

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statutes.

Issuer Name: **Denver City Independent School District**

Issue(s):

\$ **50,145,000 Unlimited Tax School Building Bonds, Series 2016A**

\$ **12,195,000 Unlimited Tax Refunding Bonds, Series 2020**

Filing Format electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe) _____

Fiscal Period Covered: FYE 2020

Monthly Quarterly Annual Other: _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/

Name: Lachrisa Rains Title: CFO

Employer: Denver City Independent School District

Telephone Number: 806-592-5915

Email Address: lachrisa.rains@dcisd.org

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

Unlimited Tax School Building Bonds, Series 2016A

Date	Principal	CUSIP
02/15/22	\$ 950,000	249145DA8
02/15/23	985,000	249145DB6
02/15/24	1,030,000	249145DC4
02/15/25	1,085,000	249145DD2
02/15/26	1,135,000	249145DE0
02/15/27	1,190,000	249145DF7
02/15/28	1,240,000	249145DG5
02/15/29	1,290,000	249145DH3
02/15/30	1,345,000	249145DJ9
02/15/31	1,400,000	249145DK6
02/15/32	1,455,000	249145DL4
02/15/33	1,520,000	249145DM2
02/15/34	3,120,000	249145DN0
02/15/35	3,275,000	249145DP5
02/15/36	3,445,000	249145DQ3
02/15/37	3,620,000	249145DR1
02/15/38	3,810,000	249145DS9
02/15/39	4,005,000	249145DT7
02/15/40	4,210,000	249145DU4
02/15/41	4,425,000	249145DV2
02/15/42	4,605,000	249145DW0
	<u>\$ 49,140,000</u>	

Unlimited Tax Refunding Bonds, Series 2020

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/22	\$ 715,000	249145ER0
02/15/23	745,000	249145ES8
02/15/24	785,000	249145ET6
02/15/25	825,000	249145EU3
02/15/26	870,000	249145EV1
02/15/27	915,000	249145EW9
02/15/28	960,000	249145EX7
02/15/29	1,015,000	249145EY5
02/15/30	1,065,000	249145EZ2
02/15/31	1,115,000	249145FA6
02/15/32	1,155,000	249145FB4
02/15/33	1,205,000	249145FC2
	<u>\$ 11,370,000</u>	

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED AUGUST 31, 2020

DENVER CITY INDEPENDENT SCHOOL DISTRICT

GENERAL OBLIGATION



FINANCIAL STATEMENTS

The audited financial statements for the District for the fiscal year ended August 31, 2020 are being filed directly with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA"), and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

Denver City Independent School District

/s/

Lachrisa Rains

CFO

Approved for Submission:

02/24/2021

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Denver City Independent School District with respect to the issues listed on the report cover was submitted directly to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") listed below.

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Ellen Payne

2020/21 CONTINUING DISCLOSURE DENVER CITY INDEPENDENT SCHOOL DISTRICT

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2020/21 Market Valuation Established by the Yoakum County Appraisal District (excluding totally exempt property)		\$1,346,756,545
Less Exemptions/Reductions at 100% Market Value:		
Homestead Exemptions	41,112,567	
Pollution Control Exemption	35,338,305	
Disabled Veterans Exemption	638,051	
Productivity Loss	34,924,835	
Freeze Value Loss	12,213,953	
Homestead Exemptions (Option Over 65 Or Disabled)	7,274,563	
Capped Value Loss	1,495,453	<u>\$ 132,997,727</u>
2020/21 Taxable Assessed Valuation		<u>\$1,213,758,818</u>
Debt Payable from Ad Valorem Taxes (as of 12/31/20)		
Unlimited Tax Bonds		<u>\$ 62,260,000</u>
General Obligation Interest and Sinking Fund (as of 12/31/20)		\$ 820,552
Ratio Tax Supported Debt to 2020/21 Taxable Assessed Valuation		5.13%

2021 Estimated Population - 7,065
Per Capita Taxable Assessed Valuation - \$171,799
Per Capita Debt Payable - \$8,812

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended August 31,					
	2021		2020		2019	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 131,570,485	9.77%	\$ 131,645,961	8.13%	\$ 129,125,250	8.84%
Real, Residential, Multi-Family	1,649,508	0.12%	1,725,297	0.11%	1,690,527	0.12%
Real, Vacant Lots/Tracts	1,339,843	0.10%	1,310,416	0.08%	1,319,016	0.09%
Real, Acreage (Land Only)	46,897,789	3.48%	47,249,733	2.92%	46,918,997	3.21%
Real, Farm and Ranch Improvements	21,978,719	1.63%	20,439,995	1.26%	20,382,049	1.40%
Real, Commercial	29,569,259	2.20%	30,133,985	1.86%	28,734,290	1.97%
Real, Industrial	130,575,300	9.70%	133,803,040	8.27%	133,803,040	9.16%
Real, Oil, Gas & Minerals Reserves	778,469,110	57.80%	1,043,973,355	64.49%	896,827,789	61.38%
Real & Tangible Personal, Utilities	72,909,176	5.41%	60,682,296	3.75%	52,419,066	3.59%
Tangible Personal, Commercial	12,672,326	0.94%	12,146,266	0.75%	11,356,054	0.78%
Tangible Personal, Industrial	114,029,088	8.47%	130,587,808	8.07%	133,301,510	9.12%
Tangible Personal, Mobile Homes	4,491,699	0.33%	4,411,959	0.27%	4,357,773	0.30%
Special Inventory	604,243	0.04%	713,555	0.04%	777,080	0.05%
Total Appraised Value Before Exemptions	\$ 1,346,756,545	100.00%	\$ 1,618,823,666	100.00%	\$ 1,461,012,441	100.00%
Adjustment ⁽¹⁾	-		-		6,822,255	
Less: Total Exemptions/Reductions	<u>(132,997,727)</u>		<u>(127,429,180)</u>		<u>(123,724,241)</u>	
Taxable Assessed Value	<u>\$ 1,213,758,818</u>		<u>\$ 1,499,987,832</u>		<u>\$ 1,344,110,455</u>	

Category	Taxable Appraised Value for Fiscal Year Ended August 31,			
	2018		2017	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 127,740,394	8.74%	\$ 126,534,277	9.29%
Real, Residential, Multi-Family	1,714,102	0.12%	1,677,876	0.12%
Real, Vacant Lots/Tracts	1,288,245	0.09%	1,349,689	0.10%
Real, Acreage (Land Only)	46,865,031	3.21%	47,316,066	3.47%
Real, Farm and Ranch Improvements	20,528,546	1.40%	19,292,956	1.42%
Real, Commercial	25,341,013	1.73%	25,286,182	1.86%
Real, Industrial	139,272,745	9.53%	146,543,359	10.76%
Real, Oil, Gas & Minerals	907,881,959	62.09%	782,531,179	57.45%
Real & Tangible Personal, Utilities	43,667,486	2.99%	44,357,746	3.26%
Tangible Personal, Commercial	8,859,200	0.61%	9,882,129	0.73%
Tangible Personal, Industrial	133,924,650	9.16%	152,592,210	11.20%
Tangible Personal, Mobile Homes	4,263,938	0.29%	4,025,685	0.30%
Special Inventory	760,113	0.05%	817,465	0.06%
Total Appraised Value Before Exemptions	\$ 1,462,107,422	100.00%	\$ 1,362,206,819	100.00%
Adjustment ⁽¹⁾	9,096,667		5,533,607	
Less: Total Exemptions/Reductions	<u>(124,980,998)</u>		<u>(129,009,476)</u>	
Taxable Assessed Value	<u>\$ 1,346,223,091</u>		<u>\$ 1,238,730,950</u>	

(1) The difference between the initial certified net taxable assessed value and the final net taxable assessed value, as reported in the District's comprehensive annual financial reports.

NOTE: Valuations shown are certified taxable assessed values reported by the Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Net taxable assessed values, with the exception of FYE 2021, are as reported in the District's comprehensive annual financial report. NOTE: A large portion of the District's assessed valuation consists of oil and natural gas mineral interests. Because drilling activity is dependent upon the prices of volatile commodities, the District's tax base may grow or constrict in any particular year as a result of fluctuations in mineral values, as evidenced by the fluctuation over the last four years. As a result, the District's taxable assessed valuation and, therefore, the tax rates required to pay debt service on the District's bonds, may be subject

to volatility in future years. Any adverse change in the prices of oil and gas would have an adverse effect on the District's taxable assessed valuation and, consequently, on the District's ad valorem tax revenues (see "Table 5 – Ten largest Taxpayers").

TABLE 3 - VALUATION AND TAX SUPPORTED DEBT HISTORY

Fiscal Year Ended 8/31	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽⁴⁾⁽⁵⁾	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at Fiscal Year End	Ratio of Tax Debt to Taxable Assessed Valuation	Tax Debt Per Capita
2017	7,493	\$ 1,238,730,950	\$ 165,318	\$ 71,830,000	5.80%	\$ 9,586
2018	7,282	1,346,223,091	184,870	69,005,000	5.13%	9,476
2019	7,290	1,344,110,455	184,377	66,120,000	4.92%	9,070
2020	7,065	1,499,987,832	212,313	62,260,000	4.15%	8,812
2021	7,349	1,213,758,818	165,160	60,510,000 ⁽³⁾	4.99% ⁽³⁾	8,234 ⁽³⁾

(1) Source: Municipal Advisory Council.

(2) Projected.

(3) Valuations shown are certified taxable assessed values reported by the Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records. Net taxable assessed values, with the exception of FYE 2020, are as reported in the District's comprehensive annual financial report.

(4) See "Table 5 – Ten Largest Taxpayers" herein for a description of taxable assessed valuation in a volatile oil and gas market.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 8/31	Tax Rate	Local Maintenance	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2017	\$ 1.25330	\$ 1.04000	\$0.21330	\$ 15,525,015	99.03%	99.51%
2018	1.25330	1.04000	0.21330	16,872,214	99.36%	100.60%
2019	1.32000	1.04000	0.28000	17,742,258	99.49%	99.98%
2020	1.28200	0.97000	0.31200	19,229,844	99.36%	99.69%
2021	1.35000	0.96640	0.38360	17,843,100 ⁽¹⁾	100.44% ⁽²⁾	100.82% ⁽²⁾

(1) Calculated.

(2) Collections as of December 31, 2020.

TABLE 5 - TEN LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2020/21 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Occidental Permian Limited	Oil/Gas	\$ 436,345,780	35.95%
Golden Spread Electric COOP	Electric Utility	87,218,060	7.19%
Occidental Permian LTD	Oil/Gas	47,042,930	3.88%
Devon Energy Production CO LP	Oil/Gas	41,090,180	3.39%
Southwestern Public Service Co	Oil/Gas	38,121,620	3.14%
Apache Corporation	Oil/Gas	22,196,270	1.83%
Occidental Permian Limited	Oil/Gas	9,358,470	0.77%
XTO Energy Inc.	Oil/Gas	8,513,460	0.70%
Riverhill Energy Corporation	Oil/Gas	8,472,360	0.70%
Walsh Petroleum Inc.	Oil/Gas	8,434,100	0.69%
		<u>\$ 706,793,230</u>	<u>58.23%</u>

ECONOMIC CONCENTRATION NOTE: As reflected in the above table, nine of the top ten taxpayers (accounting for almost 58.23% of the appraised value in the District) are oil and gas industry participants. Fluctuations in the price of oil and gas affect the market value of such properties and can result in changes in the taxable value of such properties, resulting in less local tax revenue. Adverse developments in economic conditions, especially in the oil and gas industry could adversely impact the businesses that own such properties and the tax values in the District. If any major taxpayer (or a combination of taxpayers) were to default in the payment of taxes, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax lien (which, in the event of bankruptcy, certain laws preclude until the automatic stay is lifted). Such process is time-consuming and can only occur annually; in the alternative, the District may sell tax anticipation notes until such amounts could be collected, if ever.

TABLE 7 - TAX ADEQUACY

Principal and Interest Requirements, 2021.....	\$ 4,421,558
\$.3667 Tax Rate at 99% Collection Produces	\$ 4,422,616
Average Annual Principal and Interest Requirements, 2021-2042.....	\$ 4,528,010
\$.3755 Tax Rate at 99% Collection Produces	\$ 4,528,749
Maximum Annual Principal and Interest Requirements, 2034.....	\$ 4,687,163
\$.3887 Tax Rate at 99% Collection Produces	\$ 4,687,949

TABLE 8 - DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Debt (Unlimited)			% of Principal Retired
	Principal	Interest	Total	
2021	\$ 1,750,000	\$ 2,671,558	\$ 4,421,558	
2022	1,665,000	2,756,313	4,421,313	
2023	1,730,000	2,689,263	4,419,263	
2024	1,815,000	2,600,638	4,415,638	
2025	1,910,000	2,507,513	4,417,513	14.25%
2026	2,005,000	2,409,638	4,414,638	
2027	2,105,000	2,312,838	4,417,838	
2028	2,200,000	2,217,363	4,417,363	
2029	2,305,000	2,117,388	4,422,388	
2030	2,410,000	2,012,688	4,422,688	31.95%
2031	2,515,000	1,908,863	4,423,863	
2032	2,610,000	1,806,363	4,416,363	
2033	2,725,000	1,699,663	4,424,663	
2034	3,120,000	1,567,163	4,687,163	
2035	3,275,000	1,407,288	4,682,288	54.83%
2036	3,445,000	1,239,288	4,684,288	
2037	3,620,000	1,062,663	4,682,663	
2038	3,810,000	876,913	4,686,913	
2039	4,005,000	681,538	4,686,538	
2040	4,210,000	476,163	4,686,163	85.50%
2041	4,425,000	260,288	4,685,288	
2042	4,605,000	74,831	4,679,831	100.00%
	<u>\$62,260,000</u>	<u>\$ 37,356,214</u>	<u>\$ 99,616,214</u>	

TABLE 9 – INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 8/31/21		\$ 4,421,558
Interest and Sinking Fund Balance, Fiscal Year Ending 8/31/20	\$ 632,740	
Budgeted Interest and Sinking Fund Levy, Fiscal Year Ending 8/31/21	4,608,775	
Budgeted Investment Income and Delinquent Collections	<u>25,000</u>	<u>\$ 5,266,515</u>
Estimated Fund Balance, Fiscal Year Ending 8/31/21		<u>\$ 844,957</u>

TABLE 10 - AUTHORIZED BUT UNISSUED UNLIMITED TAX BONDS

As of December 31, 2020, the District does not have any Authorized but Unissued Debt.

TABLE 11 - OTHER OBLIGATIONS

As of August 31, 2020, the District does not have any lease purchase agreements outstanding.

TABLE 12 - CHANGE IN NET ASSETS

	Fiscal Years Ended August 31,				
	2020	2019	2018	2017	2016
<u>Program Revenues:</u>					
Charges for Services	\$ 187,120	\$ 262,765	\$ 246,020	\$ 706,665	\$ 1,032,743
<u>General Revenues</u>					
Operating Grants & Contributions	3,484,927	2,869,134	(1,195,654)	3,392,234	3,334,962
Property Taxes	14,568,178	14,026,688	14,060,578	13,004,075	20,692,998
Grants and Contributions (Not Restricted)	4,681,254	3,770,223	2,005,157	8,947,337	7,140,293
Investment Earnings	3,015,490	2,245,235	554,543	425,728	156,947
Other	385,212	772,250	420,261	6,273	244,030
Debt Service Taxes	13,267	192,145	2,880,450	2,665,566	4,240,350
Total Revenues:	<u>\$26,335,448</u>	<u>\$24,138,440</u>	<u>\$18,971,355</u>	<u>\$29,147,878</u>	<u>\$36,842,323</u>
<u>Expenses:</u>					
Instruction and Instructional-Related Services	\$13,227,444	\$11,818,613	\$ 7,973,928	\$12,669,571	\$12,604,832
Instructional and School Leadership	1,799,584	1,517,448	1,131,722	1,864,632	1,719,338
Support Services - Student (Pupil)	1,878,317	1,536,444	1,008,363	2,137,309	2,166,056
Food Services	1,161,700	1,170,736	1,191,454	1,307,253	1,334,293
Cocurricular/Extracurricular Activities	1,333,849	1,354,379	1,088,504	1,384,412	1,469,393
General Administration	996,781	1,019,938	799,722	940,679	873,603
Plant Maintenance and Operations	3,054,677	2,933,678	2,396,774	2,929,532	2,870,068
Data Processing Services	404,749	399,015	360,534	449,552	326,966
Community Services	123,269	31,788	22,931	28,956	33,008
Bond Issuance Costs and Fees	1,300	1,550	1,550	1,550	317,147
Other Activities	3,370,061	3,340,023	2,510,923	7,189,604	13,556,081
Total Expenditures:	<u>\$27,351,731</u>	<u>\$25,123,612</u>	<u>\$18,486,405</u>	<u>\$30,903,050</u>	<u>\$37,270,785</u>
Excess (Deficiency) Before Other Resources, Uses and Transfers:	\$ (1,016,283)	\$ (985,172)	\$ 484,950	\$ (1,755,172)	\$ (428,462)
Special Items - Prior Period Adjustments			(11,265,423) ⁽¹⁾	1,880,022	-
Beginning Net Assets	<u>68,465,183</u>	<u>69,450,355</u>	<u>80,230,828</u>	<u>80,105,978</u>	<u>80,534,440</u>
Ending Net Assets	<u>\$67,448,900</u>	<u>\$68,465,183</u>	<u>\$69,450,355</u>	<u>\$80,230,828</u>	<u>\$80,105,978</u>

- (1) During the year, the District implemented Governmental Accounting Standards Board Statement No. 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (“GASB-75”). The primary objective of GASB-75 is to improve the accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits, or OPEB).

TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Years Ended August 31,				
	2020	2019	2018	2017	2016
Revenues:					
Local and Intermediate Sources	\$ 15,072,944	\$14,947,457	\$14,847,021	\$13,307,720	\$21,147,684
State Program Revenues	3,613,551	2,662,213	2,543,284	9,685,343	7,932,352
Federal Program Revenues	244,330	300,775	297,041	-	-
Total Revenues	\$ 18,930,825	\$17,910,445	\$17,687,346	\$22,993,063	\$29,080,036
Expenditures:					
Instruction	\$ 9,568,807	\$ 9,417,492	\$ 9,817,339	\$ 9,684,874	\$ 9,821,316
Instructional Resources and Media Services	206,097	196,290	195,011	221,362	224,309
Curriculum and Instructional Staff Development	125,048	177,595	311,117	165,242	117,322
School Leadership	1,252,701	1,067,139	1,156,376	1,295,156	1,171,616
Guidance, Counseling and Evaluation Services	593,705	579,286	581,527	556,347	533,688
Social Work Services	-	-	50	-	-
Health Services	198,216	152,466	158,539	162,300	207,281
Food Services	464	643	532	-	-
Student (Pupil) Transportation	699,318	540,889	905,109	485,895	529,372
Cocurricular/Extracurricular Activities	1,098,325	1,188,391	1,181,509	1,236,938	1,323,459
General Administration	810,285	885,823	890,022	837,149	793,437
Plant Maintenance and Operations	2,642,842	2,763,492	2,544,148	2,910,947	2,481,165
Security and Monitoring Services	107,540	301,508	37,033	81,820	108,107
Data Processing Services	461,483	383,817	459,721	447,860	326,262
Community Services	229	29,966	32,319	28,784	32,938
Capital Outlay	1,168,039	-	-	-	-
Contracted Instructional Services Between Public Schools	966,872	884,908	-	-	-
Payments to Shared Service Arrangements	-	-	-	4,623,217	12,500,907
Total Expenditures:	\$ 19,899,971	\$18,569,705	\$18,270,352	\$22,737,891	\$30,171,179
Excess (Deficiency) of Revenues Over Expenditures:	\$ (969,146)	\$ (659,260)	\$ (583,006)	\$ 255,172	\$ (1,091,143)
Other Resources and (Uses):	(216,212)	4,431,491	(290,535)	(327,493)	\$ -
Excess (Deficiency) of Revenues and Other Resources Over Expenditures and Other Uses:	\$ (1,185,358)	\$ 3,772,231	\$ (873,541)	\$ (72,321)	\$ (1,091,143)
Beginning Fund Balance	\$ 46,263,791	\$42,491,560	\$43,365,101	\$41,557,400 ⁽¹⁾	\$43,062,528
Adjustments/Reclassification to Fund Balance:	-	-	-	1,880,022	-
Ending Fund Balance on August 31	\$ 45,078,433	\$46,263,791	\$42,491,560	\$43,365,101	\$41,971,385

(1) Restated.

TABLE 13 - CURRENT INVESTMENTS

As of December 31, 2020, funds were invested as follows:

<u>Description of Investment</u>	<u>Percent</u>	<u>Market Value</u>
Lone Star Investment Pool	100.00%	\$ 43,054,335
TOTAL	100.00%	\$ 43,054,335