions under operating leases are shown in **Table 16** (dollars in thousands).

Table 16

Year	
2020	\$ 58,551
2021	45,059
2022	39,712
2023	34,191
2024	28,450
2025-2029	55,451
2030-2033	4,030
Total	\$ 265,444

The United Airlines lease provides it can be terminated by the airline if the airline's cost per enplaned passenger exceeds \$20 in 1990 dollars. Current costs per enplaned passenger did not approach this limit for 2019. Rental rates for airlines are established using the rate making methodology whereby a compensatory method is used to set terminal rental rates and a residual method is used to set landing fees. Rentals, fees, and charges must generate gross revenues together with other available funds sufficient to meet rate maintenance covenants per governing bond ordinances.

Note C – Interfund Receivables, Payables, and Transfers

Tables 17 and **18** (dollars in thousands) reflect the City's interfund balances as of December 31, 2019.

1. Interfund Payables/Receivables.

These balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, some balances result from the overdraft of cash balances in the payable funds.

Table 17

Receivable Fund	Payable Fund							Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Denver Airport System	Nonmajor Business-type	Internal Service	
General Fund	\$ -	\$ 1,436	\$ 873	\$ 2,966	\$ 30,778	\$ 1,644	\$ 61	\$ 37,758
Human Services	15	-	-	-	-	-	-	15
Nonmajor Governmental	1	-	-	-	237	-	-	238
Wastewater Management	-	-	1	-	452	-	-	453
Nonmajor Business-type	-	-	1,723	-	-	-	-	1,723
Internal Service	-	-	20	-	-	-	-	20
Total	\$ 16	\$ 1,436	\$ 2,617	\$ 2,966	\$ 31,467	\$ 1,644	\$ 61	\$ 40,207

2. Transfers.

Transfers are used to move revenues from the fund in which the City budget requires collection to the fund required to expend the monies, and to move unrestricted revenues collected in the General Fund to finance various activities accounted for in other funds.

Table 18

Transfers In	Transfers Out					Total
	General Fund	Human Services	Nonmajor Governmental	Wastewater Management	Nonmajor Business	
General Fund	\$ -	\$ 7,041	\$ 42,464	\$ -	\$ 900	\$ 50,405
Human Services	2,200	-	3,200	-	-	5,400
Nonmajor Governmental	77,864	1,653	84,124	13	411	164,065
Total out	\$ 80,064	\$ 8,694	\$ 129,788	\$ 13	\$ 1,311	\$ 219,870

Note D – Capital Assets

Capital asset activity for the year ended December 31, 2019, are shown in **Tables 19** and **20**.

1. Governmental Activities.

Table 19

Governmental Activities

For the Year Ended December 31, 2019 (dollars in thousands)

	January 1 as restated	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 582,802	\$ 46,112	\$ (334)	\$ 34,508	\$ 663,088
Construction in progress	136,862	169,238	-	(107,248)	198,852
Total capital assets not being depreciated	719,664	215,350	(334)	(72,740)	861,940
Capital assets being depreciated:					
Buildings and improvements	2,420,934	12,974	(4,111)	32,665	2,462,462
Equipment and other	343,492	42,589	(39,935)	11,229	357,375
Collections	49,771	5,195	(6,367)	113	48,712
Intangibles	58,391	770	(1,415)	1,447	59,193
Infrastructure	1,744,758	63,730	(3,761)	28,568	1,833,295
Total capital assets being depreciated	4,617,346	125,258	(55,589)	74,022	4,761,037
Less accumulated depreciation for:					
Buildings and improvements	(937,559)	(65,527)	3,785	-	(999,301)
Equipment and other	(248,719)	(29,021)	38,662	-	(239,078)
Collections	(26,818)	(6,277)	5,463	-	(27,632)
Intangibles	(53,646)	(984)	1,415	-	(53,215)
Infrastructure	(888,811)	(57,814)	3,101	-	(943,524)
Total accumulated depreciation	(2,155,553)	(159,623)	52,426	-	(2,262,750)
Total capital assets being depreciated, net	2,461,793	(34,365)	(3,163)	74,022	2,498,287
Governmental Activities capital assets, net	\$ 3,181,457	\$ 180,985	\$ (3,497)	\$ 1,282	\$ 3,360,227

2. Business-type Activities.

Table 20

Business-type Activities

For the Year Ended December 31, 2019 (dollars in thousands)

	January 1	Additions	Deletions	Transfers	December 31
Capital assets not being depreciated:					
Land and land rights	\$ 333,955	\$ -	\$ -	\$ 178	\$ 334,133
Construction in progress	523,965	722,985	(9,232)	(244,145)	993,573
Total capital assets not being depreciated	857,920	722,985	(9,232)	(243,967)	1,327,706
Capital assets being depreciated:					
Buildings and improvements	4,380,370	69	(6,732)	(15,828)	4,357,879
Improvements other than buildings	2,183,371	8,703	(2,458)	162,421	2,352,037
Machinery and equipment	929,059	7,801	(27,144)	90,992	1,000,708
Collections	21	-	-	-	21
Intangibles	34,499	-	(792)	5,100	38,807
Total capital assets being depreciated	7,527,320	16,573	(37,126)	242,685	7,749,452
Less accumulated depreciation for:					
Buildings and improvements	(2,082,845)	(121,889)	4,561	-	(2,200,173)
Improvements other than buildings	(873,146)	(61,632)	1,173	-	(933,605)
Machinery and equipment	(759,616)	(40,635)	26,436	-	(773,815)
Intangibles	(28,948)	(4,606)	792	-	(32,762)
Total accumulated depreciation	(3,744,555)	(228,762)	32,962	-	(3,940,355)
Total capital assets being depreciated, net	3,782,765	(212,189)	(4,164)	242,685	3,809,097
Business-type Activities capital assets, net	\$ 4,640,685	\$ 510,796	\$ (13,396)	\$ (1,282)	\$ 5,136,803

3. Major Discretely Presented Component Units.

Capital Asset activity for the Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, and the National Wester Center Authority component units is shown in **Table 21**.

Table 21

Discretely Presented Component Units

For the Year Ended December 31, 2019 (dollars in thousands)

	January 1	Additions and Transfers	Deletions	December 31
Capital assets not being depreciated:				
Land and land rights	\$ 23,421	\$ -	\$ -	\$ 23,421
Construction in progress	537	7,770	(7,407)	900
Total capital assets not being depreciated	23,958	7,770	(7,407)	24,321
Capital assets being depreciated:				
Buildings and improvements	239,571	6,356	(3,458)	242,469
Machinery and equipment	35,389	2,293	(2,822)	34,860
Total capital assets being depreciated	274,959	8,649	(6,280)	277,329
Less accumulated depreciation for:				
Buildings and improvements	(81,702)	(9,030)	1,376	(89,356)
Machinery and equipment	(27,088)	(3,185)	2,774	(27,499)
Total accumulated depreciation	(108,790)	(12,215)	4,150	(116,855)
Total capital assets being depreciated, net	166,169	(3,566)	(2,130)	160,474
Discretely Presented Component Units Capital Assets, net	\$ 190,127	\$ 4,204	\$ (9,537)	\$ 184,795

¹ Excludes net capital assets of \$15,804 of Other Component Units.

4. **Depreciation Expense.** Depreciation expense that was charged to governmental activities' functions is shown in **Table 22** (dollars in thousands).

Table 22

General government	\$	18,380
Public safety		16,679
Public works, including depreciation of infrastructure		75,706
Human services		1,058
Health		556
Parks and recreation		18,680
Cultural activities		28,418
Community development		72
Capital assets held by internal service funds		74
Total	\$	159,623

5. **Construction Commitments.** The City's governmental and business-type activities have entered into construction and professional services contracts having remaining commitments under contract as of December 31, 2019, as shown in **Table 23** (dollars in thousands).

Table 23**Governmental Activities:**

Winter Park Capital	\$	1,958
Capital Improvements		79,646
Conservation Trust		3,566
Bond Projects		144,457
Other Capital Projects		43,181
Entertainment and Culture		2,947
Total Governmental Activities	\$	275,755

Business-type Activities:

Wastewater Management	\$	80,095
Denver Airport System		674,019
Total Business-type Activities	\$	754,114

The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for these contracts are included as liabilities in the financial statements.

6. **Tax Abatements.** The City negotiates property tax abatement agreements on an individual basis and has tax abatement agreements with 63 entities as of December 31, 2019.

Pursuant to sections 30-11-123 and 31-15-903, CRS, and Chapter 53, Article XVI, DRMC, the City is authorized under the Business Incentive Program to enter into agreements with qualifying taxpayers for an incentive tax credit in the amount of the general fund portion of the taxes upon the taxpayer's new taxable personal property assessed by the City upon the new taxable personal property located at or within a new business facility, or directly attributable to an expanded business facility and located at or within the expanded facility, and used in connection with the operation of the new or expanded facility.

If at any time after the City grants an incentive tax credit, the City, in its sole discretion determines that Taxpayer did not meet all requirements of sections 30-11-123 and 31-15-903, CRS, Chapter 53, Article XVI, DRMC or other incentive tax credit requirements of the City under section 53-544, DRMC in the tax year for which a credit was granted, Taxpayer agrees that City may issue to Taxpayer a Special Notice of Valuation, and assess and collect from Taxpayer, in the manner provided for in the Colorado Revised Statutes, taxes in the amount of the incentive tax credit for the subject tax year.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. Total tax abatements as of December 31, 2019 were \$333,000.

DURA has entered into agreements with various redevelopers to reimburse developer expenditures for certain capital improvements using tax increment financing above a stated base, that is collected by the City and passed through to DURA. These reimbursements are conditional on the developer meeting specified obligations and will only be paid when enough tax increment revenue relating to the specific project is collected. As of December 31, 2019, the approved reimbursement obligations where tax increment revenue has already been collected and will be paid to various redevelopers was \$19,000,000.

Note E – Lease Obligations

- Capitalized Leases and Certificates of Participation.** The governmental activities capital leases are for various properties including the Wellington Webb Municipal Office Building, 2000 West Third Avenue Wastewater building, the Denver office building at 200 W. 14th Ave., District 1, 2, 3, and 5 Police Stations, Fire Station #10, certain Human Services facilities, the Buell Theatre, the 5440 Roslyn maintenance facility property, and the public parking unit within the Cultural Center parking garage. The capital leases also include certain computer software and network equipment, and public works, safety, and parks and recreation equipment. Capitalized Leases and Certificates of Participation (COPs) outstanding, excluding unamortized premium of 413,785,000, at December 31, 2019, are \$439,273,000.

The City provided funding for the construction of parking facilities adjacent to the Denver Museum of Nature and Sciences (DMNS) the Denver Zoo, and the Denver Botanic Gardens (DBG) from proceeds of certificates of participation (COP) financings. Under separate agreements, the DMNS, the Denver Zoological Foundation Inc., and DBG agreed to increase their admission charges and provide a portion of their admission revenues to help make the COP lease payments. In 2019, the DMNS collected and remitted \$606,000 to the City to be applied to the lease payments. The Zoo collected and remitted \$642,000. DBG collected and deposited \$1,698,000 with a trustee to be applied to lease payments.

In addition to base rental payments, the lease agreement related to the Wellington Webb Municipal Office Building requires the City to make all payments for any swap agreements relating to the Series 2008A Certificates of Participation (COPs) entered into by the lessor. There are 3 swap agreements considered to be hybrid instruments embedded in the lease. See **Note III-G-7** for detailed information regarding the swaps.

The Airport entered into an Installment Purchase Agreement on January 5, 2016 with Santander for \$4,100,000, to finance various capital equipment purchases at a rate of 1.19%. Payments are due annually. Assets under capital leases at December 31, 2019 totaled \$80,000, net of accumulated depreciation of \$5,900,000. The related net book values of plant and equipment under capital lease obligations as of December 31, 2019, are shown in **Table 24** (dollars in thousands).

Table 24

	Governmental Activities	Business-type Activities
Buildings	\$ 444,330	\$ -
Equipment	44,882	6,832
Intangibles	69	-
Land	16,667	-
Less accumulated depreciation	(207,118)	(1,857)
Net Book Value	\$ 298,830	\$ 4,975

Table 25 (dollars in thousands) is a schedule by year of future minimum lease obligations together with the present value of the net minimum lease payments as of December 31, 2019.

Table 25

Year	Governmental Activities	Business-type Activities
2020	\$ 49,291	\$ 1,981
2021	47,607	2,018
2022	44,369	2,054
2023	39,151	2,090
2024	33,815	985
2025-2029	172,012	-
2030-2034	113,431	-
2035-2039	40,748	-
2040-2044	40,756	-
2045-2048	32,595	-
Total minimum lease payments	\$ 613,775	\$ 9,128
Less amounts representing interest	(174,502)	(671)
Present Value of Minimum Lease Payments	\$ 439,273	\$ 8,457

- 2. Operating Leases.** The City is committed under various cancelable leases for property and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2019, were approximately \$7,974,000, for governmental activities and \$912,000, for business-type activities. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments should be approximately the same amount.

Note F – Rates and Charges

The Denver Airport System Airport establishes annually, as adjusted semi-annually, airline facility rentals, landing fees, and other charges sufficient to recover the costs of operations (excluding certain debt service payments), maintenance, and debt service related to the airfield and the space rented by the airlines. Any differences between amounts collected from and actual costs allocated to the airlines' leased spaces are credited or billed to the airlines.

50.00% of Net Revenues (as defined by the bond ordinance) remaining at the end of the year with an annual cap of \$40,000,000 are to be credited in the following year to the airline rates and charges. The Net Revenues credited to the airlines totaled \$40,000,000 for 2019. A liability for this amount was accrued as of December 31, 2019.

Note G – Long-Term Debt

- 1. General Obligation Bonds.** The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

In May 2019, the city issued general obligation bonds, series 2019A-B-C, in the amount of \$249,315,000. The bonds were issued to finance repairs and improvements to the City's various cultural facilities, including but not limited to renovation, upgrade and expansion projects, improvements to security and safety systems and accessibility improvements infrastructure as well as to current refund the city's

outstanding general obligation Better Denver and Zoo Bonds, series 2009A, with the proceeds of the 2019B. Prior to the defeasance, the principle amounts outstanding to be paid from escrow as of December 31, 2019, was \$62,540,000. The refunding resulted in present value savings of \$6,019,638 and a gain of \$1,878,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 15 to 20-year serial bonds, except for refunding issues. General obligation bonds outstanding, including compound interest of \$10,548,000 and excluding unamortized premium of \$44,764,000, at December 31, 2019, are \$853,404,000. Interest rates vary from 2.30% to 5.65% with a net interest cost of 1.75% to 5.56%.

Annual debt service requirements to maturity for general obligation bonds are shown in **Table 26** (dollars in thousands).

Table 26

Year	Governmental Activities	
	General Government	
	Principal ¹	Interest ²
2020	\$ 103,990	\$ 37,205
2021	82,570	34,160
2022	75,976	39,309
2023	57,900	30,489
2024	59,690	25,308
2025-2029	332,300	88,765
2030-2034	130,430	9,164
Total	\$ 842,856	\$ 264,400

¹ Does not include \$7,215 and \$3,333 of compound interest on the Series 2007 and 2014A mini-bonds respectively, or unamortized premium of \$44,764,000.

² Excludes Build America Bonds interest subsidy. The City is eligible to receive \$50 million over the remaining life of its Direct Pay Build America Bonds to subsidize interest payments.

- 2. Revenue Bonds.** The City and component units issue bonds and notes where income derived from acquired or constructed assets is pledged to pay debt service. Certain Airport system revenue bonds are subject to mandatory redemption requirements in 2015, and subsequent years. Revenue bonds outstanding, excluding unamortized premium (net of discount) of \$41,659,000 and \$28,348,000 for the primary government and the component unit DCCHA respectively, at December 31, 2019, are shown in **Table 27** (dollars in thousands).

Table 27

Purpose	Net Interest Cost	Interest Rates	Amount
Excise Tax Revenue	3.28-3.89%	1.54-5.00%	\$ 611,596
Wastewater Management	2.41-3.39%	3.00-5.00%	235,885
Golf Enterprise	4.80%	4.75-5.00%	655
Denver Airport System			5,757,420
Total primary government			\$ 6,605,556
DCCHA component unit			269,665
Total			\$ 6,875,221

Revenue bonds' debt service requirements to maturity are shown in **Tables 28** and **29** (dollars in thousands).

Table 28

	Governmental Activities		Business-type Activities					
	Principal ¹	Interest	Wastewater Management		Denver Airport System		Golf Enterprise	
	Principal ²	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 17,200	\$ 22,431	7,395	9,295	216,290	260,153	655	31
2021	14,260	22,050	7,735	8,958	220,500	251,885	-	-
2022	15,910	21,738	8,085	8,606	244,790	243,902	-	-
2023	17,990	21,021	6,275	8,238	262,125	234,900	-	-
2024	12,205	20,220	6,550	7,956	290,920	224,206	-	-
2025-2029	87,294	92,497	37,395	35,156	1,281,995	951,742	-	-
2030-2034	77,600	106,685	40,850	27,455	1,091,150	667,465	-	-
2035-2039	50,029	134,257	42,210	19,716	864,380	436,353	-	-
2040-2044	139,062	64,411	50,840	11,090	756,150	230,072	-	-
2045-2049	175,080	21,324	28,550	1,890	529,120	64,423	-	-
Total	\$ 606,630	\$ 526,634	\$ 235,885	\$ 138,360	\$ 5,757,420	\$ 3,565,101	\$ 655	\$ 31

¹Does not include unamortized premium of \$ 41,659

²Does not include unamortized premium of \$ 21,364

³Does not include unamortized premium of \$ 413,874

Table 29

Year	Component Unit	
	DCCHA	
	Principal ¹	Interest
2020	\$ 2,545	\$ 13,248
2021	2,985	13,146
2022	8,670	13,026
2023	9,100	12,593
2024	9,555	12,138
2025-2029	55,445	53,027
2030-2034	70,760	37,709
2035-2039	89,945	18,529
2040	20,660	1,033
Total	\$ 269,665	\$ 174,449

¹Does not include unamortized premium of \$28,348.

In January 2000, the City increased the tax rate on its lodger's tax by 1.75% and short-term auto rental tax by 1.75%. The City has pledged the increase portion of those taxes for debt service on \$149,190,000 of Series 2005A Excise Tax Revenue Refunding Bonds issued in August 2005, and \$73,630,000 of Series 2009A Excise Tax Revenue Refunding Bonds issued in May 2009. The bonds were issued for the purpose of refunding bonds that financed the expansion of the Colorado Convention Center and were payable through 2023.

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% lodger's tax and the 1.75% auto rental tax increases ("Excise Tax Increases") and authorized the issuance of up to \$778 million of new excise tax revenue bonds supported by pledged portions of the lodger's, food and beverage, and 23 auto rental taxes for the purpose of financing tourism-related projects for the National Western Center and for improvements to the Colorado Convention Center.

In April 2016, the city issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016AB, in the amount of \$397,310,000. The bonds were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements, as well as to advance refund all of the outstanding 2005A and 2009A bonds. Effective April 6, 2016, all of the outstanding 2005A and 2009A bonds were defeased and advance refunded resulting in a present value savings of \$3,608,000 and a deferred loss of \$17,517,000. The City pledged additional revenues to the repayment of the 2016A-B bonds that were not pledged to the repayment of the 2005A and 2009A bonds. The previously unpledged 3.25% and 3.5% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the 2016A-B bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of 2016A-B bonds.

The Series 2016A bonds are fixed rate bonds with final maturity in 2046; The Series 2016B bonds are fixed rate bonds with final maturity in 2032. The total principal and interest remaining to be paid on the bonds is \$528,938,000 with annual combined debt service requirements ranging from \$7,327,000 to \$36,353,000. In 2019, debt service paid and net revenue available for debt service was \$34,608,000 and \$122,594,000 respectively.

In August 2018, the city issued Dedicated Tax Revenue Current Interest and Capital Appreciation Bonds, Series 2018A and 2018B, in the amount of \$300,000,000. The bonds were issued to finance and defray the cost of acquiring, constructing, installing and improving the National Western Center campus, as well as fund the reserve fund and pay the cost of issuing the Series 2018 bonds. The previously unpledged 3.25% and 3.50% portions of the lodger's tax and auto rental tax, respectively, have been pledged to the repayment of the bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of the Series 2018A or 2018B bonds.

The Series 2018A bonds are fixed rate bonds with final maturity in 2048; The Series 2018B bonds are fixed rate bonds with final maturity in 2029. The total principal and interest remaining to be paid on the bonds is \$604,325,000 with annual combined debt service requirements ranging from \$5,679,000 to \$49,103,000. In 2019, debt service paid and net pledged revenue available for debt service was \$10,223,000 and \$36,619,000, respectively.

On August 20, 2019, the Airport, issued the Airport System Subordinate Revenue Bonds Series 2019A (AMT) (Series 2019A) and Series 2019B (Taxable) (Series 2019B) for \$145,900,000 and \$22,700,000, respectively. The Series 2019A and Series 2019B proceeds coupled with Airport contributions of approximately \$54,700,000 were used to refund the Series 2008C2 and Series 2008C3 Bonds, terminate the 1998 Swap Agreements with Goldman Sachs Capital Markets, L.P. and Societe Generale, New York Branch, and fund for costs of issuance. The Series 2019A and Series 2019B Bonds are scheduled to mature on November 15, 2031 and November 15, 2020, respectively, and bear fixed interest of 1.37% and 2.12%, respectively. The Series 2019A Bonds have a Mandatory Tender of \$25,900,000 due on November 15, 2025. The issuance yielded an approximate net present value savings of \$1,500,000.

On November 15, 2019, the Airport issued the Airport System Subordinate Revenue Bonds Series 2019C (Non-AMT) (Series 2019C) and Series 2019D (Non-AMT) (Series 2019D) for \$120,000,000 and \$83,700,000, respectively. The Series 2019C and Series 2019D proceeds coupled with Airport contributions of approximately \$15,300,000 million were used to refund the Series 2009A and Series 2016B Bonds, terminate the 2006A Swap Agreements with JP Morgan Chase Bank, and fund the costs of issuance. The issuance yielded an approximate net present value savings of \$41,500,000.

Included in the Airport System's revenue bonds are \$32,000,000 of Series 1992F, G; \$23,400,000 of Series 2002C, \$45,600,000 of Series 2008B, \$79,100,000 of Series 2008C1-C3, \$87,355,000 of Series 2009C and \$109,100,000 of Series 2007G1-G2 of Airport Revenue Bonds Series. The Series 2008C2-C3 were refunded on August 20, 2019, with Series 2019A-B Bonds coupled with an Airport contribution. These bonds are currently credit facility bonds, which bear interest at rates indexed to 1-month LIBOR and are subject to mandatory redemption when the credit facilities and reimbursement agreements supporting them expire and upon the occurrence of certain other events of default. These agreements will either be extended, replaced, or the bonds will be refunded prior to the expiration date.

The City, through its Wastewater Management Division, has pledged future income from its storm drainage and sanitary sewerage facilities, net of operating expenses, for debt service on \$50,425,000 of Series 2012 Wastewater Revenue Bonds issued in January 2012, and for debt service on \$115,000,000 of Series 2016 Wastewater Revenue bonds issued in November of 2016 and for debt service of \$103,050,000 of Series 2018 Wastewater Revenue bonds. The Series 2012 bonds were issued for the purpose of refunding the remaining \$20,350,000 of Series 2002 Wastewater Revenue bonds outstanding and to finance improvements to the storm drainage facilities. The Series 2016 bonds were issued to finance capital improvement projects. The Series 2018 were issued to finance additional capital improvement projects. The total principal and interest remaining to be paid on the bonds is \$374,245,000 with annual requirements ranging from \$5,661,000 to \$16,690,000. Over the past 10 years, annual net revenues available for debt service have averaged \$33,957,000. In 2019, debt service paid and net revenue available for debt service was \$16,707,000 and \$66,237,000, respectively.

The City, through its Golf Division, has pledged future income from its golf facilities, net of operating expenses, for debt service on \$7,365,000 of Series 2005 Golf Enterprise Revenue Bonds issued in March 2006. The bonds were issued for the purpose of financing the construction of certain golf facilities of the City and are payable through 2020. The total principal and interest remaining to be paid on the bonds is \$686,000 with annual requirements of approximately \$686,000. Over the past 10 years annual net revenues available for debt service have averaged \$1,606,000. In 2019, debt service paid and net revenue available for debt service was \$682,000 and \$2,147,000 respectively.

For detailed information on individual bond issues see **Other Supplementary Schedules – Combined Schedule of Bonds Payable and Escrows**.

3. **Other Debt.** DURA's note payable and tax increment bonds, exclusive of unamortized premium of \$19,196,000, and a discount of \$452,000, at December 31, 2019, are comprised of the following individual issues shown in **Table 30** (dollars in thousands).

Table 30

Purpose	Interest Rates	Amount
Series 2010B-1	3.00-5.00%	\$ 41,650
Series 2013A-1	5.00%	88,305
Series 2014D-2	4.10-4.19%	34,990
Series 2018 A	5.25%	63,760
Note payable		4,676
Total		\$ 233,381

On June 23, 2016, the RiNo Denver General Improvement district issued \$3,000,000 of revenue notes for the purpose of financing improvements to Brighton Boulevard between 29th and 44th Streets. The revenue notes were issued with a fixed rate of 3.55% and mature on 6/1/2036. Debt service for the RiNo General Improvement District's revenue note is to be paid from special assessments collected from property owners fronting Brighton Boulevard within the district.

On August 17, 2017 the Denver 14th Street General Improvement district issued a \$4,000,000 refunding revenue note with an interest rate of 2.83% with principal due annually beginning on December 1, 2019 through December 1, 2031, at which time the interest rate will be reset at the then Federal Home Loan Board of Des Moines, Iowa one year advance rate. Interest is payable semiannually commencing June 1, 2019. The proceeds of the loan were used to advance refund the General Improvement Districts 2010 Revenue Bonds whose proceeds were used to provide funds to pay the costs and expenses of the 14th street streetscape and sidewalk improvements. The Notes are subject to redemption at the option of the GID on December 1, 2019 and on any date thereafter from any legally available funds at a redemption price equal to the principal amount of each note plus a redemption premium of 1.5% through December 1, 2022, 1% premium from 2023 through December 1, 2027, .5% premium from 2028 through December 1, 2032 and no premium from 2033 through 2034. The note is secured by the pledged revenue derived from the imposition of capital charges on property owners within the District. The Capital charges constitute a perpetual lien on and against such property, and if capital charges are not paid when due, may be foreclosed the same as a mechanics lien.

Debt service requirements to maturity for DURA, DDDA, RiNo GID, and 14th Street GID's bonds and revenue notes are shown in **Table 31** (dollars in thousands).

Table 31

Year	DURA		DDDA		RiNo GID		14th Street GID	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 20,955	\$ 11,230	\$ 9,293	\$ 5,377	\$ 91	\$ 69	\$ 205	\$ 106
2021	21,610	10,223	9,729	5,043	94	66	205	100
2022	25,855	9,214	10,248	4,708	97	62	215	95
2023	28,680	8,009	10,770	4,356	101	59	220	88
2024	32,010	6,665	11,278	3,997	104	56	225	82
2025-2029	55,895	15,749	104,690	11,876	581	218	1,235	311
2030-2034	16,920	9,786	-	-	693	106	1,335	126
2035-2039	26,780	4,852	-	-	233	7	-	-
2040	-	-	-	-	-	-	-	-
Total	\$ 228,705	\$ 75,728	\$ 156,008	\$ 35,357	\$ 1,994	\$ 643	\$ 3,640	\$ 908

Debt service for DURA's note, payable to the City, is dependent on the availability of tax increment financing (TIF) revenue. Due to the uncertainty of this revenue the payments cannot be estimated. Payments will be made quarterly on the 10th of January, April, June and October, and will consist of the entirety of DURA's receipt of TIF revenues. The note is to be paid over a 25-year period, with interest accruing at a rate of 2.00% per annum. The maturity date is May 11, 2037.

- 4. Indentures and Reporting Requirements.** The City is subject to a number of limitations and restrictions contained in various indentures. Such limitations and covenants include: continued collection of pledged revenues, segregation of pledged revenues, and maintenance of specified levels of bond reserve funds, permissible investment of bond proceeds and pledged revenues, and ongoing disclosure to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12. The City is in compliance with all significant covenants.
- 5. Notes payable.** The Airport System entered into a \$20,500,000 Master Installment Purchase Agreement with Sovereign Leasing, LLC on January 10, 2012, to finance capital equipment purchases, at a rate of 1.9595% based on a 30/360 calculation for 2012. The payment schedules relating to the note requirements as of December 31, 2019, are shown in **Table 32** (dollars in thousands).

Table 32

Year	Denver International Airport	
	Principal	Interest
2020	\$ 2,192	\$ 71
2021	2,235	27
Total	\$ 4,427	\$ 98

- 6. Changes in Long-term Liabilities.** Long-term liability activity for the year ended December 31, 2019, is shown in **Tables 33** and **34** (dollars in thousands).

Table 33

Governmental Activities	January 1	Additions	Deletions	December 31	Due within one year
Legal liability	\$ 9,300	\$ 5,825	\$ 4,125	\$ 11,000	\$ -
Compensated absences:					
Classified service employees - 3,384	103,867	47,434	43,251	108,050	4,193
Career Service employees - 6,671	51,535	50,815	47,919	54,431	4,935
Net pension liability	1,121,591	354,887	7,642	1,468,836	-
Net OPEB liability	76,584	15,756	-	92,340	3,977
OPEB implicit rate subsidy liability	110,704	4,804	-	115,508	8,120
Claims payable	27,256	11,265	9,380	29,141	9,500
General obligation bonds ¹	747,114	250,740	144,450	853,404	103,990
GID revenue notes	5,921	-	287	5,634	296
Excise tax revenue bonds ²	630,659	3,692	22,755	611,596	17,200
Capitalized lease obligations and COPs	467,327	4,888	32,942	439,273	32,904
Unamortized premium	79,109	32,094	10,995	100,208	-
Intergovernmental agreement	616	-	616	-	-
Total Governmental Activities	\$ 3,431,583	\$ 782,200	\$ 324,362	\$ 3,889,421	\$ 185,115

¹ Ending balance includes compound interest from the 2007 and 2014A mini-bonds of \$10,548.

² Ending balance includes compound interest of \$4,966

Table 34

	January 1	Additions	Deletions	December 31	Due within one year
Business-type Activities					
Wastewater Management:					
Revenue bonds	\$ 242,975	\$ -	\$ 7,090	\$ 235,885	\$ 7,395
Unamortized premium	22,296	-	933	21,363	-
Net pension liability	31,170	13,897	-	45,067	-
Net OPEB liability	2,405	786	-	3,191	-
OPEB implicit rate subsidy liability	1,972	173	128	2,017	173
Capitalized lease obligations	5,039	-	701	4,338	758
Compensated absences	3,578	166	99	3,645	780
Total Wastewater Management	309,435	15,022	8,951	315,506	9,106
Denver Airport System:					
Legal liability	-	56,500	-	56,500	-
Revenue bonds	5,965,435	372,315	620,410	5,717,340	216,290
Economic defeasance	40,080	-	-	40,080	-
Unamortized premium	409,278	38,761	34,165	413,874	-
Revenue credit payable	40,000	-	-	40,000	40,000
Net pension liability	140,679	63,266	11,955	191,990	-
Net OPEB liability	10,855	3,435	696	13,594	-
OPEB implicit rate subsidy liability	7,693	28	-	7,721	662
Notes payable	6,576	-	2,149	4,427	2,192
Capitalized lease obligations	1,024	-	1,024	-	-
Compensated absences	10,142	8,502	8,486	10,158	2,579
Total Denver Airport System	6,631,762	486,307	678,885	6,495,684	261,723
Nonmajor enterprise funds:					
Revenue bonds	1,275	-	620	655	655
Net pension liability	11,036	5,678	941	15,773	-
Net OPEB liability	852	255	55	1,052	-
OPEB implicit rate subsidy liability	550	179	-	729	63
Capitalized lease obligations	-	5,119	1,000	4,119	986
Compensated absences	1,338	753	686	1,405	562
Total nonmajor enterprise funds	15,051	11,984	3,302	23,733	2,266
Total Business-type Activities	\$ 6,956,248	\$ 513,313	\$ 691,138	\$ 6,834,923	\$ 273,095
Major Component Units:					
Revenue bonds ¹	\$ 302,323	\$ -	\$ 4,310	\$ 298,013	\$ 2,545
Increment bonds and notes payable ²	457,031	-	48,898	408,133	30,248
Compensated absences	153	89	82	160	-
Total Major Component Units	\$ 759,507	\$ 89	\$ 53,290	\$ 706,306	\$ 32,793

¹Includes unamortized premium of \$28,348.

²Includes unamortized premium of \$19,196 and unamortized discount of \$452.

The legal liability, compensated absences, net other post-employment benefit (OPEB) liability and other accrued liabilities in the governmental activities are generally liquidated by the General Fund. The other governmental funds include a note payable liquidated by the Community Development special revenue fund and a claims payable liquidated by the Workers' Compensation internal service fund. The amount available for long-term debt in the debt service funds and in the special revenue fund was \$192,552,000.

- 7. Swap Agreements.** Included in the City's governmental activities are three derivatives that are embedded in the City's certificated lease for the Webb Municipal Office Building. The intent of the three pay-fixed, receive-variable interest rate swaps is to protect against rising interest rates on the variable rate 2008A Certificates of Participation (COPs). In 2003, Civic Center Office Building, Inc., the lessor, entered into two swap agreements with JP Morgan, associated with the 2003C1 and 2003C2 COPs, and one swap

agreement with Lehman Brothers that was associated with the 2003C3 COPs. In October 2008, due to the deteriorating credit rating of the insurer (AMBAC), the outstanding COPs were refunded by the Series 2008A1-A3 Refunding Certificates of Participation, terminating the three swaps. To maintain the interest rate hedge related to the lease payments, the derivative instruments with JP Morgan were amended and new swaps were entered into that were associated with the 2008A1 and 2008A2 COPs. The derivative instrument with Lehman Brothers was terminated and replaced with an agreement with Royal Bank of Canada (RBC). A new swap was initiated under the RBC agreement that was associated with the 2008A3 COPs. At the time of termination of the 2003 swaps, the JP Morgan swaps had negative fair values, and no termination payments were made. In addition to a termination payment made to Lehman Brothers by the City, an up-front payment of \$475,000 was received from RBC at the initiation of the 2008 replacement swap. These events resulted in off-market components of the swaps that are being treated as implied loans for accounting purposes and are being amortized through investment revenues over the life of the new hedges.

As of December 31, 2019, all three swaps are effective cash flow hedges and the fair values and changes in fair values are reported in the government-wide Statement of Net Position as deferred outflows of governmental activities. The combined fair market value of the three swaps as of December 31, 2019 was (\$27,271,000). The year-end fair values were calculated using the mid-market LIBOR swap curves as of December 31, 2019. The fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2019. When the present value of payments to be made by the City exceeds the present value of payments to be received, the swap has a negative value to the City. When the present value of payments to be received by the City exceeds that of payments to be made, the swap has a positive value to the City.

Table 35 provides the swap associated debt rates as of December 31, 2019.

Table 35

Swap	2008A1	2008A2	2008A3
Associated debt	2008A1 COP	2008A2 COP	2008A3 COP
Fixed payment to counterparty	3.400%	3.400%	3.130%
Variable payment from counterparty (68% LIBOR)	-(1.186%)	-(1.186%)	-(1.186%)
Net swap interest rate	2.214%	2.214%	1.944%
Variable-rate certificate coupon payment	1.700%	1.700%	1.700%
Net swap and certificate rate	3.914%	3.914%	3.644%

As rates vary, lease interest payments and net swap payments will vary. As of December 31, 2019, lease payment requirements of the related variable rate COPs and the net swap payments, assuming current rates remain the same, for their terms, are summarized in **Table 36** (dollars in thousands).

Table 36

Year	Principal	Interest	Interest Rate Swaps Net
2020	\$ 10,410	\$ 3,273	\$ 4,033
2021	11,055	3,096	3,806
2022	11,735	2,908	3,566
2023	12,460	2,709	3,311
2024-2028	73,960	10,099	12,187
2029-2031	72,925	2,834	3,274
Total	\$ 192,545	\$ 24,919	\$ 30,177

Table 37 (dollars in thousands) provides the fair values and the 2019 changes in fair value of the on-market and the implied loan portions of the swaps as of December 31, 2019, and the accounting classifications of the changes in fair value for the year then ended.

Table 37

Counterparty	Effective Date	Notional Amount	Termination Date	Associated Debt Series	Fair Values 12/31/2019	Change in Fair Value	Classification
2008A1 Swap Agreements							
JP Morgan Chase Bank	7/17/03	\$ 58,310	12/1/29	2008A1 COP	\$ (6,994)	\$ (1,257)	Deferred outflow Investment revenue
						\$ (224)	
2008A2 Swap Agreements							
JP Morgan Chase Bank	7/17/03	49,155	12/1/29	2008A2 COP	(5,896)	(1,061)	Deferred outflow Investment revenue
						(189)	
2008A3 Swap Agreements							
Royal Bank of Canada	10/1/08	85,080	12/1/31	2008A3 COP	(14,381)	(3,725)	Deferred outflow Investment revenue
						(22)	
Total		<u>\$ 192,545</u>			<u>\$ (27,271)</u>	<u>\$ (6,043)</u>	<u>\$ (435)</u>

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivatives investments.

The risk involved in the three swaps flows through the lease from Civic Center Office Building, Inc. (the “lessor”) to the City. The following risks are generally associated with swap agreements:

- **Credit risk** – All of the governmental activity swaps rely on the performance of the respective swap counterparties. The City is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the lessor. The City measures the extent of the risk based on the credit ratings of each counterparty and the fair value of the swap agreement. As of December 31, 2019, there was no risk of loss to the City, as the swap agreements had negative fair values. The credit ratings of the counterparties as of December 31, 2019, are shown in **Table 38**.

Table 38

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
JP Morgan Chase Bank	A-	A2	AA-
Royal Bank of Canada	AA-	Aa2	AA

- **Termination risk** – Any party to these swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the lessor may terminate any of the swap agreements at any time at its sole discretion. If the swap had a negative fair value at the time of termination the City could be liable to the counterparty for a termination payment equal to the fair market value of the swap. If any of the swaps were terminated, the associated variable rate certificates would no longer have the benefit of the interest rate hedge.
- **Interest rate risk** – The City is exposed to interest rate risk on the swaps. In regard to the pay fixed, receive variable swaps, as the London Interbank Offered Rate (LIBOR) index rate decreases, the City’s net payments on the swaps increase.
- **Basis risk** – The City pays interest at variable rates on the COPs associated with the swaps. Each of the swap agreements provide for the applicable counterparty to make variable rate payments based on the LIBOR index. To the extent that the variable rate paid on the certificates is different than the rate received from the counterparties based on LIBOR, there may be a net loss or benefit to the City.

The Airport has entered into interest rate swap agreements in order to protect against rising interest rates. The 1999 and 2009A swap agreements all pay fixed–receive variable rate cash flow hedges, with the variable payment from the counterparty based on the USD-SIFMA Municipal Swap Index and the variable rate of the bonds. The rest of the Airport’s swap agreements are considered investment derivatives in accordance with the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

On December 18, 2019, the Airport fully terminated the 2002 Swap Agreement with Goldman Sachs Bank. There was no cost to the Airport for the termination and it yielded a de minimis net cash inflow.

On November 6, 2019, the Airport fully terminated the 2006A Swap Agreement with JP Morgan Chase Bank at a cost of \$10.6 million. The termination was funded from Series 2019D Bonds proceeds.

On August 20, 2019, the Airport fully terminated the 1998 Swap Agreements with Goldman Sachs Capital Markets, L.P. and Societe Generale, New York Branch at a cost of \$11.3 million and \$11.4 million, respectively, and was funded from Series 2019B Bonds proceeds.

On March 13, 2019, the Airport fully terminated the 2005 and 2006B Swap Agreements with the Royal Bank of Canada and Piper Jaffray Financial Projects, LLC. There was no cost to the airport for these terminations and yielded a net cash inflow of \$1.19 million.

On December 7, 2018, the Airport fully terminated the 2005 and 2006B Swap Agreements with Jackson Financial Products, LLC. There was no cost to the Airport for these terminations and yielded a net cash inflow of \$1.16 million.

Table 39 provides a profile of the terms of the Airport’s swap agreements (all rates as of December 31, 2019).

Table 39

SWAP	1999 2009A	2005 2006B	2006A 2008A	2008B 2008B
	2002C		2016B	2008B
Associated Debt	2008B, 2009C	2016A	2007G1-G2	2008C1
Payment to counterparty	5.603%	5.297%	4.009%	4.760%
Payment from counterparty	1.610%	5.319%	1.234%	1.436%
Net swap interest rate	3.993%	-0.022%	2.775%	3.324%
Associated bond interest rate	1.364%	5.000%	2.096%	1.944%
Net swap and bond rate	5.357%	4.978%	4.871%	5.268%

As rates vary, variable rate bond interest payments and net swap payments will vary. As of December 31, 2019, debt service requirements of the related variable rate debt and net swap payments for the

Airport System's cash flow hedges (1998, 1999 and 2009A swap agreements), assuming current interest rates remain the same, for their terms, are reflected in **Table 40** (dollars in thousands).

Table 40

Year	Principal	Interest	Interest Rate		Total
			Swaps Net		
2020	\$ 23,100	\$ 1,871	\$ 5,479	\$	30,450
2021	22,560	1,565	3,477		27,602
2022	16,700	1,273	1,311		19,284
2023	5,500	1,049	-		6,549
2024	5,800	942	-		6,742
2025-2029	43,300	3,003	-		46,303
2030-2032	20,255	378	-		20,633
Total	\$ 137,215	\$ 10,081	\$ 10,267	\$	157,563

Variable Rate Bonds and Swap payments are calculated using rates in effect on December 31, 2019.

Table 41 (dollars in thousands) provides a summary of the Airport's interest rate swap transactions as of December 31, 2019.

Table 41

Counterparty	Effective Date	Notional Amount	Bond/Swap Termination Date	Associated Debt Series	Payable Swap	Variable Receivable Swap Rate	Changes in Fair Value		Fair Values December 31
							Classification	Amount	
Hedging Derivatives									
1998 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/00	-	8/20/19	-	-	-	Deferred outflow	\$ -	\$ -
							Investment income	1,748	-
Societe Generale, New York Branch	10/4/00	-	8/20/19	-	-	-	Deferred outflow	-	-
							Investment income	1,992	-
1999 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	10/4/01	91,778	11/1/22	¹	5.6179%	SIFMA	Deferred outflow	1,850	(5,225)
				¹	5.5529%	SIFMA	Investment income	(2,488)	-
Merrill Lynch Capital Services, Inc.	10/4/01	45,889	11/1/22				Deferred outflow	925	(2,575)
							Investment income	(1,217)	-
Investment Derivatives									
2002 Swap Agreements									
Goldman Sachs Capital Markets, L.P.	4/15/02	91,778	12/18/19	-	-	-	Investment income	261	-
2005 Swap Agreements									
Royal Bank of Canada	11/15/06	-	3/13/19	-	-	-	Investment income	(3)	-
JP Morgan Chase Bank, N.A.	11/15/06	41,992	11/15/25	2106A ³	3.6874%	70% LIBOR	Investment income	281	(4,044)
Piper Jaffray Financial Products, Inc.	11/15/06	-	3/13/209	-	-	-	Investment income	(3)	-
2006A Swap Agreements									
JP Morgan Chase Bank, N.A.	11/15/07	113,700	11/6/19	-	-	-	Investment income	583	-
GKB Financial Services Corp.	11/15/07	37,900	11/15/25	2007F-G/2014A ²	4.0085%	70% LIBOR	Investment income	(35)	(3,315)
2006B Swap Agreements									
Royal Bank of Canada	11/15/06	-	3/13/19	-	-	-	Investment income	12	-
JP Morgan Chase Bank, N.A.	11/15/06	41,992	11/15/25	³	SIFMA	4.0855%	Investment income	(278)	4,589
Piper Jaffray Financial Products, Inc.	11/15/06	-	3/13/19	-	-	-	Investment income	(2)	-
2008A Swap Agreements									
Royal Bank of Canada	12/18/08	75,800	11/15/25	2007F-G/2016B ^{2,4}	4.0085%	70% LIBOR	Investment income	(69)	(6,631)
2008B Swap Agreements									
Loop Financial Products I, LLC	1/8/09	90,076	11/15/25	2008C1 ²	4.7600%	70% LIBOR + 0.1%	Investment income	(229)	(11,679)
2009A Swap Agreements									
Loop Financial Products I, LLC	1/12/10	45,888	11/15/22	¹	5.6229%	SIFMA	Deferred outflow	1,331	(2,628)
							Investment income	(948)	-
TOTAL									\$ (31,508)

¹ Swaps are currently associated with Series 2009C bonds, Series 2008B, and a portion of the Series 2002C bonds.

² A portion of the Series 2002C bonds are additionally associated with these swaps.

³ Previously associated with 2006A. Swaps currently associated with Series 2016A.

⁴ Previously associated with 2014A. Swaps currently associated with Series 2016B.

Note: Certain City derivatives have been reported as investment derivatives in accordance with the provisions of GASB 53. Additionally, investment income on these derivatives has also been recognized in accordance with GASB 53. The City does not enter into derivative transactions for investment purposes, nor does the City Charter allow for the investment in derivative investments.

Payments by the Airport System to counterparties relating to these swap agreements, including termination payments, are Subordinate Obligations, subordinate to debt service payments on the Airport System's Senior Bonds, and on parity with the Airport System's Subordinate Bonds. The year-end fair values were calculated using the mid-market LIBOR and BMA swap curves as of December 31, 2019. Fair values represent the difference between the present value of the fixed payments and the

present value of the floating payments, at forward floating rates as of December 31, 2019. When the present value of payments to be made by the Airport System exceeds the present value of payments to be received, the swap has a negative value to the Airport System. When the present value of payments to be received by the Airport System exceeds that of payments to be made, the swap has a positive value to the Airport System.

The following risks are generally associated with swap agreements:

Credit Risk – All of the Airport System’s swap agreements rely upon the performance of swap counterparties. The Airport System is exposed to the risk of these counterparties being unable to fulfill their financial obligations to the Airport System. The Airport System measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the swap agreement. If the Airport System delivers a surety policy or other credit support document guaranteeing its obligations under the swap agreement that is rated in the highest rating category of either Standard & Poor’s, Moody’s Investors Service or Fitch, for any swap agreement, the counterparty to that agreement is obligated to either be rated, or provide credit support securing its obligations under the swap agreement rated in the highest rating category of either Standard & Poor’s, Moody’s Investors Service or Fitch; or, under certain circumstances, provide collateral. The Airport System is obligated, under the swap agreements, to provide such surety policy or credit support if the unsecured and unenhanced ratings of the Airport System’s Senior Bonds is below any two of BBB by Standard & Poor’s, Baa2 by Moody’s Investors Service or BBB by Fitch. As of December 31, 2019, the ratings of the Airport System’s Senior Bonds were A+ by Standard & Poor’s (with a stable outlook), A1 by Moody’s Investors Service (with a stable outlook) and A+ by Fitch (with a stable outlook). Therefore, no surety policy or credit has been provided to the counterparties by the Airport System. Failure of either the Airport System or the counterparty to provide credit support or collateral, as described in the swap agreements, is a termination event under the swap agreements (see Termination Risk below). The ratings of the counterparties, or their credit support providers, as of December 31, 2019, are shown in **Table 42**.

Table 42

Counterparty (Credit Support Provider)	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
Goldman Sachs Capital Markets, L.P. (Goldman Sachs Group, Inc.)	BBB+	A3	A
JP Morgan Chase Bank, N.A.	A+	Aa2	AA
LOOP Financial Products, LLC (Deutsche Bank, AG, New York Branch)	BBB+	A3	BBB
Merrill Lynch Capital Services, Inc. (Merrill Lynch & Co., Inc.)	A-	A2	A+
Royal Bank of Canada	AA-	Aa2	AA
Societe Generale, New York Branch	A	A1	A+
GKB Financial Services Corporation II, Inc. (Societe Generale New York Branch)	A	A1	A+

NR - no rating available.

As of December 31, 2019, there was no risk of loss for the swap agreements that had negative fair values. For the swap agreements that had positive fair values, the risk of loss is the amount of the derivative's fair value.

- **Termination Risk** – Any party to the Airport System's swap agreements may terminate the swap if the other party fails to perform under the terms of the contract. Additionally, the Airport System may terminate any of its swap agreements at any time at its sole discretion. Further, certain credit events can lead to a termination event under the swap agreements (see Credit Risk on preceding page). If, at the time of termination, the swap has a negative fair value, the Airport System could be liable to the counterparty for a payment equal to the swap's fair value. If any of the Airport System's swap agreements are terminated, the associated variable rate bonds would either no longer be hedged with a synthetic fixed interest rate or the nature of the basis risk associated with the swap agreement may change. The Airport System is not aware of any existing event that would lead to a termination event with respect to any of its swap agreements.
- **Interest Rate Risk** – The Airport System is exposed to interest rate risk in that as the variable rates of the swap agreements decrease, the Airport System's net payments on the swap agreements increase.
- **Basis Risk** – Each of the Airport System's swap agreements is associated with certain debt obligations or other swaps. The Airport System pays interest at variable interest rates on some of the associated debt obligations and associated swaps. The Airport System receives variable payments under some of its swap agreements. To the extent the variable rate on the associated debt or the associated swap paid by the Airport System is based on an index different than that used to determine the variable payments received by the Airport System under the swap agreement, there may be an increase or decrease in the synthetic interest rate intended under the swap agreement.

Note H – Fund Balances

In accordance with GASB Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the City will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no restrictions otherwise exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

The City has a target of maintaining a General Fund balance reserve that is 15.00% of budgeted expenditures and should not go below 10.00% of budgeted expenditures, except in response to a severe crisis, economic or otherwise.

Fund balances by classification are detailed in **Table 43** (dollars in thousands).

Table 43

	General	Human Services	Other Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Endowment	\$ -	\$ -	\$ 3,000	\$ 3,000
Prepaid items	11,651	-	1,686	13,337
Total Nonspendable	11,651	-	4,686	16,337
Restricted:				
General government	4,341	-	164,586	168,927
Public safety - admin	-	-	26,205	26,205
Public safety - fire	-	-	5	5
Public safety - police	-	-	75	75
Public safety - sheriff	-	-	381	381
Public works	-	-	821,229	821,229
Human services	-	85,500	-	85,500
Health	-	-	13,796	13,796
Parks & recreation	-	-	114,678	114,678
Cultural activities	-	-	71,660	71,660
Community development	-	-	58,817	58,817
Economic opportunity	-	-	14,988	14,988
Assets held for disposition	-	-	9,755	9,755
Loans receivable	-	-	61,383	61,383
Long-term debt	19,737	-	192,466	212,203
Emergency use	61,049	-	626	61,675
Total Restricted	85,127	85,500	1,550,650	1,721,277
Committed:				
General government	27,077	-	-	27,077
Public safety - admin	1,005	-	-	1,005
Public safety - fire	529	-	-	529
Public safety - police	2,063	-	-	2,063
Public safety - sheriff	5,482	-	-	5,482
Public works	19,195	-	-	19,195
Health	12,388	-	-	12,388
Parks & recreation	2,207	-	1,342	3,549
Cultural Activities	2,544	-	2,861	5,405
Community development	1,156	-	-	1,156
Economic opportunity	1,031	-	-	1,031
Total Committed	74,677	-	4,203	78,880
Assigned:				
General government	-	-	-	-
Public safety - admin	-	-	-	-
Health	-	-	-	-
Parks & recreation	-	-	1,057	1,057
Economic opportunity	-	-	-	-
Special funds	-	-	-	-
Total Assigned	-	-	1,057	1,057
Unassigned	198,626	-	-	198,626
Total Fund Balances	\$ 370,081	\$ 85,500	\$ 1,560,596	\$ 2,016,177

- **Nonspendable Fund Balances** – Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

The City has two types of nonspendable fund balances: Prepaid items and an endowment. The prepaid items, which total \$13,337,000 are in a nonspendable form and the endowment totaling \$3,000,000 is in a permanent fund whose earnings are used for the maintenance of the residence known as Cableland.

- **Restricted Fund Balances** – Restricted fund balances represent amounts constrained by external parties, enabling legislation and/or constitutional provisions.
- **Committed Fund Balances** – Committed funds can only be used for specific purposes pursuant to constraints imposed by City Council, the highest level of decision-making authority in the City. City Council's formal action to establish committed funds, and to rescind committed funds, is through passage of ordinance.
- **Assigned Fund Balances** – Assigned fund balances are constrained for specific purposes by City Council as authorized by the City's charter.
- **Unassigned Fund Balance** – Unassigned fund balance is the residual classification for the General Fund. A negative unassigned fund balance occurs when expenditures exceed amounts that are nonspendable, restricted, committed, or assigned.

IV. Other Note Disclosures

Note A – Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. In addition, the City is party to numerous pending or threatened lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. The City has historically retained these risks, except where it has determined that commercial insurance is more cost beneficial or legally required. The City has covered all claim settlements and judgments out of its General Fund resources, except where specifically identifiable to an enterprise fund. The City currently reports substantially all of its risk management activities, except workers' compensation (see **Note IV-C**), in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Current liabilities are reported when the liability has matured. These losses include an estimate of claims that have been incurred but not reported.

The Lowry Landfill, which accepted hazardous waste from the late 1960s to 1980, is listed on the national Superfund list. This means that the contamination at the site will be mitigated under the auspices of the U.S. Environmental Protection Agency. Under federal law, the City, as owner and operator of the facility is one of the parties responsible for cleanup of the site. The City's share of the remaining costs for cleanup could be incurred over the next 5 to 30 years. The City's liability for a portion of the cleanup costs is probable but cannot be reasonably estimated.

With respect to matters expecting to be settled subsequent to 2019, the City Attorney estimates the amount of liability determined as probable and incurred but not reported claims and judgments at December 31, 2019, to be approximately \$11,000,000. The City Attorney also estimates that pending cases having a reasonably possible likelihood of resulting in an additional liability aggregating approximately \$2,500,000 at December 31, 2019.

Changes in the long-term legal liability during the past two years are shown in **Table 44** (dollars in thousands).

Table 44

	2019	2018
Beginning balance - January 1	\$ 9,300	\$ 9,565
Current year claims and changes in estimates	5,825	725
Claims settled	(4,125)	(990)
Ending balance - December 31	\$ 11,000	\$ 9,300

Pursuant to Colorado law, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the Board of County Commissioners must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City must continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$350,000 per injury or \$990,000 per occurrence. See **Note IV-D-5** regarding Denver Airport System related litigation.

Note B – Pollution Remediation

The City had four underground storage tanks that leaked and were under remediation. Funds spent on remediation were partially reimbursed up to 50.00% of the cost by the Colorado Petroleum Storage Tank Trust. As of December 31, 2019, the underground storage tanks were fully remediated, and no additional costs are anticipated to incur.

The Environmental Protection Agency has listed a large area in north Denver on the National Priorities List of Superfund Sites because of lead, arsenic and cadmium contamination found in soils in residential neighborhoods. EPA has divided the Site into three operable units. Operable Unit 1 (OU1) consists of the contaminated residential soils in north Denver. Operable Unit 2 (OU2) is the Grant-Omaha Smelter Site. Operable Unit 3 (OU3) is the Argo Smelter Site.

ASARCO, Inc. finished the remediation of Operable Unit 1 in 2006 and has not claimed that the City is responsible for any of those costs; therefore, management believes the possibility that the City has any liability associated with OU1 is remote.

The EPA has named the City a Potentially Responsible Party (PRP) at OU2 as the current owner of part of the site where the former Grant-Omaha Smelter was located. Denver has entered into an Administrative Order on Consent to perform a remedial investigation and feasibility study and has paid \$18,000 of EPA's past costs. Whether this site is contaminated or whether it will require remediation cannot be determined until completion of the remedial investigation and feasibility study. The City's responsibility for some of the investigation and cleanup costs is probable; however, at this early stage in the process it is not possible to estimate the costs associated with this site, therefore no liability has been accrued. ASARCO, Inc. is another significant PRP at the site. ASARCO, Inc. filed bankruptcy and the City filed a contingent claim for environmental remediation costs and reached a settlement with ASARCO for \$640,000 which payment has been received. The City has no connection to OU3 and EPA has not asserted that the City has any responsibility for investigation or clean up, therefore management believes the possibility is remote that the City has any liability associated with OU3.

Note C – Insurance

The City has a Workers' Compensation self-insurance trust established in accordance with State Statutes to be held for the benefit of the City's employees. This trust is included in the Workers' Compensation internal service fund. The Workers' Compensation internal service fund compensates City employees, or their eligible dependents, for injuries as authorized by the State Workers' Compensation law, in addition to maintaining in-house records of claims. The Workers' Compensation program is part of the City's Risk Management Office, which also provides safety training and loss prevention for all City departments and agencies.

The Department of Labor and Employment of the State of Colorado establishes the amount of funding required each year for the City to maintain its self-insured permit. The requirement is calculated using the average amount of claims paid over the previous three years plus the outstanding liability for claims as of the end of the previous year. This requirement at December 31, 2019, for 2020, was \$18,870,000. The Workers' Compensation internal service fund has current assets and appropriations set aside in 2019 to satisfy this requirement. These funds may only be used for payment of workers' compensation benefits and administrative costs.

The City has purchased reinsurance coverage in order to reduce its risk. For the period from January 1, 2019 through December 31, 2019, the self-retention amount was \$2,500,000 for all employees. The City had no settlements in the past three years that exceeded its self-retention levels.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated and includes an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, and other economic and social factors. The liability is reported in the Workers' Compensation internal service fund and was discounted for investment income. Changes in the liability during the past two years are shown in **Table 45** (dollars in thousands).

Table 45

	2019	2018
Beginning balance, undiscounted - January 1	\$ 27,256	\$ 26,282
Current year claims and changes in estimates	16,976	14,934
Claims paid	(9,380)	(8,422)
Ending balance undiscounted	34,852	32,794
Less discount	(5,711)	(5,538)
Ending balance - December 31	\$ 29,141	\$ 27,256

The City has opted to provide salary continuation for qualifying, full-time employees who are temporarily disabled for more than three scheduled workdays or shifts by a compensable work injury. The rates and duration of salary continuation vary depending on the collective bargaining agreement or CSA rules, which apply. For the first 90 days, City departments or agencies cover the cost of salary continuation. After 90 days, salary continuation is charged to the Workers' Compensation Fund. As of December 31, 2019, the City paid \$1,054,000 for salary continuation benefits.

The City began self-insuring for employee dental benefits on January 1, 2005. Premiums are paid into the Dental Self-Insurance Fund to pay claims, claim reserves, and administrative costs. All claims are reviewed and approved for payment by Delta Dental of Colorado in accordance with the administrative services agreement with the City. There is no annual exposure limit for participants of the Exclusive Provider Organization (EPO) plan. The annual exposure limit for the participants of the Preferred Provider Organization (PPO) High is \$2,000/year. The annual exposure limit for participants of the preferred Provider Organization Low is \$1,250/year. Claims liabilities for 2019, which will be paid in 2020, were as follows:

	2019	2018
Beginning balance - January 1	\$ 217	\$ 434
Current year claims and changes in estimates	8,749	8,692
Claims settled	(8,574)	(8,909)
Ending balance - December 31	\$ 392	\$ 217

Note D – Subsequent Events

- COVID-19.** As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which will result in declining revenues and have a negative impact on the Citywide budget. At this point, the extent to which COVID-19 may impact the City's financial condition and operations is uncertain. The City has formal financial policies and operating practices, including multiple reserves, that will be used to address budgetary shortfalls and maintain core city services. In addition, the City has already received federal funding of \$126,800,000 as part of the CARES Act and \$17,730,000 from FEMA to help cover costs related to the City's response to COVID-19.
- Convention Center of Colorado.** As a result of the national, state and local emergency declarations due to COVID-19, the Mayor of the City and County of Denver ordered the immediate cancellation of all public events at certain venues owned and operated by the City, including the Convention Center. The Authority's revenue is derived from hotel operations, including the Hotel's multiple restaurants and bookings in connection with the Colorado Convention Center events. The hotel operations were suspended temporarily but will begin accepting guests starting July 9, 2020. The Authority is continuing to evaluate the potential impact of COVID-19 on future operations and the availability of its reserve accounts should the need to access them arise.
- Denver Airport System.** On November 15, 2017, Adams County and its constituent cities filed a notice of default, alleging that the City and County of Denver's airport is in violation of the noise-related requirements of the Intergovernmental Agreement on a New Airport executed in 1988, alleging that the Airport exceeded "noise exposure performance standards" in the years 2014, 2015 and 2016. This matter went to trial before the Jefferson County District Court. On June 19, 2020, the Jefferson County District Court of Colorado issued Findings of Fact and Conclusion (Order) related to the claim filed by the Complaint and ruled in favor of the Complaint's claim with respect to (i) the City's use of an alternative noise monitoring system and (ii) Class II violations for 2014, 2015, and 2016 for the judgment amount of \$33,500,000 plus interest accrued. The City is evaluating the Order and available options, but has recorded the judgment amount as a legal liability in the Denver Airport System enterprise fund.

Note E – Contingencies

- Legal Debt Margin.** Per the City Charter, the City's indebtedness for general obligation bonds shall not exceed 3.00% of actual value as determined by the last final assessment of the taxable property within the City. At December 31, 2019, the City's general obligation debt outstanding was \$842,856,000 and the City's legal debt margin was \$4,455,093,000 or 2.60% of actual value of taxable property.

- 2. Prior Years' Defeased Bonds.** At various dates in prior years, the City and certain component units have placed proceeds from bond issues and cash contributions in irrevocable refunding escrow accounts. The amounts deposited in the irrevocable escrow accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, would provide amounts sufficient for payment of all principal and interest of the bond issues on each remaining payment date. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the defeased bond issues appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. Defeased bonds principal outstanding at December 31, 2019, for the City and Denver International Airport, was \$166,185,000 and \$32,200,000, respectively.
- 3. Grants and Other.** Under the 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. City management believes disallowances, if any, will be immaterial to its financial position and activities.

The City is responsible for administering certain federal and state social services programs for which the related revenue and expenditures are not included in the accompanying financial statements since the state now makes the grant disbursements.

Table 46 (dollars in thousands) lists Denver County electronic benefit transfers (EBT) authorizations, warrant expenditures, and total expenditures associated with the Human Services special revenue fund for the year ended December 31, 2019.

Table 46

Program	City EBT Authorizations	City Share of Authorizations	Expenditures by City Warrant	City Share of Authorizations Plus Expenditures by City Warrant	Total Expenditures
Adult Protective Service	\$ -	\$ -	\$ 3,087	\$ 3,087	\$ 3,087
Aid to Needy & Disabled	3,255	651	-	651	3,255
Child Care	21,229	2,017	1,578	3,594	22,807
Child Support Enforcement ²	88	55	15,310	15,366	15,398
Child Support Grant - IV-D BICS Grant	-	-	27	27	27
Child Welfare	13,113	2,781	36,152	38,933	49,265
Child Welfare - IV-E Waiver Intervention	-	-	807	807	807
Child Welfare - IV-E Waiver Savings	-	-	74	74	74
Child Welfare Discretionary Grants	119	32	109	141	228
Child Welfare Staffing SB15-242	-	-	3,481	3,481	3,481
Child Welfare Subadopt & Relative Guardianship	7,531	756	-	756	7,531
Colorado Works Admin ²	36	2	7,839	7,841	7,875
Colorado Works Non-Admin	17,785	3,130	775	3,906	18,560
Core Services	3,762	657	2,922	3,579	6,684
County Administration - CDHS ²	250	61	17,405	17,466	17,655
County Administration - HCPF Enhanced	-	-	11,350	11,350	11,350
County Administration - HCPF Regular ²	265	49	5,257	5,306	5,522
County Initiative TANF	1	1	-	1	1
County Only Pass Thru	-	(115)	-	(115)	-
Federal Grants	-	-	4,201	4,201	4,201
Food Assistance Benefits & Collections	115,297	-	-	-	115,297
Food Assistance Job Search	(0)	(0)	1,801	1,801	1,801
Foster Care Adoption Recruitment	-	-	5	5	5
Home Care Allowance	913	46	-	46	913
Low Income Energy Assistance	2,971	-	50	50	3,021
Non-allocated Programs	131	128	9	137	140
Old Age Pension	16,801	-	967	967	17,768
SSI-Home Care Allowance	1,080	54	-	54	1,080
TANF Collections-EBT	(663)	(133)	-	(133)	(663)
Title IV-B Sub Part 2 - PSSF	-	-	312	312	312
Title IV-E Independent Living	-	-	207	207	207
Total	\$ 203,963	\$ 10,173	\$ 113,725	\$ 123,898	\$ 317,688

¹ Does not include audit adjustments, TANF Collections - IV-D Retained, Medicaid Collections, Federal and State Incentives, County Tax Base Relief and programs not settled in County Financial Management System (CFMS), with the exception of Federal grants, which are also captured in the CAFR. It also excludes County Wide Cost Allocation Pass Thru, as these amounts are not earned by expenses incurred by Human Services.

² The State pays Direct Settled items for EBT Administration, The Work Number, IRS Fees and Locator fees and then charges the counties for those costs. These are not true EBT payments, but are amounts settled via CFMS.

4. **Conduit Debt Obligations.** From time to time, the City issues industrial development revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds, and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, the aggregate principal amount payable for the bonds, excluding the Airport's Special Facility Revenue bonds, was approximately \$35,252,000.

To finance the acquisition and construction of various facilities at Denver International Airport, the City issued three series of Special Facility Revenue Bonds. These bonds are special limited obligations of the City, payable and secured by a pledge of certain revenues to be received from lease agreements for these facilities. The bonds do not constitute a debt or pledge of the full faith and credit of the City or the Airport System, and accordingly, have not been reported in the accompanying financial statements. As of December 31, 2019, Airport Special Facility Revenue Bonds outstanding totaled \$250,575,000.

5. **Denver Airport System.** The City and Adams County entered into an intergovernmental agreement for Denver International, dated April 21, 1988 (the Intergovernmental Agreement). The Intergovernmental Agreement establishes maximum levels of noise that should not be exceeded on an average annual basis at various grid points surrounding the Airport. Penalties must be paid to Adams County when these maximums are exceeded.

The Airport System is involved in claims and lawsuits and is the subject of certain other investigations. The Airport System and its legal counsel estimate that the ultimate resolution of these matters will not materially affect the accompanying financial statements of the Airport System.

Under the terms of the Federal 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 Airport System management believes disallowances, if any will be immaterial to its financial position and activities of the Airport.

The City, for and on behalf of the Airport, is undertaking renovations to Jeppesen Terminal including the Great Hall (an open area of approximately 1 million square feet located on Levels 5 and 6 of Jeppesen Terminal) designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas. The City, for and on behalf of the Airport, granted to Denver Great Hall LLC, a Delaware limited liability company (the "Great Hall Developer") an exclusive right to design, construct, finance, operate and maintain certain specified areas within Jeppesen Terminal, including the renovation and reconfiguration of a portion of the Great Hall (the "Great Hall Project"), pursuant to the Development Agreement dated August 24, 2017 (the "Great Hall Agreement") between the City, for and on behalf of the Airport, and the Great Hall Developer. On August 12, 2019, the City, for and on behalf of the Airport, exercised its right to terminate the Great Hall Agreement for convenience, which termination became effective November 12, 2019. As a result of such termination, the City, for and on behalf of the Airport, owed a termination payment to the Great Hall Developer in an amount determined pursuant to the terms of the Great Hall Agreement. The termination payment consists

of several components: 1) a net lender liability payment reimbursing Great Hall Developers for costs of design, construction and management work completed through the Termination Date (paid partially from reserve funds available from the prior issuance of Revenue Bonds (Denver International Airport Great Hall Project) Series 2017 by the Public Finance Authority on behalf of Great Hall Developer); (2) an equity payment equal to the return that Great Hall Developer's equity members expected to receive on their investment in Great Hall Developer; (3) contractor breakage costs representing the costs incurred by Great Hall Developer and its contractors because of the termination of the Great Hall Agreement that would not have been incurred but for the termination of the Great Hall Agreement; (4) redundancy costs representing reimbursements to Great Hall Developer for costs incurred in terminating employees who will not continue with Great Hall Developer or an affiliate of Great Hall Developer after termination of the Great Hall Agreement; and (5) transition costs representing the amount spent by Great Hall Developer to wind down the work and transition the Great Hall Project to the City, for and on behalf of the Department.

The City, for and on behalf of the Airport, entered into a Final Agreement Regarding Termination dated March 13, 2020 (the "Termination Agreement") with Great Hall Developer, Ferrovial Agroman West, LLC and Great Hall Builders, LLC ("Great Hall Builders") to settle all disputes among the parties to the Termination Agreement relating to the Great Hall Agreement, resolve certain relief event claims filed by Great Hall Developer on its own behalf and on behalf of Great Hall Builders under the Great Hall Agreement and settle the final amount of the total Termination Payment. As set forth in the Termination Agreement, the City, for and on behalf of the Airport, has made a series of payments toward the Termination Payment which, together with the amount referenced in the prior paragraph, resulted in the full and final Termination Payment amount of \$183.7 million. This amount falls within the estimated range of the Termination Payment of \$170.0 million to \$210.0 million previously disclosed by the City, for and on behalf of the Airport. Pursuant to the Termination Agreement, no other payments are due from the City, for and on behalf of the Airport, as a result of the termination of the Great Hall Agreement and all claims for payments against the City, for and on behalf of the Airport, have been dismissed.

As of December 31, 2019, the Airport recorded a total cost incurred of \$187.4 million related to the termination of the Great Hall Agreement, of which \$50.4 million are accrued cost paid after December 31, 2019 on the Statement of Net Position. This cost included the \$183.7 million related to the termination to Great Hall Partners and \$3.7 million in additional costs related to the termination of the agreement. For the year ended December 31, 2019, the Airport recorded \$65.8 million of the \$187.4 million as Special Item on the Statement of Revenue, Expenses, and Changes in Net Position. This amount represents costs incurred determined not to be capitalizable.

- 6. Environmental Services.** State and federal laws will require the City to close the Denver Arapahoe Disposal Site (DADS) once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The contracted operator is responsible for all closure and post-closure costs for the landfill's individual cells while they are under contract to operate the landfill. However, the ultimate responsibility rests with the City as owner of the facility. The City contractually shifted this financial responsibility to its operator as described below.

Effective October 1, 1997, the City renegotiated its contract with Waste Management of Colorado, Inc. (WMC), the current operator of DADS. As a result, the City assigned its responsibility for all closure and post-closure costs to WMC. To cover these costs, WMC has provided a performance bond of \$3,000,000, provided a corporate guarantee from their parent company, Waste Management, Inc (WMI), and posted

a financial assurance plan with the State of Colorado (including an insurance certificate of \$25,663,000 as of April 2017). Due to this assignment of closure and post-closure costs to WMC, the City no longer recognizes the related closure and post-closure costs liability in its financial statements.

- 7. Denver Urban Renewal Authority.** In connection with DURA's development of the Denver Dry Building, DURA has guaranteed certain loans made to the Denver Building Housing, Ltd. by the Bank of Denver with an outstanding balance of \$2,321,000 at December 31, 2019. In addition, DURA has guaranteed all obligations of the Denver Dry Development Corporation as general partner, under the terms and conditions of the limited partnership agreement of the Denver Building Housing, Ltd. No amounts have been recorded as a liability in the financial statements, as DURA management believes the possibility of having to make payments under these guarantees is remote.
- 8. TABOR.** At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution limiting the ability of the State and local governments, such as the City, to increase revenues, debt and spending, and restricting property, income, and other taxes. In addition, the amendment 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 excludes 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 less than 1.00% of their revenues in grants from all Colorado State and local governments combined. The amendment also requires the establishment of an Emergency Reserve equal to 3.00% of fiscal year spending excluding debt service for all years subsequent to 1994. The City has established an emergency reserve of \$61,675,000. The amendment is also applicable to several component units, which have established emergency reserves of \$83,428,000.

In November 2005, local voters approved Referred Measure 1B to allow the City to retain revenues collected, with the exception of property tax revenue, in excess of the limits established by the state amendment to the constitution for 10 fiscal years beginning with fiscal year 2005 and thereafter retain and spend any excess revenues up to the amount of the revenue cap as defined. For 2019, TABOR revenues exceeded the established limits by \$531,278,000.

In November 2012, Denver voters approved Referred Measure 2A to allow the City to retain all revenues collected beginning in 2013.

There are numerous uncertainties about the interpretation of the amendment and its application to particular governmental entities and their operations. It is possible that the constitutionality of the amendment as applied in some situations may be challenged on various grounds, including the argument that the amendment conflicts with other constitutional provisions and violates the protections afforded by the federal constitution against impairment of contract.

- 9. National Western Center.** The National Western Center redevelopment requires the acquisition of 10 residential parcels and 28 commercial parcels. The City negotiates a purchase price with property owners and reimburses property owners for the reasonable cost of obtaining their own appraisal.

Note F – Deferred Compensation Plan

- 1. Description of the Plan.** The Deferred Compensation Plan (Plan) was adopted by the City to provide a means by which public employees could defer a portion of their current income and related income taxes to future years. Under Section 457 of the Internal Revenue Code, amounts deferred, and income earned on those funds are not taxed until made available to the participant. The Plan's publicly available financial report can be obtained by contacting the City of Denver Controller's Office at 201 West Colfax Avenue, Department 1109, Denver, Colorado, 80202.
- 2. Administration of the Plan.** The Deferred Compensation Governing Committee of the City manages the Plan. The Committee has designated a third-party administrator for the Plan to account for all deferred compensation, withdrawals, interest income credited, and the individual balance for each participant. In addition, the administrators execute individual participant agreements and provide Plan information and counseling to all eligible employees.
- 3. Investments.** Investments are recorded at fair value. In compliance with the City Charter, the Deferred Compensation Governing Committee has approved certain options for investment. All investments are transferred to a retirement trust investment fund offered by Nationwide Retirement Plans. The Plan provides for self-directed investments by the participants.
- 4. Contributions.** Participation in the Plan is voluntary and is open to all City employees. The City does not make any contributions. The maximum deferral in any one year is generally limited to 100.00% of a participant's pre-deferred taxable income or \$19,000 for 2019. Those who are age 50 and older may save an additional \$6,500 per year. However, special provisions, applicable during the last three taxable years before a participant attains normal retirement age under the Plan, or any year thereafter prior to the participants' separation from service, may increase the annual maximum up to \$38,000 for 2019. Total contributions by employees were \$47,437,000 for 2019.
- 5. Withdrawals.** Withdrawals from the Plan may be made upon retirement, termination of employment with the City, or in hardship cases as approved by the Administrator. Upon death, amounts credited to the participant are paid to the beneficiary designated by the participant.

Eligible participants may elect the Systematic Withdrawal Option, purchase an annuity, or receive a lump-sum distribution. The Systemic Withdrawal Option allows eligible participants to withdraw specified amounts from their account at regular intervals. The balance of their account remains in the pool of Plan assets and continues to be invested as directed by the participant. The annuity option allows eligible participants to purchase a payment stream for a period certain or for the lifetime of the annuitant. Contracts purchased under this annuity option remain as assets of the Plan. The periodic distributions are accounted for as withdrawals in the year disbursed.

- 6. Assets.** All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust by the City for the exclusive benefit of the participants and their beneficiaries. The assets of the Plan are reported as an other employee benefit trust fund of the City.
- 7. Plan Termination and Amendments.** The City can at any time elect to amend, modify, or terminate the Plan. However, notice must be given to all participants at least 45 days prior to the effective date of an amendment. No amendments will deprive the participants of any benefits they were entitled to prior to the change. If the Plan is terminated, all amounts then credited to the participants are to be paid out by the administrators under the normal withdrawal requirements and procedures.
- 8. Component Units.** Several component units offer plans similar to the City's which are also qualified under Section 457 of the Internal Revenue Code.

Note G – Pension Plans

The City has six pension plans covering substantially all employees of the primary government, as follows:

- Denver Employees Retirement Plan (DERP)
- Fire and Police Pension Plan - Statewide Defined Benefit Plan (FPPA SWDB)
- Public Employees' Retirement Association of Colorado Pension Plan - State Division Trust Fund (PERA SDTF)
- Public Employees' Retirement Association of Colorado Pension Plan - Judicial Division Trust Fund (PERA JDTF)
- Denver Old Hire Fire Pension Fund (FPPA Old Hire Fire)
- Denver Old Hire Police Pension Fund (FPPA Old Hire Police)

The majority of the City's employees are covered under the Denver Employees Retirement Plan. Full time firemen and policemen are covered under the Fire and Police Pension Association plans, and county court judges and the District Attorney are covered under the Public Employees' Retirement Association of Colorado. In addition to the six plans offered, several component units offer various types of pension plans, which include deferred annuity plans and defined contribution plans.

A summary of pension related items as of and for the year ended December 31, 2019, is presented in **Table 47** (dollars in thousands).

Table 47

Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
DERP:				
Governmental Activities	\$ 1,135,565	\$ 259,097	\$ -	\$ 177,297
Business-type Activities	252,830	65,664	4,635	37,880
FPPA SWDB	40,822	152,789	743	6,436
PERA SDTF	794	181	566	(76)
PERA JDTF	7,186	3,287	6,033	(917)
Old hire Fire	170,356	29,183	-	16,781
Old hire Police	114,113	31,469	-	16,271
Total	\$ 1,721,666	\$ 541,670	\$ 11,977	\$ 253,672

1. Cost Sharing Multiple-Employer Defined Benefit Pension Plans.

- The Denver Employees Retirement Plan (DERP)

Plan Description. The Denver Employees Retirement Plan (DERP) administers a cost sharing multiple-employer defined benefit plan to eligible members. The DERP is administered by the DERP Retirement Board in accordance with sections 18-401 through 18-430.7 of the City's Revised Municipal Code. Amendments to the plan are made by ordinance. These Code sections establish the plan, provide complete information on the DERP, and vests the authority for the benefit and contribution provisions with the City Council. The DERP Retirement Board acts as the trustee of the Plan's assets.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before July 1, 2011 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.00% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.50% final average salary is based on the member's highest salary during a period of 36 consecutive months of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired after July 1, 2011, they must be age 60 and have combined credited service of at least 85 to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a period of 60 consecutive months of credited service. Five-year vesting is required of all employees to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustment is granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the plan's Board, and enacted into ordinance by Denver City Council.

The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. DERP issues a publicly available comprehensive annual financial report that can be obtained at <https://www.derp.org>.

Funding Policy. The City contributes 12.50% of covered payroll and employees make a pre-tax contribution of 8.00% in accordance with Section 18-407 of the Revised Municipal Code of the City. The City's contributions to DERP for the year ended December 31, 2019, were \$83,255,000, which equaled the required contributions.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2019, the City reported a liability of \$1,388,395,000 for its proportionate share of the net pension liability related to DERP. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The City's proportion of the net pension liability was based on City contributions to DERP for the calendar year 2018 relative to the total contributions of participating employers to DERP.

At December 31, 2018, the City's proportion was 92.03%, which was an increase of 1.33% from its proportion measured as of December 31, 2017.

The components of the City's proportionate share of the net pension liability related to DERP as of December 31, 2019, are presented in **Table 48** (dollars in thousands).

Table 48

	Governmental Activities	Business-type Activities	Total
Total pension liability	\$ 2,688,147	\$ 598,509	\$ 3,286,656
Plan fiduciary net position	1,552,582	345,679	1,898,261
Net pension liability	\$ 1,135,565	\$ 252,830	\$ 1,388,395

For the year ended December 31, 2019, the governmental activities and the business-type activities recognized pension expense of \$177,297,000 and \$37,880,000 respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for DERP as of December 31, 2019, is presented in **Table 49** (dollars in thousands).

Table 49

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,358	\$ -
Changes of assumptions or other inputs	100,706	-
Net difference between projected and actual earnings on pension plan investments	66,464	-
Changes in proportion	9,970	-
Contributions subsequent to the measurement date	67,599	-
Total	\$ 259,097	\$ -

	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,196	\$ -
Changes of assumptions or other inputs	22,422	-
Net difference between projected and actual earnings on pension plan investments	14,798	-
Changes in proportion	9,592	4,635
Contributions subsequent to the measurement date	15,656	-
Total	\$ 65,664	\$ 4,635

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,554	\$ -
Changes of assumptions or other inputs	123,128	-
Net difference between projected and actual earnings on pension plan investments	81,262	-
Changes in proportion	19,562	4,635
Contributions subsequent to the measurement date	83,255	-
Total	\$ 324,761	\$ 4,635

The \$83,255,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 50** (dollars in thousands).

Table 50

Year	Governmental Activities	Business-type Activities	Total
2020	\$ 88,012	\$ 18,828	\$ 106,840
2021	47,555	12,557	60,112
2022	20,401	6,053	26,454
2023	35,530	7,935	43,465
2024	-	-	-
Thereafter	-	-	-
Total	\$ 191,498	\$ 45,373	\$ 236,871

The total pension liability in the January 1, 2018 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 51**.

Table 51

	DERP
Investment rate of return	7.50%
Salary increases	3.00-7.00%
Inflation	2.50%

Mortality rates were based on the RP-2014 Combined Mortality Table (gender specific) projected with the Ultimate MP Scale with a multiplier of 110% male and 105% female.

The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2018, these best estimates are summarized in **Table 52**.

Table 52

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U.S. Equities		
Large Cap	12.00%	3.80%
Large Cap Value	3.50%	4.30%
Large Cap Growth	3.50%	3.80%
Small Cap Value	1.25%	4.50%
Small Cap Growth	2.25%	4.00%
Total U.S. Equities	22.50%	
International Equities		
International Large Cap	2.00%	4.30%
International Large Cap Value	4.00%	5.30%
International Large Cap Growth	4.00%	4.80%
International Small Cap Value	5.50%	4.80%
Emerging Markets	8.00%	6.30%
Total International Equities	23.50%	
Fixed Income		
Governments	5.00%	0.50%
Core Fixed Income	6.50%	1.00%
Emerging Market Debt	2.50%	4.30%
Private Debt	4.00%	5.00%
Distress Debt	2.50%	6.50%
Total Fixed Income	20.50%	
Real Estate		
Non-core Real Estate	3.20%	5.80%
Core Real Estate	4.80%	3.80%
Total Real Estate	8.00%	
Alternatives		
Hedge Funds	5.00%	3.30%
MLP	7.00%	6.30%
Private Equity	7.00%	6.50%
Private Energy	5.50%	6.50%
Timber	1.00%	3.00%
Total Alternatives	25.50%	
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension liability remained at 7.50%. This single discount rate was based on the expected rate of return on pension plan investments remained at 7.50%. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. Table 53 presents the City's proportionate share of the net pension liability, calculated using a discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher (dollars in thousands):

Table 53

City's proportionate share of the net pension liability	1% Decrease	Current	1% Increase
	6.50%	Discount Rate 7.50%	8.50%
Governmental Activities	\$ 1,426,387	\$ 1,135,565	\$ 890,897
Business-type activities	317,582	252,830	198,356
Total	\$ 1,743,969	\$ 1,388,395	\$ 1,089,253

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued DERP financial reports found at <https://www.derp.org/index.cfm/ID/38>.

- **Fire and Police Pension Plan – Statewide Defined Benefit Plan (FPPA SWDB)**

Plan Description. Full-time firefighters and police officers hired on or after April 8, 1978, participate in the Statewide Defined Benefit Plan - Fire and Police Pension Plan (FPPA SWDB). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) that provides normal, early, vested, or deferred retirement and death benefits. Authority for the plan, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The plan is amended by statute and is accounted for using the economic resources measurement focus and the accrual basis of accounting. FPPA issues a publicly available comprehensive annual financial report that can be obtained at http://fppaco.org/toc_frames.html.

Funding Policy. Statute requires the City contribute 8.00% of base salary and employees make a pre-tax contribution of 10.50% for a total contribution rate of 18.50%. In 2014, employees elected to increase the member contribution rate to the plan beginning in 2015. Employee contribution rates will increase 0.50% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8.00% resulting in a combined contribution rate of 20.00% in 2022. The City's contributions to the FPPA SWDB for the year ended December 31, 2019, were \$18,079,000.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2019, the City reported a liability of \$40,822,000 for its proportionate share of the net pension liability related to the FPPA SWDB plan. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The City's proportion of the net pension liability was based on City contributions to FPPA SWDB plan for the calendar year 2018 relative to the total contributions of participating employers to the FPPA SWDB plan.

At December 31, 2018, the City's proportion was 32.29%, which was a decrease of 2.67% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the City recognized pension expense of \$6,436,000. The components of the City's proportionate share of the net pension liability related to FPPA SWDB as of December 31, 2019, are presented in **Table 54** (dollars in thousands).

Table 54

	FPPA SWDB	
Total pension liability	\$	856,655
Plan fiduciary net position		815,833
Net pension liability	\$	40,822

A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for FPPA SWDB as of December 31, 2019, is presented in **Table 55** (dollars in thousands).

Table 55

Sources	FPPA SWDB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52,452	\$ 436
Changes of assumptions or other inputs	39,534	-
Net difference between projected and actual earnings on pension plan investments	32,113	-
Change in proportion	10,611	307
Contributions subsequent to the measurement date	18,079	-
Total	\$ 152,789	\$ 743

The \$18,079,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease increase in the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 56** (dollars in thousands).

Table 56

Year	FPPA SWDB	
2020	\$	24,770
2021		18,067
2022		15,581
2023		24,920
2024		12,806
Thereafter		37,823
Total	\$	133,967

The total pension liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions and other inputs presented in **Table 57** (dollars in thousands).

Table 57

FPPA SWDB	
Investment rate of return	7.00%
Salary increases	4.25-11.25%
Inflation	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50.00% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55.00% of the RP-2014 mortality tables for actives employees. The on-duty mortality rate is 0.00020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.00%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018, are summarized in **Table 58**.

Table 58

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	37.00%	8.03%
Equity long/short	9.00%	6.45%
Private markets	24.00%	10.00%
Fixed income	15.00%	2.90%
Absolute return	9.00%	5.08%
Managed futures	4.00%	5.35%
Cash	2.00%	2.52%
Total Asset Class	100.00%	

Discount Rate. The discount rate used to measure the total pension liability decreased from 7.50% to 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes.

Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. Table 59 presents the City’s proportionate share of the net pension liability, calculated using a discount rate of 7.00%, as well as what the City’s proportionate share of plan’s net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher (dollars in thousands):

Table 59

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
City's proportionate share of the net pension liability (asset)	\$ 158,301	\$ 40,822	\$ (56,626)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FPPA financial reports found at http://fppaco.org/toc_frames.html.

- **Public Employees’ Retirement Association of Colorado Pension Plans (PERA).**

Plan Description. County court judges and the District Attorney of the City are provided with pensions through the State Division Trust Fund (SDTF) or the Judicial Division Trust Fund (JDTF) –cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA provides retirement, disability, and survivor benefits that are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy. Eligible employees are required to contribute 8.75% of their PERA-includable salary. The City contributes 19.13% of includable salaries to the SDTF and 16.34% of includable salaries to the JDTF. Employer contributions are recognized by the SDTF and the JDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the plans. The City’s contributions to the SDTF for the year ended December 31, 2019, were \$42,000. The City’s contributions to the JDTF for the years ended December 31, 2019, were \$598,000.

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

At December 31, 2019, the City reported a liability of \$794,000 and \$7,186,000 for the SDTF and JDTF, respectively, for its proportionate share of the net pension liability related to the PERA plans. The net pension liabilities were measured as of December 31, 2018, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2018. The City's proportion of the net pension liabilities were based on City contributions to the SDTF and JDTF plan for the calendar year 2018 relative to the total contributions of participating employers to the SDTF and JDTF plans.

At December 31, 2018, the City's proportion of the SDTF was 0.007%, which was a decrease of 0.001% from its proportion measured as of December 31, 2017.

At December 31, 2018, the City's proportion of the JDTF was 5.09% which was a decrease 0.92% from its proportion measured as of December 31, 2017.

The components of the City's net pension liability related to PERA as of December 31, 2019, are presented in **Table 60** (dollars in thousands).

Table 60

	SDTF	JDTF
Total pension liability	\$ 1,768	\$ 22,796
Plan fiduciary net position	974	15,610
Net pension liability	\$ 794	\$ 7,186

For the year ended December 31, 2019, the City recognized pension income of \$76,000 for the SDTF and \$917,000 of pension income for the JDFT. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the SDTF and JDTF plans as of December 31, 2019, is presented in **Table 61** (dollars in thousands).

Table 61

	SDTF		JDTF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 23	\$ -	\$ 1,042	\$ -	\$ 1,065	\$ -
Changes of assumptions or other inputs	42	410	835	4,511	877	4,921
Net difference between projected and actual earnings on pension plan investments	40	-	653	-	693	-
Change in proportion	34	156	159	1,522	193	1,678
Contributions subsequent to the measurement date	42	-	598	-	640	-
Total	\$ 181	\$ 566	\$ 3,287	\$ 6,033	\$ 3,468	\$ 6,599

The \$42,000 and \$598,000 reported by the SDTF and JDTF plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 62** (dollars in thousands).

Table 62

Year	SDTF	JDTF
2020	\$ (193)	\$ (283)
2021	(258)	(791)
2022	2	(1,260)
2023	22	(1,010)
2024	-	-
Thereafter	-	-
Total	\$ (427)	\$ (3,344)

The total pension liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions and other inputs in **Table 63**.

Table 63

	SDTF	JDTF
Price inflation	2.40%	2.40%
Salary increases, including wage inflation	3.50-9.17%	4.00-5.00%
Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%	7.25%

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

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor and 93% factor for the SDTF and the JDTF applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above for the SDTF and a 113% factor for the JDTF, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% and 68% factor for the SDTF and the JDTF applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above for the SDTF and a 106% factor for the JDTF, and further adjustments for credibility.

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

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

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

As of the most recent analysis on the long-term expected rate of return presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in **Table 64**.

Table 64

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

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

SDTF Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the Fiduciary Net Position used to determine the discount rate was an actuarial valuation performed as of December 31, 2017 and the financial status of the Trust Fund as of the prior measurement date (December 31, 2017). In addition, the following methods and assumptions were used in the projection of cash flows:

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increases in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103.00%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified by law, the State of Colorado, as a non-employer contributing entity, will provide an annual direct distribution of \$225,000,000 (actual dollars), commencing July 1, 2018, and is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. The long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and the discount rate is 7.25%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.43% were used in the discount rate determination resulting in a discount rate of 4.72%.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. Table 65 presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate (dollars in thousands).

Table 65

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
		7.25%	
City's proportionate share of the net pension liability	\$ 1,737	\$ 794	\$ 1,117

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the Trust Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return is 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.43% were used in the discount rate determination resulting in a blended discount rate of 5.41%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

Table 66 presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate (dollars in thousands).

Table 66

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
		7.25%	
City's proportionate share of the net pension liability	\$ 9,537	\$ 7,186	\$ 5,163

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial reports found at <https://www.copera.org/investments/pera-financial-reports>.

2. Agent Single-Employer Defined Benefit Plans

- **Denver Old Hire Fire and Police Pension Funds (FPPA Old Hire Fire and Police)**

Plan Description. The Old Hire plans are agent multiple-employer defined benefit pension plans that are administered by the Fire and Police Pension Association (FPPA). Authority for the plans, including benefit and contribution provisions, is derived from Title 31, Articles 30, 30.5, and 31 of the Colorado Revised Statutes. The Plans are amended by statute. The plans provide normal, early, vested, or deferred retirement benefits to plan participants. The Old Hire pension plans are for fire fighter and police employees hired before April 8, 1978. The plans are accounted for using the economic resources measurement focus and the accrual basis of accounting and are closed to new entrants. FPPA issues a publicly available comprehensive annual financial report that includes the old hire plans and can be obtained at http://fppaco.org/toc_frames.html.

Funding Policy. The City is required to contribute to the Old Hire plans at an actuarially determined rate. Modification of the Old Hire plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65.00% of active members and City Council ordinance. The City's contributions to the FPPA Old Hire Fire and Police plans for the year ended December 31, 2019 were \$17,248,000 and \$8,803,000, respectively.

Plan Membership. The plan membership of the Old Hire plans as of December 31, 2019 is presented in **Table 67**.

Table 67

Members	Old Hire Fire	Old Hire Police	Total
Retirees and beneficiaries	\$ 760	\$ 1,009	\$ 1,769
Inactive, non-retired beneficiaries	-	-	-
Active members	1	-	1
Total	\$ 761	\$ 1,009	\$ 1,770

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2019, the City reported a liability of \$170,356,000 and \$114,113,000 for the Old Hire Fire and Old Hire Police plans, respectively, for the net pension liability related to the FPPA old hire plans. The net pension liabilities were measured as of December 31, 2018, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liabilities to December 31, 2018.

The components of the net pension liability of the City as of December 31, 2019, is presented in **Table 68** (dollars in thousands).

Table 68

	Old Hire Fire	Old Hire Police
Total pension liability	\$ 477,782	\$ 683,289
Fiduciary net position	307,426	569,176
Net Pension Liability	\$ 170,356	\$ 114,113

For the year ended December 31, 2019, the City recognized \$16,781,000 and \$16,271,000 of pension expense for the Old Hire Fire and Old Hire Police plans, respectively. A summary of the City's deferred outflows of resources and deferred inflows of resources related to pensions for the Old Hire Fire and Old Hire Police plans as of December 31, 2019, is presented in **Table 69** (dollars in thousands).

Table 69

	Old Hire Fire	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	11,935	-
Change in proportion	-	-
Contributions subsequent to the measurement date	17,248	-
Total	\$ 29,183	\$ -

	Old Hire Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	22,666	-
Change in proportion	-	-
Contributions subsequent to the measurement date	8,803	-
Total	\$ 31,469	\$ -

The \$17,248,000 and \$8,803,000 reported by the Old Hire Fire and Old Hire Police plans, respectively, as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as presented in **Table 70** (dollars in thousands).

Table 70

Year	Old Hire Fire	Old Hire Police
2020	\$ 5,381	\$ 10,108
2021	1,573	3,153
2022	274	650
2023	4,707	8,755
2024	-	-
Thereafter	-	-
Total	\$ 11,935	\$ 22,666

The changes in net pension liability for Old Hire Fire and Old Hire Police plans are presented in **Table 71**.

Table 71

	Old Hire Fire		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2019	\$ 486,432	\$ 334,242	\$ 152,190
Changes for the year:			
Service cost	-	-	-
Interest	34,880	-	34,880
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	16,355	(16,355)
Contributions - employee	-	3	(3)
Net investment income	-	531	(531)
Benefit payments	(43,529)	(43,529)	-
Administrative expense	-	(175)	175
Other changes	-	-	-
Total Net Changes	\$ (8,649)	\$ (26,815)	\$ 18,166
Balances as of December 31, 2019	\$ 477,783	\$ 307,427	\$ 170,356
	Old Hire Police		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of January 1, 2019	\$ 691,036	\$ 618,126	\$ 72,910
Changes for the year:			
Service cost	-	-	-
Interest	49,712	-	49,712
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	7,988	(7,988)
Contributions - employee	-	-	-
Net investment income	-	754	(754)
Benefit payments	(57,458)	(57,458)	-
Administrative expense	-	(233)	233
Other changes	-	-	-
Total Net Changes	\$ (7,746)	\$ (48,949)	\$ 41,203
Balances as of December 31, 2019	\$ 683,290	\$ 569,177	\$ 114,113

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2018 are summarized in **Table 72**.

Table 72

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	2.00%	2.52%
Fixed income	15.00%	2.90%
Managed funds	4.00%	5.35%
Absolute return	9.00%	5.08%
Equity long/short	9.00%	6.45%
Global equity	37.00%	8.03%
Private markets	24.00%	10.00%
Total	100.00%	

The total pension liability in the December 31, 2018 actuarial valuation was determined using the actuarial assumptions and other inputs reflected in **Table 73**.

Table 73

	Old Hire Fire	Old Hire Police
Investment rate of return	7.50%	7.50%
Salary increases	n/a	n/a
Inflation	2.50%	2.50%

Mortality rates were based on the RP-2014 Mortality Tables for Blue Collar Employees for ages less than 55. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

For Disabled (pre-1980), mortality rates were based on the RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3.00% rate for males and 2.00% rate for females.

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate. **Table 74** presents the City's net pension liability, calculated using a discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) (dollars in thousands):

Table 74

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Old Hire Fire net pension liability	\$ 211,348	\$ 170,356	\$ 134,867
Old Hire Police net pension liability	176,422	114,113	60,505

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports found at http://fppaco.org/toc_frames.html.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Colorado PERA

P. O. Box 5800
Denver, Colorado 80217-5800

Denver Employees Retirement Plan

777 Pearl Street
Denver, Colorado 80203

Fire and Police Pension Association

5290 DTC Parkway, Suite 100
Greenwood Village, Colorado 80111

Note G - Other Post Employment Benefit (OPEB) Plans

The City has seven OPEB benefits covering substantially all employees of the primary government, as follows:

- Denver Employee Retirement Plan (DERP)
- DERP Implicit Rate Subsidy
- Public Employees' Retirement Association of Colorado (PERA) Plan Health Care Trust Fund (HCTF)
- Denver Police Retiree Health Fund (PRHF)
- Fire and Police Pension Association Statewide Death and Disability Plan (SWD&D)
- Fire and Police Implicit Rate Subsidy
- The Post Employment Health Plan (PEHP) for Firefighters

The majority of the City's employees, and certain employees of Denver Health and Hospital Authority, are covered under the Denver Employee Retirement Plan which includes an implicit rate subsidy. County court judges and the District Attorney are covered under the Public Employees' Retirement Association of Colorado Health Care Trust Fund. The Denver Police Retiree Health Fund covers individuals who became members after January 1, 1996 and are considered the classified service of the police department. The SWD&D Plan benefits are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. The Fire and Police Pension Association Implicit Rate Subsidy cover eligible fire fighter retirees and police officer retirees who participate in the health insurance programs offered by the City. The Post Employment Health Plan for Firefighters includes firefighters covered by a collective bargaining agreement between the Union and the City to provide post-employment health benefits.

A summary of OPEB related items as of and for the year ended December 31, 2019, is presented in **Table 75** (dollars in thousands).

Table 75

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
DERP:				
Governmental Activities	\$ 80,472	\$ 12,426	\$ 496	\$ 6,199
Business-type Activities	17,837	3,354	466	1,388
HCTF	519	52	17	41
PRHF	11,349	5,068	1,173	1,176
Total	\$ 110,177	\$ 20,900	\$ 2,152	\$ 8,804
Implicit Rate Subsidy				
	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
DERP:				
Governmental Activities	\$ 69,228	\$ 8,401	\$ 122	\$ 5,142
Business-type Activities	10,467	1,426	452	733
Fire and Police	46,280	5,036	-	3,876
Total	\$ 125,975	\$ 14,863	\$ 574	\$ 9,751

1. The Denver Employee Retirement Health Plan (DERP) and DERP Implicit Rate Subsidy

1a. DERP Participants' Plan Description. The Denver Employees Retirement Plan (the Plan) administers a cost-sharing multiple-employer defined benefit plan providing pension and post-employment health benefits to eligible members. The Plan was established in 1963 by the City and County of Denver, Colorado. During 1996, the Denver Health and Hospital Authority (DHHA) was created and joined the Plan as a contractual entity. In 2001, the Plan became closed to new entrants from DHHA. All risks and costs are shared by the City and County of Denver (the City) and DHHA. There is a single actuarial evaluation performed annually that covers both the pension and post-employment health benefits. All assets of the Plan are funds held in trust by the Plan for its members for the exclusive purpose of paying pension and post-employment health benefits.

Sections 18-401 through 18-430.7 of the City's Revised Municipal Code should be referred to for complete details of the Plan.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before September 1, 2004 and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.00% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.50%. Final average salary is based on the member's highest salary during a consecutive 36-month period of credited service. Members with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a consecutive 60-month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment. Annual cost of living adjustment is granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the Plan's Board, and enacted into ordinance by the Denver City Council.

The health benefits account was established by City Ordinance in 1991 to provide, beginning January 1, 1992, post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the Plan awaiting approval of retirement applications. During 2018, the monthly health insurance premium reduction was \$12.50 per year of service for retired participants not yet eligible for Medicare, and \$6.25 per year of service for retirees eligible for Medicare. The health insurance premium reduction can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Funding Policy for DERP Participants. The City is required to contribute at a rate of 1.34% of annual covered payroll. The contribution requirements for the City are established under the City's Revised Municipal Code. For the year ended December 31, 2019, contributions were \$4,855,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2019, the City reported a liability of \$98,309,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The City's proportion of the net OPEB was based on contributions to DERP for the calendar year 2018 relative to the total contributions of participating employers to the DERP.

At December 31, 2018, the City's proportion was 93.99% for OPEB, which was an increase of 0.63% from its proportion measured as of December 31, 2017.

The components of the City's proportionate share of the net OPEB liability related to DERP as of December 31, 2019, are presented in **Table 76** (dollars in thousands).

Table 76

OPEB Plan	Governmental	Business-type	Total
	Activities	Activities	
Total OPEB liability	\$ 132,303	\$ 29,326	\$ 161,629
Plan fiduciary net position	51,831	11,489	63,320
Net OPEB liability	\$ 80,472	\$ 17,837	\$ 98,309

For the year ended December 31, 2019, the City recognized OPEB expense for the DERP plan of \$7,587,000.

A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2019, is presented in **Table 77** (dollars in thousands).

Table 77

OPEB Plan	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 373	\$ -
Changes of assumptions or inputs	4,693	-
Net difference between projected and actual earnings on pension plan investments	2,294	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,124	496
Contributions subsequent to the measurement date	3,942	-
Total	\$ 12,426	\$ 496

OPEB Plan	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 83	\$ -
Changes of assumptions or inputs	1,040	-
Net difference between projected and actual earnings on pension plan investments	508	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	810	466
Contributions subsequent to the measurement date	913	-
Total	\$ 3,354	\$ 466

OPEB Plan	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 456	\$ -
Changes of assumptions or inputs	5,733	-
Net difference between projected and actual earnings on pension plan investments	2,802	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,934	962
Contributions subsequent to the measurement date	4,855	-
Total	\$ 15,780	\$ 962

The \$4,855,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the implicit rate subsidy will be recognized as OPEB expense as presented in **Table 78** (dollars in thousands).

Table 78

OPEB Plan Year	Governmental Activities	Business-type Activities	Total
2020	\$ 2,117	\$ 484	\$ 2,601
2021	2,117	484	2,601
2022	2,007	530	2,537
2023	1,747	477	2,224
2024	-	-	-
Thereafter	-	-	-
Total	\$ 7,988	\$ 1,975	\$ 9,963

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 79**.

Table 79

OPEB Plan	DERP
Valuation date	January 1, 2018
Measurement date	December 31, 2018
Experience study	Conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017
Actuarial Method	Entry Age Normal
Long-term investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	3.00-7.00%
Inflation	2.50%
Mortality	RP-2014 Combined Mortality Table (genderspecific) projected with the Ultimate MP Scale with a multiplier of 110% male and 105% female

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in **Table 80**.

Table 80

Asset Class	Target Allocation	Long-Term Expected Rate of Return
U. S. Equities		
Large Cap	12.00%	4.90%
Large Cap Value	3.50%	5.30%
Large Cap Growth	3.50%	4.70%
Small Cap Value	2.20%	5.50%
Small Cap Growth	1.30%	5.00%
Total U.S. Equities	22.50%	
International Equities		
International Large Cap	2.00%	5.80%
International Large Cap Value	4.00%	6.30%
International Large Cap Growth	4.00%	5.50%
International Small Cap Value	5.50%	6.00%
Emerging Markets	8.00%	7.80%
Total International Equities	23.50%	
Fixed Income		
Governments	5.00%	0.60%
Core Fixed Income	6.50%	1.10%
Emerging Market Debt	2.50%	4.60%
Private Debt	4.00%	7.50%
Distress Debt	2.50%	7.50%
Total Fixed Income	20.50%	
Real Estate		
Non-Core Real Estate	3.20%	5.90%
Core Real Estate	4.80%	4.10%
Total Real Estate	8.00%	
Alternatives		
Hedge Funds	5.00%	2.60%
MLP	7.00%	7.20%
Private Equity	7.00%	7.50%
Private Energy	5.50%	7.30%
Timber	1.00%	3.60%
Total Alternatives	25.50%	
Total Asset Class	100.00%	

Discount rate. A single discount rate of 7.50% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.50%. The projection of cash flows used to determine this single rate assumed that plan member and employer contributions will be made at the current contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the City's proportionate share of the net OPEB liability to changes in Discount Rate. Table 81 presents the net OPEB liability using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher (dollars in thousands).

Table 81

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	6.50%	7.50%	8.50%
Governmental Activities	\$ 93,502	\$ 80,472	\$ 69,388
Business-type activities	20,725	17,837	15,380
Total	\$ 114,227	\$ 98,309	\$ 84,768

As the plan is paid at a fixed dollar value, there is not an actuarially adjusted value for healthcare costs and thus Healthcare Cost Trend Rates are not applicable to this plan.

OPEB plan fiduciary net position. Detailed information about the DERP's fiduciary net position is available in DERP's comprehensive annual financial report which can be obtained at www.derp.org.

1b. DERP Implicit Rate Subsidy

DERP Implicit Subsidy Plan Description. The City acts in a single-employer capacity by providing health insurance to eligible Career Service retirees and their qualified dependents through the City's group insurance plans. The claims experience of active employees and pre-Medicare retirees is co-mingled in setting premium rates for the plans in which City employees and retirees participate. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicare age.

Funding Policy for DERP Implicit Subsidy Plan. DERP retirees are responsible for 100.00% of the blended premium rate, The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing. No assets are accumulated in a trust to pay for benefits. For the year ended December 31, 2019, contributions were \$6,832,000.

Participation Rate DERP Implicit Subsidy Plan. As authorized by section 18-412 of the City's Revised Municipal Code, DERP retirees are allowed to participate in the health insurance programs offered to active employees.

- **Participating active employees:** 50.00% of active DERP employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.
- **Actives not currently participating:** 25.00% of active DERP employees not currently covered by a City healthcare plan are assumed to elect coverage in the Kaiser DHMO plan at or before retirement.
- **Vested terminated employees:** 40.00% of vested terminated employees with 16 or more years of City/County service are assumed to elect coverage in the Kaiser DHMO plan when they retire and begin their pension benefits.
- **Retired participants:** Existing medical plan elections are assumed to be continued through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.

Spouse Coverage

- **Active participants:** 25% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.
- **Retired participants:** Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

Excise tax on high-cost plans

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on high-cost employer sponsored health coverage. The tax applied to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022. This excise tax was repealed by Senate Amendment to H.R. 1865, Further Consolidated Appropriations Act, 2020, and signed by the President on December 20, 2019. Although this change occurred after the valuation date and measurement date, the assumptions changed, now assuming the City will no longer bear any such excise tax liability

Table 82 displays Plan participants at December 31, 2018, the date of the latest actuarial valuation.

Table 82

	Plan Participants
Inactive employees currently receiving benefit payments	1,124
Inactive employees entitled to but not yet receiving benefit payments	306
Active employees	8,755
Total	10,185

The components of the implicit rate subsidy liability related to DERP as of December 31, 2019, are presented in **Table 83** (dollars in thousands).

Table 83

Implicit Rate Subsidy	Governmental Activities	Business-type Activities	Total
Total OPEB liability	\$ 69,228	\$ 10,467	\$ 79,695

For the year ended December 31, 2019, the City recognized OPEB expense of \$5,875,000 for the implicit rate subsidy. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2019, is presented in **Table 84** (dollars in thousands).

Table 84

Implicit Rate subsidy	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 482	\$ -
Changes of assumptions or other inputs	1,623	-
Changes in proportion	361	122
Benefit claims made subsequent to the measurement date	5,935	-
Total	\$ 8,401	\$ 122

Implicit Rate subsidy	Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 73	\$ -
Changes of assumptions or other inputs	236	-
Changes in proportion	220	452
Benefit claims made subsequent to the measurement date	897	-
Total	\$ 1,426	\$ 452

Implicit Rate subsidy	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	\$ 555	\$ -
Changes of assumptions or other inputs	1,859	-
Changes in proportion	581	574
Benefit claims made subsequent to the measurement date	6,832	-
Total	\$ 9,827	\$ 574

The \$6,832,000 reported as deferred outflows of resources related to the implicit rate subsidy, resulting from benefit claims paid subsequent to the measurement date, will be recognized as a reduction of the net implicit rate subsidy liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB and the implicit rate subsidy will be recognized as OPEB expense as presented in **Table 85** (dollars in thousands).

Table 85

Implicit Rate Subsidy Year	Governmental	Business-type	Total
	Activities	Activities	
2020	\$ 339	\$ 6	\$ 345
2021	339	6	345
2022	339	6	345
2023	339	6	345
2024	339	6	345
Thereafter	649	47	696
Total	\$ 2,344	\$ 77	\$ 2,421

The implicit rate subsidy liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 86**.

Table 86

Implicit Rate Subsidy	DERP
Valuation date	December 31, 2018
Measurement date	December 31, 2018
Actuarial Method	Entry Age Normal
Asset valuation method	Market value of assets (\$0; plan is not yet funded)
Discount rate	4.11%
Participants valued	Only current active employees under age 65, non-Medicare retired participants and covered spouses are valued. No future entrants are considered in this valuation.
Projected salary increases	3.00% per year
Inflation	2.50%
Mortality	RP-2000 MacLeod Watts Scale 2018 projected generationally from 2000.
Healthcare trend	Medical plan premiums and claims costs by age are assumed to increase 1.05% each January 1 of 2017-2021. On January 1, 2022 and later the rate is 5%.
Medicare eligibility	Presumed to be eligible for Medicare Parts A and B at age 65
Demographic assumptions	Follow those used in the most recent (January 2018) actuarial valuation of the Denver Employees Retirement Plan, except for a different basis used to project future mortality improvements.

Discount rate. When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The basis chosen by the City was the Bond Buyer General Obligation 20 – Bond Municipal Bond Index. As such, a 4.11% discount was used to measure the implicit rate liability.

Sensitivity of the City’s implicit rate subsidy liability to changes in the Health Care Cost Trend Rates.

Table 87 presents the total OPEB liability using the current discount rate applicable to the DERP benefit structure, as well as if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher (dollars in thousands).

Table 87

OPEB Liability - Implicit Rate Subsidy	1% Decrease	Current	1% Increase
	3.11%	Discount Rate 4.11%	5.11%
Governmental Activities	\$ 74,652	\$ 69,228	\$ 64,336
Business-type activities	11,286	10,467	9,727
Total	\$ 85,938	\$ 79,695	\$ 74,063

The change in the healthcare cost trend rate is presented in **Table 88** (dollars in thousands).

Table 88

Change in Healthcare Cost Trend Rate	Current Trend (1.00%)	Current Trend	Current Trend 1.00%
Governmental Activities OPEB Liability	\$ 63,652	\$ 69,228	\$ 75,756
Increase (decrease)	(5,576)		6,528
% Increase (decrease)	(8.05%)		9.43%
Business-type Activities OPEB Liability	\$ 9,610	\$ 10,467	\$ 11,454
Increase (decrease)	(857)	-	987
% Increase (decrease)	(8.19%)	0.00%	9.43%

The change in the total OPEB liability is presented in **Table 89** (dollars in thousands).

Table 89

	Total OPEB Liability
Balances as of January 1, 2019	\$ 78,593
Changes for the year:	
Service cost	2,742
Interest	2,788
Benefit changes	-
Differences between expected and actual experience	628
Changes of assumptions	987
Benefit payments	(6,043)
Employee contributions	-
Employer contributions	-
Net investment income	-
Benefit payments	-
Administrative expense	-
Total Net Changes	\$ 1,102
Balances as of December 31, 2019	\$ 79,695

2. Public Employees' Retirement Association of Colorado (PERA)

PERA Participants' Plan Description. The City provides OPEB to county judges and the District Attorney through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members

who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

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

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

Funding Policy for PERA Participants' Plan. The City is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members. No member contributions are required. The contribution requirements for the City are established under Title 24, Article 51, Section 208(1)(f) of the C.R.S. as amended. For the year ended December 31, 2019, contributions to the HCTF were \$35,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2019, the City reported a liability of \$519,000 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward

the total OPEB liability to December 31, 2018. The City's proportion of the net OPEB liability was based on contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the City's proportion was 3.82%, which was a decrease of 0.002% from its proportion measured as of December 31, 2017.

The components of the City's proportionate share of the net OPEB liability related to PERA HCTF as of December 31, 2019, are presented in **Table 90** (dollars in thousands).

Table 90

	HCTF
Total OPEB liability	\$ 626
Plan fiduciary net position	107
Net OPEB liability	\$ 519

For the year ended December 31, 2019, the City recognized OPEB expense for the PERA HCTF plan of \$41,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2019, is presented in **Table 91** (dollars in thousands).

Table 91

	HCTF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2	\$ 1
Changes in assumptions or other inputs	4	-
Net difference between projected and actual earnings on OPEB plan investments	4	-
Change in proportion	7	16
Contributions subsequent to the measurement date	35	-
Total	\$ 52	\$ 17

The \$35,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as presented in **Table 92** (dollars in thousands).

Table 92

Year	HCTF
2020	\$ 3
2021	-
2022	-
2023	2
2024	(2)
Thereafter	(3)
Total	\$ -

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 93**.

Table 93**HCTF**

Valuation date	December 31, 2017
Measurement date	December 31, 2018
Actuarial Method	Entry Age Normal
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.25% gradually increasing to 5.00% in 2025

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are presented in **Table 94**.

Table 94

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

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55.00% factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2019 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2019 using the MP-2015 projection scale, a 93 % factor applied to rates for ages less than 80, a 113 % factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 % factor applied to rates for ages less than 80, a 106 % factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The percentage of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are presented in **Table 95**.

Table 95

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non U.S. equity - developed	18.55%	5.20%
Non U.S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private cash equity	8.50%	6.60%
Cash	1.00%	0.20%
Total Asset Class	100.00%	

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

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.

Table 96 presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher (dollars in thousands).

Table 96

	1% Decrease	Current Trend Rate	1% Increase
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 505	\$ 519	\$ 536

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

Sensitivity of the City’s proportionate share of the net OPEB liability to changes in the discount rate.

Table 97 presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) (dollars in thousands).

Table 97

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
		7.25%	
City's proportionate share of the net OPEB liability	\$ 581	\$ 519	\$ 466

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

3. The Denver Police Retiree Health Fund (PRHF)

Denver Police Retiree Health Fund Plan Description. The City acts in a single-employer capacity by providing health insurance to eligible Police retirees and their qualified dependents through the City’s group insurance plans. Denver Police retirees are allowed to participate in the health insurance programs offered to active employees. To be eligible, a retiree must terminate his/her employment on or after January 1, 1996, and has a vested right to receive a pension from the State of Colorado Fire and Police Pension Association based on years of service as an employee, whether or not such individual is currently eligible to receive or is receiving such a pension; or any former employee who commences on or after January 1, 1996, to receive and is thereafter receiving a total disability pension from the State of Colorado Fire and Police Pension Association. Coverage ceases when one reaches Medicare age. As of the December 31, 2018 actuarial valuation, there are 1,517 active employees under age 65 covered under the health insurance plans and 73 vested terminated employees. In addition, there are 207 retired employees not yet covered by Medicare who are covered by the plans.

Funding Policy for Denver Police Retiree Health Fund Participants. The City contributes annual contributions to the Denver Police Retiree Health Fund as stipulated in the respective collective bargaining agreement. As of December 31, 2019, the City contributed \$1,078,000 to the fund as stipulated in Article 29.1 of the collective bargaining agreement.

The monthly benefit for a Recipient shall not exceed the lesser of:

- The Plan’s Maximum Monthly Benefit of \$200;
- 100.00% of the Recipient’s actual health insurance, which amount is to be used for the exclusive purpose of paying or defraying such health insurance costs. There will be a presumption that the Recipient’s health insurance costs are in the amount shown by such proof as is required by the Administrator; and
- The amount based upon a Recipient’s years of service as a member of the Police Department of the City is reflected in **Table 98**:

Table 98

Years of Service	Percentage of the Maximum
	Monthly Benefit
10-14	40.00%
15-19	60.00%
20-24	80.00%
25+	100.00%

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2019, the City reported a liability of \$11,349,000 for the net OPEB liability. The net OPEB liability for the Denver Police Retiree Fund was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018.

The components of the net OPEB liability related to the Denver Police Retiree Fund as of December 31, 2019 are presented in **Table 99** (dollars in thousands).

Table 99

	PRHF
Total OPEB liability	\$ 15,536
Plan fiduciary net position	4,187
Net OPEB liability	\$ 11,349
Plan Fiduciary Net Position as percentage of total OPEB liability	26.95%

For the year ended December 31, 2019, the City recognized OPEB expense for the Denver Police Retiree Health Fund of \$1,176,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to OPEB as of December 31, 2019, is presented in **Table 100** (dollars in thousands).

Table 100

	PRHF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	-	1,173
Changes of assumptions or other inputs	3,796	-
Net difference between projected and actual earnings on OPEB plan investments	194	-
Contributions subsequent to the measurement date	1,078	-
Total	\$ 5,068	\$ 1,173

The \$1,078,000 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred inflows of resources will be recognized as OPEB expense as presented in **Table 101**.

Table 101

Year	PRHF
2020	324
2021	324
2022	324
2023	377
2024	289
Thereafter	1,179
	\$ 2,817

The total OPEB liability determined using the following actuarial cost method, actuarial assumptions and other inputs is presented in **Table 102**.

Table 102

	PRHF
Valuation Date	December 31, 2018
Actuarial method	Entry age normal
Discount rate	4.65%
Asset valuation method	Market value assets
Salary increases, including wage inflation	3.00%
Investment Rate of Return, net of OPEB plan investment expenses, including price inflation	6.00%

The current assumptions were adopted by the Board in 2017 for first use in this valuation following a regularly scheduled experience study. The rationale for all of the current assumptions is included in that report, dated July 1, 2017.

Participants Valued:

Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Mortality rates:

- **Healthy retirees and beneficiaries:** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
- **Active Members:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55.00% multiplier for off-duty mortality. Increased by 0.02% for on-duty related Fire and Police experience.
- **Mortality Improvement:** MacLeod Watts Scale 2018 applied generationally.

Future Increases in the Maximum Monthly Benefit:

The Maximum Monthly Benefit paid by the Fund is assumed to increase at the rate of 1.50% to 3.50% per year.

Participation Rate:

- **Active and vested former employees:** All future retirees who qualify for benefits under this program will elect to receive them and that their monthly benefit will be the vested portion of the Maximum Monthly Benefit.
- **Retired participants:** All existing retirees are assumed to receive the vested portion of the Maximum Monthly Benefit for the remaining period for which they qualify for payments.

Surviving Spouse Benefits:

- **Active and vested terminated participants:** 50.00% of future retirees are assumed to have a spouse who might qualify for continuation of benefits in the event that the employee dies in the line of duty or after retirement and prior to receiving all of his or her benefits under this Program. Husbands are assumed to be three years older than their wives.
- **Retired participants:** Current spouse coverage information was used to project potential survivor benefits for existing retirees.

The target allocations for each major asset class are summarized in **Table 103**.

Table 103

Asset Class	Target Allocation
Stocks, options, and ETFs	80.91%
Cash	0.27%
Mutual funds	18.82%
Total Asset Class	100.00%

Discount rate. The discount rate used to measure the total OPEB liability decreased from 6.00% to 4.65%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of the cash flows:

The City's contribution to the Fund have exceeded 100.00% of the Actuarially Determined Contributions (ADC) and it is assumed that future City contribution levels will continue at or above the currently negotiated levels. As such, with the City's approval, the discount rate used in this valuation is 4.65%, the long term expected return on trust assets. The ADC are based on the following two components, which are then adjusted with interest to fiscal year end:

- The amounts attributed to service performed in the current fiscal year (the normal cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL) over a closed 20-year period with payments determined as a level percent of payroll (using an assumed 3.00% per year aggregate payroll increase).

Sensitivity of the net OPEB liability to changes in the discount rate and Health Care Cost Trend Rates.

The discount rate used for net OPEB liability is 4.65%. Healthcare Cost Trend Rate (as applied in projecting future increases in maximum benefits provided by the Fund) is 3.5% per year. The impact of 1.00% increase or decrease in these assumptions is shown in **Table 104**.

Table 104

	Current - 1.00%		Current		Current + 1.00%
Change in Discount rate	3.65%		4.65%		5.65%
Net OPEB liability	\$ 12,625	\$	11,349	\$	10,178
Increase (decrease)	1,275				(1,171)
% Increase (decrease)	11.20%				(10.30%)
	Current Trend		Current		Current Trend
Change in Healthcare Cost Trend Rate	(1.00%)		Trend		+ 1.00%
Net OPEB liability	\$ 9,860	\$	11,349	\$	13,064
Increase (decrease)	(1,489)				1,715
% Increase (decrease)	(13.10%)				15.10%

The change in the net OPEB liability is presented in **Table 105** (dollars in thousands).

Table 105

	2019		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of January 1, 2019	\$ 11,971	\$ 3,874	\$ 8,097
Changes for the Year:			
Service cost	372	-	372
Interest	727	-	727
Benefit Changes	-	-	-
Differences between expected and actual experience	(1,302)	-	(1,302)
Changes of assumptions	4,214	-	4,214
Benefit payments	(446)	-	(446)
Employee contributions	-	-	-
Employer contributions	-	955	(955)
Net investment income	-	(196)	196
Benefit payments	-	(446)	446
Administrative expense	-	-	-
Total Net Changes	\$ 3,565	\$ 313	\$ 3,252
Balances as of December 31, 2019	\$ 15,536	\$ 4,187	\$ 11,349

4. SWD&D Participants' Plan Description.

The Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the Plan are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 269 participating employer departments. Included in that number are 6 contributing employers as of December 31, 2018, who are covered by Social Security and have elected supplementary coverage by the Plan. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund. Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not

eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

Funding Policy for SWD&D Participants' Plan. Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further State contributions are anticipated. Members hired on or after January 1, 1997, began contributing 2.40% of base salary to this Plan as of January 1, 1997. Contributions may be increased 0.10% biennially by the FPPA Board. The contributions increased to 2.70% of base salary as of January 1, 2017. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The 2.70% contribution may be paid entirely by the employer or member, or it may be split between the employer and the member as determined at the local level. As all contributions are considered employee contributions, the City does not make any contributions to this plan, and there is no net OPEB liability to the City. The plan has 1,238 retirees and beneficiaries currently receiving benefits and 12,747 active non-vested members.

OPEB plan fiduciary net position. Detailed information about the FPPA's fiduciary net position is available in their comprehensive annual financial report which can be obtained at <https://www.fppaco.org/annual-reports.html>.

5. **Fire and Police Pension Health Plan Implicit Rate Subsidy**

Fire and Police Participants' Plan Description. City acts in a single-employer capacity by providing access to health insurance to eligible fire and police retirees and their qualified dependents through the respective groups' insurance plans. Based on City practice, fire fighter retirees and police officer retirees are allowed to participate in the health insurance programs offered to active employees. Fire fighters and police officers hired prior to April 8, 1978, are eligible for this coverage with a minimum of 25 years of service; however, police officers are also eligible when they begin collecting their pension benefit should they not obtain 25 years of service. For fire and police employees hired after April 7, 1978, they must have elected to begin collecting their pension and be a minimum of 55 years of age with 5 years of service or attained age 50 with 30 years of service. Coverage ceases when one reaches Medicare age. As of the December 31, 2018 actuarial valuation, there are 2,543 active employees under age 65 covered under the health insurance plans and 77 vested-terminated employers. In addition, there are 234 retired employees not yet covered by Medicare who are covered by the plans. There is no stand-alone financial report for this medical coverage benefit and it is not included in the report.

Funding Policy for Fire and Police Participants' Plan. Fire and police retirees are responsible for 100.00% of the blended premium rate. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing, and no assets are accumulated in a trust to pay for benefits. For the year ended December 31, 2019, contributions were \$2,186,000. All contributions are considered employer contributions.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At December 31, 2019, the City reported a liability of \$46,280,000 for the total OPEB implicit rate liability. The OPEB implicit rate liability for the Fire and Police plan was measured as of December 31, 2018. The total OPEB implicit rate liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB implicit rate liability to December 31, 2018.

The components of the total OPEB liability related to the Fire and Police Implicit Rate Subsidy as of December 31, 2019 are presented in **Table 106** (dollars in thousands).

Table 106**Fire and Police Implicit Rate Subsidy**

Total OPEB implicit rate liability	\$	46,280
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For the year ended December 31, 2019, the City recognized OPEB implicit rate expense for Fire and Police of \$3,876,000. A summary of the City's deferred outflows of resources and deferred inflows of resources related to the OPEB implicit rate subsidy as of December 31, 2019, is presented in **Table 107** (dollars in thousands).

Table 107

	Fire and Police Implicit Rate Subsidy	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 2,282	\$ -
Net difference between projected and actual earnings on OPEB plan investments	568	-
Benefits paid subsequent to the measurement date	2,186	-
Total	\$ 5,036	\$ -

The \$2,186,000 reported as deferred outflows of resources related to the Fire and Police OPEB implicit rate subsidy, resulting from benefit claims paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB implicit rate liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as presented in **Table 108** (dollars in thousands).

Table 108

Year		
2020	\$	325
2021		325
2022		325
2023		325
2024		325
Thereafter		1,225
Total	\$	2,850

The total OPEB implicit rate liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs presented in **Table 109**.

Table 109

Fire and Police Implicit Rate Subsidy	
Valuation Date	December 31, 2018
Actuarial method	Entry age normal
Discount rate	4.11% as of 12/31/2018
Asset valuation method	Market value of assets
Salary increases, including wage inflation	5.50%

Demographic assumptions (i.e., rates of retirement, termination, disability, and mortality) follow those used in the most recent (January 2018) actuarial valuation of the Fire & Police Pension Association retirement plan, except for the basis used to project future mortality improvements.

Participation Rate. The health benefits account was established by City Ordinance to provide post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the Plan awaiting approval of retirement applications.

- **Participating active employees:** 35.00% of active fire and police employees currently covered in the City's medical plans are assumed to continue their current medical plan election in retirement.
- **Actives not currently participating:** 17.50% of active fire and police employees not currently covered by a City healthcare plan are assumed to elect coverage in the following plans at or before retirement: (a) if police: Kaiser DHMO; (b) if fire: Kaiser HMO Vested terminated employees: 35.00% of vested employees age 45 or older with 10 or more years fire and police service are assumed to elect coverage in the Kaiser plan available when they retire and begin their pension benefits.
- **Retired participants:** Existing medical plan elections are assumed to be maintained through retirement until the earlier of the retiree's death or the date he or she becomes eligible for Medicare.
- **Active and vested terminated participants:** 50.00% of those assumed to elect coverage in retirement are assumed to be married participants electing coverage for their spouse until their death. Husbands are assumed to be three years older than their wives.
- **Retired participants:** Existing elections for spouse coverage are assumed to be maintained through retirement. Actual spouse information is used where available; otherwise the assumptions for spouses of active employees are applied.

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on high-cost employer sponsored health coverage. The tax applied to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022. This excise tax was repealed by Senate Amendment to H.R. 1865, Further Consolidated Appropriations Act, 2020, and signed by the President on December 20, 2019. Although this change occurred after the valuation date and measurement date, the assumptions changed and the City will no longer bear any such excise tax liability.

Development of Age-related Premiums:

Actual premium rates for fire and police retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, “Health Care Costs – From Birth to Death”, sponsored by the Society of Actuaries.

Representative claims costs derived for retirees not currently covered or not expected to be eligible for Medicare appear in **Table 110**.

Table 110

Medical plan	Expected Monthly Claims by Medical Plan for Selected Ages							
	Male				Female			
	48	53	58	63	48	53	58	63
Police								
Kaiser DHMO	\$ 482	\$ 637	\$ 812	\$ 1,006	\$ 624	\$ 735	\$ 832	\$ 977
Kaiser HDHP	490	647	824	1,022	634	747	844	992
United HDHP	582	770	980	1,215	754	888	1,004	1,180
United Navigate DHMO	539	713	908	1,126	698	823	930	1,093
Fire								
Kaiser HMO	\$ 608	\$ 803	\$ 1,023	\$ 1,268	\$ 786	\$ 927	\$ 1,048	\$ 1,231
Kaiser HDHMO	482	637	812	1,007	624	736	832	977
Kaiser Triple Options	709	936	1,193	1,479	917	1,081	1,222	1,435

In developing these factors, it was assumed there were 1.8 children per participant covering children with an average age of 12.3. Actual spouse ages were used if available. Otherwise husbands were assumed to be three years older than their wives.

Mortality rates:

- **Healthy retirees and beneficiaries:** For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
- **Active Members:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55.00% multiplier for off-duty mortality. Increased by 0.02% for on-duty related Fire and Police experience.
- **Mortality Improvement:** MacLeod Watts Scale 2018 applied generationally
- **Future Increases in the Maximum Monthly Benefit:** The Maximum Monthly Benefit paid by the Fund is assumed to increase at the rate of 1.50% per year.

Sensitivity of the total OPEB implicit rate liability to changes in the discount rate and Health Care Cost Trend Rates. **Table 111** presents the net OPEB implicit rate liability using the current discount rate and health care cost trend rates applicable to the Fire and Police plan benefit structure, as well as if it were calculated using a discount rate and trend rate that is one percentage-point lower or one percentage-point higher (dollars in thousands).

Table 111

Discount Rate	Current		
	1% Decrease	Discount Rate	1% Increase
Implicit Rate Subsidy	3.11%	4.11%	5.11%
OPEB Liability	50,515	46,280	42,439
Increase (decrease)	(4,235)		3,841
% Increase (decrease)	(9.15%)		8.30%
Health Care Cost Trend Rate			
Implicit Rate Subsidy	Current Trend		
	1% Decrease	Current Trend	1% Increase
OPEB Liability	41,479	46,280	51,888
Increase (decrease)	(4,801)		5,608
% Increase (decrease)	(10.37%)		12.12%

Discount Rate. The discount rate was changed from 3.56% as of December 31, 2018, to 4.11% as of December 31, 2018, based on the published change in return for the applicable municipal bond index. The basis chosen by the City was the Bond Buyer General Obligation 20 – Bond Municipal Bond Index.

The change in the total OPEB liability is presented in **Table 112** (dollars in thousands).

Table 112

	Total OPEB Liability
Balances as of January 1, 2019	\$ 42,326
Changes for the year:	
Service cost	2,010
Interest	1,542
Benefit changes	-
Differences between expected and actual experience	630
Changes of assumptions	1,857
Benefit payments	-
Employee contributions	-
Employer contributions	(2,085)
Net investment income	-
Benefit payments	-
Administrative expense	-
Total Net Changes	\$ 3,954
Balances as of December 31, 2018	\$ 46,280

6. Postemployment Health Plan for Firefighters

PEHP Plan Description. The City provides other postemployment benefits to certain collectively bargained employees through a defined contribution OPEB trust administered by a third-party provider appointed by the City. The Plan is established under the collective bargaining agreement effective as of December 15, 2015. The trust provides post-retirement reimbursement of qualifying medical care expenses and healthcare insurance premiums for the benefit of eligible City employees who are participants in the plan, and their dependents. Those benefits are intended to qualify as a voluntary employees' beneficiary association within the meaning of section 501(c)(9) of the Internal Revenue Code of 1986, as amended.

Funding Policy for the PEHP. Subject to appropriation, the City is required to contribute at a rate of 1.00% per year of base pay on behalf of each firefighter. The contribution requirements for the City are established under the collective bargaining agreement, as amended. For the year ended December 31, 2019, contributions to the PEHP were \$1,253,000. The City may periodically change its contributions to the trust, consistent with the objectives of the plan and applicable law by a mutually agreeable method between the City and the plan administrator.

Each system issues a publicly available financial report that includes financial statements and required supplementary information of that plan. Those reports are available by contacting:

Colorado PERA

P. O. Box 5800
Denver, Colorado 80217-5800

Fire and Police Pension Association

5290 DTC Pkwy #100
Greenwood Village, CO 80111

Postemployment Health Plan

Nationwide Retirement Solutions
P.O. Box 182797
Columbus, OH 43218-2797

Denver Employees Retirement Plan

777 Pearl Street
Denver, Colorado 80203

City and County of Denver

201 West Colfax Avenue
Denver, Colorado, 80202

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Required Supplementary Information Budgetary Comparison Schedule - General Fund and Human Services Special Revenue Fund

Year Ended December 31, 2019 (dollars in thousands)

	General Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
Revenues				
Taxes	\$ 980,355	\$ 969,622	\$ 975,124	\$ 5,502
Licenses and permits	60,295	59,501	67,754	8,253
Intergovernmental revenues	39,970	41,009	40,509	(500)
Charges for services	215,380	210,945	216,736	5,791
Investment and interest income	14,356	16,248	26,915	10,667
Fines and forfeitures	50,320	47,980	39,182	(8,798)
Contributions	-	-	61	61
Other revenue	7,743	5,225	11,379	6,154
Total Revenues	1,368,419	1,350,530	1,377,660	27,130
Budget Basis Expenditures				
General government	360,221	349,122	340,779	8,343
Public safety	632,172	632,256	626,764	5,492
Public works	176,833	173,470	169,907	3,563
Human services	6,025	6,025	1,910	4,115
Health	57,470	58,260	57,764	496
Parks and recreation	81,342	81,369	79,790	1,579
Cultural activities	55,284	55,324	54,214	1,110
Community development	35,607	36,501	35,756	745
Economic opportunity	10,862	1,692	1,692	-
Total Budget Basis Expenditures	1,415,816	1,394,019	1,368,576	25,443
Excess (deficiency) of revenues over budget basis expenditures	(47,397)	(43,489)	9,084	52,573
Other Financing Sources (Uses)				
Sale of capital assets	-	-	755	-
Issuance of capital leases	-	-	4,888	4,888
Insurance recoveries	-	-	233	233
Transfers in	41,826	51,345	50,405	(940)
Transfers out	(115,460)	(167,888)	(80,064)	87,824
Total Other Financing Sources (Uses)	(73,634)	(116,543)	(23,783)	92,005
Excess (deficiency) of revenues and other financing sources over budget basis expenditures and other financing uses	\$ (121,031)	\$ (160,032)	(14,699)	\$ 144,578
Fund balances - January 1			384,780	
Fund Balance - December 31			\$ 370,081	

See accompanying notes to required supplementary information.

Human Services Special Revenue Fund					
Budget		Actual	Variance with Final Budget		
Original	Final				
\$ 74,014	\$ 74,014	\$ 73,949	\$ (65)		
-	-	-	-		
117,237	117,237	95,484	(21,753)		
544	544	552	8		
-	-	2	(2)		
-	-	-	-		
-	-	609	609		
-	-	138	138		
191,795	191,795	170,734	(21,065)		
-	-	-	-		
-	-	-	-		
-	-	-	-		
190,846	192,467	164,191	28,276		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
190,846	192,467	164,191	28,276		
949	(672)	6,543	7,215		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	5,400	5,400	-		
(1,815)	(8,694)	(8,694)	-		
(1,815)	(3,294)	(3,294)	-		
\$ (866)	\$ (3,966)	3,249	\$ 7,215		
		82,251			
		\$ 85,500			

Notes to Required Supplementary Information Budgetary Comparison Schedule

The City adheres to the following procedures in establishing the budgetary data for governmental fund types reflected in the financial statements:

1. Formal budgetary integration for expenditures is employed during the year for the general, special revenue, and capital projects funds except for certain special assessment projects and general improvement district funds. Formal budgetary integration is not employed for debt service funds, and certain special assessment projects and general improvement district funds included in capital projects and debt service funds, because effective budgetary control is alternatively achieved through bond and general obligation bond indenture provisions.
2. Budgets for appropriation in the General, Human Services special revenue, and capital projects funds are adopted on a basis consistent with GAAP. The General Fund and Human Services special revenue fund legally adopt budgets on an annual basis for expenditures. All other special revenue funds and the capital projects funds adopt budgets on a project length basis.
3. On or before July 1, heads of all City departments and agencies submit requests for appropriations to the budget officer who compiles the requests and submits a comprehensive budget request document to the Mayor. Thereafter, on or before September 15 of each year, the Mayor briefs the City Council on the tentative revenue and expenditure plans for the ensuing year. After receiving and considering City Council's recommendations, the Mayor prepares and submits to the City Council, on or before the third Monday in October of each year, a proposed budgetary report which includes all projected revenues and expenditures, the amount to be raised by taxation to pay interest on general obligation bonded indebtedness, and the amounts to be expended during the ensuing year for capital improvement projects identifying the sources of revenue for financing such projects. Upon receipt of the proposed budget, the City Council publishes a notice that the budget is open for inspection by the public and that a public hearing on the proposed budget will be held by no later than the fourth Monday in October. After the public hearing and consideration is given to the input by the public, the City Council, not later than the second Monday in November, adopts the budget by passage of an ordinance.
4. Authorization to transfer budgeted amounts between departments (appropriations) within any fund or revisions that alter the total expenditures of any fund must be approved by the City Council. Management can transfer budgeted amounts between line items within departments (appropriations). The legal level of budgetary control is established and maintained at the funded project level for special revenue and capital projects funds and at the department level for all other funds. Budgeted amounts are as originally adopted and as amended by the City Council throughout the year.
5. Unencumbered appropriations in the General Fund and Human Services special revenue fund lapse at year end. The unencumbered appropriations in the remaining special revenue funds and capital projects funds do not lapse at year end but terminate upon expiration of the grant or project fiscal year or term.

Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability - DERP

December 31, 2019 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
DERP					
December 31, 2015	88.88%	\$ 778,462	557,646	139.60%	70.12%
December 31, 2016	89.51%	1,055,539	571,367	184.74%	62.26%
December 31, 2017	89.84%	1,095,568	574,914	190.56%	62.26%
December 31, 2018	90.70%	1,063,754	541,545	196.43%	65.49%
December 31, 2019	92.03%	1,388,395	542,111	256.11%	57.76%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes in assumptions. The discount rate used to measure the total pension liability at December 31, 2017 changed from 7.75% to 7.50% from the prior measurement date.

Required Supplementary Information
Schedule of City Contributions - DERP

December 31, 2019 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
DERP					
December 31, 2015	\$ 64,443	\$ 60,181	\$ 4,262	\$ 560,157	10.74%
December 31, 2016	59,159	64,345	(5,186)	574,914	11.19%
December 31, 2017	64,404	64,404	-	541,545	11.89%
December 31, 2018	75,096	75,096	-	542,111	13.85%
December 31, 2019	83,255	83,255	-	569,297	14.62%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: There were no benefit changes during the year. As of October 1, 2015, the valuation interest was lowered from 8% to 7.75%. The latest experience study was conducted in 2018 covering the 5-year period of January 1, 2013 to December 31, 2017. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24).

Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability - FPPA SWDB

December 31, 2019 (dollars in thousands)

	City's Proportion of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
FPPA SWDB					
December 31, 2015	39.51%	\$ (44,591)	\$ 230,820	19.32%	106.80%
December 31, 2016	39.81%	(701)	251,518	0.28%	100.10%
December 31, 2017	38.18%	13,797	257,016	5.37%	98.21%
December 31, 2018	34.96%	(50,290)	200,006	25.14%	106.34%
December 31, 2019	32.29%	40,822	236,503	17.26%	95.20%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information
Schedule of City Contributions - FPPA SWDB

December 31, 2019 (dollars in thousands)

FPPA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SWDB					
December 31, 2015	\$ 20,121	\$ 15,299	\$ 4,822	\$ 251,518	6.08%
December 31, 2016	20,561	15,648	4,913	257,016	6.09%
December 31, 2017	16,000	15,934	66	200,006	7.97%
December 31, 2018	18,920	17,396	1,524	236,503	7.36%
December 31, 2019	20,035	18,079	1,956	250,435	7.22%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes in Assumptions. At least every five years, the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption change were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors as used.

The discount rate used to measure the total pension liability at December 31, 2018 decreased from 7.50% to 7.00% from the prior year measurement date.

Required Supplementary Information
Schedule of City's Proportionate Share of the Net Pension Liability - PERA

December 31, 2019 (dollars in thousands)

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Colorado's Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERA SDTF						
December 31, 2015	0.007%	\$ 674	\$ -	\$ 207	325.60%	59.80%
December 31, 2016	0.007%	755	-	221	341.63%	56.10%
December 31, 2017	0.007%	1,358	-	203	668.97%	42.60%
December 31, 2018	0.008%	1,677	-	314	534.08%	43.20%
December 31, 2019	0.007%	794	5	220	360.91%	55.11%
PERA JDTF						
December 31, 2015	6.400%	\$ 8,854	\$ -	\$ 2,800	316.21%	66.90%
December 31, 2016	6.018%	11,066	-	2,986	370.60%	60.10%
December 31, 2017	5.840%	14,835	-	2,864	517.98%	53.20%
December 31, 2018	6.009%	13,945	-	2,841	490.85%	58.70%
December 31, 2019	5.087%	7,186	70	2,878	249.69%	68.48%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information
Schedule of City's Contributions - PERA

December 31, 2019 (dollars in thousands)

PERA	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
SDTF					
December 31, 2015	\$ 36	\$ 37	\$ (1)	\$ 221	16.74%
December 31, 2016	37	37	-	203	18.23%
December 31, 2017	46	46	-	314	14.65%
December 31, 2018	43	43	-	220	19.55%
December 31, 2019	43	43	-	225	19.11%
JDTF					
December 31, 2015	\$ 488	\$ 488	\$ -	\$ 2,986	16.34%
December 31, 2016	468	468	-	2,864	16.34%
December 31, 2017	468	468	-	2,841	16.47%
December 31, 2018	504	504	-	2,878	17.51%
December 31, 2019	598	598	-	3,148	19.00%

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: 2019 contributions include \$4,900 for the SDTF and \$70,000 for the JDTF from the special funding situation with the State of Colorado as a non-employer contributing entity per SB-18-200.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Note: Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage
 - Reflection of the employer match on separation benefits for all eligible years
 - Reflection of one year of service eligibility for survivor annuity benefit
 - Refinement of the 18 month annual increase timing
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following changes were made:
 - Recognition of merit salary increases in the first projection year
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year

Required Supplementary Information
Schedule of City's Contributions - FPPA Old Hire Fire and Police

December 31, 2019 (dollars in thousands)

FPPA	Actuarially determined Required Contributions	Contributions in Relation to Actuarially Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Old Hire Fire					
December 31, 2015	\$ 13,061	\$ 15,912	\$ (2,851)	\$ 139	11447.48%
December 31, 2016	13,053	13,061	(8)	90	14512.22%
December 31, 2017	16,355	16,355	-	n/a	n/a
December 31, 2018	16,355	16,355	-	n/a	n/a
December 31, 2019	17,248	17,248	-	n/a	n/a
Old Hire Police					
December 31, 2015	\$ 16,262	\$ 18,977	\$ (2,715)	\$ 102	18604.90%
December 31, 2016	5,027	5,027	-	n/a	n/a
December 31, 2017	7,988	7,988	-	n/a	n/a
December 31, 2018	7,988	7,988	-	n/a	n/a
December 31, 2019	8,803	8,803	-	n/a	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 68.

Notes to Schedule

Valuation date: Actuarially determined contributions rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2012, determines the contribution amounts for 2013 and 2014.

Methods and assumptions used to determine contribution rates:	Old Hire Fire	Old Hire Police
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Open	Level Dollar, Open
Remaining amortization period	17 Years	20 Years
Asset valuation method	5-Year smoothed market	5-Year smoothed market
Inflation	2.50%	2.50%
Salary increases	n/a	n/a
Investment rate of return	7.50%	7.50%
Retirement age	Any remaining actives are assumed to retire immediately.	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality All tables projected with Scale BB.	Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2014 Disabled Mortality All tables projected with Scale BB.

Note: Changes in assumptions. The FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions at least every five years. Beginning in the 2016 valuations, the inflation assumption was reduced from 3.0% to 2.5%, the real return on investments was increased 5.0% for an overall nominal investment return of 7.5%, an explicit charge for administration expenses was added in the actuarial contribution calculation, the base mortality tables were revised with the explicit assumption for rising longevity in the future to reflect current mortality studies, and the expected incidence of total disability was increased.

Changes in benefit terms: No changes to benefit provisions occurred since the prior valuation. However, the member contributions increased 0.50% of base salary.

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Fire**

December 31, 2019 (dollars in thousands)

FPPA Old Hire Fire	2015	2016	2017	2018	2019
Total pension liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	34,596	34,026	35,748	35,214	34,880
Changes of benefit terms	-	-	-	-	-
Differences between actual and expected experience	-	(699)	-	3,533	-
Changes of assumptions	-	32,102	-	-	-
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)	(42,893)	(43,529)
Net change in total pension liability	(7,653)	23,295	(7,086)	(4,146)	(8,649)
Total pension liability - beginning	482,022	474,369	497,664	490,578	486,432
Total pension liability - ending	\$ 474,369	\$ 497,664	\$ 490,578	\$ 486,432	\$ 477,783
Plan fiduciary net position					
Contributions - employer	\$ 13,944	\$ 16,803	\$ 13,061	\$ 16,355	\$ 16,355
Contributions - employee	7	7	8	8	3
Net investment income	23,465	6,174	17,084	44,879	531
Benefit payments, including refunds of employee contributions	(42,249)	(42,134)	(42,834)	(42,893)	(43,529)
Administrative expense	(545)	(488)	(518)	(146)	(175)
Net change in plan fiduciary net position	(5,378)	(19,638)	(13,199)	18,203	(26,815)
Plan fiduciary net position - beginning	354,255	348,877	329,238	316,039	334,242
Plan fiduciary net position - ending	\$ 348,877	\$ 329,239	\$ 316,039	\$ 334,242	\$ 307,427
Net Pension Liability	\$ 125,492	\$ 168,425	\$ 174,539	\$ 152,190	\$ 170,356
Plan fiduciary net position as a percentage of the total pension liability	73.55%	66.16%	64.42%	68.71%	64.34%
Covered payroll	87	90	90	96	n/a
Net pension liability as a percentage of covered payroll	143734.99%	187436.70%	194240.85%	158531.25%	-

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information**Schedule of Changes in the City's Net Pension Liability and Related Ratios - FPPA Old Hire Police**

December 31, 2019 (dollars in thousands)

FPPA Old Hire Police	2015	2016	2017	2018	2019
Total pension liability					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	49,249	48,801	50,590	50,141	49,712
Changes of benefit terms	-	-	-	-	-
Differences between actual and expected experience	-	(12,201)	-	983	-
Changes of assumptions	-	43,358	-	-	-
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)	(56,248)	(57,458)
Net change in total pension liability	(5,888)	24,632	(6,311)	(5,124)	(7,746)
Total pension liability - beginning	683,727	677,839	702,471	696,160	691,036
Total pension liability - ending	\$ 677,839	\$ 702,471	\$ 696,160	\$ 691,036	\$ 683,290
Plan fiduciary net position					
Contributions - employer	\$ 16,262	\$ 18,089	\$ 5,027	\$ 7,988	\$ 7,988
Contributions - employee	5	-	-	-	-
Net investment income	42,091	11,278	30,983	82,545	754
Benefit payments, including refunds of employee contributions	(55,137)	(55,326)	(56,901)	(56,248)	(57,458)
Administrative expense	(977)	(910)	(1,013)	(194)	(233)
Net change in plan fiduciary net position	\$ 2,244	\$ (26,869)	\$ (21,904)	\$ 34,091	\$ (48,949)
Plan fiduciary net position - beginning	630,564	632,808	605,939	584,035	618,126
Plan fiduciary net position - ending	\$ 632,808	\$ 605,939	\$ 584,035	\$ 618,126	\$ 569,177
Net Pension Liability	\$ 45,031	\$ 96,532	\$ 112,125	\$ 72,910	\$ 114,113
Plan fiduciary net position as a percentage of the total pension liability	93.36%	86.26%	83.89%	89.45%	83.30%
Covered payroll	90	n/a	n/a	n/a	n/a
Net pension liability as a percentage of covered payroll	50070.05%	n/a	n/a	n/a	n/a

Note: Information is not available prior to 2015. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Required Supplementary Information**Schedule of City's Proportionate Share of the Net OPEB Liability - DERP**

December 31, 2019 (dollars in thousands)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
DERP					
December 31, 2018	93.36%	\$ 78,593	\$ 541,545	14.51%	45.98%
December 31, 2019	93.99%	\$ 98,309	\$ 542,111	18.13%	39.18%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Required Supplementary Information
Schedule of City Contributions - DERP OPEB

December 31, 2019 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
DERP OPEB					
December 31, 2018	\$ 4,651	\$ 4,651	\$ -	\$ 542,111	0.86%
December 31, 2019	4,855	4,855	-	569,297	0.85%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Required Supplementary Information
Schedule of Changes in the City's OPEB Liability - DERP Implicit Rate Subsidy

December 31, 2019 (dollars in thousands)

	Total OPEB Liability	
	2018	2019
DERP Implicit Rate Subsidy		
Balances as of January 1	\$ 77,906	\$ 78,593
Changes for the year:		
Service cost	2,548	2,742
Interest	2,926	2,788
Benefit changes	-	-
Differences between expected and actual experience	-	628
Transition to Entry Age Normal	-	-
Changes of assumptions	1,312	987
Benefit payments	(6,099)	(6,043)
Employee contributions	-	-
Employer contributions	-	-
Net investment income	-	-
Benefit payments	-	-
Administrative expense	-	-
Total Changes	\$ 687	\$ 1,102
Balances as of December 31	\$ 78,593	\$ 79,695
Covered-employee payroll	\$ 541,545	\$ 542,111
OPEB liability as a percentage of covered-employee payroll	14.51%	14.70%

Note: Information is not available prior to 2018. In future reports additional years will be added until 10 years of historical are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Notes to Required Supplementary Information: There were no benefit changes during the year. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, page 24). No assets are accumulated in a trust to pay related benefits.

Required Supplementary Information**Schedule of City's Proportionate Share of the Net OPEB Liability - PERA HCTF**

December 31, 2019 (dollars in thousands)

	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
PERA					
December 31, 2018	0.04%	\$ 515	\$ 3,155	16.32%	17.53%
December 31, 2019	0.04%	\$ 519	\$ 3,098	16.75%	17.09%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Required Supplementary Information**Schedule of City Contributions - PERA HCTF OPEB**

December 31, 2019 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
PERA OPEB					
December 31, 2018	\$ 34	\$ 34	\$ -	\$ 3,098	1.10%
December 31, 2019	35	35	-	3,098	1.13%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Required Supplementary Information

Schedule of Changes in the City's Net OPEB Liability - Police Retiree Health Fund

December 31, 2019 (dollars in thousands)

PRHF	2018			2019		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of January 1	\$ 11,394	\$ 3,079	\$ 8,315	\$ 11,971	\$ 3,874	\$ 8,097
Changes for the year:						
Service cost	358	-	358	372	-	372
Interest	691	-	691	727	-	727
Benefit changes	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	(1,302)	-	(1,302)
Transition to Entry Age Normal	-	-	-	4,214	-	4,214
Changes of assumptions	-	-	-	(446)	-	(446)
Benefit payments	(472)	-	(472)	-	-	-
Employee contributions	-	805	(805)	-	955	(955)
Employer contributions	-	463	(463)	-	(196)	196
Net investment income	-	(473)	473	-	(446)	446
Benefit payments	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Total Net Changes	\$ 577	\$ 795	\$ (218)	\$ 3,565	\$ 313	\$ 3,252
Balances as of December 31	\$ 11,971	\$ 3,874	\$ 8,097	\$ 15,536	\$ 4,187	\$ 11,349
Plan Fiduciary Net Position as a Percentage of Total Pension Liability			32.36%			26.95%
Covered-employee payroll			n/a			n/a
Net OPEB liability as a percentage of covered-employee payroll			0.00%			0.00%

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Required Supplementary Information

Schedule of City Contributions - Police Retiree Health Fund

December 31, 2019 (dollars in thousands)

	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
Police Retiree Health Fund					
December 31, 2018	\$ 955	\$ 955	\$ -	n/a	0.00%
December 31, 2019	1,078	1,078	-	n/a	0.00%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented.

Note: Information presented in this schedule has been determined as of the City's most recent fiscal year end (December 31) in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: There were no benefit changes during the year.

Note: Changes of assumptions. The discount rate used to measure the total OPEB liability decreased from 6.00% to 4.65%.

Required Supplementary Information**Schedule of Changes in the City's OPEB Liability - Fire and Police Implicit Rate Subsidy**

December 31, 2019 (dollars in thousands)

FPPA Implicit Rate Subsidy	Total OPEB Liability	
	2018	2019
Balances as of January 1	\$ 40,128	\$ 42,326
Changes for the year:		
Service cost	1,851	2,010
Interest	1,550	1,542
Benefit changes	-	-
Differences between expected and actual experience	-	630
Transition to Entry Age Normal	-	-
Changes of assumptions	768	1,857
Benefit payments	(1,971)	(2,085)
Employee contributions	-	-
Employer contributions	-	-
Net investment income	-	-
Benefit payments	-	-
Administrative expense	-	-
Total Net Changes	\$ 2,198	\$ 3,954
Balances as of December 31	\$ 42,326	\$ 46,280
Covered-employee payroll	\$ 200,006	\$ 214,697
OPEB liability as a percentage of covered-employee payroll	21.16%	21.56%

Note: Information is not available prior to 2018. In future reports additional years will be added until 10 years of historical are presented.

Note: Information presented in this schedule has been determined as of the City's measurement date (December 31 of the year prior to the most recent fiscal year) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Note: Changes of assumptions. The discount rate used to measure the total OPEB liability decreased from 6.00% to 4.65%.

Governmental

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- **General Government** - to account for the proceeds of revenue not specifically accounted for in another special revenue fund.
- **Public Safety** - to account for the proceeds of revenue to be used for public safety purposes.
- **Health** - to account for the proceeds of revenue to be used for expenditures in connection with health related purposes and activities.
- **Culture and Recreation** - to account for the proceeds of revenue to be used in providing culture and recreation services.
- **Community Development** - to account for the proceeds of revenue to be used for community development purposes and activities.
- **Economic Opportunity** - to account for the proceeds of revenue to be used in providing economic opportunity services.
- **Special Funds** - to account for resources by agreement for various purposes.
- **General Improvement Districts** - to account for the financial resources segregated for the financing of improvements of properties within the general improvement districts.

Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

- **Bond Principal** - to account for resources used for the payment of principal on governmental long-term debt.
- **Bond Interest** - to account for resources used for the payment of interest on governmental long-term debt.
- **Excise Tax Revenue Bond** - to account for the accumulation of funds for the payment of principal and interest on the Excise Tax Revenue bonds.
- **General Improvement Districts** - to account for the financial activities associated with the payment of principal and interest on General Improvement District general obligation bonds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- **Winter Park Capital Fund** - to account for financial resources from the Winter Park Trust.
- **Capital Improvements** - to account for financial resources segregated for the acquisition of major capital projects of the City other than those financed by bond projects, other capital projects, enterprise funds, and internal service funds.
- **Conservation Trusts** - to account for the proceeds from State Lottery Funds, investment earnings, and refunds; all used for parks and recreation capital improvements.
- **Bond Projects Capital Fund** - to account for the proceeds from the issuance of long-term debt to be used for paying the cost of projects as set forth in bond issuing ordinances.
- **Other Capital Projects** - to account for financial resources segregated for the financing of major capital projects for which grant or other funds will be used.
- **Entertainment and Culture** - to account for surplus seat tax used for capital improvements to entertainment and cultural facilities owned by the City that generate seat taxes.
- **Special Assessments** - to account for the financing of improvements and maintenance deemed to benefit properties against which special assessments are levied.

Permanent Fund

Cableland Trust - to account for resources by ordinance to be used to maintain the residence known as Cableland.

Governmental Individual Fund Schedules and Statements

- **General Fund and Human Services Special Revenue Fund** - Schedules of Expenditures Compared with Authorizations.
- **General Fund** - Comparative Balance Sheets and Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance.

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2019 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Assets					
Cash on hand	\$ 6,390	\$ -	\$ -	\$ -	\$ 6,390
Cash and cash equivalents	182,692	183,767	1,006,678	3,574	1,376,711
Receivables (net of allowances for uncollectibles of \$88,924):					
Taxes	75,125	142,216	92,244	-	309,585
Notes	61,383	-	-	-	61,383
Accounts	26,371	-	2,451	-	28,822
Accrued interest	461	1,088	4,863	53	6,465
Interfund receivable	238	-	-	-	238
Due from other governments	20,276	-	33,219	-	53,495
Prepaid items and other assets	376	-	1,310	-	1,686
Restricted assets:					
Cash and cash equivalents	113	361	147,373	-	147,847
Assets held for disposition	730	-	9,025	-	9,755
Total Assets	\$ 374,155	\$ 327,432	\$ 1,297,163	\$ 3,627	\$ 2,002,377
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Vouchers payable	\$ 28,732	\$ -	\$ 75,687	\$ -	\$ 104,419
Accrued liabilities	931	7	2,075	-	3,013
Due to taxing units	31	-	-	-	31
Interfund payable	2,518	-	99	-	2,617
Unearned revenue	10,278	-	17,473	-	27,751
Advances	4,445	-	15	-	4,460
Compensated absences	33	-	-	-	33
Total Liabilities	46,968	7	95,349	-	142,324
Deferred Inflows of Resources:					
Unavailable revenues - property tax	57,042	134,604	89,756	-	281,402
Unavailable revenues - long-term receivables	17,305	-	750	-	18,055
Total Deferred Inflows of Resources	74,347	134,604	90,506	-	299,457
Fund Balances:					
Nonspendable	376	-	1,310	3,000	4,686
Restricted	247,204	192,821	1,109,998	627	1,550,650
Committed	4,203	-	-	-	4,203
Assigned	1,057	-	-	-	1,057
Total Fund Balances	252,840	192,821	1,111,308	3,627	1,560,596
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 374,155	\$ 327,432	\$ 1,297,163	\$ 3,627	\$ 2,002,377

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Special Revenue	Debt Service	Capital Projects	Cableland Trust	Total
Revenues					
Taxes:					
Facilities development admission	\$ -	\$ -	\$ 15,859	\$ -	\$ 15,859
Lodgers	41,641	53,985	3,453	-	99,079
Property	56,409	141,297	76,397	-	274,103
Sales and use	130,437	46,071	-	-	176,508
Specific ownership	88	-	-	-	88
Telephone	11,722	-	-	-	11,722
Special assessments	-	-	1,818	-	1,818
Licenses and permits	1,497	-	71	-	1,568
Intergovernmental revenues	71,908	-	72,520	-	144,428
Charges for services	90,607	-	5,113	-	95,720
Investment and interest income	4,445	9,282	42,511	216	56,454
Fines and forfeitures	397	-	-	-	397
Contributions	5,608	-	869	-	6,477
Other revenue	49,650	5,429	597	-	55,676
Total Revenues	464,409	256,064	219,208	216	939,897
Expenditures					
Current:					
General government	109,350	20	38,923	-	148,293
Public safety	86,130	-	1,520	-	87,650
Public works	1,429	-	199,737	-	201,166
Health	46,614	-	2,845	-	49,459
Parks and recreation	5,225	-	13,106	-	18,331
Cultural activities	77,106	-	11,565	-	88,671
Community development	39,485	-	1,968	-	41,453
Economic development	7,949	-	-	-	7,949
Debt service:					
Principal retirement	6,237	112,652	6,859	-	125,748
Interest	2,027	55,895	9,517	-	67,439
Capital outlay	-	-	170,325	-	170,325
Total Expenditures	381,552	168,567	456,365	-	1,006,484
Excess (deficiency) of revenues over (under) expenditures	82,857	87,497	(237,157)	216	(66,587)
Other Financing Sources (Uses)					
Sale of capital assets	-	-	13,674	-	13,674
Bond Premium	-	-	25,821	-	25,821
Bond Premium - refunding	-	-	6,273	-	6,273
Payment to escrow	-	-	(56,221)	-	(56,221)
Issuance of bonds	-	-	199,175	-	199,175
Issuance of bonds - refunding	-	-	50,140	-	50,140
Insurance recoveries	694	-	38	-	732
Transfers in	29,642	-	134,423	-	164,065
Transfers out	(54,449)	(55,280)	(19,859)	(200)	(129,788)
Total Other Financing Sources (Uses)	(24,113)	(55,280)	353,464	(200)	273,871
Net change in fund balances	58,744	32,217	116,307	16	207,284
Fund balances - January 1	194,096	160,604	995,001	3,611	1,353,312
Fund Balances - December 31	\$ 252,840	\$ 192,821	\$ 1,111,308	\$ 3,627	\$ 1,560,596

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Combining Balance Sheet - Nonmajor Special Revenue Funds

December 31, 2019 (dollars in thousands)

	General Government	Public Safety	Health
Assets			
Cash on hand			
Cash and cash equivalents	43,785	18,731	6,890
Receivables (net of allowances for uncollectibles of \$83,914):			
Taxes	6,539	47,104	5,779
Notes	10,426	-	-
Accounts	1,402	2,197	437
Accrued interest	178	10	-
Interfund receivable	-	-	-
Due from other governments	4,918	2,756	3,829
Prepaid items and other assets	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Assets held for disposition	-	-	-
Total Assets	67,248	70,798	16,935
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	11,146	2,092	2,426
Accrued liabilities	66	213	94
Due to taxing units	-	31	-
Interfund payable	1,739	-	-
Unearned revenue	2,588	1,126	1,654
Advances	-	500	-
Compensated absences	33	-	-
Total Liabilities	15,572	3,962	4,174
Deferred Inflows of Resources:			
Unavailable revenues - property tax	-	47,316	-
Unavailable revenues - long-term receivables	398	251	-
Total Deferred Inflows of Resources	398	47,567	-
Fund Balances:			
Nonspendable	-	-	-
Restricted	51,278	19,269	12,761
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	51,278	19,269	12,761
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 67,248	\$ 70,798	\$ 16,935

	Culture and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
\$	6,390		\$ -	\$ -	\$ -	\$ 6,390
	55,430	49,257	-	7,517	1,082	182,692
	4,378	8,826	-	941	1,558	75,125
	-	50,957	-	-	-	61,383
	5,507	-	1	16,754	73	26,371
	13	182	-	75	3	461
	1		237	-	-	238
	873	5,285	2,615	-	-	20,276
	348	-	-	-	28	376
	-	-	-	86	27	113
	-	730	-	-	-	730
	72,940	115,237	2,853	25,373	2,771	374,155
	8,273	3,689	794	237	75	28,732
	266	83	84	125	-	931
	-	-	-	-	-	31
	14	54	711	-	-	2,518
	4,910	-	-	-	-	10,278
	3,945	-	-	-	-	4,445
	-	-	-	-	-	33
	17,408	3,826	1,589	362	75	46,968
	-	8,168	-	-	1,558	57,042
	247	-	-	16,409	-	17,305
	247	8,168	-	16,409	1,558	74,347
	348	-	-	-	28	376
	50,734	103,243	1,264	8,602	53	247,204
	4,203	-	-	-	-	4,203
	-	-	-	-	1,057	1,057
	55,285	103,243	1,264	8,602	1,138	252,840
\$	72,940	115,237	2,853	25,373	2,771	374,155

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	General Government	Public Safety	Health
Revenues			
Taxes:			
Lodgers	\$ 40,246	\$ -	\$ -
Property	5,767	43,231	-
Sales and use	36,287	-	48,606
Specific ownership	-	-	-
Telephone	-	-	-
Licenses and permits	1,497	-	-
Intergovernmental revenues	11,524	24,554	9,737
Charges for services	5,665	9,186	25
Investment and interest income	1,072	161	4
Fines and forfeitures	-	397	-
Contributions	1,999	46	1,005
Other revenue	12,798	364	1
Total Revenues	116,855	77,939	59,378
Expenditures			
Current:			
General government	108,140	-	139
Public safety	257	76,682	-
Public works	1,429	-	-
Health	-	-	46,614
Parks and recreation	-	-	-
Cultural activities	-	-	-
Community development	3,981	-	-
Economic development	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total Expenditures	113,807	76,682	46,753
Excess (deficiency) of revenues over (under) expenditures	3,048	1,257	12,625
Other Financing Sources (Uses)			
Insurance recoveries	672	-	-
Transfers in	1,958	-	1,168
Transfers out	(4,660)	(101)	(3,619)
Total Other Financing Sources (Uses)	(2,030)	(101)	(2,451)
Net change in fund balances	1,018	1,156	10,174
Fund balances - January 1	50,260	18,113	2,587
Fund Balances - December 31	\$ 51,278	\$ 19,269	\$ 12,761

Cultural and Recreation	Community Development	Economic Opportunity	Special Funds	General Improvement Districts	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,395	\$ 41,641
-	7,411	-	-	-	56,409
36,823	8,721	-	-	-	130,437
-	-	-	-	88	88
-	-	-	11,722	-	11,722
-	-	-	-	-	1,497
1,501	16,903	7,689	-	-	71,908
64,245	10,273	668	545	-	90,607
166	2,420	-	609	13	4,445
-	-	-	-	-	397
2,556	2	-	-	-	5,608
29,041	-	3	7,354	89	49,650
134,332	45,730	8,360	20,230	1,585	464,409
22	-	-	-	1,049	109,350
-	-	-	9,191	-	86,130
-	-	-	-	-	1,429
-	-	-	-	-	46,614
5,211	-	-	14	-	5,225
77,106	-	-	-	-	77,106
-	35,504	-	-	-	39,485
-	-	7,949	-	-	7,949
-	-	-	6,237	-	6,237
-	-	-	2,027	-	2,027
82,339	35,504	7,949	17,469	1,049	381,552
51,993	10,226	411	2,761	536	82,857
22	-	-	-	-	694
2,706	18,430	-	5,380	-	29,642
(32,130)	-	-	(13,439)	(500)	(54,449)
(29,402)	18,430	-	(8,059)	(500)	(24,113)
22,591	28,656	411	(5,298)	36	58,744
32,694	74,587	853	13,900	1,102	194,096
\$ 55,285	\$ 103,243	\$ 1,264	\$ 8,602	\$ 1,138	\$ 252,840

Combining Balance Sheet - Nonmajor Debt Service Funds

December 31, 2019 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Assets					
Cash and cash equivalents	\$ 61,711	\$ 26,950	\$ 95,106	\$ -	\$ 183,767
Receivables (net of allowances for uncollectibles of \$724):					
Taxes	92,753	41,234	8,229	-	142,216
Accrued interest	-	446	642	-	1,088
Restricted assets:					
Cash and cash equivalents	-	-	-	361	361
Total Assets	\$ 154,464	\$ 68,630	\$ 103,977	\$ 361	\$ 327,432
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Accrued Liabilities	-	1	-	6	7
Total Liabilities Balance	-	1	-	6	7
Deferred Inflows of Resources:					
Unavailable revenues - property tax	93,197	41,407	-	-	134,604
Total of Deferred Inflows of Resources	93,197	41,407	-	-	134,604
Fund Balances:					
Restricted	61,267	27,222	103,977	355	192,821
Total Fund Balances	61,267	27,222	103,977	355	192,821
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 154,464	\$ 68,630	\$ 103,977	\$ 361	\$ 327,432

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Bond Principal	Bond Interest	Excise Tax Revenue Bond	General Improvement Districts	Total
Revenues					
Taxes:					
Lodgers	\$ -	\$ -	\$ 53,985	\$ -	\$ 53,985
Property	116,867	23,942	-	488	141,297
Sales and use	-	-	46,071	-	46,071
Investment and interest income	-	4,219	5,062	1	9,282
Other revenue	-	5,428	-	1	5,429
Total Revenues	116,867	33,589	105,118	490	256,064
Expenditures					
Current:					
General Government	-	11	6	3	20
Debt service:					
Principal retirement	89,610	-	22,755	287	112,652
Interest	-	33,635	22,076	184	55,895
Total Expenditures	89,610	33,646	44,837	474	168,567
Excess (deficiency) of revenues over (under) expenditures	27,257	(57)	60,281	16	87,497
Other Financing (Uses)					
Transfers out	-	-	(55,280)	-	(55,280)
Total Other Financing (Uses)	-	-	(55,280)	-	(55,280)
Net change in fund balances	27,257	(57)	5,001	16	32,217
Fund balances - January 1	34,010	27,279	98,976	339	160,604
Fund Balances - December 31	\$ 61,267	\$ 27,222	\$ 103,977	\$ 355	\$ 192,821

Combining Balance Sheet - Nonmajor Capital Projects Funds

December 31, 2019 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts
Assets			
Cash and cash equivalents	\$ 9,294	\$ 291,692	\$ 19,265
Receivables (net of allowances for uncollectibles of \$4,286):			
Taxes	-	89,358	-
Accounts	-	696	-
Accrued interest	27	1,368	306
Due from other governments	-	-	-
Prepaid items and other assets	-	24	-
Restricted assets:			
Cash and Cash Equivalents	-	2,222	-
Assets held for disposition	-	-	-
Total Assets	\$ 9,321	\$ 385,360	\$ 19,571
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Vouchers payable	361	18,689	1,044
Accrued liabilities	-	2,075	-
Interfund payable	-	21	-
Unearned revenue	-	-	-
Advances	-	-	-
Total Liabilities	361	20,785	1,044
Deferred Inflow of Resources:			
Unavailable revenues - property tax	-	89,756	-
Unavailable revenues - long-term receivables	-	-	-
Total Deferred Inflows of Resources	-	89,756	-
Fund Balances:			
Nonspendable	-	24	-
Restricted	8,960	274,795	18,527
Total Fund Balances	8,960	274,819	18,527
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,321	\$ 385,360	\$ 19,571

	Bond Projects	Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
	\$ 493,153	\$ 157,362	\$ 33,292	\$ 2,442	\$ 178	\$ 1,006,678
	-	403	721	1,762	-	92,244
	-	1,755	-	-	-	2,451
	2,526	461	163	12	-	4,863
	-	33,219	-	-	-	33,219
	-	886	-	400	-	1,310
	-	145,151	-	-	-	147,373
	9,025	-	-	-	-	9,025
	\$ 504,704	\$ 339,237	\$ 34,176	\$ 4,616	\$ 178	\$ 1,297,163
	38,098	16,743	685	45	22	75,687
	-	-	-	-	-	2,075
	76	2	-	-	-	99
	-	15,711	-	1,762	-	17,473
	15	-	-	-	-	15
	38,189	32,456	685	1,807	22	95,349
	-	-	-	-	-	89,756
	-	750	-	-	-	750
	-	750	-	-	-	90,506
	-	886	-	400	-	1,310
	466,515	305,145	33,491	2,409	156	1,109,998
	466,515	306,031	33,491	2,809	156	1,111,308
	\$ 504,704	\$ 339,237	\$ 34,176	\$ 4,616	\$ 178	\$ 1,297,163

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Winter Park Capital Fund	Capital Improvements	Conservation Trusts	Bond Projects
Revenues				
Taxes:				
Facilities development admission	\$ -	\$ -	\$ -	\$ -
Lodgers	-	-	-	-
Property	-	76,397	-	-
Licenses and permits	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental revenues	-	14,594	7,906	-
Charges for services	-	39	-	-
Investment and interest income	229	11,752	2,459	19,975
Contributions	-	-	-	-
Other revenue	-	382	-	12
Total Revenues	229	103,164	10,365	19,987
Expenditures				
Current:				
General government	-	29,224	-	696
Public safety	-	-	-	-
Public works	-	67,108	-	111,172
Health	-	2,845	-	-
Parks and recreation	954	1,766	3,293	-
Cultural activities	-	1,074	-	100
Community development	-	1,951	17	-
Debt service:				
Principal retirement	-	6,614	-	-
Interest	-	1,613	-	-
Capital outlay	547	26,135	3,171	115,775
Total Expenditures	1,501	138,330	6,481	227,743
Excess (deficiency) of revenues over (under) expenditures	(1,272)	(35,166)	3,884	(207,756)
Other Financing Sources (Uses)				
Sale of capital assets	-	13,506	-	-
Bond premium	-	-	-	25,821
Bond premium - refunding	-	-	-	6,273
Issuance of bonds	-	-	-	199,175
Issuance of bonds - refunding	-	-	-	50,140
Payment to escrow	-	-	-	(56,221)
Insurance recoveries	-	-	-	-
Transfers in	3,990	75,650	-	-
Transfers out	-	(10,779)	-	-
Total Other Financing Sources (Uses)	3,990	78,377	-	225,188
Net change in fund balances	2,718	43,211	3,884	17,432
Fund balances - January 1	6,242	231,608	14,643	449,083
Fund Balances - December 31	\$ 8,960	\$ 274,819	\$ 18,527	\$ 466,515

	Other Capital Projects	Entertainment and Culture	Special Assessments	General Improvement Districts	Total
\$	2,287	\$ 13,572	\$ -	\$ -	\$ 15,859
	3,453	-	-	-	3,453
	-	-	-	-	76,397
	71	-	-	-	71
	136	-	1,682	-	1,818
	50,020	-	-	-	72,520
	5,074	-	-	-	5,113
	6,701	1,282	99	14	42,511
	869	-	-	-	869
	203	-	-	-	597
	68,814	14,854	1,781	14	219,208
	9,003	-	-	-	38,923
	1,520	-	-	-	1,520
	19,712	-	645	1,100	199,737
	-	-	-	-	2,845
	6,009	1,084	-	-	13,106
	7,975	2,416	-	-	11,565
	-	-	-	-	1,968
	245	-	-	-	6,859
	7,904	-	-	-	9,517
	23,032	1,665	-	-	170,325
	75,400	5,165	645	1,100	456,365
	(6,586)	9,689	1,136	(1,086)	(237,157)
	168	-	-	-	13,674
	-	-	-	-	25,821
	-	-	-	-	6,273
	-	-	-	-	199,175
	-	-	-	-	50,140
	-	-	-	-	(56,221)
	-	-	38	-	38
	54,283	-	-	500	134,423
	-	(9,080)	-	-	(19,859)
	54,451	(9,080)	38	500	353,464
	47,865	609	1,174	(586)	116,307
	258,166	32,882	1,635	742	995,001
\$	306,031	\$ 33,491	\$ 2,809	\$ 156	\$ 1,111,308

Schedule of Expenditures Compared with Authorizations - General Fund

For the Year Ended December 31, 2019 (dollars in thousands)

	2019 Annual Authorizations After Revisions		Budget Basis Expenditures		Authorized Balance
General Government					
Mayor's Office	\$ 3,438		\$ 3,288		\$ 150
Civic Events	1,187		992		195
Office of Special Events	721		713		8
Education/Advocacy Initiatives	4,054		3,731		323
Public Defenders Office	2,324		2,057		267
City Council	6,747		6,302		445
Board of Ethics	227		219		8
Office of Human Resources	17,035		16,544		491
Career Service Authority Hearing Office	607		546		61
City Attorney	40,907		40,350		557
Clerk and Recorder	9,222		8,769		453
Board of Adjustment	360		344		16
Human Rights and Community Partnerships	5,063		5,020		43
General Services	54,161		51,201		2,960
Auditor	9,990		9,609		381
Department of Finance	93,839		94,358		(519)
Contingency	-		-		-
Special Payments	4,772		4,772		-
Unemployment Insurance	800		435		365
Adams Mark Tax Increment	1,842		1,549		293
Annual Rental Payments	1,327		1,309		18
Denver Public Schools Mill Levy	1,058		1,058		-
Historic Tax Rebates	300		300		-
Excise and Licenses	4,738		4,695		43
Technology Services	75,402		74,161		1,241
Office of Economic Development	9,001		8,457		544
Total General Government	\$ 349,122		\$ 340,779		\$ 8,343
Public Safety					
Safety Administration	\$ 28,224		\$ 27,826		\$ 398
Civil Service Commission	1,898		1,822		76
County Court	26,324		26,170		154
District Attorney	27,464		27,463		1
Emergency Management	1,664		1,559		105
Fire	148,023		147,524		499
Independent Monitor	1,931		1,837		94
Police	247,374		246,125		1,249
Undersheriff	149,354		146,438		2,916
Total Public Safety	\$ 632,256		\$ 626,764		\$ 5,492

continued

Schedule of Expenditures Compared with Authorizations - General Fund - continued

For the Year Ended December 31, 2019 (dollars in thousands)

	2019 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Public Works	\$ 173,470	\$ 169,907	\$ 3,563
Total Public Works	\$ 173,470	\$ 169,907	\$ 3,563
Human Services	\$ 6,025	\$ 1,910	\$ 4,115
Total Human Services	\$ 6,025	\$ 1,910	\$ 4,115
Health			
Environmental Health	\$ 22,222	\$ 21,769	\$ 453
City Payments to Health Authority	30,777	30,777	-
Clinic	5,104	5,061	43
Poison Center	157	157	-
Total Health	\$ 58,260	\$ 57,764	\$ 496
Parks and Recreation	\$ 81,369	\$ 79,790	\$ 1,579
Total Parks and Recreation	\$ 81,369	\$ 79,790	\$ 1,579
Cultural Activities			
Arts and Venues	\$ 2,635	\$ 2,635	\$ -
Denver Public Library	52,689	51,579	1,110
Total Cultural Activities	\$ 55,324	\$ 54,214	\$ 1,110
Community Development	\$ 36,501	\$ 35,756	\$ 745
Total Community Development	\$ 36,501	\$ 35,756	\$ 745
Economic Development	\$ 1,692	\$ 1,692	\$ -
Total Economic Development	\$ 1,692	\$ 1,692	\$ -
Total	\$ 1,394,019	\$ 1,368,576	\$ 25,443

Schedule of Expenditures Compared with Authorizations - Human Services Special Revenue Fund

For the Year Ended December 31, 2019 (dollars in thousands)

	2019 Annual Authorizations After Revisions	Budget Basis Expenditures	Authorized Balance
Grants - Currently Active			
13001 Federal	\$ 576	\$ 576	\$ -
13007 Community Service	986	986	-
13009 Emergency Shelter	642	642	-
13012 Emergency Shelter Plus Care	1,758	1,758	-
13017 Child Care	-	-	-
13501 State Grants	259	259	-
13601 Human Services Privately Funded	538	538	-
State/County Welfare			
13005 Child Welfare	43,087	37,363	5,724
13008 County Public Welfare	105,319	90,431	14,888
13017 Child Care	4,462	2,948	1,514
13301 Prenatal Fees Incentive	161	161	-
13302 Aid to the Blind	1	-	1
13303 Aid to the Needy Disabled	1,000	631	369
13304 Board for Developmentally Disabled	14,263	14,263	-
13305 General Assistance	1,993	1,985	8
13306 Local Funded Community Service	7,383	7,162	221
City and Other Projects			
13502 Integrated Care Management Incentive	296	296	-
13704 Homeless Services Donations	84	84	-
13706 DHS Volunteer Services	20	20	-
13808 Energy Assistance	94	94	-
13811 Assistance Incentive Program	195	195	-
13812 Homeless Services Donations	9,350	3,799	5,551
Total	\$ 192,467	\$ 164,191	\$ 28,276

Comparative Balance Sheets - General Fund

December 31, 2019 and 2018 (dollars in thousands)

	Totals December 31	
	2019	2018
Assets		
Cash on hand	\$ 171	\$ 137
Cash and cash equivalents	221,393	253,936
Receivables (net of allowances for uncollectibles of \$69,127 and \$64,295):		
Taxes	238,457	207,373
Notes	2,735	3,579
Accounts	30,128	22,116
Accrued interest	2,495	1,750
Interfund receivable	37,758	31,230
Due from other governments	5	-
Prepaid items and other assets	11,651	4,709
Restricted assets:		
Cash and cash equivalents	84,654	76,018
Total Assets	\$ 629,447	\$ 600,848
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Vouchers payable	\$ 52,785	\$ 46,110
Accrued liabilities	30,987	24,524
Due to taxing units	483	869
Interfund payable	16	8
Unearned revenue	454	957
Advances	97	154
Total Liabilities	84,822	72,622
Deferred Inflows of Resources:		
Unavailable revenues - property tax	155,651	132,093
Unavailable revenues - long-term receivables	18,893	11,353
Total Deferred Inflows of Resources	174,544	143,446
Fund Balance:		
Nonspendable	11,651	4,709
Restricted	85,127	75,838
Committed	74,677	74,024
Unassigned	198,626	230,209
Total Fund Balance	370,081	384,780
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 629,447	\$ 600,848

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - General Fund

For the Years Ended December 31, 2019 and 2018 (dollars in thousands)

	Totals	
	December 31	
	2019	2018
Revenues		
Taxes:		
Lodgers	\$ 34,968	\$ 31,782
Motor vehicle ownership	32,020	30,654
Occupational privilege	54,940	53,093
Property	131,294	129,299
Sales and use	720,416	690,873
Telephone	1,486	1,949
Licenses and permits	67,754	66,428
Intergovernmental revenues	40,509	36,230
Charges for services	216,736	195,600
Investment and interest income	26,915	15,936
Fines and forfeitures	39,182	44,582
Contributions	61	61
Other revenue	11,379	8,837
Total Revenues	1,377,660	1,305,324
Expenditures		
Current:		
General government	318,230	288,130
Public safety	631,274	595,814
Public works	162,932	145,556
Human Services	1,910	9,539
Health	57,764	47,694
Parks and recreation	80,846	75,690
Cultural activities	54,135	51,101
Community development	33,598	33,961
Economic opportunity	1,692	745
Principal retirement	18,674	469
Interest	7,521	997
Total Expenditures	1,368,576	1,249,696
Excess of revenues over expenditures	9,084	55,628
Other Financing Sources (Uses)		
Sale of capital assets	755	-
Issuance of capital leases	4,888	4,463
Insurance recoveries	233	198
Transfers in	50,405	41,064
Transfers out	(80,064)	(110,632)
Total Other Financing Sources (Uses)	(23,783)	(64,907)
Net change in fund balance	(14,699)	(9,279)
Fund balances - January 1	384,780	394,059
Fund Balance - December 31	\$ 370,081	\$ 384,780

Proprietary Funds

Proprietary Funds

Proprietary funds are a group of funds that account for activities that are often seen in the private sector and are operated in a similar manner as in the private sector.

Enterprise Funds

- **Environmental Services** - to account for the operation and activity of the City's chemical waste disposal, phase out of hazardous materials disposal sites, and litter prevention.
- **Golf Course** - to account for the administration, operation, maintenance and improvement of City-owned golf facilities.

Internal Service Funds

- **Asphalt Plant** - to account for the expenditures and revenues of the City's Asphalt Plant that provides a service to the metropolitan Denver area and is an essential element in the street resurfacing program of the City's Street Maintenance division.
- **Workers' Compensation** - to account for the City's workers compensation self insurance activities.

Combining Statement of Net Position - Nonmajor Enterprise Funds

December 31, 2019 (dollars in thousands)

	Environmental Services	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 23,512	\$ 3,665	\$ 27,177
Receivables:			
Accounts	2,843	30	2,873
Accrued interest	121	17	138
Inventories	-	162	162
Interfund receivable	1,723	-	1,723
Prepaid items and other assets	2	-	2
Restricted assets:			
Cash and cash equivalents	6,253	-	6,253
Accrued interest receivable	30	-	30
Total Current Assets	34,484	3,874	38,358
Capital assets:			
Land	3,168	1,131	4,299
Construction in progress	217	11	228
Buildings and improvements	665	39,708	40,373
Machinery and equipment	199	10,618	10,817
Collections	-	21	21
Accumulated depreciation	(821)	(18,680)	(19,501)
Net capital assets	3,428	32,809	36,237
Long-term receivables	4	-	4
Total Noncurrent Assets	3,432	32,809	36,241
Total Assets	37,916	36,683	74,599
Deferred Outflows of Resources			
Deferred outflows on pension and OPEB plans	2,656	2,064	4,720
Total Deferred Outflows of Resources	2,656	2,064	4,720
Liabilities			
Current liabilities:			
Vouchers payable	451	462	913
Revenue bonds payable	-	655	655
Accrued liabilities	170	127	297
Unearned revenue	4	495	499
Interfund payable	1,167	477	1,644
Compensated absences	446	116	562
OPEB implicit rate subsidy	30	33	63
Capital lease obligation	-	986	986
Restricted liabilities:			
Vouchers payable	424	-	424
Total Current Liabilities	2,692	3,351	6,043
Noncurrent liabilities:			
Revenue bonds payable, net	-	-	-
Net pension and OPEB liability	9,720	7,771	17,491
Capital lease obligation	-	3,133	3,133
Compensated absences	287	556	843
Total Noncurrent Liabilities	10,007	11,460	21,467
Total Liabilities	12,699	14,811	27,510
Deferred Inflows of Resources			
Items related to pension and OPEB plans	202	151	353
	202	151	353
Net Position			
Net investment in capital assets	3,428	28,035	31,463
Restricted for capital projects	5,859	-	5,859
Unrestricted	18,384	(4,250)	14,134
Total Net Position	\$ 27,671	\$ 23,785	\$ 51,456

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Enterprise Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Environmental Services	Golf Course	Total
Operating Revenues			
Charges for services	\$ 11,406	\$ 10,137	\$ 21,543
Other revenue	514	2,860	3,374
Total Operating Revenues	11,920	12,997	24,917
Operating Expenses			
Personnel services	6,827	7,370	14,197
Contractual services	4,386	1,646	6,032
Supplies and materials	114	1,124	1,238
Depreciation and amortization	19	1,943	1,962
Other operating expenses	1,649	685	2,334
Total Operating Expenses	12,995	12,768	25,763
Operating income	(1,075)	229	(846)
Nonoperating Revenues (Expenses)			
Investment and interest income	1,184	135	1,319
Intergovernmental revenue	88	2	90
Disposition of assets	-	(26)	(26)
Interest expense	-	(52)	(52)
Net Nonoperating Revenues (Expenses)	1,272	59	1,331
Income (loss) before transfers and contributions	197	288	485
Transfers out	(1,311)	-	(1,311)
Capital asset transfer	-	14,856	14,856
Change in Net Position	(1,114)	15,144	14,030
Net Position - January 1	28,785	8,641	37,426
Net Position - December 31	\$ 27,671	\$ 23,785	\$ 51,456

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Environmental Services	Golf Course	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 11,755	\$ 10,024	\$ 21,779
Payments to suppliers	(5,864)	(3,364)	(9,228)
Payments to employees	(5,804)	(6,591)	(12,395)
Other receipts	514	2,864	3,378
Net Cash Provided by Operating Activities	601	2,933	3,534
Cash Flows From Noncapital Financing Activities			
Operating grants received	88	2	90
Transfers (out)	(1,311)	-	(1,311)
Net Cash Provided by (Used In) Noncapital Financing Activities	(1,223)	2	(1,221)
Cash Flows From Capital and Related Financing Activities			
Principal payments	-	(620)	(620)
Interest paid on capital debt	-	(52)	(52)
Purchase of assets	(6)	(3,033)	(3,039)
Net Cash (Used In) Capital and Related Financing Activities	(6)	(3,705)	(3,711)
Cash Flows from Investing Activities			
Interest received	1,142	133	1,275
Net Cash Provided by Investing Activities	1,142	133	1,275
Net increase (decrease) in cash and cash equivalents	514	(637)	(123)
Cash and cash equivalents - January 1	29,251	4,302	33,553
Cash and Cash Equivalents - December 31	\$ 29,765	\$ 3,665	\$ 33,430
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (1,075)	\$ 229	\$ (846)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	19	1,943	1,962
Loss on disposal of assets	-	26	26
Changes in Assets and Liabilities			
Accounts receivable	260	(10)	250
Interfund receivable	91	-	91
Inventories	-	(4)	(4)
Vouchers payable	(47)	68	21
Unearned revenue	(2)	(104)	(106)
Accrued liabilities	107	44	151
Interfund payable	332	4	336
Deferred outflows of resources	(1,681)	(1,238)	(2,919)
Deferred inflows of resources	(309)	(234)	(543)
Net pension and OPEB liability	2,906	2,209	5,115
Net Cash Provided by Operating Activities	\$ 601	\$ 2,933	\$ 3,534
Noncash Activities			
Capital assets transferred from other City departments/agencies	\$ -	\$ 14,856	\$ 14,856

Combining Statement of Net Position - Internal Service Funds

December 31, 2019 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 7,291	\$ 40,073	\$ 47,364
Receivables:			
Accounts	-	1,136	1,136
Accrued interest	-	303	303
Inventories	200	-	200
Interfund receivable	20	-	20
Total Current Assets	7,511	41,512	49,023
Capital Assets:			
Buildings and improvements	5,046	-	5,046
Machinery and equipment	2,769	-	2,769
Accumulated depreciation	(5,401)	-	(5,401)
Net capital assets	2,414	-	2,414
Total Assets	9,925	41,512	51,437
Liabilities			
Current Liabilities:			
Vouchers payable	96	887	983
Accrued liabilities	14	51	65
Interfund payable	1	60	61
Compensated absences	28	91	119
Claims reserve	-	9,566	9,566
Total Current Liabilities	139	10,655	10,794
Noncurrent Liabilities:			
Compensated absences	93	144	237
Claims reserve	-	19,575	19,575
Total noncurrent liabilities	93	19,719	19,812
Total Liabilities	232	30,374	30,606
Net Position			
Net investment in capital assets	2,414		2,414
Unrestricted	7,279	11,138	18,417
Total Net Position	\$ 9,693	\$ 11,138	\$ 20,831

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Operating Revenues			
Charges for services	\$ 9,057	\$ 10,000	\$ 19,057
Other revenue	-	681	681
Total Operating Revenues	9,057	10,681	19,738
Operating Expenses			
Personnel services	679	2,024	2,703
Contractual services	547	1,730	2,277
Supplies and materials	7,642	17	7,659
Depreciation	74	-	74
Claims payments	-	9,380	9,380
Other operating expenses	67	1,027	1,094
Change in claims reserve	-	1,885	1,885
Total Operating Expenses	9,009	16,063	25,072
Operating income (loss)	48	(5,382)	(5,334)
Nonoperating Revenues (Expenses)			
Investment and interest income	-	2,548	2,548
Net Nonoperating Revenue (Expenses)	-	2,548	2,548
Income (loss) before transfers	48	(2,834)	(2,786)
Change in net position	48	(2,834)	(2,786)
Net position - January 1	9,645	13,972	23,617
Net Position - December 31	\$ 9,693	\$ 11,138	\$ 20,831

Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended December 31, 2019 (dollars in thousands)

	Asphalt Plant	Workers' Compensation	Total
Cash Flows From Operating Activities			
Receipts from customers	\$ 9,069	\$ 10,415	\$ 19,484
Payments to suppliers	(8,281)	(2,895)	(11,176)
Payments to employees	(705)	(1,994)	(2,699)
Other receipts	-	681	681
Claims paid	-	(9,380)	(9,380)
Net Cash Provided by (Used In) Operating Activities	83	(3,173)	(3,090)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(1,502)	-	(1,502)
Net Cash Used by Capital and Related Financing Activities	(1,502)	-	(1,502)
Cash Flows from Investing Activities			
Interest received	-	2,540	2,540
Net Cash Provided by Investing Activities	-	2,540	2,540
Net increase (decrease) in cash and cash equivalents	(1,419)	(633)	(2,052)
Cash and cash equivalents - January 1	8,710	40,706	49,416
Cash and Cash Equivalents - December 31	\$ 7,291	\$ 40,073	\$ 47,364
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating income (loss)	\$ 48	\$ (5,382)	\$ (5,334)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	74	-	74
Changes in Assets and Liabilities			
Accounts receivable	-	415	415
Interfund receivable	12	-	12
Inventories	(85)	-	(85)
Vouchers payable	60	(127)	(67)
Accrued liabilities	(26)	30	4
Interfund payable	-	6	6
Claims reserved	-	1,885	1,885
Net Cash Provided by (Used In) Operating Activities	\$ 83	\$ (3,173)	\$ (3,090)

Fiduciary

Fiduciary Funds

Fiduciary funds are trust and agency funds which account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include expendable trust funds, non-expendable trust funds, pension trust funds, and agency funds.

Pension, Health, and Other Employee Benefits Trust Funds

- Pension Benefits Trust Funds - Denver Employees Retirement Plan - to account for the pension assets of the Denver Employees Retirement Plan.
- Health Benefits Trust Funds - Denver Employees Retirement Plan - to account for the health benefits assets of the Denver Employees Retirement Plan.
- Deferred Compensation - to account for City employees' voluntary deferrals of current income to future years and the investment income earned.

Agency Funds

- Agency funds are comprised of resources held in a custodial capacity. This includes funds related to County Court and Police functions, as well as funds held for property foreclosure activities, and various taxes, payroll and benefit deductions not yet distributed to external entities.

Combining Statement of Fiduciary Net Position - Pension, Health, and Other Employee Benefit Trust Funds

As of December 31, 2019 (dollars in thousands)

	<u>Pension Benefits Trust Fund</u>	<u>Health Benefits Trust Fund</u>	<u>Other Employee Benefit Trust Fund</u>	
	Denver	Denver	Deferred	
	Employees	Employees	Compensation	
	Retirement Plan	Retirement Plan	Plan	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 17,727	\$ 3,614	\$ -	\$ 21,341
Securities lending collateral	78,773	2,499	-	81,272
Receivables:				
Accounts	193	6	-	199
Accrued interest	1,792	57	-	1,849
Investments:				
U.S. Government obligations	108,349	3,438	-	111,787
Domestic stocks and bonds	864,082	27,415	-	891,497
International stocks	388,962	12,340	-	401,302
Mutual funds	-	-	552,095	552,095
Alternative investments	508,337	16,128	-	524,465
Real estate	170,123	5,398	-	175,521
Other	204,867	3,484	227,921	436,272
Total Investments	<u>2,244,720</u>	<u>68,203</u>	<u>780,016</u>	<u>3,092,939</u>
Prepaid and other assets	35	1	-	36
Total Current Assets	<u>2,343,240</u>	<u>74,380</u>	<u>780,016</u>	<u>3,197,636</u>
Capital assets, net of accumulated depreciation	3,071	97	-	3,168
Total Assets	<u>2,346,311</u>	<u>74,477</u>	<u>780,016</u>	<u>3,200,804</u>
Liabilities				
Vouchers payable	8,582	273	-	8,855
Securities lending obligations	79,248	2,514	-	81,762
Total Liabilities	<u>87,830</u>	<u>2,787</u>	<u>-</u>	<u>90,617</u>
Net Position Held in Trust for Pension and Other Employee Benefit Trust Funds	<u>\$ 2,258,481</u>	<u>-</u>	<u>\$ 780,016</u>	
Net Position Restricted for OPEB		<u>\$ 71,690</u>		
Net Position Held in Trust for Benefits				<u>\$ 3,110,187</u>

Combining Statement of Changes in Fiduciary Net Position - Pension, Health, and Other Employee Benefit Trust Funds

As of December 31, 2019 (dollars in thousands)

	Pension Benefits Trust Fund Denver Employees Retirement Plan	Health Benefits Trust Fund Denver Employees Retirement Plan	Other Employee Benefit Trust Fund Deferred Compensation Plan	Total
Additions				
Contributions:				
City and County of Denver	\$ 83,147	\$ 4,850	\$ -	\$ 87,997
Denver Health and Hospital Authority	4,318	235	-	4,553
Plan members	60,075	3,310	47,437	110,822
Total Contributions	147,540	8,395	47,437	203,372
Investment earnings:				
Net appreciation in fair value of investments	253,855	8,209	120,173	382,237
Interest and dividends	44,339	1,429	-	45,768
Total Investment Earnings	298,194	9,638	120,173	428,005
Less investment expense	(14,538)	(468)	-	(15,006)
Net Investment Earnings	283,656	9,170	120,173	412,999
Securities lending income (expense):				
Securities lending income	3,273	106	-	3,379
Borrower rebates	(2,667)	(86)	-	(2,753)
Agent fees (loss)	(152)	(5)	-	(157)
Net Earnings from Securities Lending	454	15	-	469
Total Net Investment Earnings	284,110	9,185	120,173	413,468
Total Additions	431,650	17,580	167,610	616,840
Deductions				
Benefits	226,413	12,951	63,839	303,203
Refunds of contributions	5,310	171	-	5,481
Administrative expenses	4,123	133	679	4,935
Total Deductions	235,846	13,255	64,518	313,619
Change in net position	195,804	4,325	103,092	303,221
Net Position - January 1	2,062,677	67,365	676,924	2,806,966
Net Position - December 31	\$ 2,258,481	\$ 71,690	\$ 780,016	\$ 3,110,187

Combining Statement of Changes in Assets and Liabilities - Agency Funds

As of December 31, 2019 (dollars in thousands)

	Balance January 1	Additions	Deductions	Balance December 31
Payroll and Benefit Clearing Funds				
Assets				
Cash and cash equivalents	\$ 20,002	\$ 1,380,547	\$ 1,380,813	\$ 19,736
Receivables:				
Accounts	-	3	-	3
Total Assets	\$ 20,002	\$ 1,380,550	\$ 1,380,813	\$ 19,739
Liabilities				
Vouchers payable	\$ 19,773	\$ 1,273	\$ 8,681	\$ 12,365
Other accrued liabilities	229	737,435	730,290	7,374
Total Liabilities	\$ 20,002	\$ 738,708	\$ 738,971	\$ 19,739
Special Deposit Funds				
Assets				
Cash and cash equivalents	\$ 5,333	\$ 8,979	\$ 9,191	\$ 5,121
Receivables (net of allowances)				
Accounts	5	1	6	-
Total Assets	\$ 5,338	\$ 8,980	\$ 9,197	\$ 5,121
Liabilities				
Vouchers payable	\$ 3,839	\$ 431	\$ 199	\$ 4,071
Other accrued liabilities	1,499	8,682	9,131	1,050
Total Liabilities	\$ 5,338	\$ 9,113	\$ 9,330	\$ 5,121
Special Trust Fund				
Assets				
Cash and cash equivalents	\$ 2,693	\$ 22,164	\$ 23,173	\$ 1,684
Total Assets	\$ 2,693	\$ 22,164	\$ 23,173	\$ 1,684
Liabilities				
Other accrued liabilities	\$ 2,693	\$ 434	\$ 1,443	\$ 1,684
Total Liabilities	\$ 2,693	\$ 434	\$ 1,443	\$ 1,684
Treasury Collections Clearing Fund				
Assets				
Cash and cash equivalents	\$ 32,954	\$ 31,873	\$ 47,259	\$ 17,568
Receivables (net of allowances for uncollectibles of \$5,084)				
Taxes	1,037,089	1,207,677	1,047,503	1,197,263
Accounts	170	14	170	14
Total Assets	\$ 1,070,213	\$ 1,239,564	\$ 1,094,932	\$ 1,214,845
Liabilities				
Vouchers payable	\$ 4,975	\$ 1,366	\$ 6,289	\$ 52
Other accrued liabilities	422	679	707	394
Due to taxing units	1,064,816	1,111,620	962,037	1,214,399
Total Liabilities	\$ 1,070,213	\$ 1,113,665	\$ 969,033	\$ 1,214,845

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Component Units

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Combining Statement of Net Position - Nonmajor Component Units

December 31, 2019 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc	Downtown Denver BID
Assets							
Cash and cash equivalents	\$ 97	\$ 1,360	\$ 85	\$ 739	\$ 230	\$ 24,279	\$ 1,155
Investments	-	16	-	-	-	-	178
Receivables (net of allowances):							
Taxes	153	6,140	-	895	-	-	6,707
Accounts	-	129	-	-	-	4	896
Other	1	-	-	12	-	-	-
Prepaid items and other assets	3	-	-	2	-	56	21
Restricted Assets:							
Cash and cash equivalents	4	514	-	-	-	-	-
Capital Assets:							
Land and construction in progress	-	17,318	-	85	-	494	-
Buildings and improvements	-	153	-	-	-	186	-
Machinery and equipment	-	124	-	3,164	-	67	4,264
Accumulated depreciation	-	(6,952)	-	(1,370)	-	(161)	(1,983)
Net Capital Assets	-	10,643	-	1,879	-	586	2,281
Total Assets	258	18,802	85	3,527	230	24,925	11,238
Deferred Outflows of Resources							
Deferred amount on refundings	-	1,268	-	-	-	-	-
Total Deferred Outflows of Resources	-	1,268	-	-	-	-	-
Liabilities							
Vouchers payable	-	431	-	39	9	5,079	580
Accrued liabilities	9	94	-	-	-	19	-
Due to other governments	-	-	-	2	-	-	-
Unearned revenue	-	-	-	-	-	-	29
Noncurrent liabilities:							
Due within one year	-	850	-	-	-	54	-
Due in more than one year	-	12,645	-	-	-	132	-
Total Liabilities	9	14,020	-	41	9	5,284	609
Deferred Inflows of Resources							
Property tax	153	6,140	-	895	-	-	6,707
Total Deferred Inflows of Resources	153	6,140	-	895	-	-	6,707
Net Position							
Net investment in capital assets	-	(1,584)	-	1,879	-	586	2,281
Restricted for:							
Capital Projects	41	-	-	-	-	-	-
Emergency use	7	120	-	23	-	-	216
Debt service	-	394	-	-	-	-	-
Unrestricted	48	980	85	689	221	19,055	1,425
Total Net Position (Deficit)	\$ 96	\$ (90)	\$ 85	\$ 2,591	\$ 221	\$ 19,641	\$ 3,922

	Federal Boulevard BID	Five Points BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Caring for Denver Foundation	Denver College Success	Total
\$	78	\$ 214	\$ 65	\$ 220	\$ 54	\$ 310	\$ 31,674	\$ 2	\$ 60,562
	-	-	3	-	-	-	-	-	197
	-	224	-	1,729	-	133	-	-	15,981
	-	-	-	6	-	-	-	-	1,035
	2	-	-	-	-	-	569	8,883	9,467
	-	48	-	-	-	1	81	1	213
	-	-	-	-	-	5	-	-	523
	-	-	-	-	-	395	-	-	18,292
	-	-	-	-	-	-	-	-	339
	-	-	20	-	-	-	-	-	7,639
	-	-	-	-	-	-	-	-	(10,466)
	-	-	20	-	-	395	-	-	15,804
	80	486	88	1,955	54	844	32,324	8,886	103,782
	-	-	-	-	-	-	-	-	1,268
	-	-	-	-	-	-	-	-	1,268
	2	-	1	2	-	34	42	57	6,276
	-	-	10	6	-	-	165	16	319
	-	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	-	29
	-	-	-	-	-	-	-	-	904
	-	-	-	-	-	-	-	-	12,777
	2	-	11	8	-	34	207	73	20,307
	-	224	-	1,729	-	133	-	-	15,981
	-	224	-	1,729	-	133	-	-	15,981
	-	-	19	-	-	395	-	-	3,576
	-	-	-	-	-	-	-	-	41
	-	8	-	36	-	5	31,249	7,995	39,659
	-	-	-	-	-	-	-	-	394
	78	254	58	182	54	277	868	818	25,092
\$	78	\$ 262	\$ 77	\$ 218	\$ 54	\$ 677	\$ 32,117	\$ 8,813	\$ 68,762

Combining Statement of Activities - Nonmajor Component Units

For the Year Ended December 31, 2019 (dollars in thousands)

	Bluebird BID	Cherry Creek North BID	Cherry Creek Subarea BID	Colfax BID	Colfax Mayfair BID	Denver Preschool Program, Inc	Downtown Denver BID
Expenses	\$ 129	\$ 5,478	\$ 13	\$ 734	\$ 97	\$ 25,581	\$ 8,408
Program Revenues							
Charges for services	-	368	-	-	-	-	-
Operating grants and contributions	-	-	-	80	-	-	-
Total Program Revenues	<u>-</u>	<u>368</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net expenses	(129)	(5,110)	(13)	(654)	(97)	(25,581)	(8,408)
General Revenues							
Taxes:							
Property	105	4,597	16	641	118	-	6,439
Specific ownership	8	346	-	49	-	-	-
Investment and interest income	-	30	-	10	-	115	-
Other revenues	13	77	-	-	-	24,116	2,083
Total General Revenues	<u>126</u>	<u>5,050</u>	<u>16</u>	<u>700</u>	<u>118</u>	<u>24,231</u>	<u>8,522</u>
Change in net position	(3)	(60)	3	46	21	(1,350)	114
Net position - January 1	99	(30)	82	2,545	200	20,991	3,808
Net Position (Deficit) - December 31	<u>\$ 96</u>	<u>\$ (90)</u>	<u>\$ 85</u>	<u>\$ 2,591</u>	<u>\$ 221</u>	<u>\$ 19,641</u>	<u>\$ 3,922</u>

Federal Boulevard BID	Five Points BID	Old South Gaylord BID	RiNo BID	Santa Fe BID	West Colfax BID	Caring for Denver Foundation	Denver College Success	Total
\$ 46	\$ 223	\$ 47	\$ 1,160	\$ 120	\$ 313	\$ 4,825	\$ 70	47,244
-	-	-	-	-	15	-	-	383
-	-	-	-	-	118	-	8,883	9,081
-	-	-	-	-	133	-	8,883	9,464
(46)	(223)	(47)	(1,160)	(120)	(180)	(4,825)	8,813	(37,780)
72	139	47	1,121	107	139	-	-	13,541
-	11	-	85	-	-	-	-	499
-	1	-	1	-	1	119	-	277
-	14	-	-	6	8	36,823	-	63,140
72	165	47	1,207	113	148	36,942	-	77,457
26	(58)	-	47	(7)	(32)	32,117	8,813	39,677
52	320	77	171	61	709	-	-	29,085
\$ 78	\$ 262	\$ 77	\$ 218	\$ 54	\$ 677	\$ 32,117	\$ 8,813	\$ 68,762

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Other Supplementary Schedules

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Combined Schedule of Bonds Payable and Escrows

December 31, 2019 (dollars in thousands)

	Amount Issued	Maturity	Interest ⁵ Rate	Amount Outstanding	1st Optional Call Date
Denver Airport System					
1992F-G Credit Facility Bonds	\$ 36,900	2031	1.464%	\$ 32,000	9/25/2017
Escrow LOI	n/a	2024-2025	6.125%	40,080	5/15/2017
2002C Credit Facility Bonds	30,300	2031	1.464%	23,400	9/25/2017
2007F1-F2 Airport System Revenue ²	104,000	2025	1.50-1.60%	70,775	1/2/2017
2007G1-G2 Credit Facility Bonds ³	135,600	2031	1.852%	109,100	12/1/2023
2008B Airport System Revenue ¹	81,800	2031	1.734%	45,600	1/2/2017
2008C1 Airport System Revenue ¹	292,600	2031	1.683-1.734%	79,100	1/2/2017
2009B Credit Facility Bonds	65,290	2039	6.414%	65,290	1/2/2017
2009C Airport System Revenue ¹	104,655	2031	1.315%	87,355	1/2/2017
2010A Airport System Revenue	171,360	2017-2032	4.00%-5.00%	134,005	11/15/2020
2011A Airport System Revenue	349,730	2017-2023	4.00%-5.25%	137,990	11/15/2021
2011B Airport System Revenue	198,370	2017-2024	4.00%-5.00%	9,010	11/15/2021
2012A Airport System Revenue	315,780	2017-2043	3.00-5.00%	260,620	11/15/2022
2012B Airport System Revenue	510,140	2017-2043	4.00-5.00%	487,360	11/15/2022
2012C Airport System Revenue	30,285	2026	3.592%	30,285	1/2/2017
2013A Airport System Revenue	326,260	2017-2043	4.00-5.50%	304,220	11/15/2023
2013B Airport System Revenue	393,655	2017-2043	3.00%-5.25%	369,905	11/15/2023
2015A Airport System Revenue	195,940	and 2023-	2.20%	131,855	11/15/2017
2016A Airport System Revenue	256,810	2017-2032	5.00%	219,575	11/15/2026
2017A Airport System Revenue	225,220	2018-2030	5.00%	210,110	11/15/2027
2017B Airport System Revenue	21,175	2033	5.00%	21,280	11/15/2027
2018A Airport System Revenue	2,341,710	2020-2048	3.75-5.25%	2,338,220	12/1/2029
2018B Airport System Revenue	184,365	2020-2048	3.50-5.00%	184,130	12/1/2029
2019A Airport System Revenue	145,875	2020-2030	1.37%	145,875	n/a
2019B Airport System Revenue	22,710	2020	2.12%	16,550	n/a
2019C Airport System Revenue	120,005	2026-2036	5.00%	120,005	n/a
2019D Airport System Revenue	83,725	2026-2031	1.81%	83,725	n/a
Total Denver Airport System				5,757,420	
Unamortized premium net of discount				413,874	
Net Denver Airport System				6,171,294	
Wastewater Management					
2012 Wastewater Revenue Bonds	50,425	2017-2032	3.00-4.00%	28,535	n/a
2016 Wastewater Revenue Bonds	115,000	2017-2046	4.00-5.00%	108,995	11/1/2026
2018 Wastewater Revenue Bonds	103,050	2018-2046	3.00-5.00%	98,355	11/1/2029
Unamortized premium				21,363	
Total Wastewater Management				257,248	
Golf Enterprise					
2005 Golf Enterprise Revenue Bonds	7,365	2017-2020	4.70-5.00%	655	9/1/2017
Total Golf Enterprise				655	

continued

Combined Schedule of Bonds Payable and Escrows - continued

December 31, 2019 (dollars in thousands)

	Amount Issued	Maturity	Interest ⁵ Rate	Amount Outstanding	1st Optional Call Date
General Obligation					
2006 Justice System Facilities Bonds	\$ 8,861	2022	4.75%	\$ 8,861 ⁴	Not callable
2010B Better Denver Bonds	312,055	2017-2030	3.78-5.65%	294,350	8/1/2020
2013A Better Denver Bonds	120,925	2017-2030	3.00-5.00%	37,510	8/1/2023
2013B1 GO Refunding Bonds	48,020	2017-2025	2.30%	29,995	8/1/2023
2013B2 GO Refunding Bonds	89,415	2017-2025	2.38%	61,180	8/1/2023
2014 Better Denver (mini-bonds)	12,000	2023, 2028	4.39-4.89%	12,000	Not callable
2018A GO Elevate Denver Bonds	193,000	2018-2033	3.13-5.00%	95,430	8/1/2030
2018B GO Justice System Refunding Bonds	67,905	2019-2025	5.00%	57,920	Not callable
2019A GO Elevate Denver Bonds	81,910	2019-2024	5.00%	78,205	Not callable
2019B GO Better Denver and Zoo Refunding Bonds	50,140	2019-2025	5.00%	50,140	Not callable
2019C Go Elevate Denver Bonds	117,265	2020-2033	2.38-5.00%	117,265	8/1/2030
Total Primary Government				842,856	
Unamortized premium				44,764	
Net Primary Government				887,620	
Total General Obligation				887,620	
Excise Tax Revenue Bonds					
2016A Dedicated Tax Refunding and Improvement	242,500	2021-2046	2.00-5.00%	242,500	8/1/2026
2016B Dedicated Tax Refunding and Improvement	154,810	2017-2032	1.54-3.82%	65,445	8/1/2026
2018A1 Dedicated Tax Revenue Bonds	151,485	2041-2048	5.00%	151,485	8/1/2026
2018A2 Dedicated Tax Revenue Bonds	88,515	2029-2040	3.84-4.33%	88,515	8/1/2026
2018B Dedicated Tax Revenue Bonds	60,000	2019-2029	2.58-3.75%	63,651	8/1/2026
Total Excise Tax Revenue Bonds				611,596	
Unamortized premium				41,659	
Net Excise Tax Revenue Bonds				653,255	
Total General Long-Term Debt				1,540,875	
Total Bonds Payable				\$ 7,970,072	

¹Variable rate issue - weekly interest rate reset

²Auction rate securities - 7 day auction

³Variable rate issue - daily interest rate reset

⁴Amounts do not include \$7,215 and \$3,333, of compound interest on the Series 2007 and 2014A mini-bonds, respectively.

⁵Variable rate issues reflect rate in effect as of December 31, 2019.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City and County: Denver
	YEAR ENDING : December 2019

This Information From The Records Of (example - City and County of Denver): Prepared By: Kelly Greunke
Phone: 720-979-7086

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 67,746,668
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	10,310,760
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	20,292,955
2. General fund appropriations	\$ 96,476,454	b. Snow and ice removal	7,553,246
3. Other local imposts (from page 2)	1,593,384	c. Other	14,283,958
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	42,130,159
5. Transfers from toll facilities	-	4. General administration & miscellaneous	12,634,385
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	21,744,289
a. Bonds - Original Issues	-	6. Total (1 through 5)	154,566,261
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	98,069,838	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government		2. Notes:	
(from page 2)	37,304,070	a. Interest	-
D. Receipts from Federal Government		b. Redemption	-
(from page 2)	-	c. Total (a. + b.)	-
E. Total receipts (A.7 + B + C + D)	\$ 135,373,908	3. Total (1.c + 2.c)	-
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	\$ 154,566,261

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	\$ -	\$ -	\$ -	\$ -
1. Bonds (Refunding Portion)				
B. Notes (Total)	\$ -	\$ -	\$ -	\$ -

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 135,373,908	\$ 154,566,261		\$ (19,192,353)

Notes and Comments:

- II.A.2 ("General fund appropriations") have been added to the extent that they are calculated to support highway expenditures.
- IV. Until 2006 we reported debt only for street-related special assessment districts. That amount is now negligible. General Obligation debt related to highways cannot be separated from debt for other purposes.
- V.A&D. The City and County of Denver has no comprehensive, separate Road and Street "Fund." We have funds for various capital outlays; General Fund appropriations and other specified revenue support non-capital expenditures on roads and streets.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2019	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	\$ 1,593,384	a. Interest on investments	\$ -
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	-	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	-	h. Other	-
c. Total (a. + b.)	\$ 1,593,384	i. Total (a. through h.)	\$ -
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	\$ 37,304,070	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	-	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	-	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	\$ 37,304,070	3. Total (1. + 2.g)	\$ -
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		\$ 4,683,962	\$ 4,683,962
b. Engineering Costs		14,294,762	14,294,762
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements		4,253,608	4,253,608
(3). System Preservation		11,289,219	11,289,219
(4). System Enhancement & Operation		33,225,117	33,225,117
(5). Total Construction (1) + (2) + (3) + (4)	-	48,767,944	48,767,944
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	\$ -	\$ 67,746,668	\$ 67,746,668
			(Carry forward to page 1)
Notes and Comments:			

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Statistical

Contents

This part of the City and County of Denver'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 government's overall financial health.

207 Financial Trends

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

214 Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.

222 Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

229 Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

231 Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

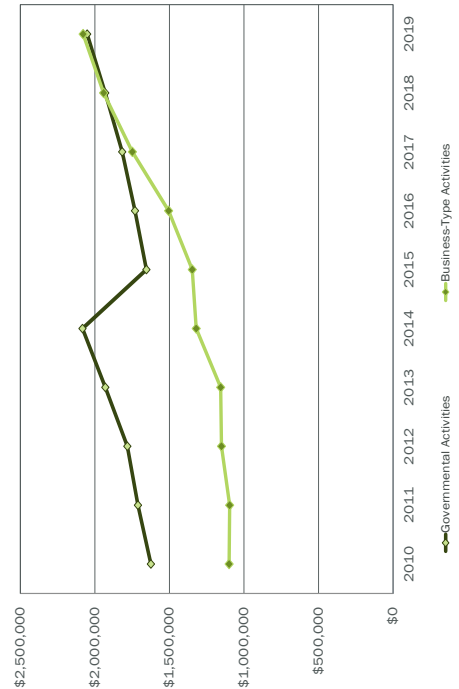
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Net Position by Component

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 1,214,215	\$ 1,247,292	\$ 1,315,237	\$ 1,366,632	\$ 1,420,817	\$ 1,509,354	\$ 1,572,753	\$ 1,730,520	\$ 1,780,073	\$ 1,955,118
Restricted	554,602	552,799	457,614	481,937	524,017	649,483	918,405	792,057	1,580,026	1,745,453
Unrestricted	(138,547)	(88,897)	9,411	81,589	138,255	(504,190)	(759,893)	(706,069)	(1,429,565)	(1,648,841)
Total governmental activities net position	\$ 1,624,270	\$ 1,711,194	\$ 1,782,262	\$ 1,930,158	\$ 2,083,089	\$ 1,654,647	\$ 1,731,265	\$ 1,816,508	\$ 1,930,534	\$ 2,051,730
Business-type activities										
Net investment in capital assets	\$ 114,343	\$ 94,524	\$ (13,036)	\$ (192,372)	\$ (193,351)	\$ (81,930)	\$ 175,636	\$ 701,234	\$ 604,246	\$ 517,177
Restricted	669,517	627,377	656,174	671,317	667,801	675,863	622,880	493,837	512,691	496,582
Unrestricted	316,116	377,121	507,873	677,576	846,056	752,775	707,076	553,533	824,401	1,065,121
Total business-type activities net position	\$ 1,099,976	\$ 1,096,022	\$ 1,151,011	\$ 1,156,521	\$ 1,320,506	\$ 1,346,708	\$ 1,505,592	\$ 1,748,604	\$ 1,941,338	\$ 2,078,880
Primary government										
Net investment in capital assets	\$ 1,325,558	\$ 1,338,816	\$ 1,302,201	\$ 1,174,260	\$ 1,227,466	\$ 1,427,424	\$ 1,748,389	\$ 2,431,754	\$ 2,384,319	\$ 2,472,295
Restricted	853,977	1,180,176	1,113,788	1,153,254	1,191,818	1,325,346	1,541,285	1,285,894	2,092,717	2,242,035
Unrestricted	544,711	288,224	517,284	759,165	984,311	248,585	(52,817)	(152,536)	(605,164)	(583,720)
Total primary government net position	\$ 2,724,246	\$ 2,807,216	\$ 2,933,273	\$ 3,086,679	\$ 3,403,595	\$ 3,001,355	\$ 3,236,857	\$ 3,565,112	\$ 3,871,872	\$ 4,130,610

Primary Government Net Position



Changes in Net Position

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 249,106	\$ 244,430	\$ 247,659	\$ 262,466	\$ 319,464	\$ 340,401	\$ 405,900	\$ 445,601	\$ 472,623	\$ 553,292
Public safety	526,007	531,109	570,111	563,658	592,270	588,597	688,287	707,981	670,773	724,031
Public works	144,211	149,160	195,168	164,837	193,207	190,577	216,587	254,381	282,285	378,125
Human services	119,530	114,252	111,067	114,624	114,727	125,195	145,594	167,131	176,745	163,930
Health	53,499	52,286	57,355	54,453	59,216	64,687	65,265	62,351	61,391	112,395
Parks and recreation	67,709	57,702	80,480	89,305	90,199	68,650	93,842	100,294	117,622	111,776
Cultural activities	100,190	127,606	110,885	123,248	128,799	131,835	130,536	157,531	156,680	168,960
Community development	47,501	46,571	40,262	35,142	39,598	45,355	48,766	52,832	71,622	64,884
Economic opportunity	25,905	23,036	21,481	21,218	21,091	20,027	14,830	11,746	1,187	9,873
Interest on long-term debt	70,453	77,263	74,901	70,030	66,306	63,267	62,566	63,952	62,524	74,432
Total governmental activities	1,404,111	1,423,415	1,505,769	1,498,981	1,614,877	1,638,591	1,872,173	2,023,800	2,073,452	2,361,698
Business-type activities:										
Wastewater management	84,752	97,773	99,179	105,679	102,688	111,941	114,740	124,046	129,459	138,617
Denver airport system	830,243	783,249	763,249	801,786	773,345	769,896	811,094	825,110	889,251	1,059,258
Environmental services	6,087	6,757	7,001	9,354	8,174	9,967	11,837	10,880	16,720	12,997
Golf course	7,935	8,757	8,943	10,474	12,254	10,766	11,146	11,507	11,711	12,821
Total business-type activities	929,017	896,536	878,372	927,293	896,461	902,570	948,817	971,543	1,047,141	1,223,693
Total Primary Government Expenses	\$ 2,333,128	\$ 2,319,951	\$ 2,384,141	\$ 2,426,274	\$ 2,511,338	\$ 2,541,161	\$ 2,820,990	\$ 2,995,343	\$ 3,120,593	\$ 3,585,391
Program Revenues										
Governmental activities:										
Charges for services:	\$ 79,636	\$ 78,018	\$ 75,761	\$ 87,988	\$ 97,289	\$ 99,302	\$ 99,847	\$ 97,788	\$ 83,149	\$ 101,603
General government	76,695	87,212	90,528	87,996	86,010	93,230	95,497	97,339	110,837	99,548
Public safety	53,643	55,831	60,227	68,666	71,653	77,308	75,580	79,397	81,237	78,883
Public works	13,630	15,298	23,466	25,615	25,741	41,312	34,264	39,905	41,317	51,039
Community development	49,841	69,337	74,844	76,577	86,043	91,608	95,337	92,573	103,838	107,263
Other activities	20,277	20,673	33,960	26,716	23,694	37,017	23,475	25,288	26,177	28,415
Operating grants and contributions:	29,792	28,817	30,634	29,023	26,861	26,914	26,398	24,327	27,787	25,012
General government	23,067	19,256	62,269	19,370	20,654	20,825	23,358	21,992	116,848	24,616
Public safety	72,644	77,417	73,133	68,244	76,207	73,768	86,469	95,221	96,337	96,093
Human services	16,562	29,258	26,617	15,800	17,064	7	6	283	1,577	17,763
Community development	47,884	20,192	26,706	20,259	22,767	22,006	19,935	27,174	31,437	22,381
Other activities	23,422	25,333	30,777	29,408	35,699	9,701	36,527	65,555	77,198	59,431
Capital grants and contributions:	14,334	15,491	2,780	40,104	18,780	28,597	31,691	24,877	25,376	48,805
Public works										
Other activities										
Total governmental activities	521,427	542,133	611,702	595,766	608,462	621,595	648,384	691,719	823,115	760,852

continued

Changes in Net Position - continued

Last 10 Fiscal Years (dollars in thousands - accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Wastewater management	75,363	89,744	106,167	115,872	120,806	126,260	133,375	150,122	159,526	107,829
Denver airport system	703,997	705,979	730,145	661,637	711,490	793,543	876,643	906,750	952,286	1,021,802
Other activities	16,765	17,026	18,471	18,108	20,627	26,339	22,431	26,663	22,531	21,543
Operating grants and contributions:										
Denver airport system	-	400	675	103,513	121,690	19,220	686	873	-	-
Capital grants and contributions:										
Wastewater enterprises	13,984	11,652	6,890	7,289	8,379	9,564	25,142	21,296	17,742	10,752
Denver airport system	30,600	34,702	22,996	31,412	20,533	20,483	3,553	55,879	26,730	15,301
Other activities	-	-	-	-	-	-	280	-	-	-
Total business-type activities	840,709	859,503	885,344	937,831	1,003,525	995,409	1,061,810	1,161,583	1,178,815	1,177,227
Total Primary Government	\$ 1,362,136	\$ 1,401,636	\$ 1,497,046	\$ 1,533,597	\$ 1,611,987	\$ 1,617,004	\$ 1,710,194	\$ 1,853,302	\$ 2,001,930	\$ 1,938,079
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	\$ 295,381	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859	\$ 419,648	\$ 472,995	\$ 479,346
Sales and use	447,071	481,023	494,495	539,348	615,735	638,276	674,398	718,577	762,201	896,924
Other	124,855	132,259	140,123	146,875	165,584	180,745	187,427	217,940	229,725	250,162
Investment and interest income	21,730	24,196	11,259	2,525	14,928	15,503	19,151	20,642	37,996	83,806
Other revenue	59,419	42,378	31,921	35,368	25,511	48,550	24,128	39,465	21,000	57,196
Transfers	275	244	275	275	575	2,275	(1,676)	1,052	444	1,324
Capital asset transfers	-	-	-	-	(10,066)	-	(2,880)	-	-	1,282
Total governmental activities	948,731	968,206	965,135	1,056,305	1,159,346	1,234,525	1,300,407	1,417,324	1,524,361	1,770,040
Business-type activities:										
Investment and interest income	50,424	33,323	48,275	24,357	45,205	41,593	40,414	49,083	79,751	181,626
Other revenue	102	-	17	948	2,225	13,666	921	4,941	6,238	4,988
Transfers	(275)	(244)	(275)	(275)	(575)	(2,275)	1,676	(1,052)	(444)	(1,324)
Capital asset transfers	-	-	-	-	10,066	-	2,880	-	-	(1,282)
Total business-type activities	50,251	33,079	48,017	25,030	56,921	52,984	45,891	52,972	85,545	184,008
Total General Revenues and Other Changes in Net Position	\$ 998,982	\$ 1,001,285	\$ 1,013,152	\$ 1,081,335	\$ 1,216,267	\$ 1,287,509	\$ 1,346,298	\$ 1,470,296	\$ 1,609,906	\$ 1,954,048
Changes in Net Position										
Governmental activities	\$ 66,047	\$ 86,924	\$ 71,068	\$ 153,090	\$ 152,931	\$ 217,529	\$ 76,618	\$ 85,243	\$ 274,024	\$ 169,194
Business activities	(38,057)	(3,954)	54,989	35,568	163,985	145,823	158,884	243,012	217,219	137,542
Total Primary Government	\$ 27,990	\$ 82,970	\$ 126,057	\$ 188,658	\$ 316,916	\$ 363,352	\$ 235,502	\$ 328,255	\$ 491,243	\$ 306,736

Fund Balances of Governmental Funds

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 20,475									\$ 11,651
Unreserved	115,586	330	159	268	425	2,890	7,215	2,979	4,709	85,127
Nonspendable		54,049	56,566	62,443	65,439	65,713	68,114	71,295	75,838	74,677
Restricted		12,039	15,084	23,594	30,388	32,121	50,964	55,661	74,024	-
Committed										
Assigned										
Unassigned	147,892	147,892	155,039	201,030	267,764	293,476	271,130	264,124	230,209	198,626
Total General Fund	\$ 136,061	\$ 214,310	\$ 226,848	\$ 287,335	\$ 364,016	\$ 394,200	\$ 397,423	\$ 394,059	\$ 384,780	\$ 370,081
All other governmental funds										
Reserved	\$ 198,463									
Unreserved:										
Special revenue funds	93,112									
Capital projects funds	367,142									
Permanent funds	3,605									
Nonspendable		3,030	5,729	6,515	3,038	8,218	9,395	20,479	16,580	4,686
Restricted		479,270	395,160	413,008	455,110	528,071	833,997	743,187	1,387,996	1,636,150
Committed		2,616	27,786	37,804	3,966	2,262	24,041	20,624	29,940	4,203
Assigned		30,966	32,760	29,043	28,076	30,040	559	1,062	1,047	1,057
Unassigned			(38)			(372)				
Total all other governmental funds	\$ 404,070	\$ 662,322	\$ 515,882	\$ 461,397	\$ 486,370	\$ 490,190	\$ 568,219	\$ 867,992	\$ 785,352	\$ 1,646,096

¹ In 2011, reporting of fund balances was changed to meet new reporting requirements. For the most part, changes represent removal of purpose of the fund restrictions.

Fund Balances of Governmental Funds



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Changes in Fund Balances of Governmental Funds

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property taxes	\$ 295,381	\$ 288,106	\$ 287,062	\$ 331,914	\$ 347,079	\$ 349,176	\$ 399,859	\$ 299,320	\$ 472,995	\$ 479,346
Sales and use taxes	447,071	481,023	494,495	539,348	608,307	640,251	676,916	64,981	762,201	896,924
Other taxes	124,855	132,259	140,123	146,875	165,584	180,745	187,427	101,593	229,725	250,162
Special assessments	1,397	1,429	1,422	1,702	1,913	1,575	1,282	1,257	1,305	1,818
Licenses and permits	29,907	31,094	35,393	44,415	49,963	61,530	61,235	431	68,005	69,322
Intergovernmental revenues	213,568	227,776	236,892	206,878	218,206	213,643	223,296	211,345	278,238	280,421
Charges for services	196,642	200,728	219,691	225,169	237,077	265,105	267,170	71,668	279,037	313,008
Investment and interest income	21,225	23,680	10,738	2,003	14,413	14,998	18,661	10,984	37,540	83,371
Fines and forfeitures	47,628	58,075	55,964	57,469	54,472	53,540	49,433	1,688	45,032	39,579
Contributions	5,961	8,661	6,515	7,086	5,578	4,657	6,709	9,975	29,960	7,147
Other revenue	53,840	64,905	51,030	55,664	54,660	65,103	62,289	51,828	63,132	67,193
Total revenues	1,437,475	1,517,736	1,539,325	1,618,523	1,757,252	1,850,323	1,954,277	825,070	2,267,170	2,488,291
Expenditures										
General government	243,697	239,138	242,091	258,408	304,479	332,024	374,605	205,575	425,260	466,523
Public safety	499,293	514,421	545,395	552,663	574,812	607,077	606,983	75,714	687,895	718,924
Public works	149,812	155,204	207,205	170,129	221,813	192,462	188,078	139,248	309,140	364,098
Health	53,035	52,415	52,848	54,205	59,469	64,036	61,822	13,139	59,532	107,223
Human services	119,083	114,004	110,784	114,079	113,799	123,095	135,733	-	168,061	164,274
Parks and recreation	58,212	63,895	61,761	66,992	70,301	73,222	75,752	12,902	101,208	99,177
Cultural activities	77,547	80,599	87,984	98,038	107,138	110,427	115,446	81,525	133,983	142,806
Community development	50,240	49,882	40,505	35,030	39,469	44,791	46,968	19,417	68,699	75,051
Economic opportunity	25,860	22,939	21,482	21,321	21,085	19,813	14,588	6,873	745	9,641
Principal retirement	70,387	81,269	87,393	99,525	95,885	104,667	107,346	149,079	160,127	146,112
Interest	60,773	79,425	75,351	72,842	69,427	64,622	60,908	64,927	56,510	75,097
Bond issuance costs	3,041	289	-	-	500	491	2,073	-	-	-
Capital outlay	142,706	155,267	93,934	45,877	32,697	35,194	99,506	57,959	121,666	170,325
Total Expenditures	1,553,686	1,608,747	1,626,733	1,589,109	1,710,874	1,771,921	1,889,808	826,358	2,292,826	2,539,251
Deficiency of revenues under expenditures	(116,211)	(91,011)	(87,408)	29,414	46,378	78,402	64,469	(1,288)	(25,656)	(50,960)

continued

Note: Reporting of fund balances was changed in 2011 due to the implementation of GASB 54.

Changes in Fund Balances of Governmental Funds, continued

Last 10 Fiscal Years (dollars in thousands - modified accrual basis of accounting)

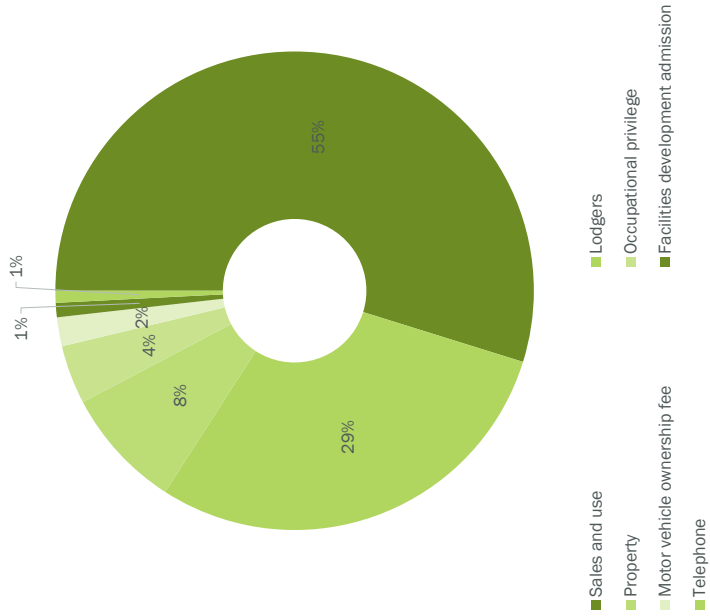
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Sale of capital assets	8,490	617	5	128	1,784	296	1,081	3,957	651	14,429
GID general obligation bonds issued	4,000	-	-	-	-	-	-	-	-	-
General obligation bonds issued	394,615	16,455	-	-	-	-	-	-	-	-
Issuance of certificate of participation	-	-	-	-	-	22,470	-	1,055	129,000	-
Issuance of capital leases	40,174	4,590	52,743	34,030	19,905	485	373	13,551	4,463	4,888
Capital leases restructured	-	-	-	-	-	-	-	15,507	-	-
Intergovernmental agreement	-	-	6,725	-	-	-	-	-	-	-
Payment to escrow	(129,779)	-	(13,729)	(256,518)	-	-	(193,979)	(21,478)	(75,824)	(56,221)
Commercial paper issued	70,000	-	-	-	-	-	-	-	-	-
Bond premium (discount)	8,856	1,006	-	19,659	-	-	30,857	-	46,140	32,094
Note proceeds	-	-	-	-	-	1,422	3,000	4,025	-	-
Issuance of bonds	-	-	-	48,660	12,000	-	204,170	-	560,905	199,175
Issuance of bonds - refunding	-	-	-	209,700	-	-	193,140	-	-	50,140
Insurance recoveries	673	484	1,240	749	500	1,266	1,561	793	809	965
Transfers in	101,174	73,294	87,479	108,121	112,670	206,427	182,897	198,933	190,327	219,870
Transfers out	(100,899)	(73,626)	(89,002)	(108,483)	(112,736)	(202,555)	(184,573)	(197,466)	(189,883)	(218,546)
Total other financing sources (uses)	397,304	22,820	45,461	56,046	34,123	29,811	238,527	18,877	666,588	246,794
Net change in fund balances	\$ 281,093	\$ (68,191)	\$ (41,947)	\$ 85,460	\$ 80,501	\$ 108,213	\$ 302,996	\$ (86,004)	\$ 640,932	\$ 195,834
Debt service as a percentage of noncapital expenditures	9.7%	11.6%	11.2%	11.7%	10.4%	10.6%	9.7%	11.6%	9.4%	9.9%

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years (dollars in thousands - modified accrual basis of accounting)

Taxes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Facilities development admission	\$ 7,160	\$ 8,325	\$ 8,986	\$ 8,721	\$ 9,262	\$ 12,569	\$ 12,401	\$ 13,816	\$ 16,846	\$ 15,859
Lodgers	49,136	55,620	57,956	63,482	75,579	82,376	88,872	112,947	120,056	134,047
Motor vehicle ownership fee	17,004	17,140	19,784	21,000	23,944	26,647	26,787	30,793	30,654	32,020
Occupational privilege	41,818	41,141	43,227	44,515	46,438	48,293	49,864	50,955	53,093	54,940
Property	295,381	288,106	287,062	331,914	347,079	349,176	399,859	419,648	472,995	479,346
Sales and use	447,071	481,023	494,495	539,348	608,307	640,251	676,916	721,512	762,201	896,924
Specific ownership	84	162	191	193	213	232	57	57	62	88
Telephone	9,653	9,871	9,979	8,964	10,148	10,628	9,446	9,372	9,014	13,208
Total primary government taxes	\$ 867,307	\$ 901,388	\$ 921,680	\$ 1,018,137	\$ 1,120,970	\$ 1,170,172	\$ 1,264,202	\$ 1,359,100	\$ 1,464,921	\$ 1,626,432

2019 Tax Revenues by Source

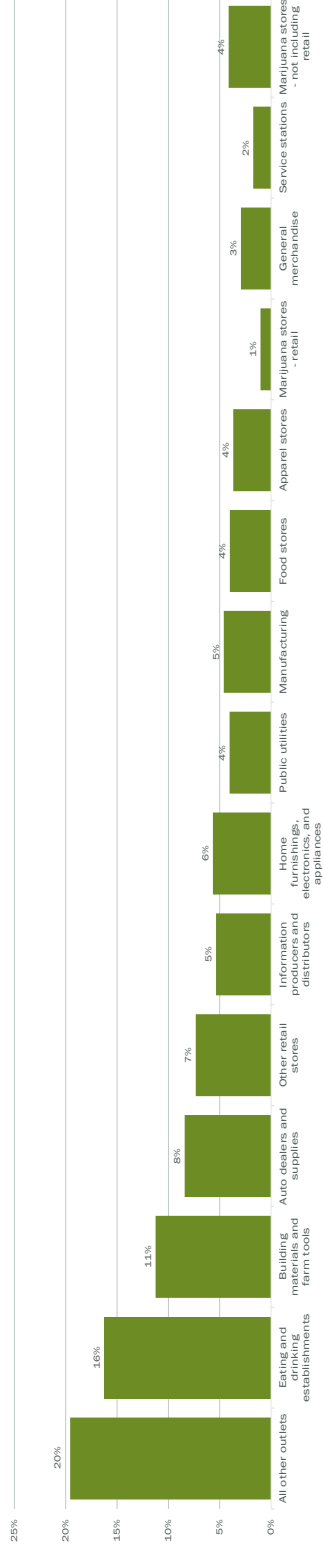


Sales Tax by Category

Last 10 Calendar Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Apparel stores	\$ 18,356	\$ 20,237	\$ 21,796	\$ 22,778	\$ 24,111	\$ 25,523	\$ 26,029	\$ 26,758	\$ 28,393	\$ 33,031
General merchandise	16,921	16,825	17,161	17,704	18,276	18,527	22,189	21,894	23,548	26,312
Food stores	18,790	19,467	20,269	21,399	23,698	24,994	27,972	28,833	31,067	35,992
Eating and drinking establishments	68,520	75,531	77,886	85,211	94,439	101,242	106,903	113,091	122,062	145,747
Home furnishings, electronics and appliances	20,413	21,827	22,584	24,410	26,138	28,026	38,112	41,147	44,738	50,809
Building materials and farm tools	30,962	33,700	36,837	44,188	52,708	55,122	78,695	86,174	91,072	100,886
Auto dealers and supplies	35,853	41,544	44,371	50,021	55,414	62,000	62,801	64,529	63,872	75,490
Service stations	20,345	16,798	15,100	14,396	15,027	15,058	13,333	12,879	12,758	15,591
Public utilities	28,783	30,333	28,164	30,944	32,931	31,106	30,285	31,366	32,743	36,235
Manufacturing	31,526	35,073	36,415	40,651	46,870	46,166	38,616	29,579	35,373	41,312
Information producers and distributors	37,531	40,445	38,576	37,877	38,213	37,036	40,450	41,637	38,025	48,054
Marijuana stores - retail	n/a	n/a	n/a	n/a	10,761	15,636	20,611	26,723	29,995	9,220
Marijuana stores - not including retail	n/a	n/a	n/a	n/a	6,451	6,996	7,730	7,430	7,636	37,024
Other retail stores	34,631	47,463	51,512	52,656	55,634	55,530	45,338	50,577	54,605	65,771
All other outlets	84,440	81,780	83,824	97,113	107,636	117,289	117,852	138,895	146,314	175,450
Total	\$ 447,071	\$ 481,023	\$ 494,495	\$ 539,348	\$ 608,307	\$ 640,251	\$ 676,916	\$ 721,512	\$ 762,201	\$ 896,924
City direct sales tax rate	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.65%	3.65%	3.65%	3.65%

2019 Sales Tax by Category



Note: The 2019 tax rate for retail marijuana is 7.12%
Source: Denver Controller's Office

Assessed Value and Estimated Actual Value of Taxable Property

Last 10 Fiscal Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Vacant property	\$ 218,132	\$ 194,051	\$ 193,826	\$ 212,668	\$ 181,758	\$ 219,528	\$ 186,774	\$ 259,521	\$ 231,259	\$ 352,077
Residential property	4,598,108	4,325,747	4,345,018	4,469,706	4,567,603	5,919,659	6,059,029	7,211,589	7,428,065	8,957,539
Commercial property	5,426,538	4,655,265	4,567,479	4,886,510	4,909,533	6,445,053	6,521,348	8,084,596	8,224,419	10,664,888
Industrial property	142,372	147,433	120,329	124,503	122,425	150,606	143,930	179,325	175,198	230,238
Agricultural property	44	120	55	69	69	79	138	92	356	133
Oil and gas property	63	-	-	-	-	-	-	-	-	-
Personal property	739,224	726,354	722,513	741,538	765,486	825,798	827,331	887,721	918,036	988,926
State assessed property	835,603	888,485	808,218	829,207	838,378	824,187	920,535	925,503	947,791	914,200
Total taxable assessed value	\$ 11,960,084	\$ 10,937,455	\$ 10,757,438	\$ 11,264,201	\$ 11,385,252	\$ 14,384,940	\$ 14,659,085	\$ 17,548,347	\$ 17,925,124	\$ 22,108,001
Total direct tax rate	26.043	28.419	32.926	33.119	33.055	30.119	30.531	28.333	28.301	24.455
Estimated actual taxable value	\$ 83,151,295	\$ 77,142,543	\$ 76,697,449	\$ 79,581,379	\$ 80,891,083	\$ 100,203,607	\$ 105,772,919	\$ 134,744,419	\$ 139,408,175	\$ 171,449,490
Assessed value as a percentage of estimated actual value	14.4%	14.2%	14.0%	14.2%	14.1%	14.4%	13.9%	13.0%	12.9%	12.9%

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 (2009, 2011, 2013, 2015, 2017, and 2019). 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.)

In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits. Taxable assessed values are reported net of tax-exempt property.

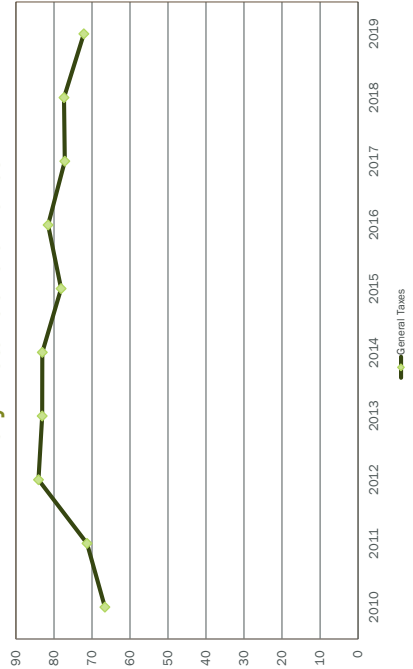
Source: Abstract of Assessment documents

Direct and Overlapping Property Tax Rates

Last 10 Fiscal Years (mill levy - total general taxes)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Direct Rates										
General fund	8.455	9.805	13.362	13.185	13.156	11.331	11.276	9.944	9.922	9.260
Bond principal	4.470	3.980	4.170	4.330	4.100	5.433	7.433	7.000	7.000	4.500
Bond interest	3.110	3.600	3.780	4.103	4.333	3.000	1.000	1.433	1.433	2.000
Social services	3.556	4.101	4.520	4.480	4.470	3.849	3.835	3.380	3.374	2.479
Developmentally disabled	1.019	1.030	1.033	1.021	1.016	1.012	1.010	1.010	1.009	1.011
Fire pension	1.317	1.519	1.587	1.572	1.568	1.350	1.345	1.185	1.183	1.042
Police pension	1.572	1.812	1.893	1.875	1.870	1.610	1.604	1.413	1.411	1.243
Capital improvement	-	-	-	-	-	-	-	-	-	-
Capital maintenance	3	3	2.581	2.553	2.542	2.534	2.528	2.526	2.525	2.528
Affordable housing	-	-	-	-	-	-	0.500	0.442	0.444	0.392
Total County Direct Rates	26.043	28.419	32.926	33.119	33.055	30.119	30.531	28.333	28.301	24.455
School District #1										
General fund	33.172	34.307	39.575	38.853	38.780	37.147	41.013	38.594	38.676	37.096
Bond redemption	6.800	7.958	10.913	10.446	10.519	10.250	9.383	9.650	9.568	9.568
Total School District #1	39.972	42.265	50.488	49.299	49.299	47.397	50.396	48.244	48.244	46.664
Urban Drainage & Flood Control District	0.576	0.623	0.657	0.672	0.700	0.611	0.620	0.557	0.820	0.997
Total General Taxes	66.591	71.307	84.071	83.090	83.054	78.127	81.547	77.134	77.365	72.116

Mill Levy - Total General Taxes



Note: The mill levy shown for total general taxes does not include special district mill levies.

In November 2012, Denver voters removed the Taxpayer Bill of Rights (TABOR) limits on property tax, and as a result mill levies assessed after 2012 will not be subject to TABOR limits.

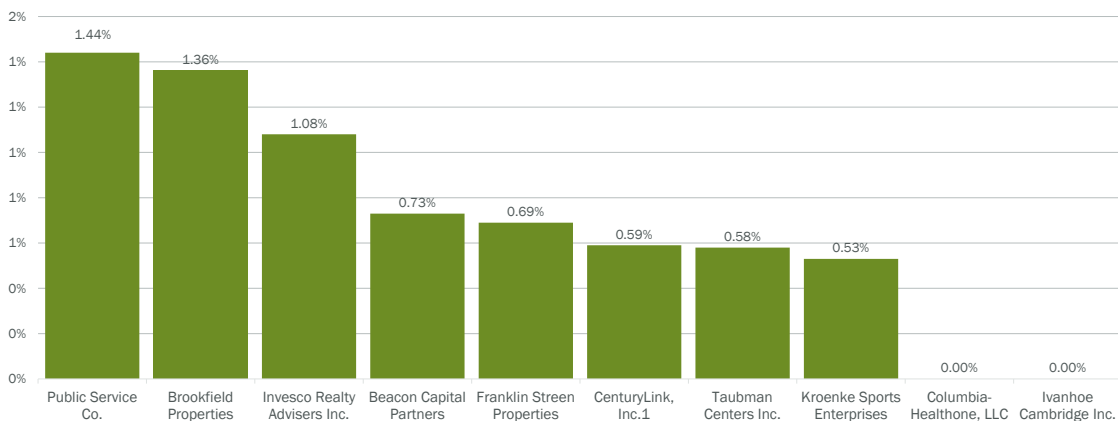
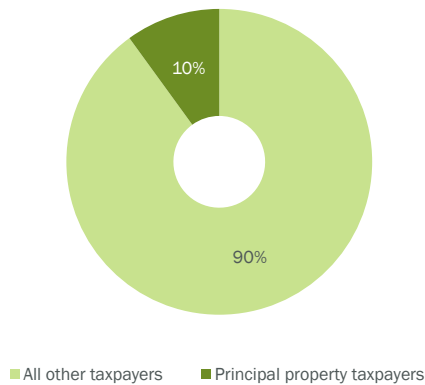
Source: Abstract of Assessment documents

Principal Property Taxpayers

Current Year and Nine Years Ago (dollars in thousands)

Taxpayer	2019			2010		
	Taxable Assessed	Rank	Percentage of Total	Taxable Assessed	Rank	Percentage of Total
Public Service Co.	\$ 317,319	1	1.44%	\$ 186,368	2	1.56%
Brookfield Properties	301,011	2	1.36%	100,168	5	0.84%
Invesco Realty Advisers Inc.	237,964	3	1.08%			
Beacon Capital Partners	161,004	4	0.73%			
Hines Securities Inc	154,517	5	0.70%			
Franklin Streen Properties	153,166	6	0.69%			
Taubman Centers Inc.	132,775	7	0.60%			
Columbia-Healthone, LLC	131,453	8	0.59%			
Kroenke Sports Enterprises	128,826	9	0.58%			
Shorenstein Properties LLC	116,229	10	0.53%			
LBA Realty Fund II Co. IV				100,259	4	0.84%
UBS Realty Investors				91,404	8	0.76%
Qwest Corp ¹				201,904	1	1.69%
Callahan Capital Partners				126,063	3	1.05%
United Airlines, Inc.				92,569	6	0.77%
MPG Office Trust, Inc.				86,276	10	0.72%
Frontier Airlines				92,248	7	0.77%
Broadreach Capital Partners				91,236	9	0.76%
Totals	\$ 1,834,264		8.30%	\$ 1,168,495		9.76%

2019 Principal Property Taxpayers



¹ CenturyLink, Inc. merged with Qwest Corp. in April 2011.

Source: Denver County Assessor

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Property Tax Levies and Collections

Last 10 Fiscal Years (dollars in thousands)

General Fund	Total collections to date									
	Taxes levied	Prepaid amount collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years	Amount	Percentage of levy	Cancellations ¹		
2010	\$ 68,934	\$ 473	\$ 67,649	98.82%	1,249	\$ 68,898	99.95%	36		
2011	73,181	494	71,281	98.08%	1,835	73,116	99.91%	65		
2012	106,177	358	105,134	99.35%	910	106,044	99.87%	133		
2013	109,268	469	107,758	99.05%	968	109,195	99.93%	73		
2014	109,682	580	108,074	99.06%	959	109,613	99.94%			
2015	118,856	631	116,532	98.58%	1,633	118,796	99.95%			
2016	120,180	586	118,973	99.48%	501	120,060	99.90%			
2017	130,549	2,043	127,117	98.94%	1,293	130,453	99.93%			
2018	132,251	599	131,536	99.91%	-	132,135	99.91%			
2019	154,200	565	-	0.37%	n/a	565	0.37%			
Affordable Housing										
2016	\$ 6,730	\$ 32	\$ 6,664	99.49%	27	\$ 6,723	99.90%			
2017	7,326	114	7,134	98.94%	73	7,321	99.93%			
2018	7,470	34	7,429	99.91%	-	7,463	99.91%			
2019	8,123	30	-	0.37%	n/a	30	0.37%			
Bond Principal Fund										
2010	\$ 49,908	\$ 343	\$ 48,978	98.82%	561	\$ 49,882	99.95%	26		
2011	40,599	274	39,546	98.08%	743	40,563	99.91%	36		
2012	41,730	141	41,320	99.36%	217	41,678	99.88%	52		
2013	45,268	194	44,843	99.05%	402	45,239	99.94%	30		
2014	43,121	228	42,512	99.12%	354	43,094	99.94%			
2015	71,837	381	70,525	98.70%	895	71,801	99.95%			
2016	100,054	487	99,052	99.49%	415	99,954	99.90%			
2017	116,028	1,813	112,978	98.93%	1,152	115,943	99.93%			
2018	117,770	533	117,134	99.91%	-	117,667	99.91%			
2019	93,250	341	-	0.37%	n/a	341	0.37%			
Bond Interest Fund										
2010	\$ 34,724	\$ 238	\$ 34,077	98.82%	391	\$ 34,706	99.95%	18		
2011	36,723	248	35,770	98.08%	672	36,690	99.91%	33		
2012	37,827	128	37,455	99.35%	197	37,780	99.88%	47		
2013	42,895	184	42,302	99.05%	381	42,867	99.93%	29		
2014	45,572	241	44,928	99.12%	374	45,543	99.94%			
2015	39,667	211	38,942	98.70%	494	39,647	99.95%			
2016	13,461	65	13,326	99.48%	57	13,448	99.90%			
2017	23,753	371	23,128	98.93%	237	23,736	99.93%			
2018	24,109	109	23,979	99.91%	-	24,088	99.91%			
2019	41,444	152	n/a	0.37%	n/a	152	0.37%			

Property Tax Levies and Collections, continued

Last 10 Fiscal Years (dollars in thousands)

Human Services Fund

	Taxes levied	Prepaid amount collected within the fiscal year of the levy	Amount collected in year due	Percentage of levy prepaid and collected in year due	Collections in subsequent years	Total collections to date			
						\$	Amount	Percentage of levy	Cancellations ¹
2010	\$ 51,081	\$ 351	\$ 50,128	98.82%	\$ 575	\$ 51,054	99.95%	\$ 27	
2011	52,340	354	50,981	98.08%	958	52,293	99.91%	47	
2012	56,335	187	55,778	99.34%	300	56,265	99.88%	70	
2013	58,308	247	57,501	99.04%	522	58,270	99.93%	38	
2014	58,530	305	57,705	99.11%	484	58,494	99.94%		
2015	65,295	341	64,097	98.69%	825	65,263	99.95%		
2016	66,205	317	65,548	99.49%	275	66,140	99.90%		
2017	73,507	1,137	71,586	98.93%	731	73,454	99.93%		
2018	74,516	334	74,116	99.91%	-	74,450	99.91%		
2019	73,287	264	-	0.36%	n/a	264	0.36%		
Capital Improvement and Maintenance Funds									
2010	\$ 53,872	\$ 370	\$ 52,868	98.82%	\$ 606	\$ 53,844	99.95%	\$ 28	
2011	53,075	359	51,697	98.08%	972	53,028	99.91%	47	
2012	53,369	180	52,844	99.35%	278	53,302	99.87%	67	
2013	55,183	237	54,420	99.05%	489	55,146	99.93%	37	
2014	55,322	292	54,526	99.09%	469	55,287	99.94%		
2015	64,472	342	63,255	98.64%	843	64,440	99.95%		
2016	65,381	153	64,891	99.48%	272	65,316	99.90%		
2017	75,897	1,187	73,902	98.94%	753	75,842	99.93%		
2018	76,985	348	76,569	99.91%	-	76,917	99.91%		
2019	89,823	329	-	0.37%	n/a	329	0.37%		
Total									
2010	\$ 258,519	\$ 1,775	\$ 253,700	98.82%	\$ 3,382	\$ 258,384	99.95%	\$ 135	
2011	255,918	1,729	249,275	98.08%	5,180	255,690	99.91%	228	
2012	295,438	994	292,531	99.35%	1,902	295,069	99.88%	369	
2013	310,922	1,331	306,624	99.05%	2,762	310,717	99.93%	207	
2014	312,227	1,646	307,745	99.09%	2,640	312,031	99.94%		
2015	360,127	1,906	353,351	98.65%	4,690	359,947	99.95%		
2016	372,011	1,640	368,454	99.48%	1,520	371,641	99.90%		
2017	427,060	6,665	415,845	98.93%	4,166	426,749	99.93%		
2018	433,101	1,957	430,763	99.91%	-	432,720	99.91%		
2019	460,127	1,681	-	0.37%	n/a	1,681	0.37%		

¹Taxes are determined to be uncollectable after six (6) years from the date of becoming delinquent and cancelled as authorized by C.R.S. 39-10-114(2)(b).

Note: The property tax is certified by the City's Assessor on or before December 15 of each year, unless there is a special election. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on March 1 and June 16, respectively. Figures shown capture the effect of payments, tax adjustments, and refunds.

Source: Denver Controller's Office

Ratios of Outstanding Debt by Type

Last 10 Fiscal Years (dollars in thousands, except per capita amount)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General obligation bonds	\$ 969,229	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406	\$ 661,776	\$ 737,991	\$ 842,856
Excise tax revenue bonds	266,640	249,140	230,650	211,325	191,150	171,365	374,960	351,475	630,659	611,596
Capital leases	444,591	429,279	447,679	413,417	406,490	403,555	375,112	360,219	467,327	439,273
Unamortized premium	56,644	48,876	40,927	47,108	37,948	31,080	50,253	42,612	79,109	100,208
Note payable	11,777	8,640	13,804	7,856	7,456	1,431	1,431	-	-	-
GID note payable	-	-	-	-	-	-	5,844	6,165	5,921	5,634
Business-Type Activities										
Revenue bonds	4,002,585	3,803,945	3,950,425	4,491,390	4,330,935	4,156,170	4,046,185	4,115,325	6,249,765	5,953,880
Economic defeasance	-	-	-	-	-	-	-	-	-	40,080
Revenue credit payable	-	-	-	-	-	-	-	-	-	40,000
Unamortized (discount)/premium	61,066	70,089	173,057	177,856	158,108	133,495	163,975	180,335	431,574	435,237
Capital leases	487	430	9,769	8,785	9,345	8,179	10,980	8,506	6,063	8,457
Notes payable	36,428	24,466	35,169	25,804	20,987	17,077	10,751	8,684	6,576	4,427
Total primary government	\$ 5,849,447	\$ 5,576,349	\$ 5,797,129	\$ 6,287,480	\$ 6,030,065	\$ 5,738,028	\$ 5,795,053	\$ 5,728,932	\$ 8,614,985	\$ 8,481,648
Percentage of personal income	18.33%	15.81%	15.55%	16.37%	n/a	n/a	n/a	n/a	n/a	n/a

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Ratios of General Bonded Debt Outstanding

Last 10 Fiscal Years (dollars in thousands, except per capita amount)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General obligation bonds	\$ 969,229	\$ 941,484	\$ 895,649	\$ 903,939	\$ 867,646	\$ 815,676	\$ 761,406	\$ 661,776	\$ 737,991	\$ 842,856
Less amounts available in debt service fund	(34,280)	(38,943)	(32,777)	(26,513)	(64,755)	(84,239)	(129,356)	(145,707)	(151,904)	(154,464)
Total	\$ 934,949	\$ 902,541	\$ 862,872	\$ 877,426	\$ 802,891	\$ 731,437	\$ 632,050	\$ 516,069	\$ 586,087	\$ 688,392
Percentage of estimated actual taxable value of property	1.12%	1.17%	1.13%	1.10%	0.99%	0.73%	0.60%	0.38%	0.42%	0.40%
Per Capita	\$ 1,579	\$ 1,524	\$ 1,457	\$ 1,482	\$ 1,356	\$ 1,235	\$ 1,068	\$ 862	\$ 960	\$ 1,147

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

Direct and Overlapping Governmental Activities Debt

December 31, 2019 (dollars in thousands)

	Debt Outstanding	Percentage Applicable	City and County of Denver Share of Debt
Direct Debt			
General Obligation bonds	\$ 842,856 ¹		
General Improvement District revenue notes	5,634		
Capital leases	439,273		
Excise tax revenue bonds	611,596		
Total Net Direct Debt	1,893,725		
Overlapping Debt			
Regional Transportation District	3,383,309	28.8% ²	\$ 974,393
Metro Wastewater Reclamation District	539,842,117	43.0% ³	\$ 232,132,110
School District #1	2,785,002	100.0%	\$ 2,785,002
Total Overlapping Debt	546,010,428		235,891,505
Total Net Direct and Overlapping Debt	\$ 547,904,153		\$ 237,785,230

¹ Does not include compound interest from the 2007 and 2014A mini-bonds of \$10,548.

² Percentage calculated on estimated Scientific and Cultural Facilities District sales and use tax for Denver City and County compared to State total, per the Colorado Department of Revenue, Office of Research and Analysis.

³ Percentage calculated on Denver's wastewater charges compared to the entire metro district per Metro Wastewater Reclamation District.

Legal Debt Margin Information

Last 10 Fiscal Years (dollars in thousands)

Calculation of Legal Debt Margin for Fiscal Year 2019

Total Estimated Actual Valuation	\$171,449,490
Maximum general obligation debt, limited to 3% of total valuation	\$ 5,143,485
Outstanding bonds chargeable to limit	842,856
Less amount reserved for long-term debt	154,464
Net chargeable to bond limit	688,392
Legal Debt Margin – December 31	\$ 4,455,093

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$2,494,539	\$2,314,276	\$2,300,923	\$2,387,441	\$2,426,732	\$3,006,108	\$3,173,188	\$4,042,333	\$4,182,245	\$5,143,485
Total net debt application to limit	976,103	902,541	862,872	877,426	802,891	731,437	632,050	516,069	586,087	688,392
Legal debt margin	\$1,518,436	\$1,411,735	\$1,438,051	\$1,510,015	\$1,623,841	\$2,274,671	\$2,541,138	\$3,526,264	\$3,596,158	\$4,455,093
Total net debt applicable to the limit as a percentage of debt limit	39.43%	39.00%	37.50%	36.75%	33.09%	24.33%	19.92%	12.77%	14.01%	13.38%

Legal Debt Margin



Note: Section 7.2.5, Charter of the City and County of Denver: The City and County of Denver shall not become indebted for general obligation bonds, to any amount, which, including indebtedness, shall exceed three percent of the actual value as determined by the last final assessment of the taxable property within the City and County of Denver.

National Western Center and Convention Center Excise Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pledged 3.0% lodger's tax revenues	\$ 13,703	\$ 15,553	\$ 16,173	\$ 17,726	\$ 21,092	\$ 22,989	\$ 24,802	\$ 31,519	\$ 31,082	\$ 34,096
Pledged 0.5% food and beverage tax revenues	11,416	12,243	12,840	13,564	15,202	16,350	17,164	18,619	19,821	20,480
Pledged 2.0% short-term auto rental tax revenues	7,707	8,058	8,595	9,425	10,894	11,614	12,468	12,515	13,197	13,530
Other sources	402	287	324	263	381	541	961	720	776	892
Total pledged excise tax base	\$ 32,928	\$ 36,141	\$ 37,932	\$ 40,978	\$ 47,569	\$ 51,494	\$ 55,395	\$ 63,373	\$ 64,876	\$ 68,998
Debt service (2009B Bonds)	4,198	8,648	8,644	8,647	8,655	n/a	n/a	n/a	n/a	n/a
Pledged excise tax base remaining after payment of 2009B Bonds debt service	\$ 28,730	\$ 27,493	\$ 29,288	\$ 32,331	\$ 38,914	\$ -	\$ -	\$ -	\$ -	\$ -
Pledged 1.75% short-term auto rental increase	6,745	7,051	7,521	8,247	9,532	10,163	10,910	10,962	11,548	11,839
Pledged 1.75% lodgers' tax increase	7,993	9,072	9,434	10,340	12,303	13,410	14,468	18,386	18,124	19,889
Available for Series 2005A and 2009A Bonds debt service	\$ 43,468	\$ 43,616	\$ 46,243	\$ 50,918	\$ 60,749	\$ 23,573	\$ 25,378	\$ 29,348	\$ 29,672	\$ 31,728
Debt service (2005A and 2009A Bonds)	19,828	19,913	19,887	19,868	19,824	27,165	4,726	-	-	-
Additional pledged 3.25% lodger's tax revenues	-	-	-	-	-	-	24,969	32,146	31,770	35,027
Additional pledged 3.50% short-term auto rental revenues	-	-	-	-	-	-	21,820	21,793	22,893	23,460
Available for Series 2016AB and 2018AB Bonds debt service	-	-	-	-	-	-	122,836	146,567	144,094	159,213
Debt service (2016A and 2016B Bonds)	-	-	-	-	-	-	26,916	11,061	35,599	34,608
Debt service (2018A and 2018B Bonds)	-	-	-	-	-	-	-	-	-	10,223

Note: The pledged excise tax base is funded by portions of the lodger's tax (3.0%), short-term auto rental tax (2.0%), and food and beverage tax (0.5%). The pledged excise tax base was used to pay the debt service on the series 2009B Excise Tax Bonds, which matured and was fully paid off in 2014. The pledged excise tax increase is funded by portions of the lodger's tax (1.75%) and short-term auto rental tax (1.75%). The pledged excise tax increase has only been used to pay the debt service on the series 2005A and 2009A Excise Tax Bonds. Any deficiency in the pledged excise tax increase revenue was covered by excess funds in the pledged excise tax base. The series 2005A, 2009A and 2009B bond issuances funded the Colorado Convention Center and its expansion. In 2016 the City issued series 2016A-B Bonds, which were issued to fund the initial costs of the National Western Center and Colorado Convention Center improvements as well as to advance refund of all the outstanding 2005A and 2009A bonds. The City pledged the excise tax base and excise tax increase revenues to the repayment of the 2016A-B Bonds as well as additional revenues that were not pledged to the repayment of the 2005A and 2009A Bonds. These additional revenues include 3.25% Lodger's Tax and 3.5% Auto Rental Tax.

Note: Lodger's Tax for 2017 includes a one-time legal settlement from online travel companies of \$9,989,000.

Wastewater Management Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net pledged revenues	\$ 8,722	\$ 10,202	\$ 24,562	\$ 28,016	\$ 36,635	\$ 33,363	\$ 35,293	\$ 46,666	\$ 49,871	\$ 66,237
Combined average debt service requirements ¹	\$ 2,484	\$ 2,484	\$ 3,223	\$ 3,164	\$ 3,099	\$ 3,027	\$ 8,299	\$ 7,930	\$ 13,032	\$ 12,475
Debt service coverage ratio	3.51	4.11	7.62	8.85	11.82	11.02	4.25	5.88	3.83	5.31
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

¹ Numbers through 2011 apply to Series 2002 bonds that were refunded in January 2012 by Series 2012 bonds.

Note: The Wastewater Management bonds are secured by the net revenues derived from the operation of Wastewater Management's Storm Drainage Facilities and Sanitary Sewer Facilities.

Golf Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net pledged revenues	\$ 2,034	\$ 1,551	\$ 1,996	\$ 907 ¹	\$ 1,264 ²	\$ 912	\$ 1,940	\$ 1,653	\$ 1,653	\$ 2,147
Rate maintenance account	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240
Available fund balance	\$ 14,238	\$ 14,468	\$ 15,325	\$ 14,253	\$ 12,933	\$ 9,791	\$ 9,987	\$ 12,932	\$ 8,641	\$ 23,785
Annual debt service requirement	\$ 686	\$ 685	\$ 685	\$ 682	\$ 686	\$ 684	\$ 685	\$ 685	\$ 682	\$ 687
Service coverage ratio	3.31	2.61	3.26	1.68	2.19	1.68	3.18	2.76	2.78	3.47
Required coverage	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35

*** Golf bonds were issued in 2006**

¹ Does not include non-cash expenditure of \$617 for leased items that did not meet City's capitalization limit.

² Does not include non-cash expenditure of \$1,318 for leased items that did not meet City's capitalization limit.

Note: The Golf bonds were issued to fund improvement to the City-owned golf courses and are secured by the gross revenues of the Golf Enterprise fund minus certain Operating and Maintenance Expenses.

Denver International Airport Fund Pledged-Revenue Coverage

Last 10 Fiscal Years (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Revenues	\$ 668,885	\$ 702,157	\$ 713,279	\$ 743,101	\$ 803,620	\$ 808,614	\$ 863,126	\$ 895,857	\$ 945,206	\$ 1,102,851
Operation and maintenance expenses	302,881	312,278	318,394	349,987	355,769	377,199	417,140	425,005	445,801	478,305
Net revenues	366,004	389,879	394,885	393,114	447,851	431,415	445,986	470,852	499,405	624,546
Other available funds	57,449	57,528	51,685	50,409	54,834	50,320	51,574	47,090	43,901	68,365
Total amount available for debt service	\$ 423,453	\$ 447,407	\$ 446,570	\$ 443,523	\$ 502,685	\$ 481,735	\$ 497,560	\$ 517,942	\$ 543,306	692,911
Debt service requirements per general and supplemental bond ordinances	\$ 253,244	\$ 235,356	\$ 247,563	\$ 242,816	\$ 219,334	\$ 201,279	\$ 294,914	\$ 282,251	\$ 276,949	\$ 376,265
Debt service coverage	1.67	1.90	1.80	1.83	2.29	2.39	1.69	1.84	1.96	1.84
Required coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25

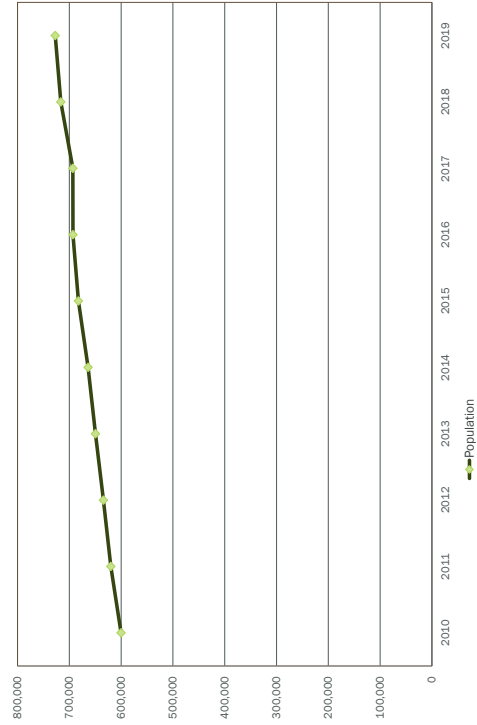
Source: Denver International Airport Financial Statements

Demographic and Economic Statistics

Last 10 Calendar Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population	600,158	619,968	634,265	649,495	663,862	682,545	693,060	693,292	716,492	727,211
Personal income (expressed in millions)	\$ 30,515	\$ 33,811	\$ 35,721	\$ 36,999	\$ 41,743	\$ 46,617	\$ 46,612	\$ 47,289	\$ 57,211	n/a
Per capita personal income	\$ 50,845	\$ 54,537	\$ 56,318	\$ 56,967	\$ 62,880	\$ 68,299	\$ 67,256	\$ 69,862	\$ 79,849	n/a
School enrollment	79,423	81,870	84,424	87,398	90,150	91,429	92,331	92,686	93,356	92,039
Unemployment rate	10.00%	9.20%	8.20%	7.00%	4.30%	3.70%	3.00%	3.00%	3.00%	2.50%

City and County of Denver Population



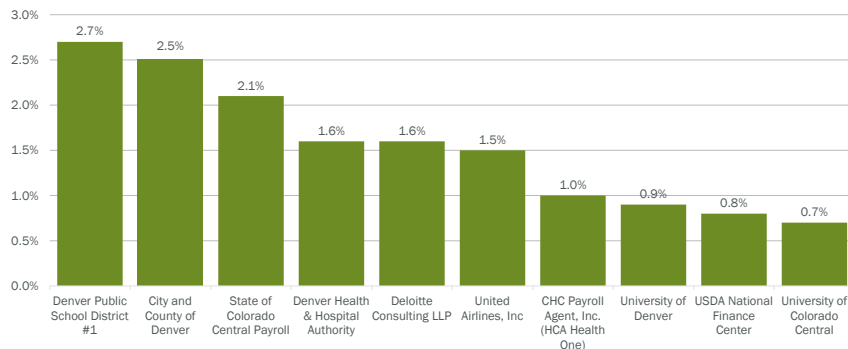
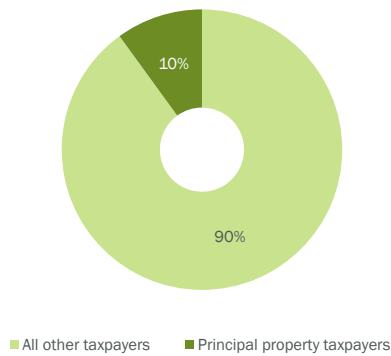
Source: Denver Public Schools
 U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics
 U.S. Census Bureau
 U.S. Department of Commerce

Principal Employers

Current Year and Nine Years Ago

	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Denver Public School District #1	13,051	1	2.7%	10,698	1	3.0%
City and County of Denver	11,695	2	2.5%	9,879	2	2.8%
State of Colorado Central Payroll	9,879	3	2.1%	9,503	3	2.7%
Denver Health & Hospital Authority	7,396	4	1.6%	5,512	4	1.6%
Deloitte Consulting LLP	7,314	5	1.6%			
United Airlines, Inc	6,744	6	1.5%	4,204	5	0.0%
CHC Payroll Agent, Inc. (HCA Health One)	4,698	7	1.0%	3,477	8	1.0%
University of Denver	4,241	8	0.9%	3,448	9	0.0%
USDA National Finance Center	3,904	9	0.8%	3,925	6	1.1%
University of Colorado Central	3,435	10	0.7%			
Qwest Corporation				3,524	7	1.0%
Frontier Airlines				3,445	10	1.0%
Total	72,357		15.4%	57,615		14.2%

2019 Principal Employers



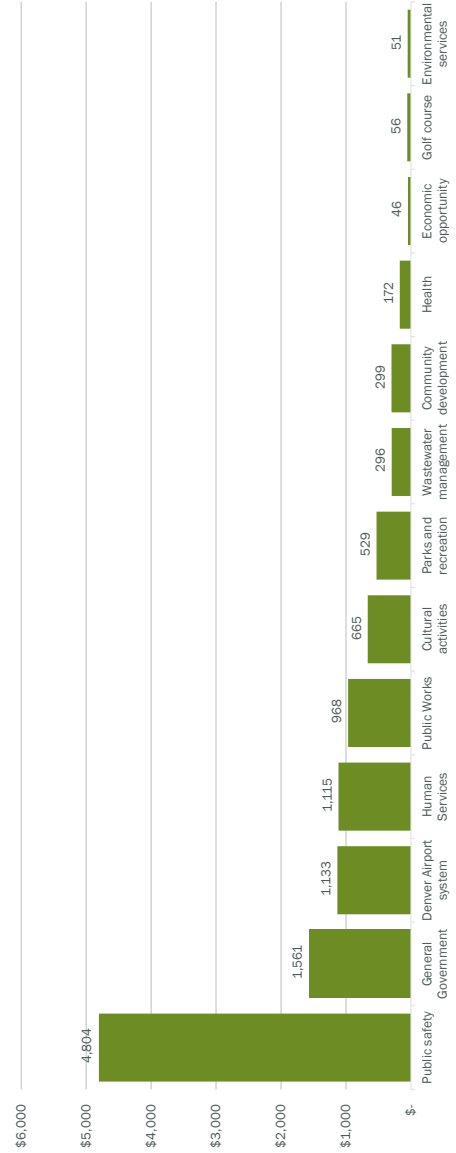
Source: Based on 2019 and 2010 Occupational Privilege Tax Remitters.

Full-Time Equivalent City Government Employees by Function

Last 10 Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	1,212	1,155	1,179	1,190	1,282	1,290	1,336	1,373	1,430	1,561
Public safety	4,167	4,109	4,095	4,192	4,256	4,324	4,375	4,606	4,689	4,804
Public Works	784	751	736	754	754	794	844	875	906	968
Human Services	892	894	890	884	941	1,022	1,087	1,123	1,123	1,115
Health	122	109	111	124	131	136	145	144	172	172
Parks and recreation	449	431	431	449	450	450	458	530	498	529
Cultural activities	520	517	570	628	642	665	658	668	671	665
Community development	190	185	179	176	200	219	239	272	285	299
Economic opportunity	212	198	183	182	186	176	80	77	39	46
Wastewater management	246	234	251	248	252	259	276	278	283	296
Denver Airport system	972	983	1,001	1,035	1,097	1,125	1,190	1,151	1,104	1,133
Environmental services	31	38	43	43	46	44	44	44	28	51
Golf course	39	36	35	41	44	45	49	49	51	56
Total	9,836	9,640	9,704	9,946	10,281	10,549	10,781	11,190	11,279	11,695

2019 Full-Time City Employees by Function



Source: Denver Controller's Office

Operating Indicators by Function

Last 10 Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	56,497	51,390	54,545	50,878	52,517	52,912	51,340	49,797	50,747	44,145
Traffic violations	144,370	126,849	118,644	109,342	98,434	86,427	73,011	67,312	79,732	67,123
Fire										
Emergency responses	80,463	89,211	101,530	105,290	112,370	107,076	114,224	116,061	119,287	123,428
Fires extinguished	995	2,071	2,248	1,985	1,986	1,792	2,010	2,250	2,597	3,371
Inspections	29,969	39,955	30,226	31,818	34,044	36,897	33,825	34,670	34,697	35,827
Sheriff										
Average daily population	2,082	2,111	2,144	2,270	2,049	2,004	2,221	2,187	2,110	2,187
Number of jails	2	2	2	2	2	2	2	2	2	2
Public works										
Parking tickets issued	652,094	644,712	646,150	677,369	640,126	653,491	642,320	574,400	526,016	465,094
Recyclables collected (tons)	31,116	31,042	31,600	33,193	34,350	37,318	38,325	40,810	40,884	42,200
Refuse collected (tons)	216,382	213,411	213,411	205,985	208,222	207,132	196,870	184,395	176,311	173,542
Other public works										
Alleys paved (square yards)	77,662	57,475	41,545	7,750	14,358	19,860	15,867	21,408	27,894	3,678
Potholes repaired (tons of asphalt)	3,819	4,237	4,364	3,358	4,666	5,025	3,374	3,306	2,517	874
Street resurfacing (square yards)	2,015,914	2,181,463	2,013,962	2,553,301	2,563,000	2,721,030	2,778,788	3,027,270	3,366,458	3,627,571
Human services										
Family Medicaid Application for Denver clients	9,045	9,049	7,061	29,025 ¹	77,219	38,061	38,273 ¹	38,118	41,566	35,442
New child welfare case involvements	1,240	1,187	1,305	974	824	1,231	1,769	1,920	1,614	871
Community development										
Permits issued	41,000	51,549	55,463	55,252	67,818	75,717	64,624	75,665	69,562	70,967
Economic opportunity										
Low income affordable housing units created	250	452	503	568	557	749	579	1,438	667	1,042
Percent of job seekers entering employment	57.00%	50.54%	51.15%	55.83%	59.51%	65.30%	56.83%	59.60%	62.00%	66.00%
Library										
Total volumes borrowed	9,292,314	8,915,628	9,552,145	9,811,501	9,067,577	9,097,572	9,556,962	9,675,656	7,395,551	9,022,428
Volumes in collection	2,265,420	2,288,437	2,227,910	1,982,000	2,049,703	1,922,628	2,111,879	2,072,239	3,490,143	1,795,256
Denver airport system										
Passenger air traffic	50,240,000	52,800,000	53,156,278	52,556,359	53,472,514	54,014,502	58,266,515	61,379,396	64,494,613	69,015,703
Excise and Licenses										
Number of business license transactions	17,100	17,360	16,248	15,085	17,230	22,207	24,168	24,573	26,044	24,437

¹ Family Medicaid Applications increased due to changes in the Affordable Care Act and additional outreach funding client engagement.

Sources: Denver Department of Aviation
 Denver Department of Community Planning and Development
 Denver Department of Excise and Licenses
 Denver Department of Finance
 Department of Human Services
 Denver Department of Public Works
 Denver Department of Safety
 Denver Office of Economic Development
 Denver Public Library

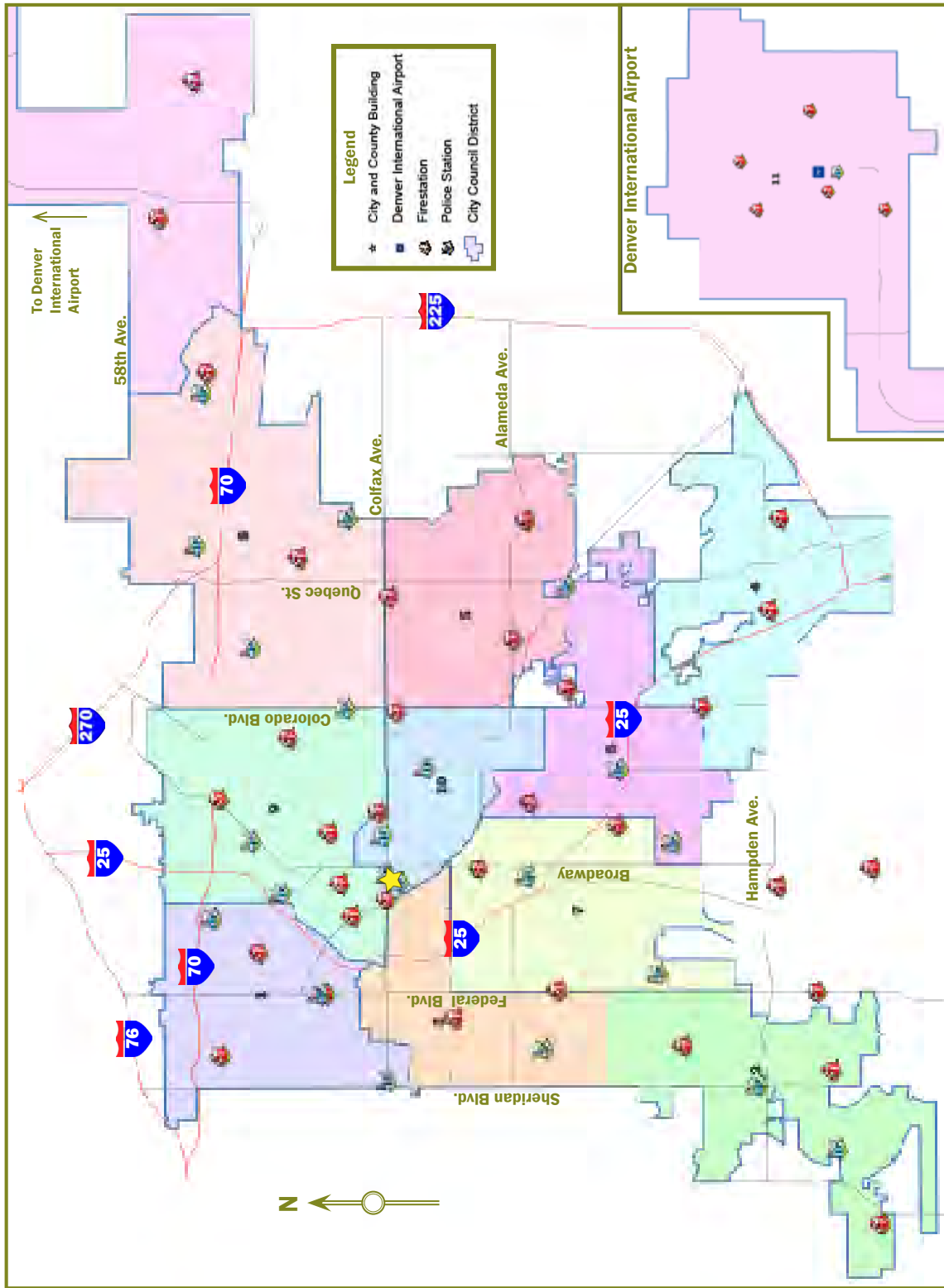
Capital Asset Statistics

Last 10 Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
File										
Number of engines/trucks	39/23	40/22	41/22	40/22	41/23	44/23	42/23	42/23	42/23	43/23
Number of stations	34	34	34	34	34	37	38	38	38	39
Police										
Number of patrol marked/unmarked vehicles	269/98	325/115	329/111	392/207	414/213	417/209	430/265	399/219	403/153	385/189
Number of stations	6	6	6	6	6	6	6	6	6	6
Public works										
Bridges (major/minor)	293/181	294/181	294/181	297/182	297/182	297/184	297/187	297/190	297/194	297/207
Alleys										
paved	4834	4,934	5,116	5,125	5,142	5,169	5,190	5,217	5,237	5,236
unpaved	297	192	148	102	100	73	73	46	42	23
Streets (centerline miles)	2,005	2,005	2,005	2,005	2,005	2,005	2,010	2,010	2,017	2,018
Traffic signals	1,249	1,267	1,263	1,267	1,272	1,285	1,295	1,306	1,315	1,168
Parks and recreation										
Acreage owned	20,095	20,097	20,106	20,106	20,106	20,361	20,374	20,374	20,383	20,448
Golf courses	8	8	8	8	8	8	8	8	8	8
Mountain acreage	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141	14,141
Number of parks (includes mountain parks)	317	318	319	332	325	332	336	336	336	343
Parkways (miles)	60	60	60	60	60	60	60	60	63	63
Athletic fields/lighted	309/33	315/47	318/47	324/45	329/50	330/50	328/52	324/52	321/52	315/45
Recreation centers	31	31	31	30	30	30	30	31	31	31
Swimming pools	28	29	29	29	29	29	29	31	31	31
Tennis courts/lighted	155/88	155/88	152/88	148/88	146/88	146/88	148/88	147/90	147/90	152/90
Cultural activities										
Concert venues	7	7	7	7	7	7	7	7	7	7
Public libraries	23	24	24	24	25	26	26	26	26	26
Wastewater										
Sanitary sewers (miles)	1,464	1,483	1,504	1,504	1,506	1,514	1,523	1,533	1,538	1,535
Storm sewers (miles)	742	782	793	802	805	812	821	823	823	825
Denver airport system										
Acreage	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800	33,800
Number of runways	6	6	6	6	6	6	6	6	6	6
Seating Capacities										
Boettcher Concert Hall	2,709	2,709	2,709	2,709	2,679	2,679	2,679	2,679	2,679	2,679
Colorado Convention Center	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Denver Coliseum	10,474	10,474	10,474	10,474	10,000	10,000	10,000	10,000	10,000	10,000
Ellie Caulkins Opera House	2,225	2,225	2,225	2,225	2,225	2,255	2,255	2,225	2,225	2,225
Red Rocks Amphitheater	9,450	9,450	9,450	9,450	9,525	9,525	9,525	9,525	9,525	9,525
Temple Hoyne Buell Theatre	2,846	2,846	2,846	2,846	2,884	2,884	2,884	2,884	2,884	2,884
McNichols Civic Center Building	-	-	-	-	2,000	1,900	1,900	1,900	1,900	1,900

Source: Denver Department of Aviation
 Denver Department of Finance
 Denver Department of General Services
 Denver Department of Parks and Recreation
 Denver Department of Public Works
 Denver Department of Safety
 Denver Public Library

The City and County of Denver



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**DEPARTMENT OF FINANCE
CONTROLLER'S OFFICE**

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City and County of Denver

Single Audit Reports

Year Ended December 31, 2019

City and County of Denver
Year Ended December 31, 2019

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City and County of Denver
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Agriculture					
Child and Adult Care Food Program	Colorado Department of Public Health and Environment	16-78686	10.558	\$ 266,816	\$ -
Child Nutrition Cluster					
Summer Food Service Program for Children	Colorado Department of Education	13 FLA 50639	10.559	181,318	-
Subtotal Child Nutrition Cluster				181,318	-
SNAP Cluster					
Supplemental Nutrition Assistance Program	Colorado Department of Human Services	None Provided	10.551	236,841	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Colorado Department of Human Services	None Provided	10.561	9,135,626	-
Subtotal SNAP Cluster				9,372,467	-
Cooperative Forestry Assistance	Colorado State Forest Service	None Provided	10.664	237,000	-
Total Department of Agriculture				10,057,601	-
Department of Commerce					
Economic Development Cluster					
Economic Adjustment Assistance			11.307	520,259	-
Subtotal Economic Development Cluster				520,259	-
Total Department of Commerce				520,259	-
Department of Housing and Urban Development					
CDBG - Entitlement Cluster					
Community Development Block Grants/Entitlement Grants			14.218	15,909,218	2,445,557
Subtotal CDBG - Entitlement Cluster				15,909,218	2,445,557
Emergency Solutions Grant Program			14.231	642,063	602,679
HOME Investment Partnerships Program			14.239	4,908,305	1,110,113
Housing Opportunities for Persons with AIDS			14.241	2,172,173	2,088,281
Continuum of Care Program			14.267	1,758,142	1,609,867
Lead-Based Paint Hazard Control in Privately-Owned Housing			14.900	609,407	434,913
Total Department of Housing and Urban Development				25,999,308	8,291,410

City and County of Denver
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Interior					
Outdoor Recreation Acquisition, Development and Planning	Colorado Department of Natural Resources	16-TRLG-89117/ CMS148632	15.916	14,093	-
Total Department of Interior				<u>14,093</u>	<u>-</u>
Department of Justice					
Services for Trafficking Victims			16.320	36,489	-
Missing Children's Assistance	Colorado Springs Police Department	2018-MC-FX-K027	16.543	9,709	-
National Institute of Justice Research, Evaluation, and Development Project Grants			16.560	84,498	-
Crime Victim Assistance	Colorado Department of Public Safety Division of Criminal Justice	2016-VA-18-013787-02, 2018-VA-19-085-02 2018-VA-19-064-02, 2016-VA-18-013801-02	16.575	500,753	-
Crime Victim Compensation	Colorado Department of Public Safety Division of Criminal Justice	DCJ-17-VC-2, 2018-V1-GX-0046 2018-VW-19-068-02	16.576	468,500	-
Violence Against Women Formula Grant	Colorado Department of Public Safety Division of Criminal Justice	2017-VW-18-013802-02, 2018-VW-19-081-02	16.588	286,069	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			16.590	92,565	-
Project Safe Neighborhoods			16.609	56,686	528
Edward Byrne Memorial Justice Assistance Grant Program			16.738	334,974	-
Edward Byrne Memorial Justice Assistance Grant Program	Colorado Department of Public Safety Division of Criminal Justice	2017-DJ-17-03-49-2, 2016-DJ-17-04-7-1 2017-DJ-03-47-3, 2017-DJ-18-04-40-2	16.738	130,949	84,662
DNA Backlog Reduction Program			16.741	409,761	-
Paul Coverdell Forensic Sciences Improvement Grant Program	Colorado Department of Public Safety Division of Criminal Justice	2018-DN-18-2	16.742	41,064	-
Byrne Criminal Justice Innovation Program			16.817	48,882	-
Body Worn Camera Policy and Implementation			16.835	5,109	-
Equitable Sharing Program			16.922	172,888	-
Total Department of Justice				<u>2,678,896</u>	<u>85,190</u>
Department of Labor					
Unemployment Insurance	Colorado Department of Labor and Employment	AGR#105081	17.225	42,942	42,942
Employment Service/Wagner-Peyser Funded Activities	Colorado Department of Labor and Employment	AGR#89945, ARG#105080, ARG#105081	17.207	1,910,055	275,000
Jobs for Veterans State Grants	Colorado Department of Labor and Employment	AGR#105081	17.801	17,686	-
Local Veterans' Employment Representative Program	Colorado Department of Labor and Employment	AGR#105081	17.804	5,895	-
Subtotal Employment Services Cluster				<u>1,933,636</u>	<u>275,000</u>

City and County of Denver
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
WIOA Adult Program	Colorado Department of Labor and Employment	AGR#89945, AGR#105080, AGR#105081	17.258	1,608,804	1,000,000
WIOA Youth Activities	Colorado Department of Labor and Employment	AGR#89945, AGR#105080, AGR#105081	17.259	861,845	458,307
WIOA Dislocated Worker Formula Grants	Colorado Department of Labor and Employment	AGR#89945, AGR#105080, AGR#105081	17.278	<u>704,411</u>	<u>355,303</u>
Subtotal WIOA Cluster				<u>3,175,060</u>	<u>1,813,610</u>
Senior Community Service Employment Program	Colorado Department of Human Services	19 IHJA 109342	17.235	115,497	-
Trade Adjustment Assistance	Colorado Department of Labor and Employment	AGR#89945, AGR#105081	17.245	108,896	-
H-1B Job Training Grants	Colorado Department of Labor and Employment	AGR#105081	17.268	500,834	399,180
Youthbuild	Colorado Department of Labor and Employment	AGR#105081	17.274	3,165	-
Apprenticeship USA Grants	Colorado Department of Labor and Employment	AGR#105080, AGR#105081	17.285	<u>24,089</u>	<u>-</u>
Total Department of Labor				<u>5,904,119</u>	<u>2,530,732</u>
Department of Transportation					
Airport Improvement Program			20.106	15,300,524	-
Highway Planning and Construction Cluster					
Highway Research and Development Program			20.200	726,085	-
Highway Planning and Construction	Colorado Department of Transportation	471000918, AQC M320-076 (18535), M320-085 (19634), SHE C010-112 (19726), NHPP 2873-12 (19957), SHE-M320-092, SHE030A-031 (20057), C010-114 (20414), AQC M320-090 (20235), ACQ M320-091 (20300), STU M320-099 (21117), STU M320-101 (21120), STU M320-098 (21118), AQC M320-105 (21124), TAP M320-102 (21119), AQC M320-108 (21740), AQC M320-103 (21127), AQC M320-103 (21127), SHE M320-115 (22217), SHE M320-114 (22216), SHE M320-115 (22217), SHE M320-116 (22218), AQC M320-122 (22332), AQC M320-121 (22331), AQC M320-123 (22333), SHE-M320-118 (22935), SHE-M320-118 (22281), SHE-M320-117 (22219), AQC M320-119 (22329)	20.205	<u>18,476,841</u>	<u>-</u>
Subtotal Highway Planning and Construction Cluster				<u>18,476,841</u>	<u>-</u>
Federal Transit Cluster					
Federal Transit Capital Investment Grants	Regional Transportation District	CO-2017-007	20.500	<u>818,754</u>	<u>-</u>
Subtotal Federal Transit Cluster				<u>818,754</u>	<u>-</u>

City and County of Denver
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Highway Safety Cluster					
State And Community Highway Safety	Colorado Department of Transportation	Non Available 411017437, 411017436, 411021252, 411021253	20.600	247,128	-
National Priority Safety Programs	Colorado Department of Transportation	PO No. 431004600, PO No. 411019724, PO No. 431005436	20.616	273,222	-
Subtotal Highway Safety Cluster				<u>520,350</u>	<u>-</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	Colorado Department of Safety	18HMP19DEN	20.703	40,000	-
Total Department of Transportation				<u>35,882,554</u>	<u>-</u>
National Foundation on the Arts and the Humanities					
Laura Bush 21st Century Librarian Program	Institute of Museum and Library Services	RE-15-19-0045-19	45.313	2,405	-
Total National Foundation on the Arts and the Humanities				<u>2,405</u>	<u>-</u>
Environmental Protection Agency					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Colorado Department of Public Health and Environment		66.034	33,471	-
Performance Partnership Grants		201900007856	66.605	17,450	-
Brownfields Assessment And Cleanup Cooperative Agreements			66.818	125,658	-
Total Environmental Protection Agency				<u>176,579</u>	<u>-</u>
Office of Energy Efficiency and Renewable Energy, Department of Energy					
Conservation Research and Development	Seattle Department of Transportation	EE0008261	81.086	32,459	-
Energy Efficiency and Conservation Block Grant Program (EECBG)			81.128	526,278	-
Total Office of Energy Efficiency and Renewable Energy, Department of Energy				<u>558,737</u>	<u>-</u>

City and County of Denver
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Health and Human Services					
Public Health Emergency Preparedness	Colorado Department of Public Health and Environment	CT2020-241, CT2020-368	93.069	265,565	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Colorado Department of Public Health and Environment	FAA201902732, 19FHJA110818	93.074	424,053	-
Guardianship Assistance	Colorado Department of Human Services	None Provided	93.090	113,769	-
Mental Health Research Grants	Colorado Department of Human Services	None Provided	93.126	5,000	-
Injury Prevention and Control Research and State and Community Based Programs	Colorado Department of Public Health and Environment	None Provided	93.136	13,750	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance			93.243	129,285	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	Larimer County	None Provided	93.243	11,663	-
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Colorado Department of Public Health	19 FHJA 127579	93.354	88,915	51,677
State Physical Activity and Nutrition (SPAN)	Colorado Department of Public Health	CT FAAA FHLA 2019-50	93.439	3,000	-
Promoting Safe and Stable Families	Colorado Department of Human Services	None Provided	93.556	155,727	-
TANF Cluster					
Temporary Assistance for Needy Families	Colorado Department of Human Services	None Provided	93.558	23,689,806	-
Subtotal TANF Cluster				23,689,806	-
Child Support Enforcement	Colorado Department of Human Services	None Provided	93.563	9,064,547	-
Child Support Enforcement Research	Colorado Department of Human Services	None Provided	93.564	9,086	-
Refugee and Entrant Assistance-State/Replacement Designee Administered Programs	Colorado Department of Human Services	18 IHGA 109600, 20 IHGA 141035	93.566	259,436	-
Low-Income Home Energy Assistance	Colorado Department of Human Services	None Provided	93.568	50,453	-
Community Services Block Grant	Colorado Department of Local Affairs	CMS#110403	93.569	985,790	788,981
Child Care and Development Cluster					
Child Care and Development Block Grant	Colorado Department of Human Services	None Provided	93.575	6,405,655	-
Community-Based Child Abuse Prevention Grants	Colorado Department of Human Services	G1702COFRPG	93.590	40,710	-
Child Care Mandatory and Matching Funds of The Child Care and Development Fund	Colorado Department of Human Services	None Provided	93.596	8,492,838	-
Subtotal Child Care and Development Cluster				14,939,203	-

City and County of Denver
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Federal Agency/Cluster/Program	Pass-through Entity	Pass-through Identifying Number if Applicable	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Head Start			93.600	9,242,430	7,238,938
Stephanie Tubbs Jones Child Welfare Services Program	Colorado Department of Human Services	None Provided	93.645	444,247	-
Foster Care-Title IV-E	Colorado Department of Human Services	None Provided	93.658	9,631,995	-
Adoption Assistance	Colorado Department of Human Services	None Provided	93.659	3,314,484	-
Social Services Block Grant	Colorado Department of Human Services	None Provided	93.667	3,981,193	-
Child Abuse and Neglect Discretionary Activities	Colorado Department of Human Services	None Provided	93.670	60,863	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	Colorado Department of Human Services	None Provided	93.674	207,302	-
Medicaid Cluster					
Medical Assistance Program	Colorado Department of Health Care Policy and Financing	None Provided	93.778	12,684,673	-
Subtotal Medicaid Cluster				12,684,673	-
Opioid STR	Colorado Department of Human Services Office of Behavioral Health	20 IHJA 140499	93.788	6,164	-
HIV Emergency Relief Project Grants			93.914	6,171,078	4,283,097
Block Grants for Prevention and Treatment of Substance Abuse	Colorado Department of Human Services Office of Behavioral Health	20 IHJA 129495	93.959	34,491	-
Total Department of Health and Human Services				95,987,968	12,362,693
High Intensity Drug Trafficking Areas Program			95.001	718,960	-
Total Executive Office of the President				718,960	-
Department of Homeland Security					
Emergency Food and Shelter National Board Program			97.024	16,800	-
Hazard Mitigation Grant	Colorado Department of Public Safety, Colorado Division of Homeland Security and Emergency Management	MG4145075098 MG4145041097	97.039	2,333,663	-
Emergency Management Performance Grants	Colorado Department of Public Safety, Colorado Division of Homeland Security and Emergency Management	19EM-20-16, 18EM-19-16	97.042	217,375	-
Assistance to Firefighters Grant			97.044	126,344	-
Homeland Security Grant Program	Colorado Division of Homeland Security and Emergency Management	16UASI17DEN, 17UASI18DEN, 18UASI19DEN	97.067	1,727,817	-
Financial Assistance for Targeted Violence and Terrorism Prevention			97.132	163,807	45,109
Total Department of Homeland Security				4,585,806	45,109
Total Federal Expenditures				\$ 183,087,285	\$ 23,315,134

See accompanying notes to Schedule of Expenditures of Federal Awards

City and County of Denver
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the primary government of the City and County of Denver (the City). The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended December 31, 2019.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City. The Schedule includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the City through the State of Colorado or other non-federal entities.

The City's basic financial statements include the operations of the Denver Urban Renewal Authority (DURA), a discretely presented component unit, which received \$1,510,842, in federal awards which is not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2019.

(2) Basis of Accounting

The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements. Governmental funds and proprietary funds account for the City's federal grant activity. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund except for the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

SNAP Cluster	10.561
Guardianship Assistance	93.090
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092
Promoting Safe and Stable Families	93.556
Temporary Assistance for Needy Families Cluster	93.558
Child Support Enforcement	93.563
Child Support Enforcement Research	93.564
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Adoption and Legal Guardianship Incentive Payments	93.603
Stephanie Tubbs Jones Child Welfare Services Program	93.645
Foster Care_ Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Child Abuse and Neglect Discretionary Activities	93.670
Chafee Foster Care Independence Program	93.674
Medicaid Cluster	93.778

City and County of Denver
Notes to Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

Such expenditures are recognized following, as applicable, the cost principles in OMB A-87 or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies.

(3) Human Service Programs

The City's Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the City's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the City, in the amount of \$88,902,855, of which \$37,377,259 is the federal share. The revenue and expenditures associated with these federal programs are not recognized in the City's basic financial statements.

(4) State Information Technology System

In 2004, the State of Colorado (the State) implemented the new Colorado Benefits Management System (CBMS), which consolidated legacy systems into one system and also incorporated a rules engine for determining eligibility and calculating and issuing benefits payments. As a result, the counties and the State split eligibility determination functions for certain federal Human Services' programs under CBMS. Counties are responsible for data collection from applicants and data entry of applicable information into CBMS. Concurrently, the State maintains the computer system supporting the eligibility determination process and pays benefits to the participants. The actual eligibility and payment determinations become the State's responsibility utilizing CBMS.

City and County of Denver
Notes to Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

(5) Revolving Loan Funds – Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the programs listed below. However, these programs either are not part of a federal loan or loan guarantee program or have no continuing compliance requirements other than continued loan payments, therefore, the outstanding loan balances have not been included in the accompanying schedule of expenditures of federal awards and major program determination:

Neighborhood Development Loans:

14.218 - Community Development Block Grants/Entitlement Grants	\$ 11,140,399
Total Neighborhood Development Loans	11,140,399

Economic Development Loans:

14. - Unknown	3,305,925
14.218 - Community Development Block Grants/Entitlement Grants	9,974,619
14.253 - Community Development Block Grants ARRA Entitlement Grants (CDBG-R)	210,618
Total Economic Development Loans	13,491,162

Section 108 Loans:

14.248 - Community Development Block Grants_ Section 108 Loan Guarantees	7,193,181
Total Section 108 Loans	7,193,181

Housing Development Loans:

14. - Unknown	54,976,576
14.218 - Community Development Block Grants/Entitlement Grants	6,593,113
14.239 - HOME Investment Partnerships Program	50,935,655
14.241 - Housing Opportunities for Persons with AIDS	1,299,981
14.256 - ARRA - Neighborhood Stabilization Program	11,838,691
Total Housing Development Loans	125,644,016
Total Office of Economic Development Loans	157,468,758

Less Allowances:

Delinquent Loans	(10,497,456)
Forgivable Loans	(82,978,868)

Note Receivable, Net	\$ 63,992,434
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City and County of Denver
Notes to Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2019

(6) Revolving Loan Funds – Subject to Further Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grant Section 108 Loan Guarantees program (CFDA 14.248) which are subject to continuing compliance requirements until project completion and acceptance. There were no outstanding balances subject to continuing compliance at December 31, 2019. There were no new loans during 2019; therefore nothing has been included in the accompanying schedule of expenditures of federal awards. The City also has certain revolving loan funds, which were originally financed from the Department of Commerce, under CFDA 11.307, Economic Development Administration which are subject to continuing compliance requirements and included in the schedule of expenditures of federal awards. The outstanding loan balance at December 31, 2019 was \$116,066 and the cash and investment balance in the loan revolving fund was \$404,193. There were no expenditures in 2019 for administrative costs. There were no loan write-offs in 2019. There are no City match requirements.

(7) Indirect Costs

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except for the following CFDA's (14.218, 14.231, 14.267, 14.900, 16.738, 17.207, 17.258, 17.259, 17.268, 17.278, 17.285, 20.200, 20.600, 66.034, 66.605, 81.128, 93.069, 93.074, 93.243, 93.354, 93.439, 93.569, 93.914) which elected to use a rate agreed on through the grant agreement or interagency agreement

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

Independent Auditor's Report

Audit Committee
City and County of Denver
Denver, Colorado

We have audited in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the 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 City and County of Denver (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2020, which contained an emphasis of matters paragraph regarding a restatement to correct misstatements. Our report includes a reference to other auditors who audited the financial statements of Downtown Denver Business Improvement District, Cherry Creek North Business Improvement District No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, and Caring for Denver Foundation, and the Colfax Business Improvement District presented as discretely presented component units, the Denver 14th Street General Improvement District, Gateway Village General Improvement District, or RiNo GID, which are included as blended component units, and the Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan, a fiduciary fund of the City. We also did not audit the financial statements of the Wastewater Management Enterprise Fund, which is included in the business-type activities and as a major enterprise fund. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Downtown Denver Business Improvement District, Cherry Creek North Business Improvement District No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, Caring for Denver Foundation, and the Colfax Business Improvement District, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Downtown Denver Business Improvement District, Cherry Creek North Business Improvement District No. 1, Denver Preschool Program, Inc., Denver Convention Center Hotel Authority, RiNo BID, National Western Center Authority, Denver College Success Corporation, Caring for Denver Foundations, and the Colfax Business Improvement District. Additionally, the financial statements of the Denver 14th Street General Improvement District, Gateway Village General Improvement District, or RiNo GID, which are included as blended component units, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Denver 14th Street General Improvement District, Gateway Village General Improvement District, or RiNo GID.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002 and 2019-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-004 to be a significant deficiency.

Compliance and Other Matters

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

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Audit Committee
City and County of Denver

Purpose of this Report

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

BKD, LLP

Denver, Colorado
June 30, 2020

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report
on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Audit Committee
City and County of Denver
Denver, Colorado

Report on Compliance for Each Major Federal Program

We have audited the City and County of Denver's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Denver Urban Renewal Authority (DURA), a discretely presented component unit, which received \$1,510,842 in federal awards which are not included in the schedule for the year ended December 31, 2019. Our audit below did not include the operations of DURA because DURA obtained a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-005 and 2019-006. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

Audit Committee
City and County of Denver

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However we did identify certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2019-005 and 2019-006 that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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 the City as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2020, which contained an unmodified opinion on those financial statements and an emphasis of matter paragraph regarding a restatement to correct misstatements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Denver, Colorado
July 17, 2020

City and County of Denver
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

2. The independent auditor’s report on internal control over financial reporting disclosed:
Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes No

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

Federal Awards

4. The independent auditor’s report on internal control over compliance for major federal awards programs disclosed:
Significant deficiency(ies) identified? Yes None reported
Material weakness(es) identified? Yes No

5. The opinion expressed in the independent auditor’s report on compliance for major federal award programs was:
 Unmodified Qualified Adverse Disclaimer

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

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

7. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.561	SNAP Cluster
14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction Cluster
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.667	Social Services Block Grant
93.778	Medical Assistance Program

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

9. The City qualified as a low-risk auditee? Yes No

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Section II – Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding
2019-001	<p>Finding: Capital Assets – Traffic Signals</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the City should have controls in place to ensure that all capital assets are properly recorded. Accounting principles generally accepted in the United States of America (US GAAP) that address the proper recognition and accounting of capital assets include:</p> <ul style="list-style-type: none"> • Governmental Accounting Standards Board (GASB) Statement No. 34, <i>Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments</i> (GASB 34). • Governmental Accounting Standards Board (GASB) Statement No. 37, <i>Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments: Omnibus — an amendment of GASB Statements No. 21 and No. 34</i> (GASB 37). • Various implementation guidance issued by GASB. <p>Condition: Several issues were noted with the reconciliations, review and recording processes of infrastructure additions, specifically traffic signals recorded and reported by the Department of Transportation and Infrastructure (DOTI or the Department):</p> <ul style="list-style-type: none"> • In prior periods, the Department improperly capitalized 154 traffic signals that the City does not own. These signals are on State highways that pass through the City and County of Denver and while they are maintained by the Department, the signals are in fact owned by the Colorado Department of Transportation (CDOT)/the State. CDOT provides the CDOT-owned inventory of traffic signals to the Department every five years and the Department and CDOT have a maintenance agreement that lists each signal owned by CDOT. The total of the signals erroneously recorded by the Department had a net book value of \$21.6 million. • The Department historically has used a first-in first-out (FIFO) approach when disposing of traffic signals rather than removing the specific signal that was replaced. The Department has received audit recommendations in prior years that this practice may lead to material errors and as a result, the Department began utilizing a system called Cartograph to help track the signals which allowed the Department to identify the actual signals being disposed. While performing analysis and converting data to the Cartograph system it was discovered that 32 signals were previously rebuilt and added to the general ledger, but the original signal was not removed from the books. These signals had a net book value of \$4.4 million.

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
	<p>Effect: The conditions noted above resulted in a \$26.0 million error relating to the accounting and financial reporting of the traffic signals. As these errors were in prior periods, this resulted in a restatement of prior year capital assets and hence, beginning net position of the governmental activities for the year ended December 31, 2019.</p> <p>Cause: The Department was either unaware of the communication from CDOT identifying the proper ownership of the traffic signals on the State highways, or did not understand the implications of the communications on the City’s capital asset reporting. While the maintenance agreement with CDOT was known, it was never questioned as to who owned the signals. Therefore these signals were recorded in the system and included in the financial statements of the City. Furthermore, the Department was not consistently reconciling the financial data related to the traffic signals, including a separate Access Database, the Cartograph System, WorkDay, and where appropriate, the CDOT contract, to ensure all systems agreed as to the number of, location, and value of traffic signals.</p> <p>Recommendation: First, now that the significance of the CDOT-owned signal inventory is known, a system must be implemented to properly add or remove these traffic signals in the future. Controls must be put in place to reconcile the CDOT provided information to Cartograph and WorkDay and if applicable, any amendments to the maintenance agreement. Secondly, we recommend that the City examine the number of different systems and schedules being used to record and track the traffic signals and determine whether it is necessary to have multiple systems. If it is determined that multiple systems are necessary, we recommend those systems and listings be reconciled on a quarterly basis, unless the activity is limited enough to allow semi-annual or annual reconciliation. This includes a reconciliation between WorkDay and Cartograph. Finally, the Department should utilize a specific identification method to remove the exact signal from the books as the one that is physically removed from operations.</p> <p>Views of Responsible Officials: The City agrees with the finding. See separate report for planned corrective actions.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-002	<p>Finding: Capital Assets</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the City should have controls in place to ensure that all capital assets are complete, properly recorded and reported in the proper period. Accounting principles generally accepted in the United States of America (US GAAP) that address the proper recognition and accounting of capital assets include:</p> <ul style="list-style-type: none"> • Governmental Accounting Standards Board (GASB) Statement No. 34, <i>Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments</i> (GASB 34). • Governmental Accounting Standards Board (GASB) Statement No. 37, <i>Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments: Omnibus — an amendment of GASB Statements No. 21 and No. 34</i> (GASB 37). • Various implementation guidance issued by GASB. <p>Condition: Several issues were noted with the reconciliations, review and recording processes of capital assets including:</p> <ul style="list-style-type: none"> • During our testing of additions to work-in-process, we noted the City had capitalized additions related to buildings it would not own at the end of the construction period. An audit adjustment for \$71.1 million was proposed and the City recorded \$68.1 million and elected to pass on recording \$3.0 million. • During 2019, the City discovered that it had previously capitalized land that was also added as work-in-process during 2018, thereby duplicating the recognition of the asset. It was determined that the “land” account was overstated by \$45.5 million at the end of 2018, because of this error. • We identified seven work-in-process projects which had negative additions in the current year. After review, it was determined that an adjustment of \$43.8 million was required to correct these balances, which the City recorded. • The City identified projects that were still included in work-in-process at the end of fiscal year 2018, but had been completed and were placed into operation during fiscal year 2018. The net book value of these assets was \$13.6 million. • The City identified a capital lease that was entered into at the end of 2017. The capital lease liability was properly recorded but this was a unique transaction in that it involved a to-be constructed asset with funds being held in escrow. As a result, the asset was not recorded as work-in-process as it was being constructed. This issue was not discovered until fiscal year 2019 while the asset was physically placed in service in 2018. The total value of the capital lease asset at the time it was placed in operation was \$6.8 million.

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
	<ul style="list-style-type: none">• The City identified trucks that were put into service by the Denver Fire Department in prior years that were never registered in the City's capital asset register, therefore they were not properly recorded in the general ledger. The net book value of the fire trucks was \$4.8 million.• In the prior year, the City incorrectly capitalized costs relating to various projects. An audit adjustment for \$4.5 million was proposed and recorded by the City.
	<p>Effect: The conditions noted above resulted in a net restatement of \$21.9 million as a reduction to capital assets, which does not include the amount related to traffic signals noted in finding 2019-001, and total adjustments of \$114.9 million in the current year.</p>
	<p>Cause: Established internal controls were not effective in preventing or detecting and correcting clerical errors in the recording and recognition of capital assets in a timely manner. In addition, there was a lack of communication between the City, the project managers, and those creating construction contracts that would allow for the appropriate recording of capital assets. Finally, we observed that in some cases there appeared to be a lack of understanding of the WorkDay system and how capital assets are handled in the system.</p>
	<p>Recommendation: We recommend that the City reconcile the capital asset data within WorkDay on a quarterly basis and follow up on any projects with negative additions or no activity for the period. Training should also continue for all City personnel with responsibility over capital assets to ensure an understanding of the WorkDay system. We also recommend that communication be conducted with the project managers at least quarterly to ensure projects are properly transferred to a depreciable asset category once the project is complete and placed in operations.</p>
	<p>Views of Responsible Officials: The City agrees with the finding. See separate report for planned corrective actions.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-003	<p>Finding: Accounting for Grants</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the City should have controls in place to ensure the City’s grants are properly recorded, and payments received from grantors are either properly applied to outstanding receivables or recorded as unearned revenue (liability).</p> <p>Condition: Our substantive audit procedures involved detailed testing of grants receivable and unearned grants revenue. This testing identified the following errors:</p> <ul style="list-style-type: none"> • We reviewed seven grants administered by the Denver Department of Human Services, noting one grant had the incorrect beginning balance. We proposed an audit adjustment of approximately \$63 thousand and the City elected not to record this adjustment. • We reviewed three grants administered by the Department of Finance, noting two of the grants reported overstated grants receivable balances and the third reported an understated unearned grant revenue as of December 31, 2019. We proposed an audit adjustment of \$1.6 million. The City elected to record \$1.5 million and pass on recording \$100 thousand. • We reviewed nine grants administered by the Department of Housing and Stability. We noted that six grants had overstated unearned grant revenue balances as of year-end. We proposed a net audit entry of \$5.5 million. The City elected to record \$5.2 million and the City elected to pass on recording \$300 thousand. • We reviewed nine grants administered by the Department of Transportation and Infrastructure. We noted that one grant had an understated unearned grant revenue balance and one had an understated receivable balance as of December 31, 2019. We proposed an audit adjustment of \$400 thousand which the City elected to record. <p>Effect: The conditions noted above resulted in \$7.5 million of gross proposed audit adjustments of which management elected to record \$7.0 million and pass on recording the remaining balance.</p> <p>Cause: The Department’s administering grants have a lack of understanding of the WorkDay grant module and how to reconcile the information from the grant module to the trial balance. For the Department’s referenced above, reconciliations between the grant module and trial balance are only performed at year-end, if at all.</p> <p>Recommendation: We recommend that internal controls, including policies and procedures be reviewed and developed to help ensure compliance over grant accounting and compliance. In addition we recommend that all employees within the various departments receive a training over the WorkDay grant module. We recommend that a reconciliation between the grant module and trial balance be performed on a quarterly basis.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
	<p>Views of Responsible Officials: The City agrees with the finding. See separate report for planned corrective actions.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-004	<p>Finding: Police Retiree Health Fund Census Data and Participant Population</p> <p>Criteria or Specific Requirement: In accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, <i>Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions</i> (GASB 75), state and local governments are required to record an actuarially determined net other postemployment benefit (OPEB) liability on the face of the financial statements and make certain disclosures and include specific required supplemental information in the comprehensive annual financial report. In order to properly value and measured the liability, participant populations must be complete and accurate and contain required information pertaining to the participant date of birth, hire date, termination/retirement date and other such data (referred to as the census data). Controls must exist to maintain and update this data on a regular basis and to ensure the accuracy and completeness.</p> <p>Condition: In regard to the Police Retiree Health Fund (the Plan), the City had significant difficulty in providing complete and accurate information relating to the required census data for the plan participants. The Plan utilized two actuaries in fiscal year 2019, and no completeness check was performed over the census data provided to either actuary. The final information used by the actuary to complete the GASB 75 calculation was subsequent to the measurement data and the census data as of the measurement date (December 31, 2018) was largely unavailable, even from the Plan itself. Through lengthy discussions with the actuary and other procedures, we were able to determine that the liability was materially correct, but it took considerable time and effort to reach this conclusion.</p> <p>Effect: While the conditions noted above did not result in a proposed adjustment, incorrect or inaccurate populations and/or census data provided to an actuary may result in a misstatement in the net OPEB liability.</p> <p>Cause: There does not seem to be one responsible individual or even one department, within the City that has oversight over this plan. Given the nature of the Plan it seems that Public Safety would have access to the accurate population, but this did not seem to be the case. Overall, there appears to be a lack of understanding relating to the information needing to be provided to the actuary and who should be providing this information.</p> <p>Recommendation: We recommend that the City determine the proper population and census data relating to the Police Retiree Health Fund and take steps to ensure this data is properly maintained and updated as necessary. Responsible individuals should be identified within the City who will have oversight over this data and be able to readily provide this information for both the measurement and valuation dates.</p> <p>Views of Responsible Officials: The City agrees with the finding. See separate report for planned corrective actions.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Section III – Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
2019-005	<p>Finding: Eligibility and Reporting</p> <p>CFDA No. 93.558 – TANF Cluster Department of Health and Human Services, Award Number – None Provided, Award Year 2019 Passed-through Colorado Department of Human Services</p> <p>Criteria: Denver Department of Human Services (DDHS) is required to investigate and verify information on applications and redeterminations, as part of determining eligibility. DDHS is also required to process applications and redeterminations for benefits timely and ensure that benefits are only issued for periods of eligibility. Information obtained from clients should be input into Colorado Benefit Management System (CBMS) and agree to supporting documentation included in the case file for accurate reporting of information to the state for the processing of benefits.</p> <p>Condition: We noted the following issues in the 40 cases tested (some items in sample have multiple items listed). The dollar effect, if any, is listed after each item.</p> <ol style="list-style-type: none"> 1. Four instances in which participants were overpaid (\$4,496). 2. Two instances in which documentation could not be provided indicating that individuals with a drug-related felony had taken action toward rehabilitation, such as, but not limited to, participation in a drug treatment program (\$2,575). 3. Four instances in which there was no documentation that a Colorado Works Individualized Plan was completed or that the participant was in compliance with requirements of his or her Colorado Works Individualized Plan (\$2,523). 4. One instance in which documentation that Colorado Department of Labor and Employment or Unemployment Insurance Benefits interfaces were reviewed at the time of eligibility determination. (Applicability of questioned costs could not be determined). 5. One instance in which documentation could not be provided that children between the ages of 16-18 were attending school (applicability of questioned costs could not be determined). 6. Five instances in which there was inaccuracy of information between case file and CBMS (\$0). <p>Questioned Costs: Overpayments of \$9,583. Questioned costs were determined by reviewing the 2019 payments that occurred for the periods effected by the above issues.</p> <p>Context: We tested 40 individuals who received TANF assistance for the year ended December 31, 2019 and noted the issues described above. The tested population covered benefits issued of \$152,447. The total population included benefits issued of approximately \$13.5 million to approximately 5,500 individuals. A non-statistical sampling methodology was used to select the sample.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
	<p>Effect: The state’s CBMS system may be determining eligibility and allocating benefits based on incorrect, incomplete, or outdated data. Ultimately, by not having the appropriate controls in place regarding the above requirements, benefits could be provided to ineligible applicants, denied to eligible applicants, or benefits paid for an ineligible period or an incorrect amount.</p> <p>Cause: DDHS relies on internal employees and external contractors to monitor and track individual plans requirements and milestones. While the individual plan is maintained within CBMS, DDHS must maintain manual tracking logs for milestones and follow up requests as CBMS does not have that functionality. Finally, controls over eligibility and reporting could be strengthened to help ensure a standard operations procedure for all case workers and case management.</p> <p>Identification as a Repeat Finding: See 2018-005, 2017-005, 2016-005, 2015-004, 2015-005, 2014-007 and 2014-008.</p> <p>Recommendation: We recommend that DDHS continue to focus on improvement of the workforce portion of compliance. Until issues have been corrected additional monitoring may be required beyond those cases selected by CDHS along with additional staff training. We also recommend that the DDHS eligibility and workforce teams continue the use and monitoring of case reviews within WMS to help identify potential areas for additional training.</p> <p>Views of Responsible Officials: We agree with the finding. See separate report for planned corrective actions.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-006	<p>Finding: Special Tests and Provisions – Sanctions</p> <p>CFDA No. 93.558 – TANF Cluster Department of Health and Human Services, Award Number – None Provided, Award Year 2019 Passed-through Colorado Department of Human Services</p> <p>Criteria: Denver Department of Human Services (DDHS) is required to comply with Code of Colorado Regulations (CCR) section 3.608.4 regarding assessing noncompliance on cases. This CCR details that counties shall impose sanctions or closures for demonstrable evidence on all Colorado Works applicants or participants who fail to comply with the terms and conditions of his or her Colorado Works Individualized Plan (IP) without good cause. County departments must follow the state prescribed non-compliance process to include the conciliation process, sanctioning a participant, and closing a case for demonstrable evidence.</p> <p>Condition: We noted 10 instances out of the 60 cases reviewed in which DDHS did not properly assess noncompliance on case in accordance with CCR code 3.608.4.</p> <p>Questioned Costs: Overpayments of \$2,256. Questioned costs were determined by reviewing the 2019 payments that occurred for the periods effected by the above issues.</p> <p>Context: We tested 60 individuals who received TANF assistance for the year ended December 31, 2019 and noted the issue described above. The tested population covered benefits issued of \$152,447. The total population included benefits issued of approximately \$13.5 million to approximately 5,500 individuals. A non-statistical sampling methodology was used to select the sample.</p> <p>Effect: The state’s CBMS system may be allocating the incorrect amount of benefits based on incomplete data. Ultimately, by not having the appropriate controls in place regarding the above requirements, benefits could be paid for an ineligible period or an incorrect amount.</p> <p>Cause: Controls over sanctions were not sufficiently operating during the year primarily due to system limitations within the CBMS system which requires DDHS to maintain manual tracking logs for milestones and follow up requests. DDHS is still working to implement an adequate tracking mechanism to monitor individual plan requirements in order to determine when client sanctions should be enforced.</p> <p>Identification as a Repeat Finding: See 2018-005, 2017-005.</p> <p>Recommendation: We recommend that DDHS implement processes to assist with the identification and enforcement of sanctions. In addition, we recommend DDHS continue to provide staff training to help ensure standard operating procedures over all cases.</p>

City and County of Denver
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2019

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

City and County of Denver
Status of Prior Audit Findings
Year Ended December 31, 2019

Reference Number	Summary of Finding	Status
2018-005	TANF Cluster – Eligibility, Reporting and Special Tests and Provisions – Sanctions – We recommend that DDHS continue to focus on improvement of the workforce portion of compliance. Until issues have been corrected additional monitoring may be required beyond those cases selected by CDHS along with additional staff training. We also recommend that the DDHS eligibility and workforce teams continue the use and monitoring of case reviews within WMS to help identify potential areas for additional training. Finally, we recommend that DDHS implement processes to assist with the identification and enforcement of sanctions.	Partially implemented. See Finding 2019-005 and 2019-006. See auditee document for planned corrective action and summary schedule of prior year audit findings.
2018-006	HIV – Level of Effort – Maintenance of Effort – We recommend that the Department continue to develop policies and procedures to gather the necessary information to monitor and ensure compliance with maintenance of effort requirements and to help ensure that funding allocations are at a level equal to or greater than the expenditures for the preceding fiscal year. In situations where the funding level will be difficult to maintain we recommend requesting a waiver from the awarding agency.	Partially implemented. See auditee summary of prior audit findings for updated information.
2018-007	WIA – Subrecipient Monitoring – We recommend that the Department continue to work with CDLE and USDOL to determine the appropriate course of action for this subrecipient situation.	Implemented.

City and County of Denver
Corrective Action Plan and Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

Reference Number	Agency / Department / Federal Program	Corrective Action Plan Page Number	Single Audit Page Number
2019-001	City and County of Denver - Capital Assets - Traffic Signals	2	19
2019-002	City and County of Denver - Capital Assets	2	21
2019-003	City and County of Denver - Accounting for Grants	3	23
2019-004	City and County of Denver - Police Retiree Health Fund Census Data and Participation Population	3	25
2019-005	CFDA No. 93.558 – TANF Cluster	4	26
2019-006	CFDA No. 93.558 – TANF Cluster	4	28
	Summary Schedule of Prior Audit Findings	5	30

City and County of Denver
Corrective Action Plan
Year Ended December 31, 2019

Reference
Number

Finding and Corrective Action Plan

2019-001 Finding: Capital Assets - Traffic Signals

Status: Corrective action in progress.

Corrective Action: The City agrees with the finding. DOTI will work with the Controller's Office to upload City-owned traffic signal detail into Workday for better tracking inventory. DOTI will start conducting quarterly, three-way reconciliations between Workday, Cartegraph, and the CDOT contract that lists the State-owned, City-maintained signals. The Access database and manual tracking spreadsheet will be eliminated. Cartegraph will include a field to identify ownership of signals. As City-owned signals are added, removed, or rebuilt, the information will first be entered in Cartegraph and then the specific signals impacted will be updated accordingly in Workday. Depreciation will be calculated automatically in Workday rather than in manual spreadsheets.

Person(s) Responsible for Implementing: Peter Spanberger, Department of Transportation and Infrastructure

Implementation Date: December 31, 2020

2019-002 Finding: Capital Assets

Status: Corrective action in progress

Corrective Action: The City agrees with the finding. Several of the adjustments made in 2019 were as a result of increased Controller's staff training and some new Workday reports that were developed in the beginning of the year that allowed us to identify and question certain transactions. We were also able to reconcile Work in Progress on a monthly basis. Now that prior years have been examined and cleaned up, we believe that going forward these processes will serve to oversee and question anomalies or errors in the year that transactions occur so that they can be corrected timely.

While the Controller's Office does perform monitoring functions over capital assets, city agencies are individually responsible for ensuring that assets are accounted for properly, including making sure there is effective communication with project managers and other key personnel. We will continue to work with agencies to ensure that management is aware of the deficiencies identified. We have requested that formal policies and procedures be put in place at the agency level to help ensure that information reported is accurate and consistent. The Controller's Office will also provide training to agency personnel that will specifically address the items noted in the finding.

Person(s) Responsible for Implementing: Shanna Tohill and Jessica Chandler, Controller's Office

Implementation Date: December 31, 2020

City and County of Denver
Corrective Action Plan
Year Ended December 31, 2019

**Reference
Number**

Finding and Corrective Action Plan

2019-003 Finding: Accounting for Grants

Status: Corrective action in progress

Corrective Action Plan: The Controller's Office works closely with agencies throughout the year to help ensure that grant balances are accurate. It is necessary that agencies constantly monitor the grants they are responsible for, including reviewing trial balances for anomalies or other unusual activity. When irregular activity is identified, we work with the agencies to research and correct any errors. Agencies are individually responsible for following up on identified issues and making the related corrections. Agencies are required to certify at least annually that balances have been reviewed and reconciled. We will follow up more rigorously with all agencies that manage grants to ensure a reconciliation is performed at least quarterly between the Workday grant module and the trial balance. A grant training was provided to all grant personnel as part of the Controller's Office year-end training and that training will continue going forward.

Person(s) Responsible for Implementation: Shanna Tohill, Controller's Office

Implementation Date: December 31, 2020

2019-004 Finding: Police Retiree Health Fund Census Data and Participant Population

Status: Corrective action in progress.

Corrective Action Plan: The City agrees with the finding. The Controller's Office will work with the Department of Safety Human Resources to ensure that the population and census data is documented, maintained, and updated as necessary. Additionally, we will identify the responsible individuals within the City that are responsible for this data and ensure that it is readily available when requested.

Person(s) Responsible for Implementation: Shanna Tohill, Controller's Office

Implementation Date: December 31, 2020

City and County of Denver
Corrective Action Plan
Year Ended December 31, 2019

Reference Number	Finding and Corrective Action Plan
2019-005	<p>CFDA No. 93.558 – TANF Cluster</p> <p>Department of Health and Human Services, Award Number - None Provided, Award Year 2019 Passed-through Colorado Department of Human Services</p> <p>Finding: Eligibility, Reporting and Special Tests and Provisions –</p> <p>Sanctions Status: Corrective action in progress.</p> <p>Corrective Action: We agree with the finding. DDHS Eligibility will continue to use and monitor case reviews within WMS to help identify potential areas for additional training. The service delivery model for TANF Workforce case management services will continue to be based on evaluation of client need and will engage a variety of internal and external case management providers. All funded services require quality assurance processes to include case reviews that will be aimed at reducing the findings from this audit. DDHS is finalizing a pilot project that is anticipated to begin in April 2020 to conduct monthly case reviews on all DDHS workforce staff, in addition to the monthly mandatory sample identified and assigned by the Colorado Department of Human Services (CDHS). Finally, the state eligibility system, CBMS automated the initial assessment process in February of 2020. This automation includes the creation of a new Client Profile page that captures the federally required initial assessment data from the initial interview conducted by eligibility. Once the case is authorized, this data is finalized, and an automated case comment is generated for each applicable individual on the case. Steps taken in previous months have helped to improve results in this area and we are confident that planned improvement with these elements will continue to show positive results.</p> <p>Person(s) Responsible for Implementing: Camille Whisler, Denver Human Services</p> <p>Implementation Date: December 31, 2020</p>
2019-006	<p>CFDA No. 93.558 – TANF Cluster</p> <p>Department of Health and Human Services, Award Number - None Provided, Award Year 2019 Passed-through Colorado Department of Human Services</p> <p>Finding: Special Tests and Provisions – Sanctions</p> <p>Status: Corrective action in progress.</p> <p>Corrective Action: We agree with the finding. Denver Human Services (DHS) is finalizing a pilot project that is anticipated to begin in April 2020 to conduct monthly case reviews on all DHS workforce staff, in addition to the monthly mandatory sample identified and assigned by the Colorado Department of Human Services (CDHS). Steps taken in previous months have helped to improve results in this area and we are confident that planned improvement with these elements will continue to show positive results.</p> <p>Person(s) Responsible for Implementing: Camille Whisler, Denver Human Services</p> <p>Implementation Date: December 31, 2020</p>

City and County of Denver
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

**Reference
Number**

Summary of Finding

2018-001 **Finding:** *City and County of Denver - Capital Assets* – Several issues were noted around capital assets, including not recording certain donated assets, removing artwork that should not have been recorded, expensing items that should have been capitalized, and not putting assets into service timely. The City should reconcile the capital assets quarterly and follow up on projects with negative additions or no activity. Training should also continue for Controller’s staff with responsibility over capital assets, including cross-training on Workday functions.

Status: Corrective action in progress. See current year finding at 2019-001 and 2019-002. The Controller’s Office is now reconciling CIP monthly and has been using a Workday report to identify anomalies and errors, which is how some of the current year adjustments were identified. In addition, training was provided late in 2019 to those responsible for capital project accounting. The Controller’s Office also worked one-on-one with some agencies on understanding transactions and getting assets into Workday properly. As noted in this year’s finding, the Controller’s Office will continue to work with agencies on training regarding both Workday processes and accounting concepts

2018-002 **Finding:** *City and County of Denver - Grant Accounting* – Due to the way the Department of Transportation and Infrastructure (DOTI) was recording grant transactions, there were several variances between the Grant Rollforward and Trial Balance reports, causing significant challenges in the audit. In addition, 10 or 12 grants examined had errors which results in an audit adjustment of \$4.2 million. Grant reimbursements received were also incorrectly recorded and grant receivables were overstated, resulting in additional audit adjustments.

Status: Corrective action in progress. See current year finding at 2019-003. DOTI now tracks all of its grants within Workday’s grant module. DOTI uses separate spreadsheets for certain grant activity to help ensure the data in Workday is correct. Most incorrect grant worktags were corrected in 2019, but a few were not, which resulted in some variances on the rollforward and adjusting entries to A/R totaling \$574,175.

2018-003 **Finding:** *City and County of Denver - Special Revenue Fund Reporting* -The Affordability Fund was reported within the Denver Human Services special revenue fund , however it was determined that the fund did not meet the GASB 54 status of a special revenue fund. The City should implement a process to review all new funds for purposes of classifying the presentation of the fund.

Status: Corrective action in progress. The City has implemented a review process for new funds being added to review proper classification per GASB 54. There were no new funds in 2019 that were misclassified. However, as noted in the 2019 audit, it was found that existing funds had been misclassified since the implementation of GASB 54 and those were corrected in 2019. The Controller’s Office will review all transfers in to special revenue funds on an annual basis to detect classification issues.

2018-004 **Finding:** *Denver International Airport - Accounts Receivable* - There were multiple instances within the aging, where older customer payments were not applied, or were only partially applied to outstanding invoices, creating difficulty in identifying advances.

Status: Corrective action complete.

City and County of Denver
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

**Reference
Number**

Summary of Finding

2019-005 **Finding:** *TANF Cluster - Eligibility, Reporting, and Special Tests and Provisions* - Denver Department of
2018-005 Human Services (DDHS) is required to investigate and verify information on applications and
2017-005 redeterminations, as part of determining eligibility. DDHS is also required to process applications and
2016-005 redeterminations for benefits timely and ensure that benefits are only issued for periods of eligibility.
2015-004 Information obtained from clients should be input into Colorado Benefit Management System (CBMS) and
2014-007 agree to supporting documentation included in the case file for accurate reporting of information to the state
2014-008 for the processing of benefits. In addition, DDHS is required to comply with Code of Colorado Regulations
2013-004 (CCR) section 3.608.4 regarding assessing noncompliance on cases.
2013-005

Status: Corrective action in progress. See current year finding at 2019-005. DDHS Eligibility will continue to use and monitor case reviews within WMS to help identify potential areas for additional training. The service delivery model for TANF Workforce case management services will continue to be based on evaluation of client need and will engage a variety of internal and external case management providers. All funded services require quality assurance processes to include case reviews that will be aimed at reducing the findings from this audit. DDHS is finalizing a pilot project that is anticipated to begin in April 2020 to conduct monthly case reviews on all DDHS workforce staff, in addition to the monthly mandatory sample identified and assigned by the Colorado Department of Human Services (CDHS). Finally, the state eligibility system, CBMS automated the initial assessment process in February of 2020. This automation includes the creation of a new Client Profile page that captures the federally required initial assessment data from the initial interview conducted by eligibility. Once the case is authorized, this data is finalized, and an automated case comment is generated for each applicable individual on the case. Steps taken in previous months have helped to improve results in this area and we are confident that planned improvement with these elements will continue to show positive results.

2018-006 **CFDA No. 93.914 - HIV Emergency Relief Project Grants**
Department of Health and Human Services, Award Number - 2 H89HA00027-25-00, Award Year 2018
Department of Health and Human Services, Award Number - 2 H89HA00027-24-00, Award Year 2017

Finding: *Level of Effort - Maintenance of Effort* - The City is reliant upon Denver Health and Hospital Authority and other municipalities within the Transitional Grant Area (TGA) for compliance with this requirement. It was not possible to determine if the funding level of expenditures for HIV-related services to individuals with HIV disease were at a level equal to its level of such expenditures for the preceding fiscal year. Formal policies and procedures for determining and monitoring the required level of effort were not in place

Status: Corrective action in progress. CDPHE has drafted a procedure that includes sending out a request letter to the surrounding local health departments asking them about all non-federal funding sources for Ryan White eligible services, specifically for individuals living with HIV in the Denver TGA. This letter went to Jefferson County Public Health, Tri-County Public Health and Broomfield County Public Health. The letter was intended to clarify these funding sources and would be sent out annually so that the information could be included in the annual HRSA application.

City and County of Denver
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

**Reference
Number**

Summary of Finding

2018-007

CFDA No. 17.259 WIA/WIOA Youth Activities
Department of Labor, Award Number - DE18-101, Award Year 2018
Department of Labor, Award Number - DE17-02, Award Year 2017
Department of Labor, Award Number - DE16-01, Award Year 2016
Passed-through Colorado Department of Labor and Employment (CDLE)

Finding: *Subrecipient Monitoring* - Denver Workforce Development (the Department) has a concern of unallowable labor expenses with one of their subrecipients. The Department is currently working with the CDLE and the U.S. Department of Labor (USDOL) to resolve.

Status: Corrective action complete. Denver Economic Development and Opportunity (DED0) has worked with Denver Public Schools (subrecipient) and Colorado Department of Labor (CDLE) to enact changes to the personnel time and attendance reporting methodologies, including direct time sheet reporting, that are acceptable to the state and federal guidelines going forward.